WELSPUN CORP
PIPES AND PLATES

WCL/SEC/2017 September 25, 2017

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 22nd Annual General Meeting of the Company held on Wednesday, September 20, 2017 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

Pradeep Joshi
Company Secretary
FCS - 4959

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Corporate Identity Number: L27100GJ1995PLC025609

WELSPUN CORP
PIPES AND PLATES

Prepared for tomorrow



2016-2017
ANNUAL REPORT
WELSPUN CORP LIMITED

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 materialize, 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.

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

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CONSOLIDATED

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Prepared for Tomorrow

Posting positive numbers when the business environment is robust is a given. However, it is very important to remain nimble as dynamic business challenges sprout.

Staying resilient when the tide is turning against you is an important strength of a successful enterprise. In the last fiscal, this is exactly what we at Welspun Corp Limited (WCL) achieved. We focus our energies on strengthening our capabilities and a robust balance sheet for future growth.

Armed with Welspun 2.O we are 'Ready' to capture opportunities posed by the changing business environments. Over the last year, we focused on our core values: Customer Centricity, Collaboration, Technology and Inclusive Growth and built a stronger business for the benefit of all our stakeholders. Going forward we aim to strengthen our promise to deliver improved financial performance and greater value for our stakeholders through innovation and sustainable ways of doing business.



Engineering Excellence

Headquartered in Mumbai, Welspun Corp Ltd. (WCL) is the flagship company of Welspun Group. As a leading welded line pipe manufacturing Company, it provides a wide array of offerings in line pipes with a capacity to manufacture Longitudinal (LSAW), Spiral (HSAW) and HFERW / HFI (ERW) pipes.

Additionally, it offers coating, bending and double jointing facilities, thereby giving a 360-degree pipe solution to its customers.

WCL takes pride in its strong culture of 'Engineering Excellence'. Over the years it has built long standing relationship with the global companies like Chevron, Enterprise, ExxonMobil, GAIL, Hunt Oil, Kinder Morgan, PTTEP, Qatar Petroleum, Reliance, Saudi Aramco, Shell, Statoil, TOTAL and TransCanada to name a few. As a preferred supplier of Line Pipes, the Company is known for project execution in the most challenging terrains and in record turnaround time. Welspun Corp's core manufacturing facilities are based in India, USA and Saudi Arabia.

Vision

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



Core Strengths

- Global reach
- Strong brand equity
- Technical capability
- Strong balance sheet
- Diversified product portfolio
- Experienced Management Team

Manufacturing Capacity

(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 line pipe capacity	1,050	400	150	300	525	2,425
Plate & Coil	1,500					1,500

Longitudinal Submerged Arc Welded (LSAW), Helical Submerged Arc Welded (HSAW), High Frequency Induction Welding (HFIW), Electric Resistance Welded (ERW)



Revenue

₹ **60,355** Mn

Operating EBITDA

₹ **5,379** Mn

Mission

- We endeavour to achieve a leadership position in each Segment/Sector of our Products/Services.
- We are committed to satisfying our customers by providing quality Products and Services, which give the highest value for money.
- We believe that employees are our most important asset through which we can reach the top in each category of our products and services.
- Therefore, we emphasise on their all-round development through organised training and workshops.
- We commit ourselves to continuous growth so as to fulfill the aspirations of our Customers, Employees and Shareholders.
- We endeavor to reach the leadership position in each segment/sector of Steel Pipes, Casing, Tubing and Hot Pulled Induction bends with or without Anti - Corrosion Coating.

Our Products



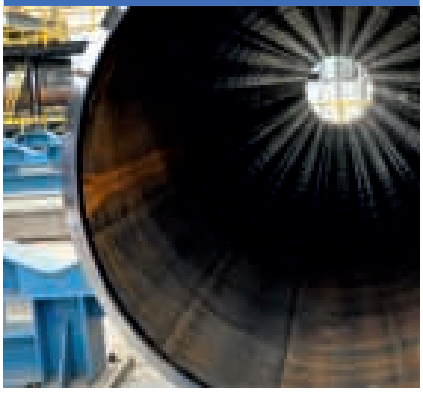
HSAW Pipes

Helically welded pipes made from HR coils; used for onshore oil, gas and water transmission 24–140 inch diameter, moderate wall thickness



LSAW

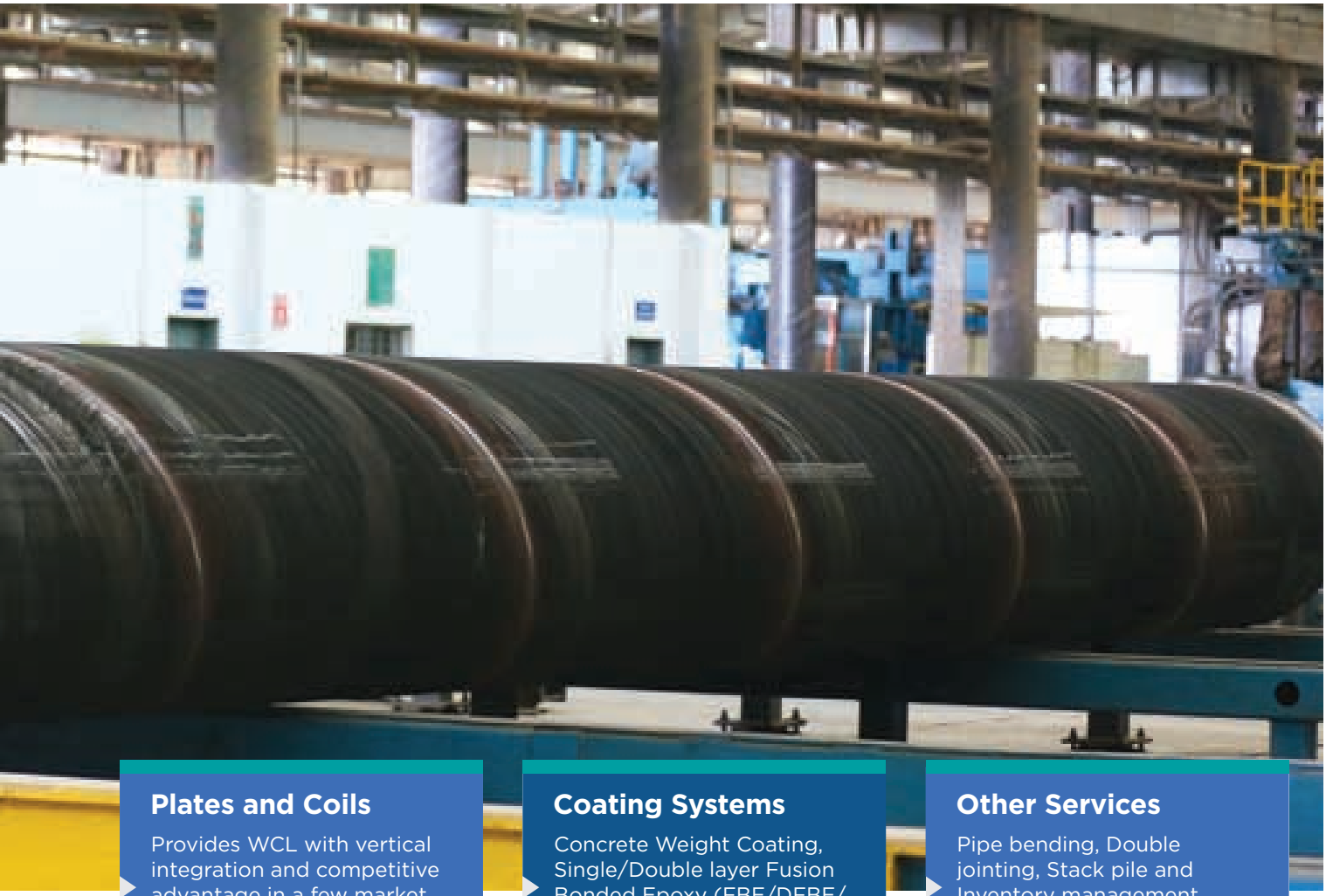
Longitudinally welded pipes made from HR plates; used for onshore/offshore oil and gas transmission 16–60 inch diameter, high wall thickness



ERW / HFIW

High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas and water 1.5–20 inch diameter, low/moderate wall thickness





Plates and Coils

Provides WCL with vertical integration and 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 and Inventory management



Journey of Growth

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 - 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'.





2017

- Started production at Concrete Weight Coating plant at Anjar.

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

2015

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

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.

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.

2012

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

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'.

Diversified Global Presence

Our corporate office is located in Mumbai, India. Our manufacturing facilities present globally are mainly driven by process automation that enables precision and greater quality. The type of products and the locations of our operations are represented below :

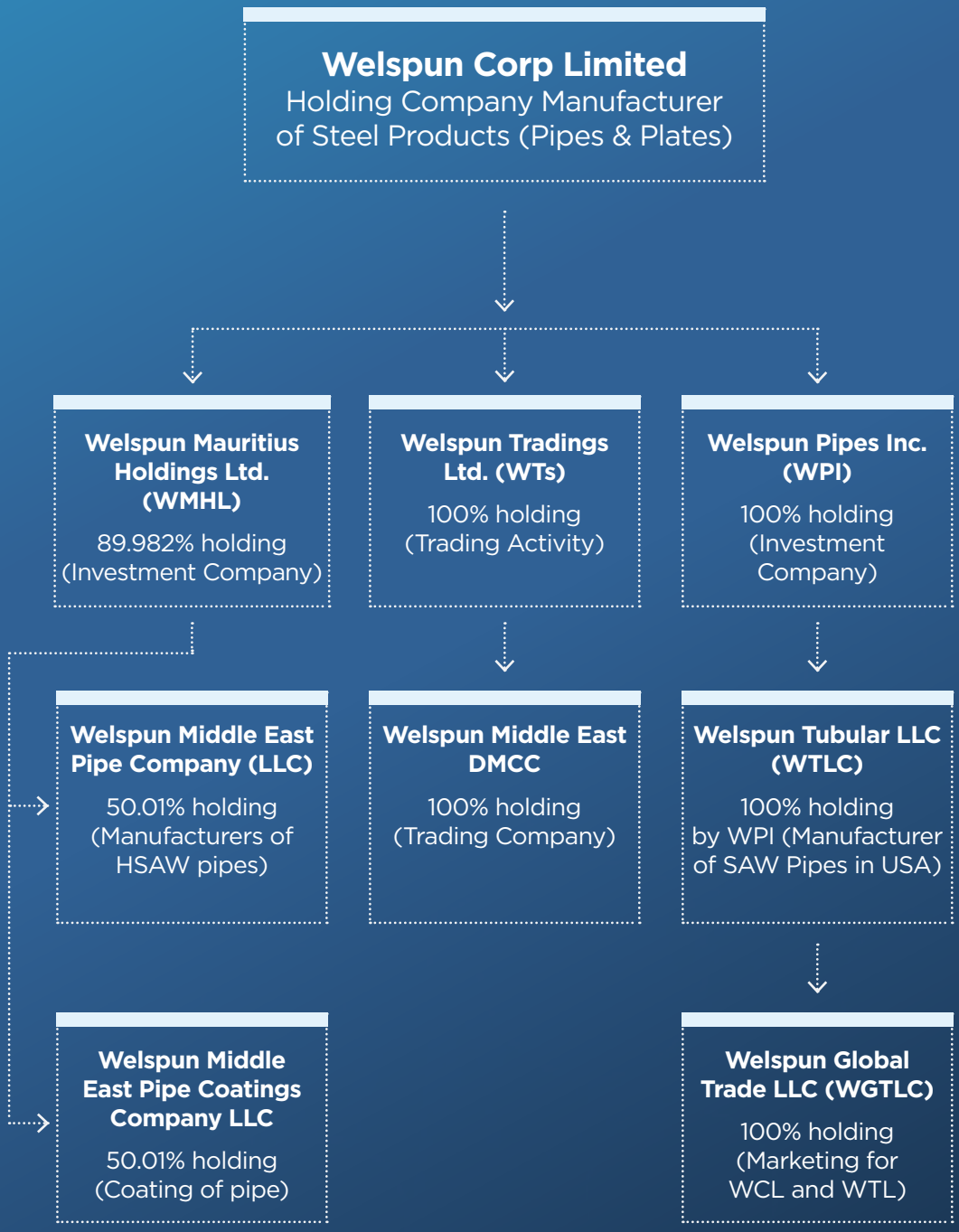


Plant Locations

Facilities	Locations
LSAW Mill	Dahej and Anjar, India
HSAW Mill	Dahej, Anjar and Mandya, India Little Rock, Arkansas (USA) Dammam, Saudi Arabia
HFERW & HFIW Mill	Anjar, India Little Rock, Arkansas (USA)
Hot Induction Bends Mill	Anjar, India
Coating	Anjar and Dahej, India Little Rock, Arkansas (USA) Dammam, Saudi Arabia
Plate & Coil Mill	Anjar, India

OUR FACILITIES ARE ACCREDITED WITH APIQR, SPECQ1, ISO-9001, ISO/TS- 29001, AD 2000-MARKBLATT, HPOIEN / ISO 3834-3, ISO-14001, OHSAS-18001 AND BIS, AMONG OTHER INTERNATIONAL CERTIFICATIONS.

Organisation Structure



Chairman's Message



Prepared for Tomorrow

We are certain, and prepared for a strong demand scenario in the domestic market which would boost volumes as India undergoes a huge infrastructure push. We are optimistic about an improved performance in the near future.

My dear fellow stakeholder,
I am glad to announce a reasonably good performance during FY2017 despite global slowdown fostering challenges across the business scenario consequently leading to delays in major line pipe projects. Our global sales volumes turned out reasonably well at 935K MT and we closed the year with an order-book of 601K MT. We further strengthened our value proposition by focusing on our Pipe Bending Technology and adding Concrete Weight Coating (CWC) to our product portfolio. Through a JV with Wasco Coating

In line with its 'Make in India' initiative, the Government of India (GOI) gave approval to the National Steel Policy. It is now mandatory to give preference to Domestically Manufactured Iron & Steel Products in Government or PSU projects in the Oil & Gas segment. As a player with backward integration through our plate and coil mill capacity, we look forward to benefiting from these policy measures.

reduced our Net Debt by approximately

₹ 2,500 Mn

over the year

Ltd., we have successfully set-up offshore concrete weight coating facility near our pipe manufacturing plant at Anjar with a capability of concrete thickness up to 150 mm and 18 m long pipe. This will enable us to strengthen our customer offerings by optimizing costs and logistics to provide enhanced solutions at one location. Through these measures, we are confident of creating higher value for all our stakeholders.

FY2017: A challenging year

Though energy markets were less volatile compared to previous year, the line pipe market is yet to pick up. The impact was observed on our volumes and margins as well as order-book. Given our global reach and leadership and our conservative financial practices, we were able to reduce gross debt in a challenging year. We also reduced our net debt by approximately ₹ 2,500 million over the year. Our debt currently stands at a very comfortable position allowing us the flexibility of capital raising depending on business needs.

Emerging opportunities in India

We are certain, and prepared for a strong demand scenario in the domestic market which would boost volumes as India undergoes a huge infrastructure push. We are optimistic about an improved performance in the near future.

The expansion of National Gas Grid in India would also lead to increase in demand for line pipe. The network of transmission pipelines is expected to expand up to 28,000 kilometers connecting all major cities across India. Two major contributors with a consumption of over 55% are the fertilizers and power sectors. The additional supply of gas is also expected to come from industrial and City Gas Development segments.

We are also prepared to cater to the growth in domestic demand through a number of upcoming water projects. We see new requirements coming up due to depleting supply of ground water for domestic and irrigation use. A large number of towns lack water supply as per the prescribed standards or they fall short in terms of storage capacity, distribution system or diminishing lifespan. Large volumes are expected to continue to drive water projects across major states in India with active bids standing at 1 MT and potentials bid at 3 MT. We look to tap these opportunities and are well prepared to gain our fair share of the market pie.

Our growth also lies in line with the government's 'Hydrocarbon Vision 2030 for North East'. The initiative aims at doubling Oil & Gas production by 2030 with a focus on pipeline connectivity

We believe the opportunities in international markets will gain pace towards the second half of FY 2018. Large pipeline projects are expected to move towards awarding and execution stage, providing an upside to our capacity utilization in the US as well as India.

for LPG, Natural Gas, Petroleum products, Oil and Lubricants, Building Refineries, Import Links and Developing CNG Highways and City Gas Distribution network.

In line with its 'Make in India' initiative, the Government of India (GOI) gave approval to the National Steel Policy. It is now mandatory to give preference to Domestically Manufactured Iron & Steel Products in Government or PSU projects in the Oil & Gas segment. As a player with backward integration through our plate and coil mill capacity, we look forward to benefiting from these policy measures.

With positive initiatives taken by the government like 'Ease of Doing Business' and 'Minimum Government – Maximum Governance' the enhancement in domestic oil & gas production could bring about substantial investment in India. Currently we serve several of the global oil and gas giants, and when they enter the country; your Company is likely to be a preferred vendor attracting more opportunities.

Will continue to have high focus on global markets

We believe the opportunities in international markets will gain pace towards the second half of FY 2018. Large pipeline projects are expected to move towards awarding and execution stage, providing an upside to our capacity utilization in the US as well as India.

OPEC agreed to curtail oil production in November 2016, post which global energy markets have been less volatile compared to last year. The overall scenario for the oil & gas industry is looking up. In fact, the International Energy Agency (IEA) has mentioned in a report that the U.S. could go from being a net importer of natural gas in 2014 to exporting 3.5 trillion cubic feet by 2020. This would call for pipeline infrastructure. Demand in Americas would also be driven by development of Shale oil/ gas and distribution infrastructure of the same. Moreover, "Make and Melt in America" policy would bear a positive implication for our HSAW and HFIW mills at Little Rock, USA. Recent regulatory approvals for large pipeline projects like Keystone XL, is another sign of demand revival in Americas.

'Make and Melt in America' policy would bear a positive implication for our HSAW and HFIW mills at Little Rock, USA.

Moreover, development of heavy oil assets in North America, Middle East and Africa would further drive the demand in international markets. Over the past few years, the industry has seen a couple of developments that has led to the growth of heavy oil which has been widening the horizon of line pipe industry globally. We hope to see significant investments in these areas. We are already adapting to the ever changing and dynamic product requirements as we continuously work with our global customer base to offer customised and relevant products.

As per various energy outlook reports, hydrocarbons would continue to dominate the energy market as primary source. For the next few decades, there would be rising demand from developing countries like China, Korea, India,

Singapore and Japan etc. Sources like natural gas liquids, bitumen, shale, tight oil, and biofuels are facilitating this expansion. This would further lead to demand for line pipes.

Though demand from oil & gas projects in Saudi Arabian market is currently muted owing to various delays in large projects, water projects continue to provide uptick in the interim. We see large opportunities in short-to-medium term.

Technology

At Welspun Corp, we believe in redefining our capabilities and staying ahead in customers' value proposition by investing in technology. During the last year, we successfully implemented Automatic pipe dimension measurement system (APDMS) at Anjar-LSAW plant. This will allow automated measurement of pipe dimensions without human intervention.

During the year, we also developed a facility to do End Inside Machining of heavy wall pipes for a prestigious global project which is a major technological feat. Also, we upgraded Anjar-LSAW and Saudi mill to directly integrate quality data from various machines into the SAP system. We are working towards end-to-end plant automation where process and product data integration shall happen to generate more artificial intelligence, predictability and traceability to delight our customers.

Investing in people

We have successfully adopted Successfactors (SF), one of the premier cloud based Human Resource Information Systems across the entire spectrum of our HR processes. SF acts as an engine for reliable data and analytics for all people decision matters, acting as a fully integrated platform that ensures all people actions are in sync with each other.

While technology provides the base, people development paves the way for the future. Our Talent management programs engage employees at all levels with customised programs. It includes Leadership Development and Executive Coaching for top management, Managerial Skill Development and Personal Effectiveness for middle management, and behavioral and technical programs for junior management. We leave no stone unturned in developing our employees and creating a talent pool for our future.

Inclusive Growth

Welspun Corp has taken steps to put in place several measures towards energy efficiency, emission and water management to minimise its impact on the environment. The proactive maintenance of equipment and periodic energy audits has helped us implement several energy conservation measures like installing VFDs, digital temperature controllers and LED fixtures. Given the nature of our products, there is virtually no or limited packaging involved. Waste generated at our Anjar unit has high calorific value; therefore it is used for co-processing at a nearby cement plant thereby reducing environmental risks.

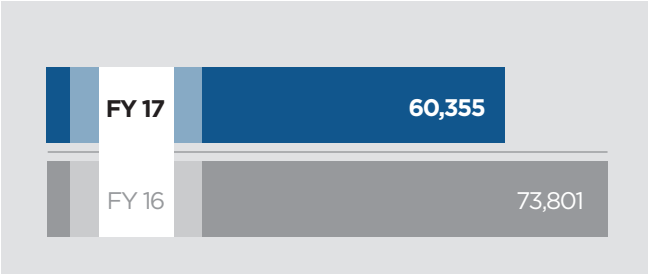
Lastly, I take this occasion to express my honest gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers and suppliers, bankers and investors, for their unstinted devotion, support and commitment to Welspun.



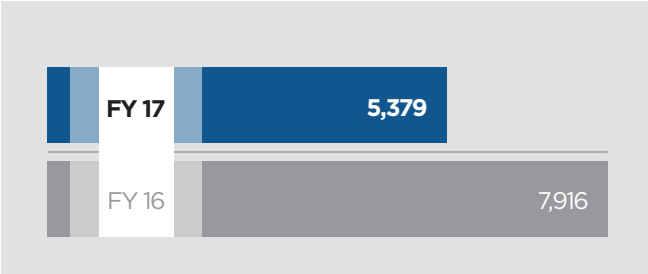
Balkrishan Goenka
Chairman

Financial Performance

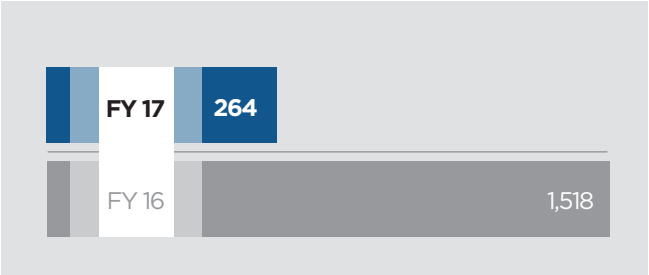
Revenue (₹ Mn)



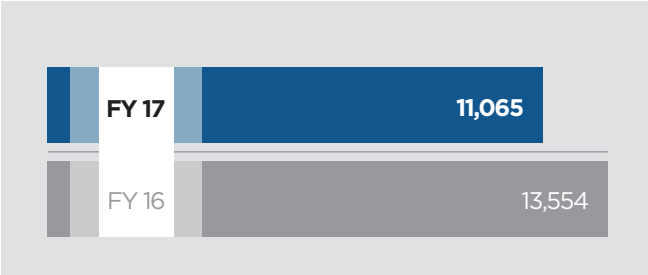
Operating EBITDA (₹ Mn)



PAT (₹ Mn)



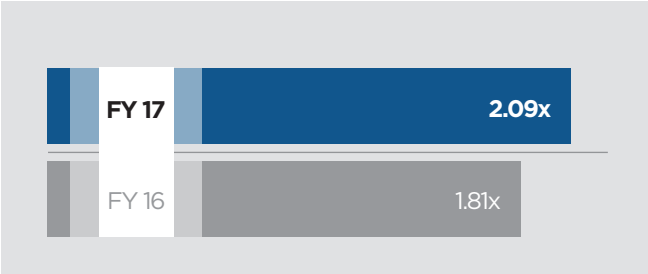
Net Debt (₹ Mn)



Net Worth (₹ Mn)



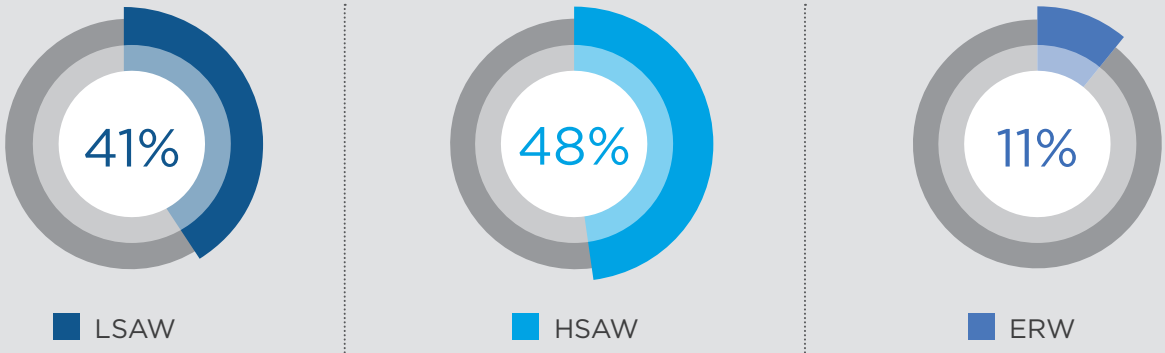
Fixed Asset Coverage Ratio (%)



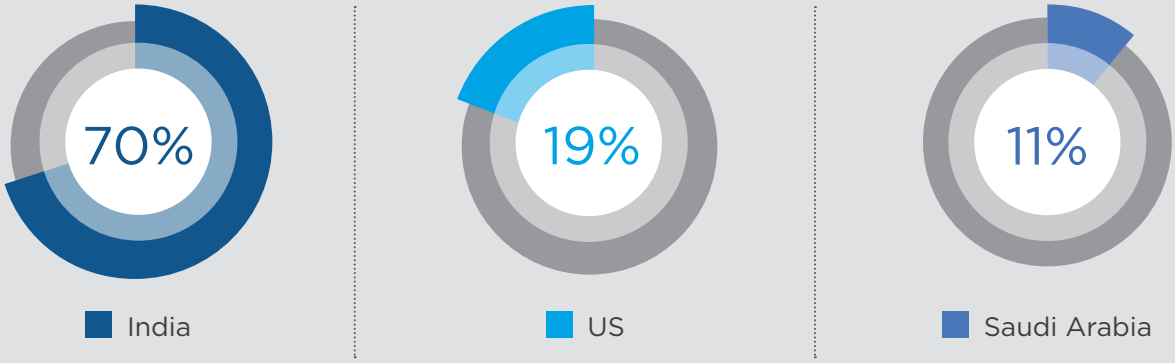


FY 2016-17 Pipes Sales Volume: 935K MT (including all operations)

Sales by Type



Sales by Plant





Prepared for Tomorrow's Opportunities



The market dynamics are changing and so are our customers. We are evolving too. With a focus on building capabilities and creating innovative processes, our team is ready to take on challenges and transform them into opportunities.

Welspun Corp is Prepared for Tomorrow's Opportunities.



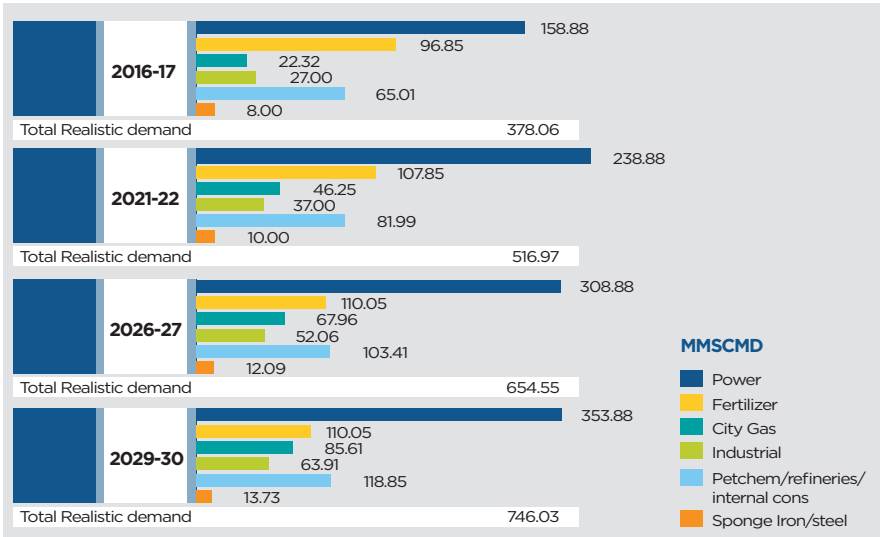


#1 Domestic Demand Boost

The opportunity landscape

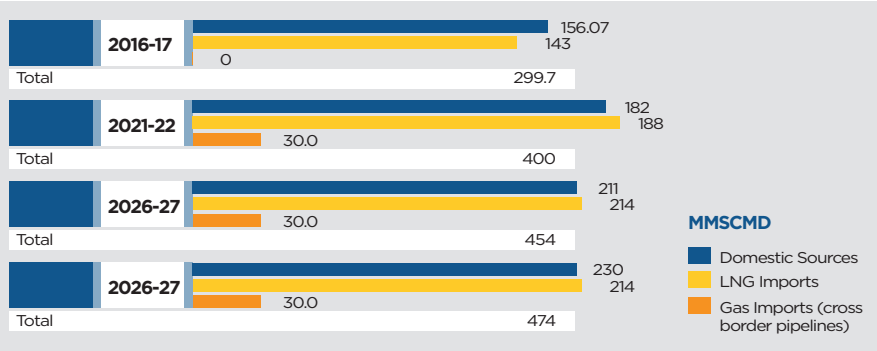
India has an exponential plan to develop the gas pipeline infrastructure across the country. The current gas grid network is approximately 13,000 kms and the share of natural gas in the energy mix of India is expected to increase to 20% in 2025. In the next five to six years, an extensive expansion of around 28,000 kms is expected as India is close to forming a National Gas Grid. This expansion will ensure a boost in demand for sectors like power, fertilizer, city gas, industrial, petchem refineries, sponge iron, slurry and steel.

Consolidated segment-wise demand for natural gas from 2016-17 to 2029-30



Source: PNGRB (Pertol and Natural Gas Regulatory Board, India)

Consolidated source-wise supply of natural gas from 2016-17 to 2029-30



Source: PNGRB (Pertol and Natural Gas Regulatory Board, India)

- Additionally, with the increase in domestic gas production and imported LNG the supply of natural gas is likely to increase. Assuming all planned terminals in India would materialise, the capacity of RLNG terminals in India is expected to increase to 83 MMTPA by 2029-30. The total supply is expected to grow at a CAGR of 7.2% reaching a 474 MMSCMD by 2029-30.

Oil and gas sector plays a predominant role as over one third of the energy required is met by the hydrocarbons. The Government's 'Make in India' initiative is expected to open distinct avenues of growth for the industry. According to the Energy Information Administration (EIA), Non-OECD Asia including India and China are likely to account for about half of the global energy demand growth through 2040. Currently, the energy demand in India is growing at 3.2% per annum. Due to a major expansion in the national gas transportation infrastructure we foresee a buoyant future in the near-term.

- Furthermore, the Petroleum Ministry's focus on Hydrocarbon Vision 2030, will help create a pipeline connectivity for liquefied petroleum gas (LPG), natural gas, and petroleum products, petroleum oil and lubricants (POL). The ambitious project also plans to build refineries and import links; and development of compressed natural gas (CNG) highways and city gas distribution network. The Government of India's vision statement lays out a detailed roadmap for the entire hydrocarbon value chain, covering upstream, midstream and downstream segments. This vision aims at doubling Oil & Gas production by 2030 from its current state.

Hydrocarbon pipeline in India

Service	Approx. Length (km)	Approx. Capacity
Natural Gas	16,240	431 MMSCMD
Crude	9,588	132 MMTPA
Product	12,307	90 MMTPA
LPG	2,316	4 MMTPA

Source: PNGRB – Data as on 01.11.2016 (1)

Welspun 2.0

We at Welspun believe that the concerted efforts of the Government to improve the supply of oil and gas industry will result in good demand for us. The overall demand for natural gas is set to grow from 242.6 MMSCMD in 2012-13 to 746 MMSCMD by 2029-30. Similarly, gas based power generation is expected to grow to 47% during the same period. These factors combined with our innovative technology will provide us adequate exposure and potential growth opportunities to strengthen our order book.

We at Welspun Corp are optimistic and prepared for tomorrow as leaders in terms of facilitating supply of global Oil & Gas. Our focus on sustained value creation and our competitive advantages, will allow us to take up opportunities in the domestic market and transform them into growth stories.

Clients whose projects are in line with revived markets:

Name Of Entity	Name of pipeline	Capacity (MMSCMD)
Reliance Gas Pipelines Ltd.	Shahdol-Phulpur	3.500
AP Gas Distribution Corp	Kakinada-Vizag-Srikakulam	90.000
GSPL India Transco Limited	Mallavaram-Bhopal-Bhilwara via Vijaipur	76.250
GSPL India Gasnet Ltd.	Mehsana-Bhatinda	77.110
GSPL India Gasnet Ltd.	Bhatinda-Jammu-Srinagar	42.420
Gail (India) Limited	Surat-Paradip	74.810
KEI-RSOS Petroleum & Energy Pvt. Ltd.	Ennore-Nellore	36.000

Source: pngrb.gov.in (Information updated as of 15.06.2015)



#2 Filling the infrastructural need-gap





The opportunity landscape

- India's per capita water availability exceeds that of Korea, South Africa, Egypt, Belgium, Singapore, Morocco, Jordan, Israel and New Zealand. But these countries are successful at effectively using water to support agriculture, drinking, sanitation facilities and industry needs.
- The major reason India is unable to effectively make use of the water, despite good availability is because most of the river basins and ground water, nearly 50% that caters to the needs of ~80% of the population, is depleting at a fast pace.
- The average fresh water availability in India has seen a drop from 5,177 cubic meter in 1951 to 1,545 cubic meter in 2011. This is expected to further drop down to 1,341 cubic meter by 2025.



Welspun 2.0

This rise in demand is a potential challenge as most water resources are concentrated in a few river basins. However, backed by our innovative solutions and the strength of our capabilities we aim to turn this challenge into an opportunity. In terms of capacity, we are one of the largest pipe manufacturers in India but we'd rather focus on capability over capacity, in order to serve the wide segment of customers and dynamic market scenario.

The creation of a massive water infrastructure that can benefit many regions across the country seems massive and ambitious. However, we are prepared with world-class infrastructure capabilities and state-of-the-art manufacturing units to gain momentum via organic growth. Going forward, we foresee tremendous potential for developing water infrastructure solutions across Gujarat, Telangana, Karnataka, Madhya Pradesh, Rajasthan and Tamil Nadu.

Future census drop in fresh water availability

Year	Cubic meter
1951	5,177
2010	1,820
2011	1,545
2025	1,341

Source: Industry Source

- The future availability of water shows a downward trend while the growing demand for water is improving due to rise in population, urbanisation and industrialisation. Tata Energy Research Institute (TERI) estimated water demand to double from 564 billion cubic meter in 1997 to 1,048 billion cubic meter in 2047.

Water projects across India

State	Project Potential (MT)
Gujarat	8,00,000
Madhya Pradesh	6,00,000
South India	8,00,000

Source: Industry Source



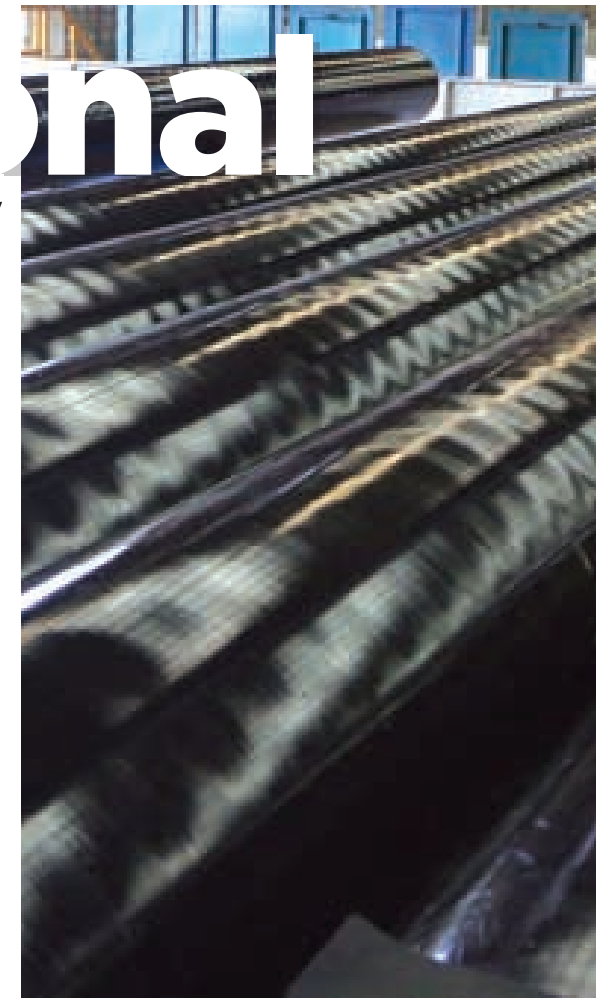
#3 International Growth Opportunity

The opportunity landscape

Heavy dependence on oil is expected to turn-up the demand curve in the near future and in the next 25 years it is expected to rise further. Most of this rising demand is expected from developing countries like China, Korea, India, Singapore and Japan.

The ongoing quest to find and produce oil is now a global imperative as the outputs from the current oil producing fields is likely to fall over 45 million b/d or nearly half the global production. Currently, sources like natural gas





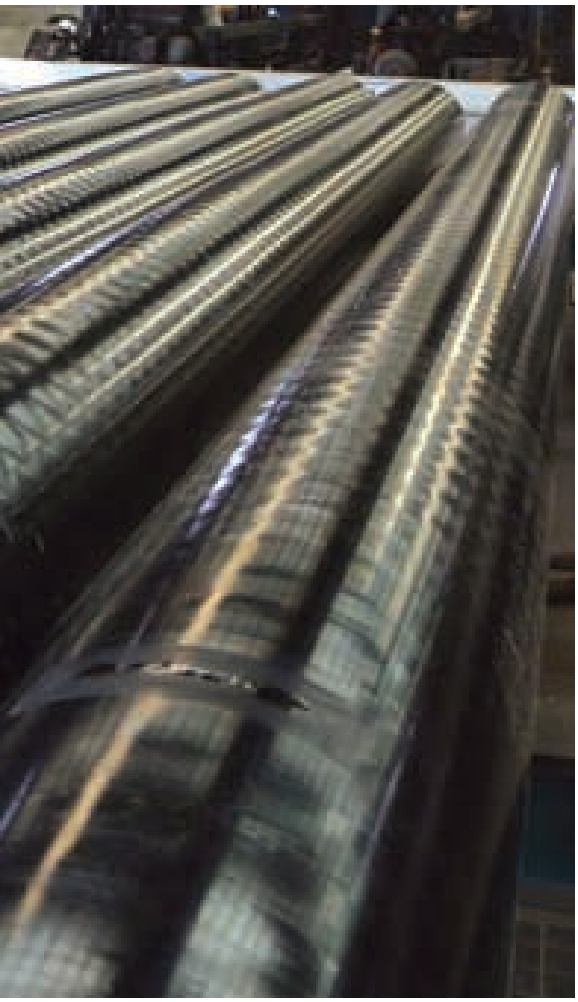
liquids, bitumen, shale, tight oil, extra-heavy oil and biofuels are enabling the expansion.

Over the past few years, the industry has seen a couple of developments that has led to the growth of heavy oil. The exploration of oil & gas both onshore and offshore is expected to drive the demand and growth for heavy oil development.

Heavy oil development widens the horizon of line pipe industry globally.

As per Simdex data

Region	No. of Projects	EST Tonnage (KMT)
North America	512	18,367
Middle East	97	10,708
Latin America	63	7,238
Europe	77	15,789
Australasia	74	9,829
Asia	141	27,555
Africa	118	19,470
Total	**1,182**	**108,956**



Welspun 2.0

Owing to the decline in the global crude market for over 18 months, producers have been compelled to explore heavy oil as a viable option. Owing to its texture refineries were not proficient to acclimatise to its nature. With the upgrade in new generation refineries, competent configuration and adequate capability to process heavier sour crude, has not only pushed the demand growth but has also refined margins. There has been a demand growth and has also refined margins.

Welspun Corp hopes to see investments coming back as the overall cost and markets like North America, Middle East and Africa are banking on the upcoming opportunities as heavy oil is sold for over $50 a barrel.

Our ability to quickly adapt to the ever changing dynamics and the strength of our strategy enables us to offer customised and relevant products.

Our current total annual installed capacity for line pipe manufacturing is over 2.4 million metric tonnes and over 32 million square meters of coating work. We continue to focus on process enhancement and debottlenecking for continuously improving productivity and product quality.

We have lived up to quality and capability requirements of our international clients and have emerged as a force-to-reckon with in the international scenario. With a total installed capacity of over 6 million MTPA, Welspun Corp emerges as the best and biggest pipeline manufacturer in the world catering to both international and domestic markets.





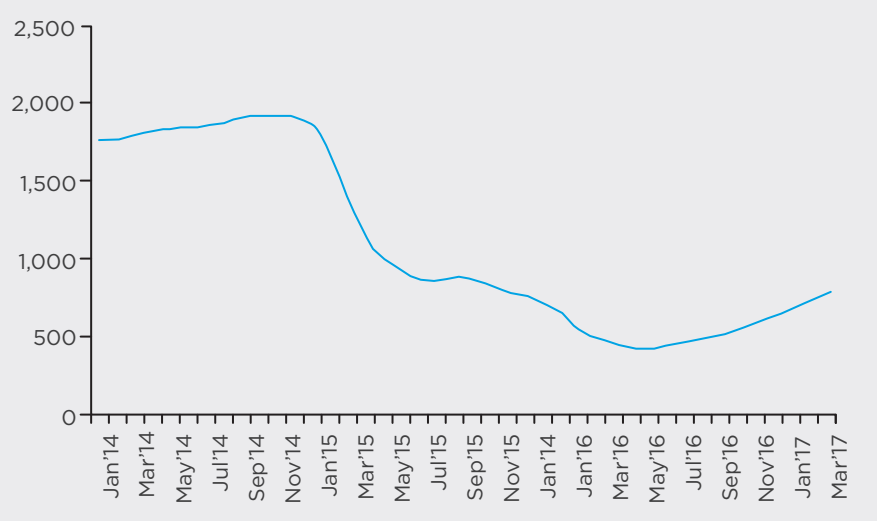
#4 Revival of industry in U.S.

The opportunity landscape

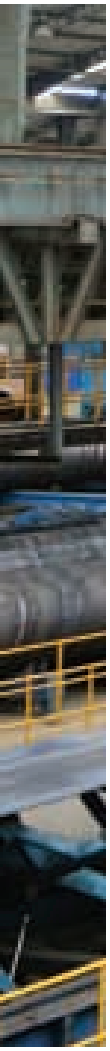
- In November 2016, The Organisation of Petroleum Exporting Countries (OPEC) reached an agreement with all 14 member countries to curtail oil production for the first time since 2008. This move followed the extensive pressure on OPEC to reduce global oversupply following two consecutive years of low oil prices.
- The crude oil price is projected to reach $50 a barrel by the end of 2017, which has been a big boost the industry. The U.S. rig count had reached 824 as of 31st March, 2017 as compared to 450 a year ago.

U.S. Rig count

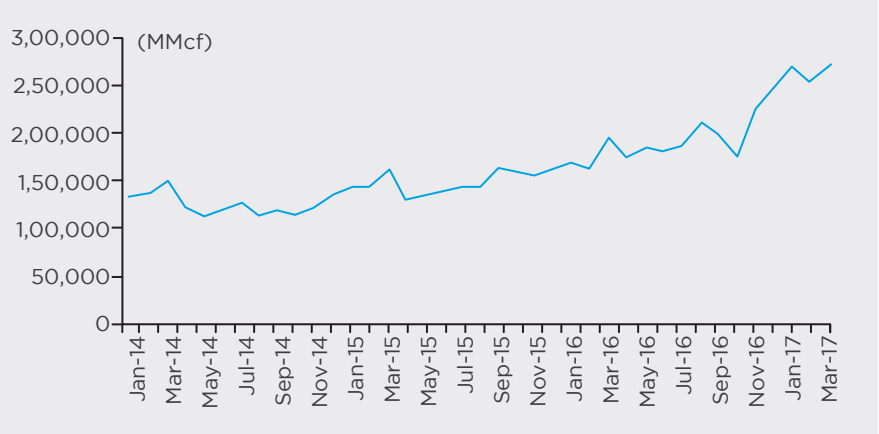
(Nos.)



Source: Industry Source



U.S. Natural Gas Exports (MMcf)

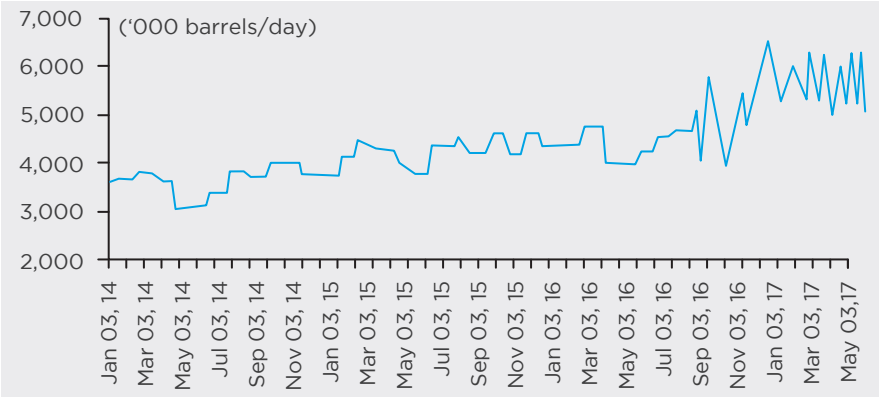


Source: Energy Information Administration

- The estimated rise in crude oil price is good news for the industry which has been in doldrums since the downward spiral of the price. The revival of drilling rigs and Companies' investment may lead to a surge in output in the coming months.
- According to the U.S. Energy Information Agency (EIA), crude oil exports rose to 26 countries in FY 2015-16 after the removal of restrictions on U.S. crude oil exports in the previous fiscal.

- The overall scenario is looking up for the oil and gas industry. In fact, the International Energy Agency (IEA) has mentioned in a report, that the U.S. could go from being a net importer of natural gas in 2014 to exporting 3.5 trillion cubic feet by 2020, it could further reach to 5.5 trillion cubic feet by 2030.

Weekly U.S. Exports of Crude Oil and Petroleum Products (Thousand Barrels per Day)



Source: Energy Information Administration

Welspun 2.0

Despite a dynamic industry scenario, Welspun Corp enjoys a prominent position in the global oil & gas industry. We are a preferred supplier of large diameter pipe lines with numerous oil and gas companies across the world. We are prepared and focused to continuously upgrade our facilities to respond effectively to the fast changing needs of our domestic and foreign customers. Our worldwide customers are serviced from our global supply chain across India, US and Saudi with the quality assured equipments, innovative technology and quality products.Going forward, we expect to amplify our reach by gaining substantial market share. Over the years, we have built innovative processes which help us stay ahead of the curve. The innovative initiatives we have undertaken in FY 2016-17 have fortified the capabilities of our Indian facilities to meet highly challenging requirements of some critical international pipeline projects.

- Developed and implemented a system called COVASIS, a digital interface between testing process and our integrated SAP for automated data transfer.
- Invested in installation of Automated Pipe Dimension measurement system (APDMS) at our Anjar plant.



Our Team for Tomorrow

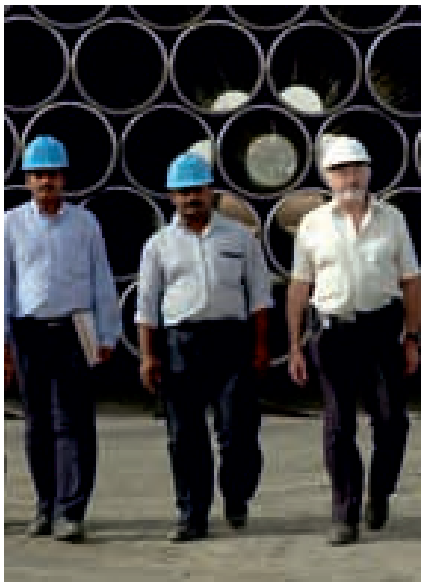
We need a talented, motivated and resilient workforce if we are to deliver against our strategy and tackle global challenges effectively. To achieve this, we aim to create a working environment where employees feel valued, respected, empowered and inspired. In FY 2016-17, as our business experienced significant change, it was particularly important for us to listen to and support our people. Our global performance system is underpinned by a set of clear expectations that emphasise not just results, but also how they are achieved in line with our values.

We take a progressive approach to employee health and protecting our workforce is a business priority. We value diversity. The diverse knowledge, perspectives, experiences and working styles of our global workforce strengthens our business and helps us meet the needs of our consumers. We aim to improve gender balance at all levels.

Our Human Resource Strategy continues to evolve around our Group Philosophy of Welspun 2.0. We strive to further reinforce our core values



HR Operating Model



of Customer Centricity, Collaboration, Technology and Inclusive Growth.

At WCL, our people practices and processes aim to deliver both Strategic and Operational Excellence to the Company by building organisational capability. We have put mechanisms in place to leverage our in-house expertise and people capabilities to create and execute our business strategy. To ensure personnel development right from the time of hire, a comprehensive onboarding program has been set-up that provides new employees a preview of group operations, its systems, policies and procedures.

During FY 2016-17, we have made significant progress in enhancing our HR delivery by adopting the latest best practices for people development and technology oriented HR.

Implementation of Success Factors (SF), one of the best-in-class Human Resource Management Systems, is one of the highlights for FY 2016-17. For a systematised approach to talent identification and development, competencies are mapped to each individual in SF; and the learning and development programs will be selected based on the need identification that emerges from the competency gap analysis in the system.

Performance through People is one of the examples of a development program for first-time managers, aimed at developing a talent pipeline. "Model Organisation", a comprehensive potential and performance assessment program, has been carried out at Anjar LSAW Plant level on a pilot basis, which was further rolled out to other plants. This program serves to identify talent, gaps in critical skills and competencies, and run programs that cater to building the right skilled workforce.

"Learning Hours", an internal faculty based program, gives an excellent opportunity for internal subject matter experts to share their knowledge, aiding in developing both the trainer and the trainee. Development programs, in collaboration with premier institutes like INSEAD, and Coaching for the Top Leadership are conducted for the top management, and to also develop the Company's next line of leaders.

To promote Women Leadership and Gender Diversity at workplace, we successfully completed our Women Leadership program entitled 'Women at Welspun' in collaboration with GlobalNxt University.

Employee engagement is vital to sustain organisational success. Our Company participated in the Best Employers Survey by Aon Hewitt in 2016-2017. The survey results have provided insights to develop a roadmap for the coming years.

Last year, we put in place a new reward management approach with market-linked increments designed to reward employees who contributed to the Company's success over the year. In continuation of the policy, this year we are redesigning our job grading system, which is a global framework providing for robust people related decision-making and organisation design.

Amidst evolving social, economic and political challenges, we continue to remain focused to building an agile organisation that delivers on business strategy and provides an enriching employee experience.



Driving a Better Tomorrow

Inspired by our Group's Mission, we at Welspun Corp are committed to using our scale, reach and partnerships to empower communities and enable progress in India.

Our CSR strategy prioritises the areas where we can have the greatest impact and influence. Over the years, we have worked towards creating meaningful changes in the lives of the communities we impact. Through education, vocational training and sustainability initiatives we have been able to help bridge the socio-economic gap in India and create a cleaner environment for or future generations.



Women Empowerment

At Welspun Corp, we have initiatives that work towards empowering women and providing them equal opportunities of growth and employment. We champion social entrepreneurship through our programs that empower women from our local communities. Our initiatives aims to offer innovative and sustainable solutions to address the myriad social challenges associated with a growing India.

Through our Global Women's Economic Empowerment Initiative, we work with Walmart's SWASTI foundation for Women Empowerment and Training. Our collaborative effort so far has trained 2,335 women in foundation-level course and another 500 women in advanced level course.



Education

We have strived to create a just and balanced society, the foundation of which is equal opportunity. Through effective initiatives and long- term collaboration, our organisation is working hard to train and educate the nation.

Our key initiatives in promoting education include:

Welspun Vidya Mandir

Welspun Vidya Mandir at Anjar focuses on providing quality education to 1,600 students, up to 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. Our Quality Education Project at 41 Government schools in Anjar reaches out to over 10,000 students.

'Smart Classes'

We have successfully installed technological tools and process across 41 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.



Environment

In FY 2016-17, Welspun Corp took several measures towards energy efficiency, emission and water management to minimise its impact on the environment. Through proactive maintenance of equipment and periodic energy audits has helped us achieve several energy conservation measures like installing VFDs, digital temperature controllers and LED fixtures. Given the nature of our products there is virtually no or limited packaging. Waste generated at our Anjar unit has high calorific value; therefore it is used for co-processing at a nearby cement plant, reducing environmental risks by reducing waste disposal.

Swachh Welspun Abhiyan

In line with the Government's 'Swachh Bharat Mission', we initiated the 'Swachh Welspun Abhiyan' on 2nd October, 2014. The drive is our goal towards promoting better hygiene standards, waste management, environment management and sanitation systems across Welspun Group.



With our Chairman Mr. B. K. Goenka's vision of having a factory in a garden at the core of our business culture, our 2020 focus remains to plant 5 lakh trees at all major facilities. Anjar, stands to benefit more compared to other facilities as the focus aims to make this facility look like an oasis in the middle of a desert. The work on this facility is a big step towards making our 'Swachh Welspun Abhiyan' dream come true.



- We have worked on a 7S system which includes awareness around clean habits, recycling or reusing, zero discharge, work place managements, sanitation and tree plantation. The objective is to create awareness and empower people with the right knowledge. Once the habits become a part of our lifestyle they will contribute to the larger goal of clean India mission. Each Welspunite has taken a pledge to dedicate themselves to the Swachh Welspun Abhiyan.
- The entire Welspun Group has been divided in to zones which further are divided in to nine zones and sub-zones at each location. A zone coordinator maintains a SWA structure of respective group zones, he sets goals and standards, approves financial resources, handles the promotion and publicity of SWA throughout the organisation, quarterly review, approves pending decisions related to the SWA project, and gives decision on proposed actions under eight elements where required. Also regular meetings with various stake holders ensure the SWA is driven across the group.
- We have also initiated Awareness trainings and promotional activities like skit performance, poster/ assay or slogan competition, newsletters, sworn oaths, exhibitions etc. to create awareness of a clean work environment. The best team is awarded a 'spot award' after evaluation of a quarterly assessment at the zone level after the auditor has verified actions of previous audit observation.
- In order to ensure sustenance the SWA performance is incorporated in the employee appraisal system. The drive also has guidelines to food waste reduction, saving water and energy in our day-to-day lives.

We look forward to creating a cleaner and greener planet for our future generation.



Awards & Recognition



Award #1:

'Welspun Corp Limited, Anjar' has been conferred with 'Golden Peacock National Quality Award' for the year 2017 during '27th World Congress on BUSINESS EXCELLENCE & INNOVATION' @ Dubai on 19th April, 2017.

It was a great pleasure, having your 'Welspun Corp Limited' with us at Institute Of Directors (IOD), India's Dubai Global Convention 2017 and Golden Peacock Awards Presentation Ceremony at The Grand Hyatt in Dubai (UAE).

Award #2:

WCL Anjar won 3 Gold Awards and 1 Silver Award from Quality Council of India.

In 2016 September - WCL Anjar has won 3 Gold Awards (7S, HSE, Welding) and 1 Silver Award (TPM) in 27th Annual Convention on Quality Concepts organised by QCFI - Vadodara Chapter on September 18, 2016 at C. C. Mehta Auditorium, M. S. University, Vadodara.

Award #3:

WCL Anjar has been awarded with '5th FICCI Quality Systems Excellence Awards for Industry'- First prize in the Large Size category. Award was received on 20th January, 2017 @ FICCI, Federation House, Tansen Marg, New Delhi.

During the event, Welspun Corp Limited presented on 'Manufacturing Excellence through Quality 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-101 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083

Registered Office
'Welspun City'
Village Versamedi, Tal. Anjar,
Dist. Kutch, Gujarat – 370 110, 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 – 370 110 .
Village Versamedi, Tal. – Anjar, Dist. – Kutch, Gujarat – 370 110.
KIADB Industrial Area, Gejjalagere, Taluka Maddur,
Dist. Mandya, Karnataka – 571 428

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 - 400 001.

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 India
Union Bank of India
DBS Bank Ltd.

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

Mr. Lalitkumar Naik
Managing Director & CEO

Mr. Rajesh R. Mandawewala
Director

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. Utsav Baijal
Nominee Director of Insight Solutions Ltd.

Mrs. Revathy Ashok
Director

Mr. Deshraj Dogra
Director

Chief Financial Officer
Mr. S. Krishnan

Company Secretary
Mr. Pradeep Joshi

Auditors
Price Waterhouse Chartered Accountants LLP

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

Mr. Lalitkumar Naik
Managing Director & CEO

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

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Corp Limited ("Welspun" or "WCL" or the "Company"), and the notes there to for the year ended 31 March 2017. This MD&A covers Welspun's financial position and operations for FY17. Legal tender is stated in Indian Rupees unless indicated otherwise. 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 analysis 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.



"FY 2016-17 has been a grippingly challenging year. After four consecutive years of global line pipe sales of over 1 million MT, global line pipe sales marginally fell short of the 1 million MT mark. Our FY2017-18 opening order book is relatively moderate at 601K MT. We continue to work on enhancing our customer reach across global markets, increasing utilisation of our plates and coil mill and strengthening the balance sheet.

The New Steel Policy culminated a series of favourable policy measures taken by the Government of India to also spur initiatives taken under 'Make in India' program. These have improved outlook for domestic line pipe business; and also for enhanced utilisation of Plate and Coil Mill capacities.

Though the energy market is more stable compared to last year, activity in line pipe market is expected to pick up with a lag. We expect good traction in international projects towards end FY2018.

We have enhanced our value proposition by setting up a state-of-the-art CWC plant, focusing on bends technology and continuously upgrading our quality processes. Driven by our global operations, presence in major markets, and continuous efforts towards client engagement, we continue to explore growth opportunities without diluting our focus on financial discipline."

Lalit Naik
Managing Director & CEO,
Welspun Corp Limited

Company Overview

Welspun Corp Ltd. 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 advanced state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia for Longitudinal (LSAW), Spiral (HSAW) and HFERW / HFIW (ERW).

The Company 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.

Global Customer Base and Reach

The Company's distinguished clients (Fortune 100 companies) comprise bellwethers of the oil and gas sector (Shell, Saudi Aramco, TOTAL, Chevron, Energy Transfer, South Oil Company, Exxon Mobile, Kinder Morgan, TransCanada, Enbridge, Spectra, 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.

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

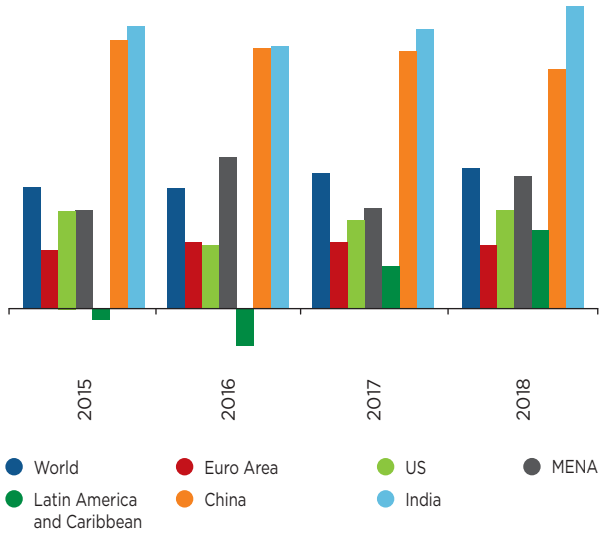
Global Economic Overview

Economic activity gained momentum in the second half of CY2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Activity in Japan was a pleasant surprise, thanks to strong net exports, as well as in Eurozone, such as Germany and Spain, as a result of strong domestic demand.

Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity had temporarily slowed down in India, following the impact of demonetisation. Brazil, on the other hand, was caught up in deep recession. Activity remained weak in fuel and non-fuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

India's economy continues to perform better than emerging peers. 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, and other fiscal reforms are expected to improve investor sentiment and business outlook.

Global real GDP growth rates (constant currency)

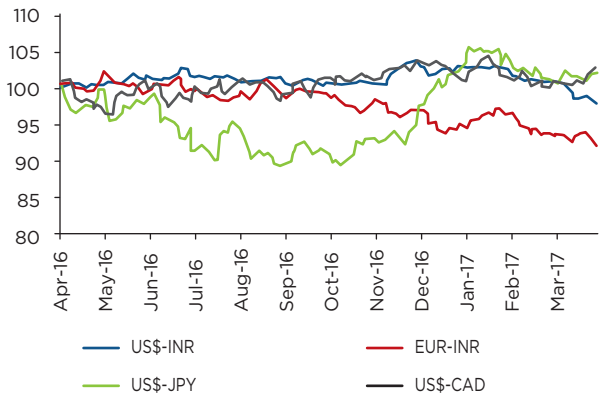


Source: IMF Report – January 2017

Foreign Exchange

During FY2017 US$ strengthened (around 2-6%) against all major currencies including Euro, Japanese Yen and Canadian Dollar. This would benefit the European and Japanese line pipe players.

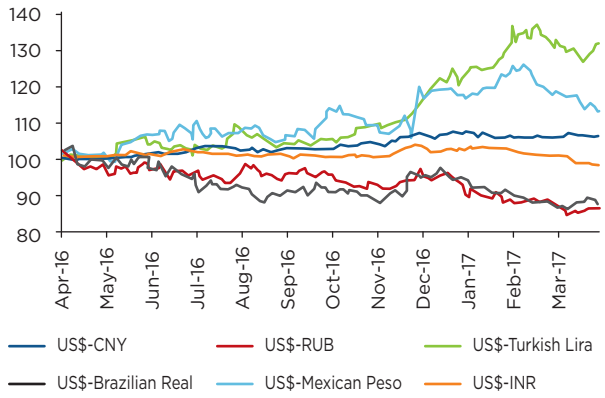
Percentage change in major developed market currencies



Source: Bloomberg

Among emerging market currencies, depreciation of the Chinese Renminbi, Turkish Lira and Mexican Peso significantly enhanced the competitive edge of suppliers from these markets. On the contrary INR was moderately stronger (appreciated approximately 2% against US$), thus increasing the competitive pressures on Indian supplies.

Percentage change of major emerging market currencies



Source: Bloomberg

Global Energy Demand

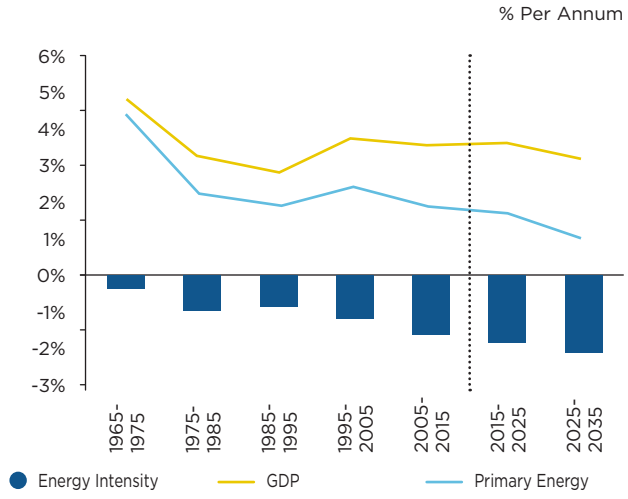
Energy is critical to every aspect of modern life. Around the clock, across the world, people rely on energy to get to work, prepare meals, pursue business endeavours, communicate and do much more. Energy comes in many forms — from gasoline, natural gas to electricity — each with properties well suited for particular applications. Global energy demand is largely determined by growth in population and GDP as well as industrial activities.

Given the sluggish global economic performance, energy consumption is expected to grow less quickly than in the past: 1.3% annually over 2015-35 vis-à-vis 2.2% annually in 1995-2015. The pace at which global energy intensity declines is projected to escalate, as China's economy rebalances and more attention worldwide is focused on improving energy efficiency.

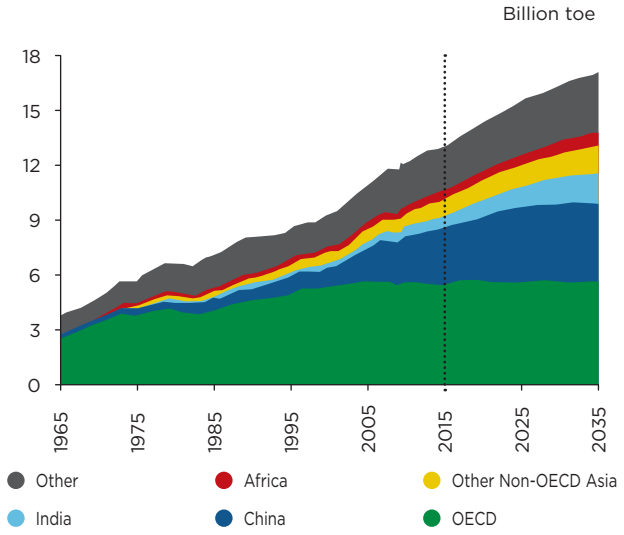
Global energy demand is expected to grow by around 30% by 2035. Virtually the entire proportion of the growth in global energy demand comes from fast-growing emerging economies, with China and India accounting for over half of the escalation. Energy demand within the OECD is expected to remain stagnant. China is expected to be the largest growth market for energy, although it is likely to be overtaken by India towards 2035.

The world's fuel mix is consistently evolving, although oil and gas, together with coal, would remain the dominant sources of energy for next couple of decades. Renewables, with nuclear and hydroelectric power, are expected to provide half of the additional energy required up to 2035.

Growth in GDP and primary energy



Energy consumption by region



Source: BP Energy Outlook 2035, 2017 edition

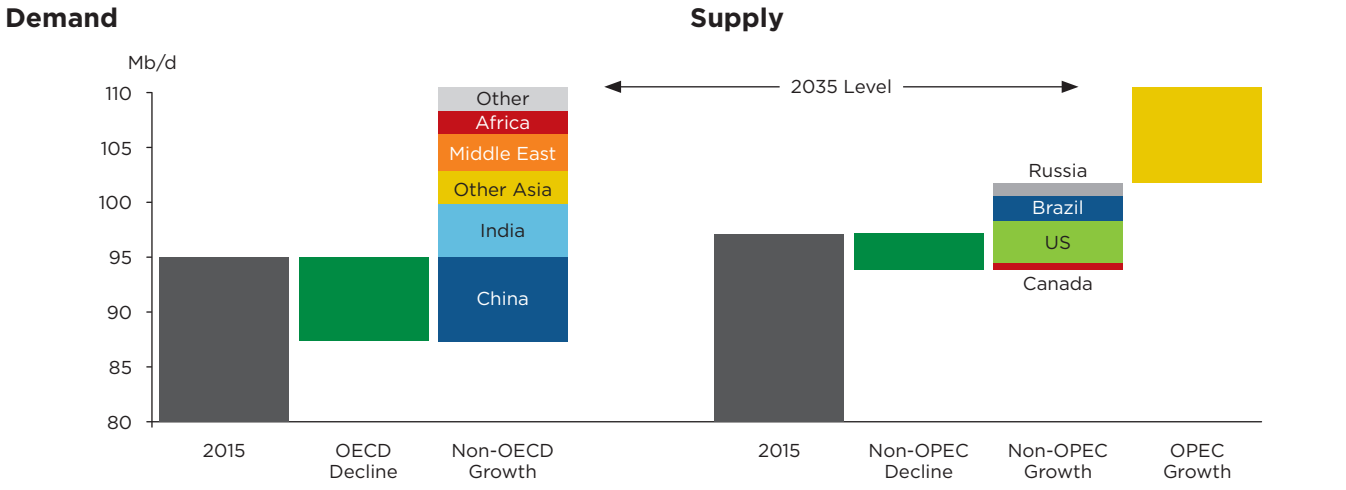
The Oil Scenario

Global liquids demand (oil, biofuels, and other liquid fuels) is expected to increase by around 15 Mb per day, to reach 110 Mb per day by 2035. This demand growth is expected to emanate from emerging economies, as rising prosperity leads to increased oil demand, with China accounting for half of the growth. In contrast, OECD oil demand is expected to decline (-8 Mb per day).

Global liquids supply is expected to increase by a little less (13 Mb per day). Supply escalation is driven by holders of large-scale, low-cost resources, especially in the Middle East, US and Russia, as these producers are assumed to respond to the growing abundance of oil resources by asserting their competitive advantage.

OPEC is assumed to account for nearly 70% of global supply growth, increasing by 9 Mb per day to 48 Mb per day by 2035. Non-OPEC supply is expected to grow by just over 4 Mb per day by 2035 with growth from the US (4 Mb per day), Brazil (2 Mb per day), Russia (1 Mb per day) and Canada (0.5 Mb per day) largely offset by declines in high-cost and mature regions elsewhere.

Oil: Mismatch in demand-supply



Source: BP Energy Outlook 2035, 2017 edition

Global oil consumption is projected to reach 109.4 Mb per day by 2040. Demand is expected to increase by just over 16.4 Mb per day over the period 2015–2040. Developing countries will continue to lead this growth, increasing by close to 25 Mb per day over the period, to reach 66.1 Mb per day by 2040.

Demand from Eurasia is projected to expand, from 5.3 Mb per day to 6.0 Mb per day by 2040. Demand in the OECD region, however, is expected to decline to 37.3 Mb per day by 2040.

70%

OPEC is assumed to account for nearly 70% of global supply growth, increasing by 9 Mb per day to 48 Mb per day by 2035.

Interestingly, while demand in the OECD region in 2015 accounted for 50% of global demand and that of developing countries accounted for 45%, by 2040 the situation is anticipated to change significantly. The OECD is expected to represent just 34% and developing countries 60% of global demand. The outlook for long-term oil demand is presented in the Table below.

World Oil Demand Outlook, 2015–2040 (mb/d)
Long-term Oil Demand in the Reference Case

	2015	2020	2025	2030	2035	2040
OECD America	24.4	24.8	24	22.8	21.5	20.1
OECD Europe	13.7	13.5	13	12.4	11.8	11.1
OECD Asia Ocenia	8.1	7.7	7.3	6.9	6.5	6.1
OECD	46.2	45.9	44.3	42.1	39.7	37.3
Latin America	5.6	6	6.4	6.7	7	7.3
Middle East & Africa	3.8	4.2	4.6	5.1	5.5	6
India	4.1	5.1	6.4	7.7	9	10.4
China	10.8	12.2	13.6	14.9	16.1	17.1
Other Asia	6.3	7.1	7.9	8.7	9.3	9.8
OPEC	10.9	12.2	13.3	14.3	15	15.4
Developing Countries	41.5	46.8	52.2	57.4	62	66.1
Russia	3.4	3.5	3.6	3.6	3.6	3.5
Other Eurasia	1.9	2.1	2.3	2.4	2.5	2.5
Eurasia	5.3	5.6	5.8	6	6.1	6
World	**93**	**98.3**	**102.3**	**105.5**	**107.8**	**109.4**

Source: OPEC - World Oil Outlook 2016 Report

The Gas Scenario

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

Recently, the growth of gas consumption has been weaker than expected, as gas has been crowded out by cheaper and more abundant coal. Besides, Europe has seen a rapid growth in renewables, which has reduced gas consumption. However, the recent lukewarm demand is not likely to persist, with global gas demand projected to grow by 1.6% annually over 2015-35.

Growth in conventional gas production (0.7% per annum) is expected to be led by the Middle East, Russia and Australia. The primary centres of demand growth are: China, with gas gaining share in industry and power; and the Middle East and the US where increased availability of gas helps boost demand within the power sector. By sector, the largest contributor is the industrial sector (with combusted and non-combusted use together accounting for 45% of growth) followed by power (36%).

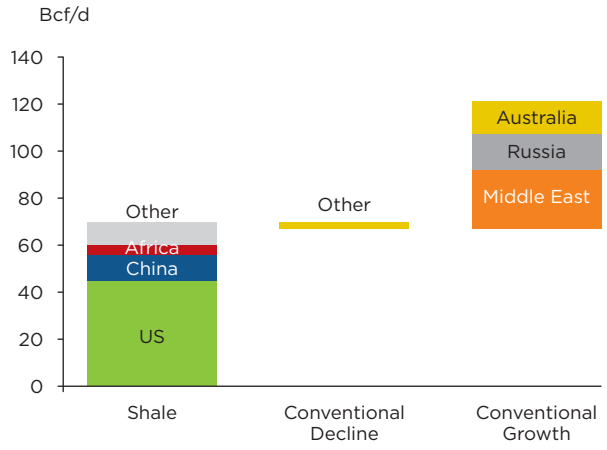
While import dependence is expected to grow in both China and Europe, the increased diversity of supplies associated with a rapid expansion of LNG supports gas consumption. In China, growth in gas consumption (5.4% annually, 36 Bcf per day) is expected to outstrip domestic production. The result is that the share of imported gas in total consumption would rise to nearly 40% by 2035, up from 30% in 2015. Around half of these increased imports are expected to be met by LNG, with rising pipeline imports from Russia and other Commonwealth of Independent State (CIS) countries providing the remainder.

In Europe, domestic production is set to decline sharply (-3.2% p.a.) as existing fields mature and are not replaced. As a result, the share of imported gas in total consumption is expected to rise from around 50% in 2015 to nearly 80% by 2035. LNG imports are likely to supply around two-thirds of the increase in imports, with rising pipeline imports from Russia providing the remainder.

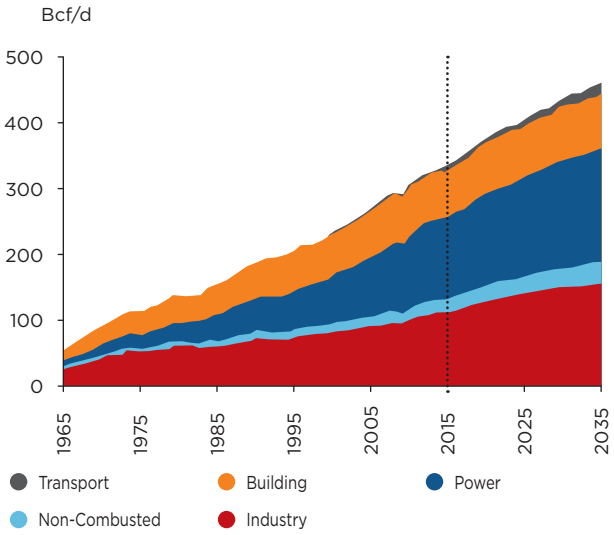
Natural Gas Scenario

The expected escalation in global gas supplies is roughly evenly split between conventional production and Shale gas. Much of the hike in conventional production is contributed by the Middle East, Russia and Australia. Shale production (growing at 5.2% per annum) is expected to account for around 60% of the increase in gas supplies, driven by the US where Shale output is expected to more than double (43 Bcf per day) towards the end of 2035. China is expected to emerge as the second largest Shale supplier.

Gas Supply Growth 2015-2035

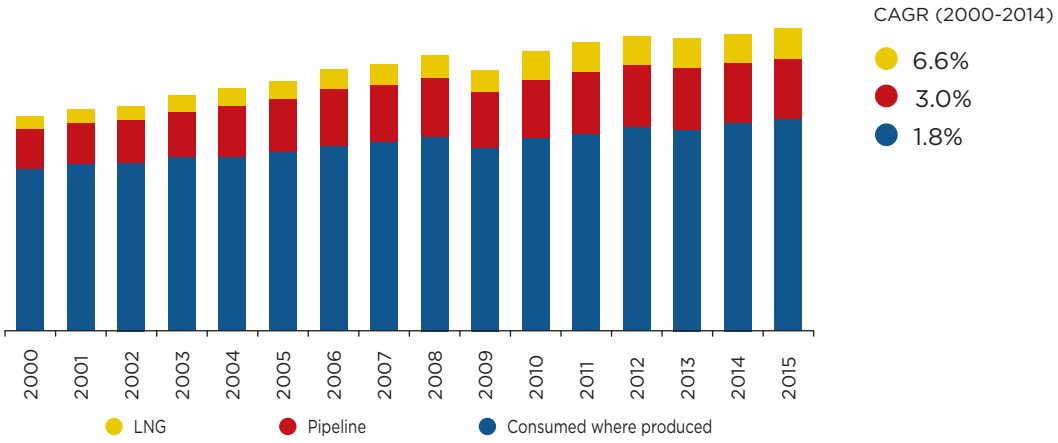


Gas consumption by sector



Source: BP Energy Outlook 2035, 2016 Edition

Global Gas Trade, 2000-2015



Note: CAGR = Compound Annual Growth Rate
Source: IHS Market, BP Statistical Review of World Energy

Liquefied Natural Gas

Liquefied natural gas (LNG) experienced a dynamic 2016, with global trade reaching a record 258 million tonnes (MT), an escalation of 13 MT over 2015. Supply ramped up at projects worldwide, from the United States to Australia and LNG found new markets in diverse economies. At the same time, delays and plant outages kept supply growth subdued. LNG prices remained below the cost of new supply as demand grows to reach balance.

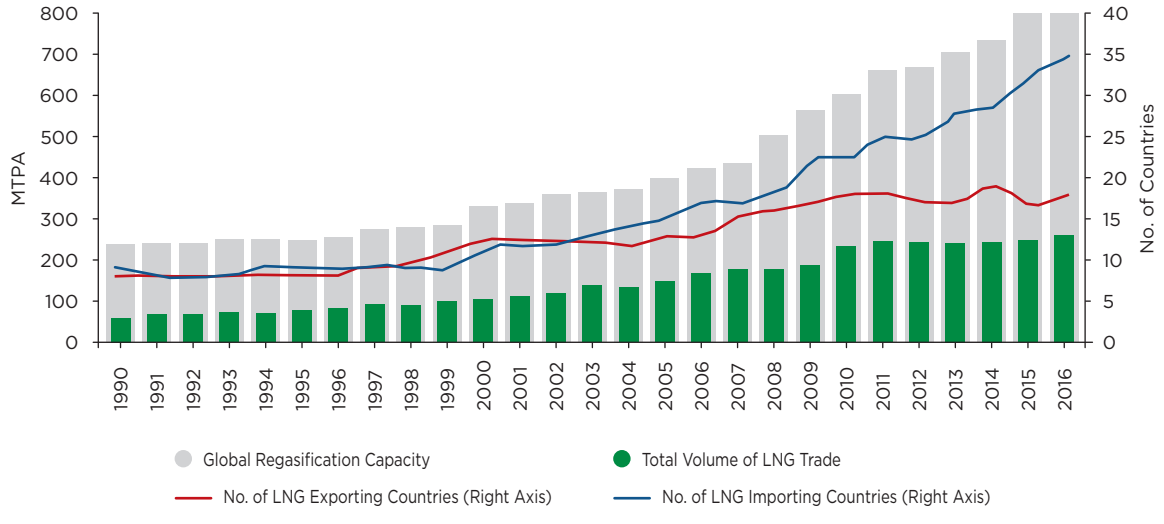
As the advantages of natural gas in the global energy mix become increasingly apparent to governments, businesses and consumers around the world, 2016 saw some encouraging trends in LNG. The much-awaited tranche of US LNG production began with Sabine Pass Trains 1&2 entering commercial operation. Ramp-up in Australia continued as well, with Gorgon LNG Trains 1&2 and Australia Pacific LNG starting commercial operation, coupled with new train additions at Gladstone LNG and Queensland Curtis LNG. Keen interest in LNG was also demonstrated by more than 879 MTPA of proposed project development, concentrated in North America, East Africa and Asia Pacific.

On the demand side, LNG continued to find new markets as a fuel of choice for existing grids that have limited indigenous production, such as Egypt and Pakistan, with combined growth of 6 MT. New niche markets have also developed that prefer clean, flexible fuel for power generation, such as Jamaica and Malta. China's LNG consumption increased dramatically, by nearly 35%, to around 27 MTPA. At the same time, however, the two largest markets – Japan and South Korea – are showing signs of satiation, as nuclear, coal and renewables find their balance in the power mix. With a rebound in hydro-power reservoir levels, Brazilian demand for LNG was down by 80% (4 MT), demonstrating the flexible value of LNG. As LNG prices continue in a competitive range, opportunities for demand growth in 2017 abound globally.

Looking forward, supply is poised to increase again in 2017 as new plants and additional trains come online, largely in the Pacific Basin. Major economies (China and India), as well as new LNG importers (Pakistan, Egypt and Jordan), will continue to support demand driven by fundamentals. The looser LNG supply and demand balance will manifest additional deliveries into European markets of UK, France and Spain, with ample infrastructure. Another trend will be a continued push by developers to locate small demand pockets, which although individually small could amount to substantial volumes in aggregate.

Trends in floating storage regasification units (FRSUs) and LNG bunkering are shaping the LNG industry. FRSU new-builds and conversions are expanding access for emerging LNG markets and will continue to help absorb supply. LNG is increasingly seen as a vital bunkering fuel for maritime transport as well. Last year, for example, the Port of Rotterdam installed its third LNG fuelling berth, as the benefits of switching to natural gas become increasingly apparent. Switching to LNG in the port can reduce NOx emissions by up to 90% and SOx and particulate emissions by up to 100%.

LNG Trade Volumes, 1990-2016



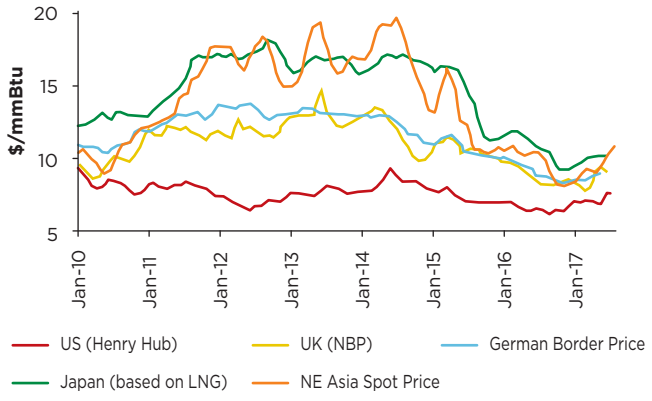
Source: International Gas Union, World LNG Report 2017

2016 LNG Trade Review

Global LNG Trade **+13.1 MTPA** Growth of Global LNG Trade	LNG Exporters & Importers **+2** Number of new LNG importers in 2018	LNG Re-Exports **FLAT y-o-y** Re-exported volumes remained flat in 2016	LNG Price Change **($2.32)** Drop in average North-East spot price from 2016, in MMBtu.
Global LNG trade reached a record of 258.0 MT in 2016, rising above the previous 244.8 MT set last year.	The New countries importing LNG in 2016, Colombia and Jamaica, although volumes were less than 0.2MT.	Brazil, a country which had reload capabilities during 2015, did not do so Internationally, reloaded 0.4MT in 2016.	Spot price in general continue to face weakness due to supply additions outspacing demand growth.
China, India & Egypt provided 15.7 MT in new import demand	Exports resumed from Angola and Egypt. Yemen recorded no exports in the year, after production was shut during the first half of 2015.	India re-exported LNG internationally in 2015 but did not in 2016.	Spot price rebounded in the second half of 2016 in the response to unanticipated supply outages and cold winter weather in Asia and Europe.
Contraction were largest in Brazil, The UK and Japan (Comibined -8.8MT).		One notable shift in the re-export behaviour was a large drop in reloads from Spain (-1.2MT) and increase in French re-exports (+0.9MT)	

Source: International Gas Union, World LNG Report 2017

Monthly Average Regional Gas Price

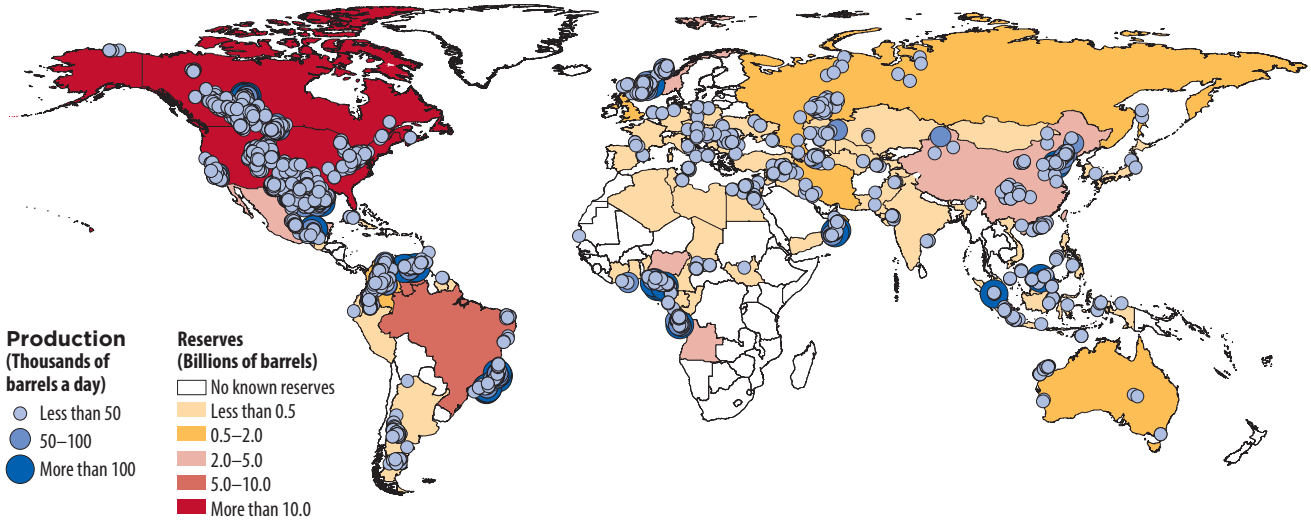


Source: International Gas Union, World LNG Report 2017

Shale Gas

Shale oil (also known as tight oil) is petroleum that consists of light crude oil, contained in petroleum-bearing formations of low penetrability, often Shale or tight sandstone. Exploitation of Shale oil began with the development of Shale gas extraction, using a combination of hydraulic fracturing (or fracking, a well-stimulation technique in which rock is fractured by a hydraulically pressurised liquid) and directional drilling (the practice of drilling non-vertical wells). These techniques were later widely adopted by the oil industry, primarily in the United States. Shale oil sources are developed by relatively smaller corporations and have a cost structure different from those of other oil sources. Shale oil requires lower sunk costs than conventional oil, and the lag between initial investment and production is much shorter.

Unconventional Oil Proven Reserves and Production, 2016



Sources: Rystad Energy research and analysis; and IMF staff calculations.
Note: Production and reserves include oil sands, heavy, extra heavy, tight and shale, deepwater and ultradeepwater oil. A proven reserve is one with a greater-than - 90 percent probability that the resource is recoverable and economically profitable. Deepwater is defined at 125–1,500 metres. Ultradeepwater is defined at 1,500 metres and above. When deepwater (or ultradeepwater) production was also categorised as heavy (or extra heavy) oil, the production was counted once, as deepwater (or ultradeepwater). Oil refers to crude oil, condensate, and natural gas liquids.

Unconventional Oil Production, 2016

(Million barrels a day)

Country	Heavy Oil	Oil Sands and Extra Heavy Oil	Deepwater	Ultra deepwater	Shale and Tight Oil	Total
United States	0.07	0.40	0.77	0.79	7.25	9.28
Canada	0.08	2.60	-	-	0.60	3.28
Brazil	0.03	0.09	1.09	1.18	-	2.39
Angola	0.00	-	1.34	0.16	-	1.50
Norway	0.02	-	1.36	-	-	1.39
China	0.73	0.36	0.08	0.01	0.03	1.21
Venezuela	0.18	1.00	-	-	-	1.18
Nigeria	0.08	0.00	0.83	-	-	0.91
Mexico	0.31	0.48	0.01	-	0.00	0.80
Azerbaijan	0.01	0.00	0.72	-	-	0.74
Colombia	0.13	0.50	-	-	0.00	0.63
Oman	0.12	0.30	-	-	0.01	0.43
United Kingdom	0.05	-	0.29	-	-	0.34
Russia	0.19	0.10	-	-	-	0.30
Ecuador	0.20	0.01	-	-	-	0.21
Malaysia	0.01	0.01	0.16	-	-	0.19
Australia	-	0.01	0.16	-	0.00	0.17
Equatorial Guniea	-	-	0.17	-	-	0.17
Congo,	-	0.01	0.16	-	-	0.17
Indonesia	0.01	0.14	0.00	-	-	0.15
Kazakhstan	0.06	0.09	-	-	-	0.15
Argentina	0.08	0.01	-	-	0.04	0.13

Sources: Rystad Energy research and analysis; and IMF staff calculations.
Note: Deepwater is defined at 125–1,500 metres. Ultradeepwater is defined at 1,500 metres and above.
When deepwater (or ultradeepwater) production was also categorised as heavy (or extra heavy) oil, the production was counted once, as deepwater (or ultradeepwater). Oil refers to crude oil, condensate, and natural gas liquids. Dash denotes zero production in record.

Production and reserve centres for unconventional sources are concentrated in a few countries. North America has the highest concentration of economically recoverable proven reserves and production in unconventional sources. These consist of Shale oil in the United States and oil sands in Canada. Central and South America also host significant reserves and production centres, comprising heavy and extra heavy oil and deep-water and ultra-deepwater oil resources in Brazil, Colombia, Ecuador, and Venezuela.

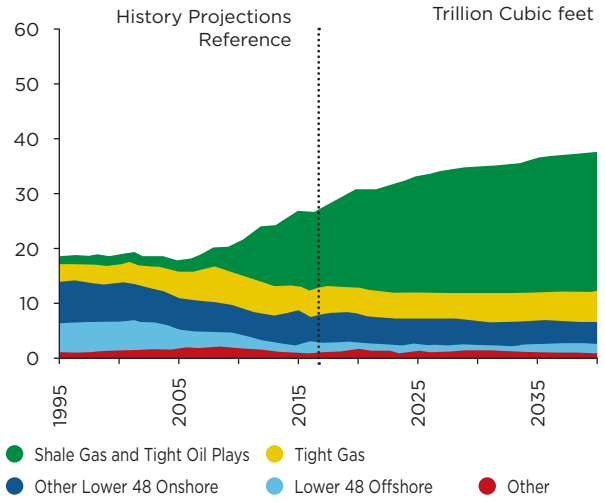
The remainder of world reserves and production of unconventional sources are scattered and consist mostly of heavy oil in Europe and deep-water and ultra deepwater oil in the North Sea and West Africa. It is noteworthy that the Middle East has the highest concentration of conventional oil reserves and production, but has a relative low level of proven reserves and production in unconventional oil.

Shale oil deposits were identified in several other countries (for example, Argentina, Australia, Canada, China, Mexico and Russia). However, except for Argentina and Canada, where Shale oil production is gearing up, regulatory obstacles and technological challenges, as well as recent low oil prices, have delayed or discouraged extraction.

Specifically, regulatory obstacles are related to environmental concerns, including water supply quality and the need for costly tailoring of fracking to the more complex nature of rock in some places. Some countries have gone so far as to ban all exploration and production of Shale oil. Overall, the global diffusion of Shale oil production remains uncertain, contributing to broader uncertainty about the global oil supply outlook.

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

Dry natural gas production by type



Source: Annual Energy Outlook 2017, EIA

India

India is the world's fourth largest energy consumer, after USA, China and Russia. According to industry reports, the country's energy demand growth (+129% over 2015-2035) is expected to be more than double the non-OECD average of 52%; it will also outpace each of the BRIC countries as China (+47%), Brazil (+41%), and Russia (+2%), all expand slower. India's share of global demand is expected to touch 9% by 2035, accounting for the second largest share among the BRIC countries with China at 26%, Russia at 4% and Brazil at 2%. Gas demand would expand by 162%, followed by oil (+120%) and coal (+105%). Renewables would rise by 699%, nuclear by 317% and hydro by 97%.

	Level		Shares		Change (abs.)		Change (%)		Change (Annual)*	
	2015	2035	2015	2035	1995-2015	2015-2035	1995-2015	2015-2035	1995-2015	2015-2035
Primary energy consumption (unites in MT unless otherwise noted)										
Total	701	1803			449	902	179%	129%	5.30%	4.20%
Oil* (Mb/d)	4.1	9.2	28.00%	27%	2.6	5	163%	121%		
Gas (Bct/d)	4.9	12.8	7%	7%	3	6	189%	182%	5.10%	4.90%
Coal	407	833	58%	52%	267	426	190%	105%	5.50%	3.60%
Nuclear	9	36	1%	2%	7	27	399%	317%	84%	7.40%
Hydro	28	55	4%	3%	11	27	64%	97%	2.50%	3.50%
Renewable (Including Biofuels)	16	129	2%	8%	1600%	113%	>1000%	712%	>10%	>10%



Global Steel Linepipe Industry

In total, almost 3.6 million kilometres of oil and gas pipeline network is present worldwide, with USA and Russia accounting for more than two-third. Besides, Canada, China, Ukraine, Argentina, UK, Iran, Mexico, and India take the cumulative total to around 80% of the global network by length.

The global pipeline demand as per Simdex for projects over the next four years is estimated at about 1,182 projects. It has resulted in an opportunity for supplies of over 108 million tonnes across geographies as presented in the table below:

Region	No. of Projects	EST Tonnage (KMT)
North America	512	18,367
Middle East	97	10,708
Latin America	63	7,238
Europe	77	15,789
Australasia	74	9,829
Asia	141	27,555
Africa	118	19,470
TOTAL	**1,182**	**108,956**

Source: Simdex data as on March 2017.

Domestic Linepipe Demand

Domestic line pipe market continues to be dominated by various water projects being implemented by government and quasi-government bodies in various states, including Madhya Pradesh, Gujarat, Tamil Nadu, Karnataka and Andhra Pradesh. More than 2 million MT of line pipe projects are expected to be awarded and executed over next few quarters. In the oil & gas segment, the implementation of extension of National Gas Grid project would drive the line pipe market.

India's capacity of natural gas pipeline network is approximately 430 MMSCMD; another pipeline (530 MMSCMD) is planned or under construction. In addition to the trunk lines, regional gas pipelines similar to Gujarat's intra-state network 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.

Welspun's FY17 Highlights

Execution excellence despite challenges

Despite a challenging business scenario, especially in the Middle East, Welspun's global operations and presence in major markets has enabled the Company to post a robust sales volume in FY17. It fell marginally short of 1 million MT mark.

Repayment of Non-Convertible Debentures (NCDs) and External Commercial Borrowings (ECBs):

The Company has been making considerable efforts towards repayment of its high cost debt through the cash from operations and surplus cash available with the Company. In this effort, the Company has gone ahead and prepaid the NCDs of ₹ 3 bn. Additionally, the Company has also paid ECBs of US$ 4 Mn.

Order book (601K MT; ₹ 38 billion)

The order book at the beginning of FY18 at 601K MTs is valued at ₹ 38 Billion. Despite a challenging business environment throughout the year, the Company has been able to achieve a decent order book. This has been made possible by the Company's global manufacturing base and reach across major key markets. While outlook for the domestic market remains positive, improving business scenario in North America should help the Company to further build on this order book during the next financial year.

US Facilities

The HFIW mill has produced and sold approximately 70K MT and coating of approximately 800K Sq M. Spiral mill did a pipe volume of approximately 100K MT and OD coating volume of approximately 840K Sq. M. During FY 16-17, the plant executed a distinguished project in the US, utilising three forms of logistical options, including rail, truck and barge. This was the first time the Company used barges to transport pipes from its Little Rock facility, as it provides a much more economical freight option. Such a strategy may be helpful in future projects as well. Also, the Company completed another project for an American oil & gas major without a single pipe requiring repair.

India Facilities

Anjar

During the year, new Concrete Weight Coating (CWC) Plant bagged its maiden order from an American Oil & Gas major. The LSAW Mill serviced global Oil & Gas customers across a range of mid and large-sized orders. Besides, there was also first time commercial production of X80M Grade at L-SAW for a prestigious client.

The plant won multiple awards including:

- Gold Award QCI- DL Shah Quality Award-2016 from the Quality Council of India
- 'Golden Peacock National Quality Award' for 2017
- Platinum Prize in the Large Size category in the Manufacturing Sector under 5th FICCI 'Quality Systems Excellence Awards for Industry'

Various developmental projects pertaining to technology up-gradation and innovation like commissioning of shot blaster unit and APDMS (Automatic pipe dimension measuring system) have been undertaken at L-SAW plant to ensure truly world-class manufacturing.

Dahej

Spiral mill executed orders for the domestic water sector. Plant capability was enhanced for 16" OD, which got qualified by the Bureau of Indian Standards (BIS). LSAW mill bagged a prestigious order of approximately 200K MT. The order specifications have low D/T and heavy wall thickness, with commitment of stringent requirement of critical offshore sour application.

Mandya

It has a strategic presence in South India to cater to the demand of all Southern States of India. In 2017, Spiral mill executed orders pertaining to the Water and Irrigation segment. With special focus on water distribution infrastructure by various Government agencies, this mill produced higher volumes and improved performance in the current fiscal.

Saudi Facilities

The Company executed its first export order during FY17. Extending its capability, the plant has successfully commissioned Digital Radiography System. It has been approved by the largest oil & gas player in Saudi Arabia.

Multi location line pipe manufacturing facilities complemented with coating capability

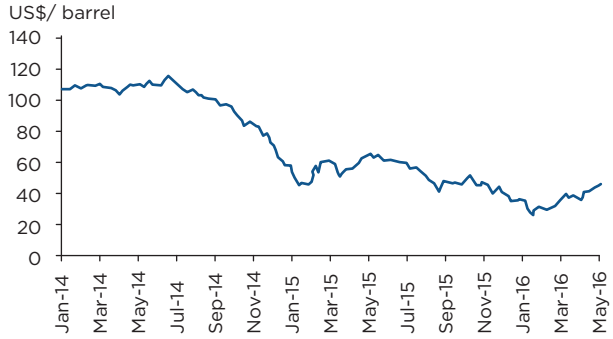
The Company's multi-locational line pipe capacity remains at 2.425 million MTPA (as tabulated below). The Company has coating facilities in all three countries besides the Plate and Coil Mill capacity in India, details as below:

(in '000 tons)

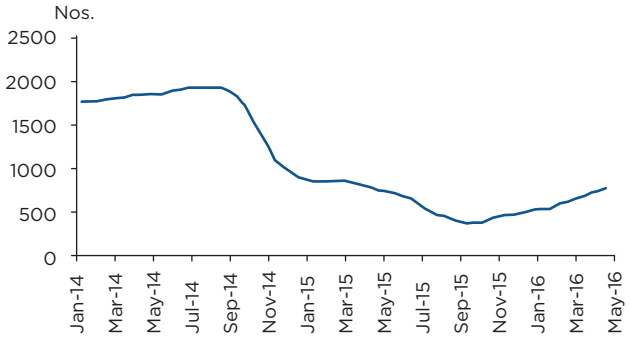
	India			Saudi Arabia	United States of America	Total Capacity
Products	Anjar	Dahej	Mandya	Dammam	Little Rock	
LSAW	350	350	-	-	-	700
HSAW	500	50	150	300	350	1,350
ERW/ HFIW	200	-	-	-	175	375
Current Line Pipe Capacity	1,050	400	150	300	525	2,425
Plate & Coil	1,500	-	-	-	-	1,500

Improving business outlook

Brent Crude Spot Price



US Rig Count



In November 2016, members of OPEC agreed to reduce crude oil output to 32.5 million barrels a day (mbd), effective January 2017 and for a duration of six months, extendable for another six months. That agreement would suggest a cut of 1.2 mbd from production levels in October 2016. Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates are bearing the brunt of the cuts, alongside other member countries, whereas Libya and Nigeria are exempt.

Participants at an OPEC and non-OPEC meeting in Vienna on December 10, 2016, agreed to additional cuts, amounting to about 0.6 mbd. Russia, a country that is not a member of OPEC, has committed to reducing production by 0.3 mbd, and 10 other non-OPEC countries agreed to contribute the remainder. Following these production agreements, Saudi Arabia indicated it could cut production beyond its initial commitment to enhance the credibility of the agreement. In response to these agreements, spot oil prices increased to more than US $50 a barrel. However, events like increased production from Shale resources and return of Libyan supplies, is again putting pressure on oil prices.

Stability in the energy market will stimulate investment, which is expected to increase in 2017 after two consecutive years of significant decline.

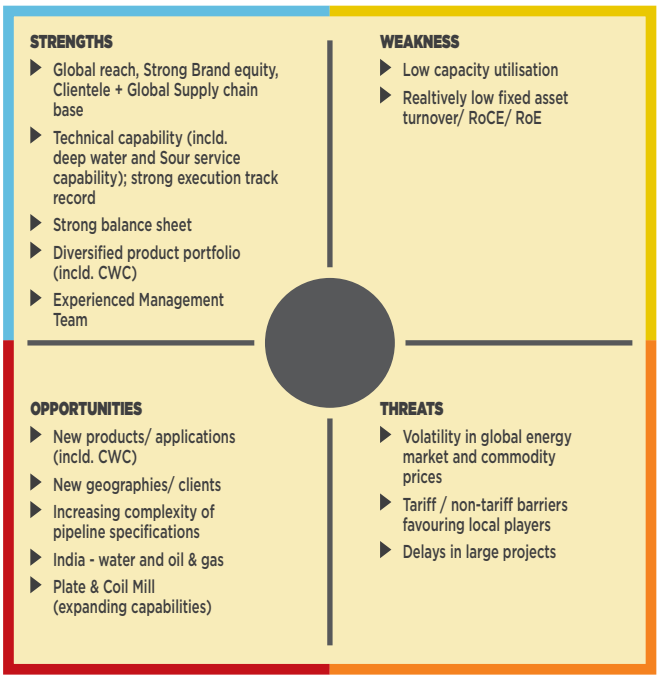
Geopolitical constraints, along with sluggish economic activity level are causing delays in major cross-country pipelines across North America. However, with a new US administration and improved oil & gas economics, things are improving.

The Middle East continues to be a region with high potential. However, the 30% cut in capex announced by Saudi Aramco and growing local competition, makes the outlook for the region challenging. However, other MENA regions remain buoyant.

India could turn out to be a high growth area in the near term – activity on National Gas Grid projects has 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.

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

SWOT ANALYSIS



Risks and Concerns

The Company's key risks 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 Company's order book position, affecting capacity utilisation, sales and profitability.

- **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:** The Company face risk on steel pricing (the basic raw material for us) which it considers in bidding for any project or 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.

  The Company tries to mitigate this risk by way of arranging back-to-back pre-tender tie-ups with our selected group of pre-approved steel mills (through 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 the Company happens to be the successful bidder, the Company will immediately confirm its order of steel. In some markets, the Company does not undertake channel sales where it 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 line pipes 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 owing to 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.

- **Currency Risks:** The Company's foreign currency exposures are largely denominated in US dollars, Saudi Riyal, or Euro. Volatility in the rupee exchange rate against major currencies 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.

Human Resources – FY 17

Our Human Resource Strategy continues to evolve around our Group Philosophy of Welspun 2.0. We strive to further reinforce our core values of Customer Centricity, Collaboration, Technology and Inclusive Growth.

HR Operating Model



At WCL, our people practices and processes aim to deliver both Strategic and Operational Excellence to the Company by building organisational capability. We have put mechanisms in place to leverage our in-house expertise and people capabilities to create and execute our business strategy.

During FY 2016-17, we have made significant progress in enhancing our HR delivery by adopting the latest best practices for people development and technology oriented HR.

Implementation of Success Factors (SF), one of the best-in-class Human Resource Management Systems, is one of the highlights for FY 16-17.

To ensure personnel development right from the time of hire, a comprehensive onboarding program has been set up that provides new employees a preview of Group operations, its systems, policies and procedures.

For a systematised approach to talent identification and development, competencies are mapped to each individual in SF; and the learning and development programs will be selected based on the need identification that emerges from the competency gap analysis in the system.

Performance through People is one of the examples of a development programme for first-time managers, aimed at developing a talent pipeline.

"Model Organisation", a comprehensive potential and performance assessment program, has been carried out at Anjar LSAW Plant level on a pilot basis, which was further rolled out to other plants. This program serves to identify talent, gaps in critical skills and competencies, and run programs that cater to building the right skilled workforce.

"Learning Hours", an internal faculty based program, gives an excellent opportunity for internal subject matter experts to share their knowledge, aiding in developing both the trainer and the trainee.

Development programs, in collaboration with premier institutes like INSEAD, and Coaching for the Top Leadership are conducted for the top management, and to also develop the Company's next line of leaders.

To promote Women Leadership and Gender Diversity at workplace, we successfully completed our Women Leadership program entitled 'Women at Welspun'in collaboration with GlobalNxt University.

Employee engagement is vital to sustain organisational success. Our Company participated in the Best Employers Survey by Aon Hewitt in 2016-2017. The survey results have provided insights to develop a roadmap for the coming years.

Last year, we put in place a new reward management approach with market-linked increments designed to reward employees who contributed to the Company's success over the year. In continuation of the policy, this year we are redesigning our job grading system, which is a global framework providing for robust people related decision-making and organisation design.

Amidst evolving social, economic and political challenges, we continue to remain focused to building an agile organisation that delivers on business strategy and provides an enriching employee 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 authorisation 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

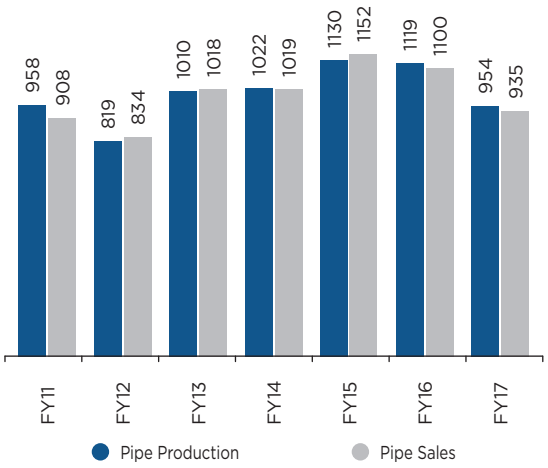
This discussion on Financial Analysis is for consolidated financials of the Company. The Company, together with its subsidiaries, is engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils during 2016-17. FY16, numbers are shown on comparable basis for all statement of Profit and Loss and Balance Sheet items discussed below.

The highlights of the financial year were:

- There was record high production and sales volumes in India facility which significantly improved financial performance.
- Plate and coil mill improved profitability during the year.
- FY17 revenue was at ₹ 60,355 million.

Volumes

Production and Sales in K MT – Pipes (including Saudi)



- Pipe production volume for FY17 (including Saudi) stood at 954 K tones, down 15% y-o-y. Ex-Saudi production volume was 854 K tones, down 6% y-o-y
- Pipe Sales volume (including Saudi) for FY17 stood at 935 K tones – 15% lower y-o-y. Ex-Saudi sales volume was 830 K tones, down 8% YoY
- The capacity utilisation was over 39% against 46% in the previous year (including Saudi). The installed capacity of pipes is 2.425 million MTPA (including Saudi), making the Company one of the largest line pipe companies in the world.

1. Consolidated Revenues

Revenue in ₹ Million

Total sales stood at ₹ 60,355 million in FY17 as compared to ₹ 73,801 million in FY16, a decline of 18%, primarily on account of lower volumes.

Breakup of various cost items as a %age of Sales (Consolidated)

Particulars	FY 16-17		FY 15-16	
	(₹ in million)	(%)	(₹ in million)	(%)
Sales	60,355	100%	73,801	100%
Cost of goods sold	40,402	66.9%	44,315	60.0%
Employee Benefit Expenses	4,305	7.1%	5,576	7.6%
Manufacturing & Other Expenses				
- Store & spares consumed	2,064	3.4%	2,562	3.5%
- Coating & other Job charges	201	0.3%	605	0.8%
- Power, fuel & water charges	1,063	1.8%	1,168	1.6%
- Freight Material handling charges	3,902	6.5%	5,695	7.7%
- Product Compensation & Claims			0	0.0%
- Exchange Difference (Net)			1,361	1.8%
- Other expenses	3,293	5.46%	4,742	6.4%
Total Manufacturing & Other Expenses	**10,523**	**17.4%**	**16,133**	**21.8%**
Total Expenses	**55,230**	**91.5%**	**66,024**	**89.5%**
Other Income	2,246	3.7%	1,132	1.5%
Reported EBITDA	**7,370**	**12.2%**	**8,908**	**12.1%**
Finance Costs	2,357	3.9%	2,411	3.3%
Depreciation	3,861	6.4%	3,865	5.2%
PBT (Profit before Tax)	**1,152**	**1.9%**	**2,632**	**3.6%**
Tax Expenses	258	0.4%	792	1.1%
Net Loss of Joint Venture	-793	-1.3%	-47	0.0%
Minority Interest	163	0.3%	-275	-0.4%
Profit After Tax	**264**	**0.4%**	**1,518**	**2.1%**

a. Cost of goods sold

Cost of goods sold decreased by 9% to ₹ 40,402 million in FY17 mainly due to lower sales volume. Cost of material consumed as a percentage to Net Sales has increased from 60.0% in FY16 to 66.9% in FY17.

b. Manufacturing and other expenses

Manufacturing, transportation and other expenses decreased by 35% which stood at ₹ 10,523 million in FY17. The decrease is mainly on account of lower activity during the year, lower freight and material handling expenses, and cost control.

c. Employee Benefit Expenses decreased by 23% to ₹ 4,305 million in FY17 primarily on account of cost rationalisation across all geographies.

d. Finance Costs

Finance costs decreased marginally by 2% to ₹ 2,357 million in FY17 due to reduction of long term borrowings, mainly includes Non-Convertible Debentures.

e. Depreciation/Amortisation charge

Depreciation/amortisation charges were flat at ₹ 3,861 million in FY17.

f. Margins

i. EBITDA Margins

EBITDA for FY17 is ₹ 7,370 million, as compared to ₹ 8,908 million for FY16 a decrease of 17% mainly due to lower volumes and lower realisations. Adjusted for unrealised foreign exchange gain of ₹555 million and non-operational income, of ₹ 1,435 million Operational EBITDA stood at ₹ 5,379 million in FY17 as compared to ₹ 7,916 million in FY16

ii. PAT Margin

Profit after tax before minority interest is ₹ 894 million in FY17 as compare to ₹ 1,840 million in FY16 and Profit after Tax post minority interest stood at ₹ 264 million in FY17 after share of minority and JVs of ₹ 630 million.

2. Table: Balance Sheet (Consolidated)

(₹ in million)

Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	33,481	37,185
Capital work-in-progress	250	339
Investment property	1	1
Goodwill	5	5
Other intangible assets	72	115
Intangible assets under development	73	5
Equity investments in subsidiaries, joint venture and associates	1,836	2,515
Financial Assets		
Investments	348	330
Loans	2,095	1,786
Other financial assets	321	420
Deferred tax assets (net)	-	12
Other non-current tax assets	1,028	475
Total Non-Current Assets	**39,509**	**43,188**
Current assets		
Inventories	17,647	12,932
Financial assets		
Investments	5,069	7,328
Trade receivables	14,652	14,007
Cash and cash equivalents	1,480	1,060
Bank balances other than cash and cash equivalents	817	4,495
Loans	7	7
Other financial assets	574	1,219
Current tax assets (net)	1	193
Other current assets	2,709	1,937
Assets classified as held for sale	6	20
Total current assets	**42,960**	**43,197**
Total assets	**82,469**	**86,385**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,326	1,326
Reserves and surplus	26,518	26,252
Other reserves	251	411
Equity attributable to equity holders	**28,094**	**27,989**
Non-controlling interests	1,135	1,317
Total equity	**29,230**	**29,306**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	15,215	18,461
Other financial liabilities	-	579
Provisions	351	272
Deferred tax liabilities (net)	3,805	4,038
Government grants	3,654	3,600
Other non-current liabilities	-	876
Total non-current liabilities	**23,024**	**27,826**

(₹ in million)

Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
Current liabilities		
Financial liabilities		
Borrowings	2,203	5,681
Trade payables	21,931	15,971
Other current financial liabilities	2,486	3,039
Provisions	173	168
Government grants	415	370
Current tax liabilities (net)	804	65
Other current liabilities	2,204	3,960
Total current liabilities	**30,215**	**29,253**
Total equity and liabilities	**82,469**	**86,385**

3. 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 .

4. Capital Deployment

During FY17, capital deployment was marginally lower at ₹ 82,469 million vs. ₹ 86,385 million in FY16 largely due to reduction in Net Total Fixed Assets.

5. Networth

Networth at the end of FY17 was flat at ₹ 28,094 million vs. ₹ 27,989 million at the end of FY16.

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 March 31, 2017; same as previous financial year.

b. Reserves and Surplus

i) Capital Reserve on Consolidation: The balance as of March 31, 2017 amounted to ₹ 153 million which is same as in the previous financial year.

ii) Securities Premium account stands at ₹ 7,770 million, which is same as in the previous financial year.

iii) Debenture Redemption Reserve: Debenture Redemption Reserve stands at ₹ 1,643 million at the end of FY 17 vs. ₹ 1,142 million at the end of previous financial year.

iv) The Balance in General Reserve as on March 31, 2017 stands at ₹ 228 million as compared to ₹ 53 million in the previous financial year.

v) Profit and Loss account: The balance retained in the Profit and Loss Account as on March 31, 2017 has decreased by ₹ 593 million to ₹ 16,820 million, mainly on account of transfer to dividend and dividend distribution tax of ₹ 175 million, and Debenture Redemption Reserve of ₹ 501 million.

vi) Hedging Reserve Account stands at ₹ 135 million as at March 31, 2017 vs. ₹ 32 million in the previous financial year.

6. Loan funds

The Gross debt at the end of FY17 stands at ₹ 18,461 million down by ₹ 8,007 million over the previous year. The components included in gross debt are long term borrowings of ₹ 15,215 million, current portion of long term borrowings of ₹ 1,012 million, and short term borrowings of ₹ 2,203 million at the end of FY 17.

Major movements during the year are:

i. The overall long-term borrowings and current portion of long term debt has gone down by ₹ 4,530 million, primarily due to pre-payment of NCDs and repayment of ECBs.

ii. The short-term borrowings have decreased by ₹ 3,477 million mainly due to decrease in working capital loans.

Cash & Bank Balances and liquid/current investments for FY17 have decreased by ₹ 5,519 million to ₹ 7,365 million.

Net debt decreased by ₹ 2,489 million and stands at ₹ 11,065 million as of March 31, 2017 after accounting for cash & bank balances and liquid investments.

Net Debt to Networth ratio is at 0.39x (vs. 0.48x last year) indicating a strong Balance Sheet.

7. Property, Plant and Equipment (including CWIP and intangibles)

Net block of fixed assets (including CWIP) decreased by ₹ 3,769 million to ₹ 33,875 million in FY17 due to depreciation impact.

8. Inventory

The overall inventory increased by ₹ 4,715 million to ₹ 17,647 million mostly due to increase in raw materials by ₹ 3,117 million for execution of current orders, increase in finished goods by ₹ 1,723 million. Stores and spares decreased by ₹ 128 million and Work in progress was flat at ₹ 1,198 million.

On account of the above, the inventory turnover days have increased from 64 days of Net Sales in FY16 to 107 days of Net Sales in FY17.

9. Trade Receivables

Trade Receivables increased by ₹ 645 million to ₹ 14,652 million in FY17. Sundry Debtors are at 89 days (69 days in FY16) of net sales during the year.

10. Loans

Total loans (current and non-current) increased by ₹ 309 million to ₹ 2,102 million mainly due to loans given to JVs.

11. Other Financial Assets

Total financial assets (current and non-current) decreased by ₹ 745 million to ₹ 894 million.

12. Other Current Assets

Other current assets increased by ₹ 772 million to ₹ 2,709 million in FY17. The change was largely due to ₹ 569 million increase in balance with statutory authorities and ₹ 245 million increase in export benefit receivables.

13. Trade Payables

Trade payables have gone up by ₹ 5,960 million to ₹ 21,931 million in FY17 from ₹ 15,971 million in FY16, primarily on account of ₹ 7,920 million increase in acceptances which was partially offset by ₹ 2,411 million decrease in other payables.

Trade payables are at 133 days (79 days in FY16) of Net Sales.

14. Cash Conversion Cycle

Cash conversion cycle for the current year increased to 63 days compared to 54 days for FY16; this was largely due to back-ended business activity during the year.

15. 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.

16. Cash Flows

The table below summarises our cash flow for the period indicated:

	March 31, 2017 (₹ in million)
Net cash generated from operating activities	169
Net cash generated from investing activities	6,511
Net cash used in financing activities	(6,252)
Net change in Cash and Bank Balances	428

Directors' Report

To,
The Members,
Welspun Corp Limited

Your directors have pleasure in presenting the 22nd Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2017.

1. Financial Results

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Total income	46,956.24	40,245.97	62,600.65	74,932.27
Profit before finance cost, depreciation & tax	7,153.37	2,703.90	7,370.14	8,908.42
Less : Finance costs	2,073.04	2,014.60	2,357.14	2,411.38
Profit before depreciation & tax	5,080.27	689.29	5,013.00	6,497.04
Less: Depreciation/Amortisation	2,442.45	2,475.26	3,860.80	3,864.79
Add:Share of net loss of joint ventures accounted for using the equity method	-	-	(793.01)	(47.26)
Profit/(loss) before tax	2,637.88	(1,785.96)	359.19	2,584.99
Less : Provision for tax				
Current Tax	418.10	-	472.21	1,205.05
Deferred Tax	473.77	(554.39)	(214.17)	(412.85)
Profit/(Loss) after taxes before Non-controlling interests	**1,746.01**	**(1,231.57)**	**101.15**	**1,792.79**
Less :Non-controlling interests	**-**	**-**	**(163.10)**	**274.67**
Profit/(loss) after tax for the year (after Non-controlling interests)	**1,746.01**	**(1,231.57)**	**264.25**	**1,518.12**
Add : balance brought forward from previous year	6,237.88	7,628.92	17,413.04	16,054.89
Re-measurements of post-employment benefit (net of tax)	(21.83)	(1.09)	(22.35)	(1.59)
Dividend on equity shares	(132.61)	(131.59)	(132.61)	(131.59)
Tax on dividend	(27.00)	(26.31)	(27.00)	(26.31)
Dividend Distribution Tax on dividend of earlier year	-	(0.48)	-	(0.48)
Transfer to Debenture Redemption Reserve	(500.73)	-	(500.73)	-
Transfer to General Reserve	(174.60)	-	(174.60)	-
Balance carried forward to the next year	7,127.14	6,237.88	16,820.00	17,413.04

2. Performance Highlights

Production highlights for the year under Report are as under:

(In MT)

Product	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Pipes	682,090	521,207	854,157	908,754
H. R. Plates & Coils	232,608	234,571	232,608	234,571

3. Reserves, Dividend & Dividend Policy.

The Board is pleased to recommend a dividend @ 10% for the year ended March 31, 2017 i.e. ₹ 0.50 per equity share of ₹ 5/- each fully paid-up out of the net profits. In respect of the dividend declared for the previous financial years, ₹ 4.09 million remained unclaimed as on March 31, 2017.

The Board proposes to transfer ₹ 174.60 million to General Reserves and ₹ 500.73 million to Debenture Redemption Reserve.

In terms of the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors approved

and adopted Dividend Distribution Policy of the Company setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders and/ or retaining the profits earned by the Company. The Policy is annexed to this Report as Annexure – 1 and is also available on your Company's website at: http://www.welspuncorp.com/system/downloads/attachments/000/000/338/original/Dividend_Distribution_Policy_08.05.2017.pdf?1494308856

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

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 - 2.

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 2017-18.

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.

No frauds or instances of mismanagement were reported by the Statutory Auditor under Section 143(12) of the Companies Act, 2013.

(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 2016-17. The Cost Audit Report for the year 2015-16 was e-filed on August 2, 2016. The Cost Audit for the financial year 2016-17 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 3.

9. Share Capital & Listing

A) 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. The Company has not issued any sweat equity and stock options hence no disclosure is required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014 and the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

B) 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
210	53,200	3	1,190	3	1,190	207	52,010

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

C) 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 listed at Singapore Securities Trading Limited (SGX-ST) has since been surrendered by the holder thereof and exchanged with the voting equity shares of the Company during the year under Report.

Annual listing fees for the year 2016-17 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 – 4.

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 (₹ in million/p.a.)
Pipe Mill – Dahej		
Installation of 30 W LED fixture at Power Plant outside lighting 6 nos & 4 nos End Chamfering Lighting in place of 150 W metal halide lamps.	5,256	0.03
Plate and Coil Mills - Anjar		
Stopping Hyd. Sys C-Pump by modification in C-4 valve stand.	477,836	3.23
Replacement of aluminum fans in Cooling Tower with FRP fans.	14,818	0.10
HVAC system improvement by adding additives.	117,007	0.79
Reduction in Air Compressor power consumption by replacement of HP Element.	23,096	0.16
Power Saving due to Natural Gas application instead of furnace oil & LPG.	513,601	3.47
Impeller trimming of Mill Roll [P-1] Cooling pump to avoid throttling loss.	35,464	0.24
Pipe Mill – Anjar		
Replacement of Halogen light with LED light at Bevelling.	3,553	0.02
VRD installation in Welding Machine.	557	0.00
Replacements of old pump set of cooling tower with new pump set.	92,904	0.63
Selection of lower size induction coil.	9,822	0.07
Optimisation of working hours of Indexer HPPs by reduction in OFF delay timing.	163,520	1.10
Procurement of new induction coil for 48" project of a customer.	435,747	2.94
To optimise running of induction cooling tower fan with temperature control.	13,548	0.09
Pressure reduction of Hydro Tester Filling Pump by Impeller Trimming.	51,904	0.35
Replacement of Metal Halide Lamp with LED in Pre-visual and in Marking M/c.	987	0.01

	Energy Saving KwH/ p.a.	Saving in Cost (₹ in million/p.a.)
Contact Tool replacement with Shoes type contact in 16" HF Welder.	28,641	0.19
Application of Air Amplifier at 16" Mill to reduce compressed air consumption.	22,343	0.15
Switching indoor lighting with clock ON/OFF timer– BC Bay.	28,470	0.19
Forming Exit Lifter Hydraulic power pack to be made ON/OFF in auto.	4,295	0.03
Reduction in Heater running hours in OD supply tank.	6,736	0.05
Edge miller Plate brush both motors to be made ON/OFF in auto.	2,631	0.02
Signet Additives application in Plant ACs.	163,504	1.10
Reduction in idle running of induction heater cooling water circulation pumps.	4,169	0.03
Pipe Mill – Mandya		
Replacement of 400 W metal hallide fitting by 100 W LED Fittings	64,152	0.42
Replacement of 400 W metal hallide fitting by 50 W LED Fittings	78,624	0.51
Replacement of 36 W florescent tube by 9 W LED Bulb	840	0.01
Replacement of 36 W florescent bulb by 20 W LED Tube	532.00	0.00
Replacement of 400 W metal hallide light by 200 W LED Fitting.	8,735	0.06

01. Technology absorption : Nil

02. Research & Development

A. Specific areas in which R&D is carried out by the Company

Anjar Pipe Mill:

- Development of X60M grade SAWL pipes from cut-to-length sheets from hot rolled coils for sour-service applications.
- Development of very low diameter/ thickness ratio X65M SAWL pipes for offshore-sour service applications.
- Development of low diameter/ thickness ratio X52M grade SAWL pipes for severe-sour-deep offshore applications.
- Properties enhancement of hot induction bends made by using mother pipes manufactured from Thermo-Mechanically Controlled hot rolled steel plates.

B. Benefits derived as a result of the above R&D.

Anjar Pipe Mill:

- Cost reduction due to using cut-to-length sheets in place of plates without compromising the quality.
- Ability to cater stringent requirements of pipelines for transportation of oil/ gas from remote, ultra deep, difficult to access and corrosive fields.
- Low cost hot induction bends from Thermo-Mechanically Controlled hot rolled steel piles without heat treatments.

C. Future plan of action

Anjar Pipe Mill:

- Development of Grade 550/X80M SAWL pipes for onshore sweet service gas pipelines.
- Development of Grade 550/X80M SAWH pipes for onshore sweet service gas pipelines.
- Development of X65 grade SAWH pipes for onshore-sour applications.
- Use of new wire and flux for low temperature toughness, very low hardness and higher weld elongation (>/=25%) in SAW pipes.

Anjar Plate and Coil Mill:

- Development of API 5L X60MS plates using low-Mn & high-Nb steel slabs for SAWL pipes used in onshore sour service applications.

- Development of API 5L X70M plates for SAWL pipes used for onshore sweet service applications.

03. Expenditure on R&D

(a) Capital : Nil

(b) Recurring : ₹ 27.04 million

(c) Total : ₹ 27.04 million

(d) Total R&D expenditure as a percentage of revenue from operations : 0.06%

Total Foreign exchange used and earned: Used - ₹ 29,958.86 million, Earned - ₹ 13,248.70 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 5.

13. Directors and Key Managerial Personnel

A) Changes in Directors and Key Managerial Personnel

Since the last report, following changes took place in the Board of Directors and Key Managerial Personnel:-

- Mr. Nirmal Gangwal, an independent director resigned with effect from August 24, 2016.
- Mr. Braja Mishra resigned from the position of the Managing Director with effect from December 31, 2016. However, he continued as a non-executive director.
- Mr. Lalitkumar Naik was appointed as the Managing Director & Chief Executive Officer with effect from January 1, 2017.
- Nomination of Mr. Mukul Sarkar was withdrawn by the EXIM Bank Ltd. from the position of the director with effect from January 25, 2017.
- Mr. Desh Raj Dogra was appointed as an additional independent director with effect from February 10, 2017, whose term is expiring at the forthcoming Annual General Meeting.

Pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice from a member proposing Mr. Dogra for appointment as a director of the Company. Accordingly, a resolution proposing his appointment has been included in the notice convening the Annual General Meeting. Mr. Dogra meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Balkrishan Goenka and Mr. Utsav Baijal 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 which is being sent to the members along with the Annual Report.

B) Declaration by Independent Directors

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

The Company followed the 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 etc. which was largely in line with the SEBI Guidance Note on Board Evaluation dated January 5, 2017. The evaluation process invited through IT enabled platform, sought 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 2016-17, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, 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. All the 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 annexed to the Annual Report as Annexure 7.

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

(₹ in million)

Name of the Entity / beneficiary	Investment	Corporate Guarantee	Loans
Welspun Pipes Inc.	0.44	-	-
Welspun Tradings Limited	50.22	6,828.48	-
Welspun Captive Power Generation Limited *	329.68	-	-
Welspun Mauritius Holdings Limited *	1,819.44	-	-
Welspun Wasco Coatings Private Limited	147.55	54.25	256.07
Standard Chartered Bank ADR	18.04	-	-
Bonds	4,639.92	-	-
Welspun Middle East Pipes Company LLC	-	2,389.43	-
Welspun Middle East Pipe Coating Company LLC	-	345.98	-

* Investment carried at fair value through profit and loss.

The corporate guarantees were given to secure credit facilities availed by the subsidiaries of your Company, guarantee export obligations of the subsidiaries to the custom authorities and to guarantee performance of the subsidiaries of the 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.

Save and except as disclosed in the financial statements, none of the Directors had 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 6 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: 190 times. Mr. Braja Mishra ceased to be the Managing Director with effect from December 31, 2016. With effect from January 1, 2017, Mr. Lalitkumar Naik was appointed as the Managing Director and CEO of the Company.

(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: N.A. (Not Comparable because there was a mid-year changeover), CFO : (5)%, CS : (2.34)%

(iii) The percentage increase in the median remuneration of employees in the financial year: 5.99%

(iv) The number of permanent employees on the rolls of the Company: 2,693.

(v) Variations in the market capitalisation 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 reduced from ₹ 26,177.82 million to ₹ 21,907.68 million. The P/ E ratio changed from 27.88 times to 12.55 times. The share price increased by 478.20% in comparison to the rate at which the Company came out with the public issue in February, 1997 (after taking in to consideration the reorganisation of share capital done in March, 2005 but without considering other corporate actions not resulting in to any change in the share capital).

(vi) Average percentile increase /(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/ (decrease) in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : Aggregate remuneration of employees excluding KMP reduced by 1.49%. Change in the remuneration of the KMP is not comparable due to change in the Managing Director during the financial year. Considering remuneration of the newly appointed Managing Director and CEO, the aggregate remuneration of KMP reduced by 57.06%.

(vii) The key parameters for any variable component of remuneration availed by the directors : Not applicable.

(viii) 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 the Company performance for the Financial year.

b. Details of the top ten employees in terms of remuneration drawn and the name of every other employee as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Name	Designation	Age (years)	DOJ	Remuneration (₹)	Qualification	Previous Company	Nature of Employment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company
Vipul Mathur	Chief Operating Officer	47	02-Feb-01	28,675,068	MBA	Man Industries (India) Ltd	Permanent	0.00%	No
S Krishnan	CFO	55	03-Jun-13	24,721,362	M. Com, LLB-Part I, ACA, ACS, AICWA	United Phosphorus Ltd.	Permanent	0.00%	No
Prasanta K Mukherjee	Director	56	02-May-99	21,608,804	BE	Kilburn Engineering Ltd	Permanent	0.00%	No
Godfrey John	Director	52	11-Jun-12	18,443,697	MBA	Ferro Tech India Pvt. Ltd.	Permanent	0.00%	No
Lalitkumar Naik	Managing Director & CEO	56	01-Dec-16	11,835,616	PGDM, B. Tech (Chemical Engineering)	Aditya Birla Group	Permanent	0.00%	No
Rajeev Singh	President	43	06-Dec-14	10,500,000	BE Met, MPM & IR	BG Group	Permanent	0.00%	No
Tribhuwan Singh Kathayat	President	46	20-Jun-96	9,556,388	B.Sc, DME, MBA	Jindal Organisation	Permanent	0.00%	No
Gaurang Desai	President	45	01-Nov-08	9,211,608	MBA (Fin), BE (Mech)	Gala Precision	Permanent	0.00%	No
Suresh Chander Darak	President	49	02-Jan-08	8,305,000	B Com, DITM	Reliance Industries Ltd.	Permanent	0.00%	No
Brig. Atul Kumar Wahi	President	61	16-Jul-12	7,150,152	BE (Civil), Master of Management Science (Defense)	Indian Army	Permanent	0.00%	No
Sunil P. Singhal	Senior Vice President	54	30-Jul-08	7,079,568	BE Mechanical	Ispat Industries	Permanent	0.00%	No
Gaurav Merchant	Vice President	44	15-Jan-14	6,890,025	B Com, MBA	Essar Steel Limited	Permanent	0.00%	No
Ketan Patel	Senior Vice President	47	03-Nov-15	6,600,000	B Com , CA, ICWA,	JSW Steel Ltd.	Permanent	0.00%	No
Rupak Ghosh	Senior Vice President	48	29-Oct-07	6,428,801	ICWA, CA	Blue Star Limited	Permanent	0.00%	No
Shrinivas Shridhar Durge	Senior Vice President	57	10-Nov-10	5,976,228	BE (Mechanical)	SAIL	Permanent	0.00%	No
Sanjay Batra	Senior Vice President	49	26-Dec-00	5,765,159	Dip Mech/DBA	MSL	Permanent	0.00%	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 2016-17 are as under:

	Name of the Director	Salary & Allowance	Perquisites	Commission	Service Contract/ Tenure	performance linked incentives	Notice Period	Severance Fees	Stock Option	Pension
1	Mr. Lalitkumar Naik	₹ 9.4 million*	Nil	Nil	4 years 11 months	Nil	1 month	Nil	Nil	Nil
2	Mr. Braja Mishra#	₹ 45.19 million	Nil	Nil	5 years	Nil	1 month	Nil	Nil	Nil

* employed as the MD & CEO with effect from January 1, 2017. The remuneration is proportionate to his tenure of employment during 2016-17.
# ceased to be the Managing Director with effect from December 31, 2016 and hence considered proportionate remuneration for FY 2016-17.

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	(Amount in ₹)
1	Mr. Atul Desai	144,000
2	Mr. Desh Raj Dogra	72,000
3	Mr. K. H. Viswanathan	780,000
4	Mr. Mintoo Bhandari	204,000
5	Mr. Mukul Sarkar	108,000
6	Mr. Rajkumar Jain	828,000
7	Mr. Ram Gopal Sharma	828,000
8	Mrs. Revathy Ashok	216,000
9	Mr. Utsav Baijal	72,000

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.

17. Shareholding of the Directors of the Company as on March 31, 2017

Refer corporate governance report for detail of shareholding of directors.

Except as mentioned in the Corporate Governance Report 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 recognises 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 categorisation 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 & CEO 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. Familiarisation program for Independent Director

The details of familiarisation 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 & CEO 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 2016-17."

Sd/-
Lalitkumar Naik
Managing Director& CEO
DIN: 02943588

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 the 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: 00270175)

Place: Mumbai
Date: May 8, 2017

Dividend Distribution Policy

ANNEXURE - 1

1. REGULATORY FRAMEWORK

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy.

Welspun Corp Limited ("Company") being one of the top five hundred listed companies as per the market capitalisation as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVE & PHILOSOPHY

The objective of this Policy is to provide predictability of dividend to the investors and at the same time to enable them to plan for utilisation of their income and to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this Policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. DIVIDEND DECLARATION - CIRCUMSTANCES AND FINANCIAL PARAMETERS.

The Board will consider present situation of the Company, internal and external factors influencing performance of the Company, its strategy and business plan for the future. After considering such factors, the Board will endeavor to achieve distributing up to 25% of Profit After Tax for a financial year, on standalone basis, with equity shareholders (including by way of dividend and Dividend Distribution Tax thereon).

The shareholders may expect dividend in following circumstances:

a) The Board will assess the Company's financial requirement, including present and future organic and inorganic growth opportunities and other relevant factors.

b) In the circumstances where no material event has occurred affecting the long term business stability of the Company.

c) No event has happened which may have long term material effect on the business of the Company. In such circumstances, dividend may be recommended or declared at the discretion of the Board.

Any deviation from the Policy may be disclosed in the Directors' Report to the Shareholders.

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the conditions prescribed under applicable laws and in compliance with the terms of sanction from the Banks / Financial Institutions.

4. FACTORS FOR DETERMINING DIVIDEND

In determining the Company's dividend payout, the Board of Directors would consider a variety of factors, including:

A.	Internal Factors
i)	Stability / trends of earnings
ii)	Liquidity of funds
iii)	Need for additional capital
iv)	Acquisitions and/or any other potential strategic action
v)	Expansion of business
vi)	Past dividend trends
vii)	Dividend type and time of its payment

B.	External Factors
i)	Prevailing legal requirements, tax rules, Government policies, Statutory conditions or restrictions as may be provided under applicable laws
ii)	State of the industry or economy of the country
iii)	Capital market scenario
iv)	Financial covenants stipulated by the lenders
v)	Covenants in agreement with shareholding group(s)

5. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHARES

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

6. UTILISATION OF RETAINED EARNINGS

The earnings retained by the Company after distribution of dividend to the members may be used, inter alia, to:-

a. Maintain existing operations;

b. Acquisitions, expansion or diversification;

c. Funding organic and inorganic growth;

d. Short-term investment in risk-free instruments with moderate returns;

e. Repayment of borrowings;

f. Meet contingent and other liabilities;

g. Issue of Bonus Shares;

h. Buyback of securities;

i. Investment in Subsidiaries;

j. Research and Development;

k. Innovation;

l. Acquisition of Intellectual Property Rights;

m. Any other purpose as the Board may deem appropriate in the best interest of the Company.

7. AMENDMENTS / MODIFICATIONS

a. This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.

b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

d. Any difficulty or ambiguity in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

e. When the Company proposes to declare dividend on the basis of parameters other than what is mentioned in the Policy or proposes to change its dividend distribution policy, the same along with the rationale shall be disclosed.

Approved & adopted by the Board of Directors at its meeting held on May 8, 2017.

ANNEXURE - 2

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
2.	Name of the subsidiary :	Welspun Tradings Limited	Welspun Pipes Limited%	Welspun Mauritius Holdings Limited	Welspun Pipes Inc. (see note 3)	Welspun Middle East DMCC
3.	The date since when subsidiary was acquired	30.03.2010	20.06.2007	19.04.2010	16.08.2006	02.03.2011
4.	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.
5.	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*	USD*
6.	Share capital :	50.13	0.50	1,526.21	1,037.26	3.36
7.	Reserves & surplus:	678.19	(0.12)	361.72	9,346.23	36.11
8.	Total assets :	8,370.45	0.39	2,813.55	23,525.06	215.02
9.	Total Liabilities :	7,642.13	0.01	925.62	13,141.56	175.55
10.	Investments@ :	50.01	Nil	Nil	Nil	Nil
11.	Turnover (including other income)	20,092.34	Nil	Nil	21,725.09	223.42
12.	Profit/ (Loss) before taxation :	138.10	(0.01)	36.29	(1,375.09)	112.32
13.	Provision for taxation:	48.28	Nil	3.57	(453.03)	Nil
14.	Profit/ (Loss) after taxation:	89.82	(0.01)	32.72	(922.05)	112.32
15.	Proposed Dividend:	Nil	Nil	Nil	Nil	Nil
16.	% of shareholding	100.00%	100.00%	89.98%	90.01%	100.00%

% subsidiary up to March 17, 2017

* USD

Closing Rate USD 1= INR 64.85

Average Rate USD 1= INR 67.09

1. Names of subsidiaries which are yet to commence operations – Nil
2. Names of subsidiaries which have been liquidated or sold during the year – Welspun Pipes Limited sold during the year
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:

Sl. No.		1	2	3
Name of the joint ventures		Welspun Middle East Pipes LLC#	Welspun Middle East Pipes Coating LLC#	Welspun Wasco Coatings Private Limited
1.	Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
2.	Date on which the Associate or Joint Venture was associated or Acquired	17.10.2010	17.10.2010	30.09.2015
3.	Shares of Associate/Joint Ventures held by the company on the year end			
	- Numbers of Shares	38,031,042	16,886,189	14,755,014
	- Amount of Investments	657.67	292.01	147.55
	- Extend of Holding %	50.01%	50.01%	51.00%
4.	Description of how there is significant influence	NA	NA	NA
5.	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	3,251.92	(331.72)	206.67
7.	Profit / Loss for the year			
	- Considered in Consolidation	(647.30)	(144.14)	(42.19)
	- Not Considered in Consolidation	(689.11)	(144.09)	(40.55)

Reporting currency #SAR
Closing Rate SAR 1 = INR 17.2954
Average Rate SAR 1 = INR 17.8927

1. Names of associates or joint ventures which are yet to commence operations. - NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

For and on behalf of the Board

B.K.Goenka
Chairman
DIN : 00270175

Lalitkumar Naik
Managing Director & CEO
DIN : 02943588

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

ANNEXURE - 3

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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 authorised 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, 2017 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, 2017 according to the provisions of:

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

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

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

(iv) 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;

(v) 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, 2015;

  (c) 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;

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

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

  (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., 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 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, subject to our comments below:

(i) There was a delay of 78 days in appointing an independent director in place of an independent director who resigned on August 24, 2016 and therefore the composition of the Board was not in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the said period.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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) Members at the Annual General Meeting held on September 29,2016 inter-alia approved the following:

  (a) Special Resolution to borrow by way of issue of securities including secured/unsecured redeemable Non-Convertible Debentures on private placement basis upto an amount not exceeding ₹ 1,500 crores (including ₹ 500 crores approved at the Annual General Meeting held on August 31, 2015);

  (b) Dividend at the rate of 10% on 265,226,109 Equity Shares of ₹ 5 each fully paid-up of the Company aggregating to ₹ 132,613,054.50 and tax on dividend aggregating to ₹ 26,996,898.

(ii) The Board at its meeting held on November 23, 2016 approved the Change in Designation of Mr. Braja Mishra from Managing Director to Non-Executive Director w.e.f. January 1,2017.

(iii) Members at their Extra-Ordinary General Meeting held on March 24, 2017, approved the following:

  (a) Special Resolution for Adoption of amended and restated Articles of Association of the Company;

  (b) Special Resolution for Appointment and Remuneration to Mr. Lalit Kumar Naik as Managing Director and Chief Executive Officer for a period of 4 years 11 months commencing from January 1,2017.

For M Siroya and Company
Company Secretaries

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

Place: Mumbai
Date: May 8, 2017

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

Place: Mumbai
Date: May 8, 2017

ANNEXURE - 4

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017
[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.: 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 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai-400 083
Tel No: +91 22 49186000, Fax: +91 22 49186060
Email - rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in

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), 84.65% to Revenue from operations of the Company.

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, India	U72200GJ2001PLC039513	Subsidiary	100%	2(87)(ii)
2	Welspun Pipes Inc, USA	Not Applicable	Subsidiary	100%	2(87)(ii)
3	Welspun Tubular LLC, USA	Not Applicable	Subsidiary	100%	2(87)(ii)
4	Welspun Global Trade LLC, USA	Not Applicable	Subsidiary	100%	2(87)(ii)
5	Welspun Middle East DMCC, Dubai	Not Applicable	Subsidiary	100%	2(87)(ii)
6	Welspun Middle East Pipes LLC, KSA	Not Applicable	Subsidiary	50.01.%	2(87)(ii)
7	Welspun Middle East Pipe Coating LLC, KSA	Not Applicable	Subsidiary	50.01%	2(87)(ii)
8	Welspun Mauritius Holdings Limited, Mauritius	Not Applicable	Subsidiary	89.98%	2(87)(ii)
9	Welspun Wasco Coatings Private Limited, India	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				% change during the year
		Number of shares held in dematerialised form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialised form	Number of shares held in Physical form	Total number of shares	% of total shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	342	-	342	-	342	-	342	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	102,434,550	-	102,434,550	38.62	115,682,823	-	115,682,823	43.62	5.00%
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	**102,434,892**	**-**	**102,434,892**	**38.62**	**115,683,165**	**-**	**115,683,165**	**43.62**	**5.00%**
2	Foreign									
a	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	6,300,000	-	6,300,000	2.38	6,300,000	-	6,300,000	2.38	-
c	Other individual	-	-	-	-	-	-	-	-	-
d	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	**6,300,000**	**-**	**6,300,000**	**2.38**	**6,300,000**	**-**	**6,300,000**	**2.38**	**Nil**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**108,734,892**	**-**	**108,734,892**	**41.00**	**121,983,165**	**-**	**121,983,165**	**46.00**	**5.00%**
(B)	**Public shareholding**									
1	Institutions									
(a)	Mutual Funds/ UTI	4,373,524	-	4,373,524	1.65	3,411,491	-	3,411,491	1.29	(0.36%)
(b)	Financial Institutions / Banks	21,740,682	-	21,740,682	8.20	21,966,594	-	21,966,594	8.28	0.08%
(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	14,519,826	-	5,182,497	1.95	1,766,979	-	1,766,979	0.67	(1.28%)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors	9,337,329	-	9,337,329	3.52	11,537,363	-	11,537,363	4.35	0.83%
	Sub-Total (B)(1)	**50,241,361**	**-**	**40,894,032**	**15.42**	**38,952,427**	**-**	**38,952,427**	**14.69**	**(0.73%)**
B 2	**Non-institutions**									
(a)	Bodies Corporate									
	(i) Indian	19,621,193	9,335	19,630,528	7.40	12,184,649	9,310	12,193,959	4.60	(2.80%)
	(ii) Overseas	42,428,889	-	42,428,889	16.00	51,214,889	-	51,214,889	19.31	3.31%
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	12,821,784	384,031	13,205,815	4.98	15,953,444	380,391	16,333,835	6.16	1.18%

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				% change during the year
		Number of shares held in dematerialised form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialised form	Number of shares held in Physical form	Total number of shares	% of total shares	
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	14,126,479	-	14,126,479	5.33	19,000,440	-	19,000,440	7.16	1.83%
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(d-i)	Unclaimed Shares	53,200	-	53,200	0.02	52,010	-	52,010	0.02	-
(d-ii)	Clearing member	607,884	-	607,884	0.23	2,617,645	-	2,617,645	0.99	0.76%
(d-iii)	Non Resident Indians	494,421	55,370	549,791	0.21	534,556	53,970	588,526	0.22	0.01%
(d-iv)	Hindu Undivided Family	1,954,599	-	1,954,599	0.74	2,289,213	-	2,289,213	0.86	0.12%
(d-v)	Trust	4,000	-	4,000	-	-	-	-	-	-
(B)	**Sub-Total (B)(2)**	**92,226,281**	**448,736**	**92,561,185**	**34.90**	**103,846,846**	**443,671**	**104,290,517**	**39.32**	**4.42%**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**130,016,481**	**448,736**	**133,465,217**	**50.32**	**142,799,273**	**443,671**	**143,242,944**	**54.00**	**3.68%**
	TOTAL (A)+(B)	**241,751,373**	**448,736**	**242,200,109**	**91.32**	**264,782,438**	**443,671**	**265,226,109**	**100.00**	**8.68%**
(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	8.68	-	-	-	-	(8.68%)
	GRAND TOTAL (A)+(B)+(C)	**264,777,373**	**448,736**	**265,226,109**	**100.00**	**264,782,438**	**443.671**	**265,226,109**	**100.00**	**0.00%**

ii. Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% 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	59,979,691	22.61	Nil	Nil	Nil	Nil	(22.61)
6	Welspun Mercantile Limited.	14,477,701	5.46	Nil	Nil	Nil	Nil	(5.46)
7	Welspun Wintex Limited	13,336,576	5.03	Nil	Nil	Nil	Nil	(5.03)
8	Welspun Investments and Commercials Ltd.	5,233,000	1.97	Nil	5,233,000	1.97	Nil	0.00
9	Welspun Infra Developers Pvt. Ltd.	6,357,577	2.40	Nil	Nil	Nil	Nil	(2.40)
10	Welspun Fintrade Pvt. Ltd.	3,050,000	1.15	Nil	Nil	Nil	Nil	(1.15)
11	Welspun Pipes Limited	Nil	Nil	Nil	110,449,818	41.64	Nil	41.64
	Total of Co-Promoters (A)	**102,434,892**	**38.62**	**Nil**	**115,683,165**	**43.62**	**Nil**	**5.00**
12	Intech MetalsS. A.	6,300,000	2.38	Nil	6,300,000	2.38	Nil	0.00
	Total of Co-Promoters (B)	**6,300,000**	**2.38**	**Nil**	**6,300,000**	**2.38**	**Nil**	**0.00**
	Total of Promoters (A+B)	**108,734,892**	**41.00**	**Nil**	**121,983,165**	**46.00**	**Nil**	**5.00**

iii. Change in Promoters' shareholding

Sr. No.		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	108,734,892	41.00		
	Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	18.08.2016 acquired 6,389,491 equity shares from open market	2.41% of then paid up share capital of the Company	115,124,383	43.41
		19.08.2016 acquired 508,782 equity shares from open market	0.19% of then paid up share capital of the Company	115,633,165	43.60
		22.08.2016 acquired 500,000 equity shares from open market	0.19% of then paid up share capital of the Company	116,133,165	43.79
		21.12.2016 acquired 5,850,000 equity shares from open market	2.21% of then paid up share capital of the Company	121,983,165	46.00
	At the end of the year.			121,983,165	46.00

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No.of Shares Held	% of Total Shares	Date of Transaction	No. of Shares	No of Shares Held	% of Total Share
1	GRANELE LIMITED	35,038,889	13.21			35,038,889	13.21
	Transfer			23 Dec 2016	(5,850,000)	29,188,889	11.01
	Transfer			03 Mar 2017	(1,000,000)	28,188,889	10.63
	AT THE END OF THE YEAR					28,188,889	10.63
2	INSIGHT SOLUTIONS LTD	-	-			-	-
	Transfer			31 Mar 2017	23,026,000	23,026,000	8.68
	AT THE END OF THE YEAR					23,026,000	8.68
3	LIFE INSURANCE CORPORATION OF INDIA	19,277,980	7.27			19,277,980	7.27
	AT THE END OF THE YEAR					19,277,980	7.27
4	AKASH BHANSHALI	4,572,307	1.72			4,572,307	1.72
	Transfer			29 Jul 2016	166,344	4,738,651	1.79
	Transfer			05 Aug 2016	36,625	4,775,276	1.80
	Transfer			26 Aug 2016	385,000	5,160,276	1.95
	Transfer			18 Nov 2016	1,218,038	6,378,314	2.40
	Transfer			25 Nov 2016	1,169,876	7,548,190	2.85
	Transfer			02 Dec 2016	209,177	7,757,367	2.92
	AT THE END OF THE YEAR					7,757,367	2.92
5	ALPANA S DANGI	-	-			-	-
	Transfer			03 Mar 2017	3,535,494	3,535,494	1.33
	Transfer			10 Mar 2017	821,154	4,356,648	1.64
	Transfer			17 Mar 2017	36,764	4,393,412	1.66
	AT THE END OF THE YEAR					4,393,412	1.66

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No.of Shares Held	% of Total Shares	Date of Transaction	No. of Shares	No of Shares Held	% of Total Share
6	MENTOR CAPITAL LIMITED	9,428,620	3.55			9,428,620	3.55
	Transfer			29 Apr 2016	(10,000)	9,418,620	3.55
	Transfer			30 Jun 2016	100,000	9,518,620	3.59
	Transfer			15 Jul 2016	20,000	9,538,620	3.60
	Transfer			29 Jul 2016	(45,428)	9,493,192	3.58
	Transfer			30 Sep 2016	(100,000)	9,393,192	3.54
	Transfer			04 Nov 2016	(200,000)	9,193,192	3.47
	Transfer			02 Dec 2016	(4,600,000)	4,593,192	1.73
	Transfer			16 Dec 2016	(1,300,000)	3,293,192	1.24
	Transfer			30 Dec 2016	773,025	4,066,217	1.53
	Transfer			03 Feb 2017	175,000	4,241,217	1.60
	Transfer			31 Mar 2017	107,483	4,348,700	1.64
	AT THE END OF THE YEAR					4,348,700	1.64
7	DSP BLACKROCK MICRO CAP FUND	4,371,819	1.65			4,371,819	1.65
	Transfer			27 May 2016	(140,701)	4,231,118	1.60
	Transfer			03 Jun 2016	(132,470)	4,098,648	1.55
	Transfer			10 Jun 2016	(43,336)	4,055,312	1.53
	Transfer			17 Jun 2016	(193,682)	3,861,630	1.46
	Transfer			08 Jul 2016	(186,333)	3,675,297	1.39
	Transfer			05 Aug 2016	(137,803)	3,537,494	1.33
	Transfer			04 Nov 2016	(51,500)	3,485,994	1.31
	Transfer			11 Nov 2016	(74,503)	3,411,491	1.29
	AT THE END OF THE YEAR					3,411,491	1.29
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	2,298,777	0.87			2,298,777	0.87
	Transfer			08 Jul 2016	(73,471)	2,225,306	0.84
	Transfer			15 Jul 2016	(128,625)	2,096,681	0.79
	Transfer			22 Jul 2016	(35,682)	2,060,999	0.78
	Transfer			04 Nov 2016	(24,906)	2,036,093	0.77
	Transfer			24 Mar 2017	(10,441)	2,025,652	0.76
	Transfer			31 Mar 2017	(9,404)	2,016,248	0.76
	AT THE END OF THE YEAR					2,016,248	0.76
9	POLUS GLOBAL FUND	1,730,000	0.65			1,730,000	0.65
	Transfer			02 Sep 2016	(2,629)	1,727,371	0.65
	AT THE END OF THE YEAR					1,727,371	0.65
10	BRAJA K MISHRA	2,130,494	0.80			2,130,494	0.80
	Transfer			05 Aug 2016	(34,638)	2,095,856	0.79
	Transfer			12 Aug 2016	(5,787)	2,090,069	0.79
	Transfer			19 Aug 2016	(159,575)	1,930,494	0.73
	Transfer			20 Jan 2017	(167,686)	1,762,808	0.66
	Transfer			27 Jan 2017	(208,898)	1,553,910	0.59
	AT THE END OF THE YEAR					1,553,910	0.59
11	JP MORGAN CHASE BANK, NA	23,026,000	8.68			23,026,000	8.68
	Transfer			09 Dec 2016	(23,026,000)	-	-
	AT THE END OF THE YEAR					-	-
12	SIMBA ASIA LIMITED	7,390,000	2.79			7,390,000	2.79
	Transfer			10 Jun 2016	(597,546)	6,792,454	2.56
	Transfer			17 Jun 2016	(2,582,977)	4,209,477	1.59
	Transfer			24 Jun 2016	(1,714,020)	2,495,457	0.94
	Transfer			30 Jun 2016	(399,210)	2,096,247	0.79
	Transfer			01 Jul 2016	(700,000)	1,396,247	0.53
	Transfer			08 Jul 2016	(1,396,247)	-	-
	AT THE END OF THE YEAR					-	-

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	Atul Desai	200	0.00	-	200	0.00	200	0.00
3	Braja Mishra	2,130,494	0.80					
				05.08.2016 - Sold 34,638 equity shares in the open market	2,095,856	0.79		
				12.08.2016 - Sold 5,787equity shares in the open market	2,090,069	0.79		
				19.08.2016 - Sold 159,575equity shares in the open market	1,930,494	0.73		
				20.01.2017 - Sold 2,855equity shares in the open market	1,927,639	0.73		
				20.01.2017 - Sold 55,018equity shares in the open market	1,872,621	0.71		
				20.01.2017 - Sold 42,127equity shares in the open market	1,830,494	0.69		
				20.01.2017 - Sold 50,000equity shares in the open market	1,780,494	0.67		
				20.01.2017 - Sold 17,686equity shares in the open market	1,762,808	0.66		
				27.01.2017 - Sold 125,777equity shares in the open market	1,637,031	0.62		
				27.01.2017 - Sold 83,121equity shares in the open market	1,553,910	0.59	1,553,910	0.59
4	Desh Raj Dogra	-	-	-	-	-	-	-
5	K.H.Viswanathan	-	-	-	-	-	-	-
6	Lalitkumar Naik	-	-	-	-	-	-	-
7	Mintoo Bhandari	-	-	-	-	-	-	-
8	Mukul Sarkar#	-	-	-	-	-	-	-
9	Nirmal Gangwal*	-	-	-	-	-	-	-
10	Rajkumar Jain	-	-	-	-	-	-	-
11	Rajesh Mandawewala	200	0.00	-	200	0.00	200	0.00
12	Ramgopal Sharma	2,100	0.00	-	2,100	0.00	2,100	0.00
13	Revathy Ashok	-	-	-	-	-	-	-
14	Utsav Baijal	-	-	-	-	-	-	-
Key Managerial Personnel								
15	S. Krishnan-CFO	12,000	0.00	-	12,000	0.00	12,000	0.00
16	Pradeep Joshi-CS	1	0.00	-	1	0.00	1	0.00

#Ceased to be a director with effect from January 25, 2017
* Ceased to be a director with effect from August 24, 2016.

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	16,842.45	10.29	-	16,852.74
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	323.79	-	-	323.79
Total (i + ii + iii)	**17,166.24**	**10.29**	**-**	**17,176.53**
Change in indebtedness during the financial year				
▶ Addition	-	-	-	-
▶ Reduction	4,233.18	10.29	-	4,243.47
Net change	**4,233.18**	**10.29**	**-**	**4,243.47**
Indebtedness at the end of the financial year				
i. Principal Amount	12,632.90	-	-	12,632.90
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	262.15	-	-	262.15
Total (i+ii+iii)	**12,895.05**	**-**	**-**	**12,895.05**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of the Managing Director@	Name of the Managing Director & CEO#
		Mr. Braja Mishra	Mr. Lalitkumar Naik
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	45.19 (Till December 31, 2016)	9.4 (For 3 months Jan – Mar 2017)
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat equity	Nil	Nil
4	Commission	Nil	Nil
	As % of profit		
5	Others, please specify	Nil	Nil
	Total (A)	**45.19**	**9.4**

Sr. No.	Particulars of Remuneration	Name of the Managing Director@	Name of the Managing Director & CEO#
	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 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 in terms of the approval granted by the shareholders at its meeting held on August 6, 2012 without any further approval.	In terms of the amendment dated September 12, 2016 in the Schedule V to the Companies Act, 2013, ceiling on remuneration to the Managerial Personnel shall not apply as the Managing Director & CEO falls under the category of persons exempted from the limit on remuneration without seeking Central Government's approval.

@ up to December 31, 2016
# with effect from January 1, 2017

B. Remuneration to other directors

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of Directors							Total amount
		AD	DRD	KHV	NG	RKJ	RGS	RA	
1	Independent Directors								
	Fee for attending board & committee meetings	0.14	0.07	0.78	Nil	0.83	0.83	0.22	2.87
	Commission	-	-	-		-	-	-	-
	Others, please specify	-	-	-		-	-	-	-
	Total (1)	**0.14**	**0.07**	**0.78**	**Nil**	**0.83**	**0.83**	**0.22**	**2.87**

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of Directors						Total amount
		MB	MS	UB	BKG	BKM	RRM	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	0.20	0.11	0.07	Nil	Nil	Nil	0.38
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-		-	-	-
	Total (2)	**0.20**	**0.11**	**0.07**	**Nil**	**Nil**	**Nil**	**0.38**
	Total (B) = (1 + 2)							
	Total Managerial Remuneration							**3.25**
	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.)						

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

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

(₹ in Million)

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	9.4	3.84	24.72	37.96
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	N.A	0.07	Nil	0.07
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.	Nil	Nil	Nil
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 (Variable pay)				
5	Others, please specify (variable pay)	N.A.	Nil	Nil	Nil
	Total	**9.4**	**3.91**	**24.72**	**38.03**

* The Managing Director is also the CEO of the Company. Remuneration is for the period from 1.1.2017 to 31.3.2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

(₹ in Million)

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/ Punishment / Compounding	-	-	-	-	-
B.	DIRECTORS					
	Penalty/ Punishment / Compounding	-	-	-	-	-
C.	OTHER OFFICERS IN DEFAULT					
	Penalty/ Punishment / Compounding	-	-	-	-	-

Corporate Social Responsibility (CSR)

ANNEXURE - 5

[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 organised by a trust, Welspun Foundation for Health and Knowledge created by the Group;
   - Tie-ups with Non-Governmental Organisations / 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: ₹ (936.24) 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/-
Lalitkumar Naik
Managing Director & CEO
DIN : 02943588

Sd/-
Ram Gopal Sharma
Chairman of the CSR Committee
DIN : 00026514

ANNEXURE - 6

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	14,761.42
Welspun Tubular LLC	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	2,340.68
2) Interest Income					
Welspun Pipes Inc.	15 months	Based on transfer pricing guidelines	16.01.2008	Nil	6.73
Welspun Wasco Coatings Private Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilisation	Based on transfer pricing guidelines	25.06.2015	Nil	20.26
4) Guarantee Commission received					
Welspun Middle East Pipe Company LLC	5 years	Based on transfer pricing guidelines	30.06.2012	Nil	12.23
Welspun Tradings Limited	6 Months	Based on transfer pricing guidelines	23.05.2016	Nil	8.13
5) Purchase of goods and services					
Welspun Captive Power Generation Limited	Ongoing	Based on transfer pricing guidelines	28.01.2015	Nil	327.41
6) Sale of Fixed Assets					
Welspun Wasco Coatings Private Limited	One time	Based on transfer pricing guidelines	25.06.2015	Nil	0.05
7) Purchase of Fixed Assets					
Welspun Steel Limited	Ongoing	Based on transfer pricing guidelines	23.05.2016	Nil	6.29
8) Rent paid					
Welspun Realty Private Limited	3 years	Based on transfer pricing guidelines	23.05.2016	Nil	45.23
9) Rent Received					
Welspun Wasco Coatings Private Limited	10 years	Based on transfer pricing guidelines	21.07.2015	Nil	8.77
11) Loans, Deposits given					
Welspun Wasco Coatings Private Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilisation	Based on transfer pricing guidelines	25.06.2015	Nil	99.11

For and on behalf of the Board of Directors

Balkrishan Goenka

Chairman

(DIN: 00270175)

Place: Mumbai

Date: May 8, 2017

Corporate Governance Report

ANNEXURE - 7

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 of good Corporate Governance practice, the 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 a nominee appointed by 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(s)	Category	Board Meetings Attended during the Year 2016-17	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)@	Number of Shares in the Company
				Pub.	Pvt.	Other Body Corporate		
Mr. Balkrishan Goenka	NE, P	5/5	No	8	3	17	2M	140
Mr. Atul Desai	NE, I	3/5	No	8	1	-	5C, 3M	200
Mr. Braja Mishra	NE, NI	4/5	No	1	5	-	-	1,553,910
Mr. Desh Raj Dogra$	NE, I	1/1	NA	6	5	-	1C, 2M	-
Mr. K.H.Viswanathan	NE, I	4/5	Yes	7	-	-	3C, 5M	-
Mr. Lalitkumar Naik	E, NI	1/1	N.A.	2	-	2	-	-
Mr. Mintoo Bhandari – Nominee of the Investor*	NE, NI	3/5	No	2	3	-	4M	-
Mr. Mukul Sarkar - Nominee EXIM Bank^	NE, NI, L	3/4	No	-	-	-	-	-
Mr. Nirmal Gangwal&	NE, I	0/2	N.A.	N.A.	N.A.	N.A.	N.A.	-
Mr. Rajkumar Jain	NE, I	5/5	Yes	6	2	-	2C, 2M	-
Mr. Ram Gopal Sharma	NE, I	5/5	Yes	7	1	-	6C, 3M	2,100
Mr. Rajesh R. Mandawewala	NE, P	4/5	No	8	3	14	4M	200
Mrs. Revathy Ashok	NE, I	5/5	No	10	4	-	2C, 5M	-
Mr. Utsav Baijal - Nominee of the Investor	NE, NI	2/5	No	2#	1	-	2M#	-

@ 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.

* 2 meetings attended by the Observer.

$ Appointed with effect from February 10, 2017

& Ceased to be a director with effect from August 24, 2016

^ Ceased to be a director with effect from January 25, 2017

Abbreviations:

P = Promoter, I = Independent, NI = Non-Independent, E = Executive Director, NE = Non-Executive Director, L = Lenders, C = Chairman, M = Member.

Except delay of 78 days in appointing an independent director as mentioned in the Secretarial Audit Report and the Corporate Governance Certificate, the Company was in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The delay was caused due to the process of identification of suitable independent director taking longer time than the period of 3 months permitted under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on the date of this Report, the Company is in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5 Meetings of the Board of Directors were held during the financial year 2016-17 on the following dates: 23.05.2016, 28.07.2016, 25.10.2016, 23.11.2016 and 10.02.2017.

In addition to the above, a meeting of the Independent Directors was held on March 30, 2017 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. Desh Raj Dogra, 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 back-ground. 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	13/14
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 were held during the financial year 2016-17 on following dates: 07.04.2016, 03.05.2016, 23.05.2016, 11.07.2016, 21.07.2016, 28.07.2016, 29.09.2016, 20.10.2016, 25.10.2016, 06.01.2016, 27.01.2016, 09.02.2017, 10.02.2017 and 24.03.2017.

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, 5 meetings of the Committee were held on 23.05.2016, 28.07.2016, 29.09.2016, 23.11.2016 and 09.02.2017.

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 as directors, the Committee shall consider business of the Company, strength, weakness, opportunity and threats to the 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 candidate will be able to function as director 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and any 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: Mr. K. H. Viswanathan – Chairman, Mr. B. K. Goenka, Mr. Rajesh R. Mandawewala and Mr. Mintoo Bhandari as members.

Compliance Officer: Mr. Pradeep Joshi – Company Secretary.

Meetings of the Committee are planned to be 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 20 shareholder's complaints were received. Break-up and number of complaints received under different category is given hereunder:

Non Receipt of Share Certificate	2	Non receipt of Annual Report	3
Non Receipt of Dividend	12	Others	3

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 for more than 15 days as on March 31, 2017. All the shares/ debentures received for transfer/ transmission were transferred/ transmitted and no transfer was pending as at March 31, 2017.

VII. GENERAL BODY MEETINGS

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

At the 19th Annual General Meeting held on Thursday, September 25, 2014 at 10:00 am at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110, following special resolutions were passed:

- 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.

At the 20th Annual General Meeting held on Monday, August 31, 2015 at 1:00 p.m. at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110, following special resolutions were passed:

- 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.

At the 21st Annual General Meeting held on Thursday, September 29, 2016 at 11:30 a.m. at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110, following special resolutions were passed:

- 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 ₹ 1,500 crores ((including ₹ 500 crores approved at the Annual General Meeting held on 31.08.2015), during the period of 1 (one) year from the date of the Annual General Meeting.

For alteration of Articles of Association to increase the threshold for investment by the Investor (as defined in the Articles) from 14.99% to 19.70% approved at the Extra Ordinary General Meeting held on March 24, 2017.

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. 42 of Notes to Accounts annexed to the Financial Statement and Annexure 6 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_12.03.2016.pdf?1457679322

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

For disclosures pursuant to Regulation 34(3), refer Note No. 50 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 Exchanges 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/WCL_-_RPT_Policy_12.03.2016.pdf?1457679267

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 unaudited/ 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 the investors or to the analysts are also available on the website of the Company.

X. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting** shall be held on Wednesday, September 20, 2017 at 10:00 a.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370 110.

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

3. **Date of Book Closure:** Monday, June 26, 2017 to Wednesday, June 28, 2017 (both days inclusive).

4. **Dividend payment date:** Monday, September 25, 2017 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 were 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 dematerialised shares)	INE 191B01025

6. Stock Market price data, high and low price of equity shares on the Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited and Performance in comparison to broad-based indices i.e. BSE - Sensex and NSE- S&P Nifty are as under:

Month	Share Price at BSE (in ₹)		Share Price at NSE (in ₹)		BSE Index (Sensex)	Closing price of Share at BSE (₹)	NSE (S&P Nifty)	Closing price of Share at NSE (₹)
	High	Low	High	Low				
April – 2016	113.40	93.40	113.45	97.00	25,606.62	110.40	7,849.80	110.65
May-2016	111.50	77.58	111.50	77.20	26,667.96	78.25	8,160.10	78.20
June-2016	85.85	69.30	85.95	69.25	26,999.72	79.75	8,287.75	79.50
July-2016	92.00	86.80	92.00	79.00	28,051.86	86.80	8,638.50	87.05
August-2016	91.00	78.45	91.00	78.05	28,452.17	81.50	8,786.20	81.40
September-2016	83.40	69.00	83.50	69.10	27,865.96	79.10	8,611.15	69.90
October-2016	76.00	69.05	75.95	69.15	27,930.21	71.20	8,625.70	71.35
November-2016	85.40	56.00	84.85	55.05	26,652.81	81.00	8,224.50	80.90
December-2016	88.60	71.60	88.45	71.40	26,626.46	75.30	8,185.80	75.25
January-2017	92.20	75.00	92.25	75.20	27,655.96	83.25	8,561.30	83.40
February-2017	83.45	78.80	89.40	79.00	28,743.32	83.45	8,879.60	83.15
March-2017	92.50	81.00	92.40	80.80	29,620.50	83.15	9,173.75	82.60

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

8. 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 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083
Tel No.: +91 22 49186000, Fax: +91 22 49186060
Email - rnt.helpdesk@linkintime.co.in;
bonds.helpdesk@linkintime.co.in

9. 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.

10. 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.

11. Distribution of Shareholding:

Shareholding Pattern as on March 31, 2017

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	51,796	89.13	5,979,490	2.25
501-1,000	3,189	5.49	2,542,708	0.96
1,001-2,000	1,469	2.53	2,230,939	0.84
2,001-3,000	503	0.87	1,291,545	0.49
3,001-4,000	229	0.39	828,564	0.31
4,001-5,000	226	0.39	1,073,584	0.40
5,001-10,000	316	0.54	2,352,057	0.89
10,001 and above	385	0.66	248,927,222	93.85
Total	**58,113**	**100.00**	**265,226,109**	**100.00**

12. De-materialisation of shares and liquidity: As on March 31, 2017, 99.83% equity shares have been dematerialised and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

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

During the financial year under Report, the holder of 23,026 Global Depository Receipts representing 23,026,000 underlying equity shares of ₹ 5 each has opted to surrender the GDR and exchange the same with the underlying equity shares. There are no outstanding stock options.

14. 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 (B) to the Directors' Report.

15. Plant locations of the Company and its subsidiaries

i) Pipe and Plate & Coil Mill Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370 110

ii) Pipe and Coating Plant - Village Jolva and Vadadla, Near Dahej, Tal: Vagra, Dist. Bharuch, Gujarat – 392 130

iii) Concrete Weight Coating Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370 110 (Subsidiary's Plant in India)

iv) Pipe Plant - KIADB Industrial Area, Gejjalagere, Taluka-Maddur, Dist.-Mandya, Karnataka - 571 428.

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).

16. Address for correspondence

The Company Secretary,
Welspun Corp Limited
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (W),
Mumbai - 400 013.
Tel: +91-22-66136000; +91-22-24908000,
Fax: +91-22-24908020 /21
Email: CompanySecretary_WCL@welspun.com

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

(Under Regulation 34(3) read with Schedule V(E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Welspun Corp Limited

We have examined the compliance of conditions of Corporate Governance by Welspun Corp Limited, for the year ended on March 31, 2017, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the said Company with stock exchanges. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that except as mentioned below, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: -

"There was a delay of 78 days in appointing an Independent Director in place of an Independent Director who has resigned on August 24, 2016 and therefore the composition of the Board was not in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the said period."

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

For JMJA & Associates LLP
Company Secretaries

Sd/-
Mansi Damania
Designated Partner
FCS: 7447 | COP: 8120

Place: Mumbai
Date: May 8, 2017

Business Responsibility Report

Welspun Corp Limited manufactures line pipes for global oil & gas giants using the steel sourced from world class manufacturers. In addition to being the leading manufacturers of large diameter line pipes, we offer a one stop piping solutions to our esteemed customers worldwide.

This unique position as a connecting link in the value chain, combined with the market volatilities in steel, ocean freight and currency create a highly vulnerable operating environment for us. It is therefore imperative for us to focus on sustainability as a logical and strategic solution for ensuring business continuity.

For us, sustainability is the coming together of several granular things that subsequently create a tremendous and long lasting positive impact on our stakeholders and operations.

We are committed to working towards India's progress every day and doing so in line with the principles enshrined in the Business Responsibility Framework.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identification Number (CIN) of the Company	L27100GJ1995PLC025609
Name of the Company	Welspun Corp Limited (WCL)
Registered Address	Welspun City, Village Versamedi, Taluka Anjar, Dist., Kutch, Gujarat 370 110.
Website	http://www.welspuncorp.com
E-mail Id	companysecretary_wcl@welspun.com
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/cast-steel (NIC code: 24311)
List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Welded Pipes 2. Induction Bends 3. Pipe Coating Systems
Total number of locations where business activity is undertaken by the Company Number of International Locations (Provide details of major 5)	We have a presence across 4 locations internationally: 1. Houston & Little Rock in USA 2. Dammam, Saudi Arabia 3. Dubai, UAE 4. Mauritius
Number of National Locations	Our corporate office is located in Mumbai, Liaison Office is in Delhi and we have 3 plants in India at Anjar, Dahej and Mandya
Markets served by the Company - Local/ State/National/International	We serve both the national and international markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	1,326.13 million
2.	Total Turnover (₹)	44,825.57 million
3.	Total profit after taxes (₹)	1,746.01 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	During FY 2016-17, the Company was not required under the Companies Act, 2013 to spend on CSR.

List of activities on which CSR expenditure has been incurred:
NA

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, we have 9 subsidiaries. These include:

1. Welspun Pipes Inc.
2. Welspun Tubular LCC
3. Welspun Global Trade LCC
4. Welspun Mauritius Holdings Limited
5. Welspun Middle East Pipes LLC
6. Welspun Middle East Pipes Coating LLC
7. Welspun Wasco Coatings Private Limited
8. Welspun Tradings Limited
9. Welspun Middle East DMCC

2. Does the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The subsidiaries actively manage and carry out their own BR initiatives, which are in line with the policies of the Welspun Group.

3. Does any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Currently, the suppliers/ vendors and distributors do not participate in our BR initiatives. However, we have shared our relevant policies with all our business partners and they are expected to adhere to them.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR?

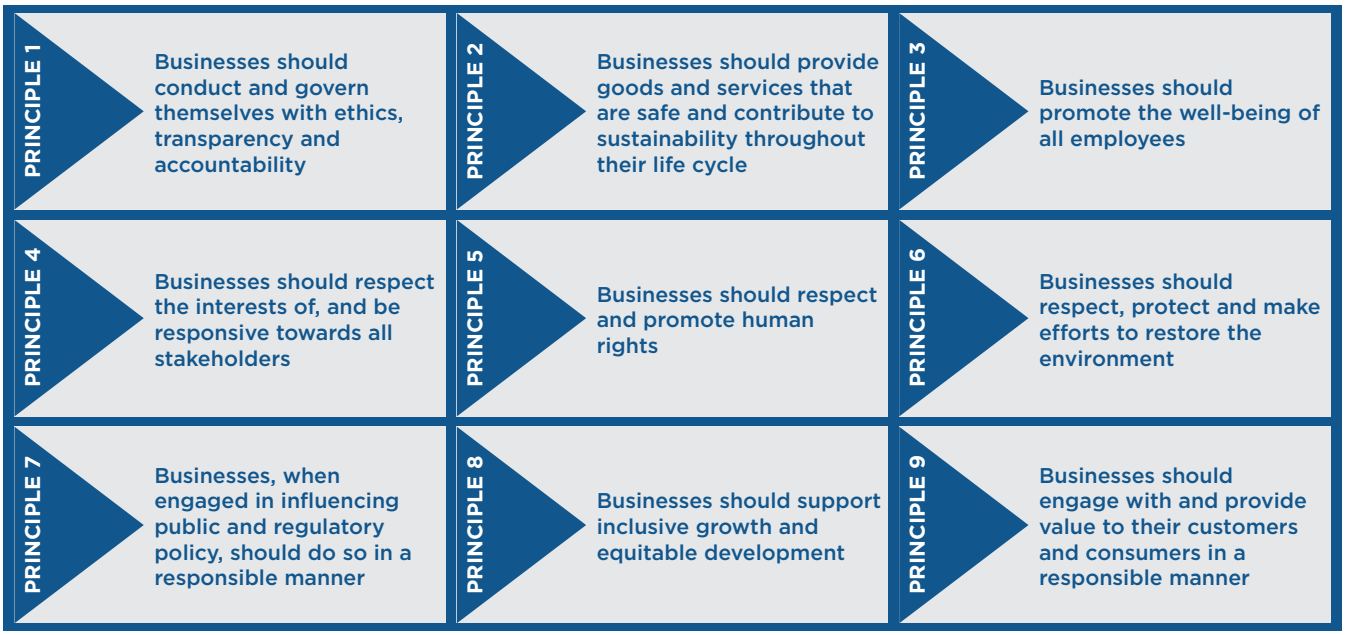
1.1. Details of the Director/ Directors responsible for implementation of the BR policy/policies

1.	DIN Number	02943588
2.	Name	Lalitkumar Naik
3.	Designation	Managing Director & CEO

1.2. Details of the BR head

1.	DIN Number	02943588
2.	Name	Lalitkumar Naik
3.	Designation	Managing Director & CEO
4.	Telephone Number	+91 22 6613 6000
5.	Email Id	lalit_naik@welspun.com

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, is composed of nine principles of Business Responsibility.



2. Principle-wise (as per NVGs) BR Policy/policies

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have policy/policies for#....	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy confirm to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	NA	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	Y	N	N	N	N	N	NA	Y	N
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	N	N	N	N	N	NA	Y	N
6	Indicate the link for the policy to be viewed online?*	All policies are shared directly with respective stakeholders. Some of our policies are available at http://www.welspuncorp.com/about#policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

Notes:
WCL has the following policies covering the 9 principles: Code of Conduct and Ethics, Code of conduct for Board of Directors and Senior Management, Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider, Corporate Social Responsibility Policy, Human Resources Policy, Policy for Prevention, Prohibition and Redressal of Sexual Harassment to women at workplace, Whistle-blower Policy And Vigil Mechanism, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

If answer to S. No. 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task					NA				
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Board of Directors meets every quarter to discuss applicable BR issues and assess the BR performance of the Company.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is WCL's first Business Responsibility Report. WCL publishes a sustainability report based on the Global Reporting Initiative (GRI) framework and guidelines.

WCL's Sustainability Report for FY 2015-16: http://www.welspuncorp.com/WelspunCorpSR2016.pdf

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Businesses should conduct and govern themselves with ethics, transparency and accountability

We build trust with our stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure highest levels of adherence to these principles. Our governance structure has facilitated a high level of integration and cohesion across the systems and processes, enhancing our ability to seize opportunities and responding to emerging challenges.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / Others?**

   Ethics and transparency are fundamental tenets of how we operate every day. As a responsible corporate, we carry out all our business activities with utmost integrity. We have several policies in place which underline commitment towards ethical conduct in everything we do.

   Our employees are required to comply with the Ethics and Compliance Policy and Procedure and the Code of Conduct for the Board of Directors and Senior Management. It forms a part of the HR manual and covers corporate responsibilities to employees and associates; basic ethics and code of conduct for employees and associates; responsibilities and obligations to all stakeholders; fair compensation; fair transactions; and responsibility towards the society, as well as the country.

   WCL's Ethics and Compliance Policy and Procedure is applicable to its business partners, vendors and contractors.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   In FY2016-17, 20 complaints were received from shareholders/ investors and all of these were replied/ resolved to their satisfaction. Also, there was no complaint reported by any Director or employee of the company under our vigil/whistle blower mechanism.

   Complaints from external stakeholders like suppliers and contractors are raised directly to business teams and are addressed by them on a case by case basis.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Protecting and conserving our environment is integral to our business philosophy. All our facilities have a robust environment management system in place that ensures environment friendly production and we regularly engage with our local communities for developing conservation initiatives.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   We do not use any raw materials in the form of natural resources and most of our products are made from externally procured plates and coils. Due to the type of product specifications and utilisation, we are bound by our customer's guidelines on product development and therefore, it gives us limited scope for an alternative approach. However, the sustainability concerns at WCL are not just limited to being a responsible corporate, but is also considered as a business imperative. We believe that there are multiple strategic advantages that can be realised by exploring initiatives to improve operational efficiency through several energy conservation measures. We also conduct periodic audits and proactive maintenance of equipment to ensure that our operations maximise efficiency and minimise waste.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

   WCL has undertaken several initiatives for managing the amount of energy and water used across our operations. Details of these initiatives have been provided under Principle 6.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   WCL procures all of its materials from trusted vendors as per required quality and commercial standards in line with applicable laws and regulations. We conduct periodic reviews and audits of our vendor operations to ensure and enable the right quality standards in the materials

purchased. Quality, health, safety and environment are the most significant aspects checked by us during vendor approval.

We also engage with the vendors through meetings, phone calls and emails to resolve queries and seek feedback. We collaborate with competent vendors and provide them complete technical assistance for development of new products with enhanced quality parameters. We also share project requirements with our vendors in a transparent way to ensure timely delivery of products with the highest levels of quality and compliance.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

We acknowledge and promote local procurement for economic development of the region. However, the nature of the products sourced by us to service our international clientele leaves us with a minimal scope for local procurement. We also work with local businesses and generate productive local employment by hiring talent from near our locations to meet requirements for services like waste handling, housekeeping, logistics and machine operations.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

While we have systems in place to recycle water, we are expanding our recycling capabilities.

For waste management we adhere to the 3R and D system i.e. Reduce, Reuse, Recycle and Disposal. Across all our facilities, we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. It is our constant endeavour to reduce waste generation in our operations and thereby reduce the load on landfill. One of our ongoing initiative is recycling of PET bottles that are sent to Stree Mukti Sanghatana, a local women's Self-Help Group for recycling.

Additionally, we have been using recycled notepads in training centres which are made from paper waste generated from our corporate office. These initiatives are not only pro-environment but also have a social welfare approach ingrained into it. We also encourage employees to reduce plastic consumption, water consumption and energy consumption through awareness.

Principle 3:
Businesses should promote the wellbeing of all employees

The Human Resources (HR) team at WCL focuses on building a stable but a dynamic organisation by adopting the core values embedded in our people, processes and practices. We have transformed our employee value proposition by augmenting key HR processes, namely – talent resourcing, employee engagement, competency development, performance management and recognition.

As an organisation, we respect the rights of our people and have implemented robust policies to ensure that these are upheld across all of our operations. We celebrate our differences and capitalise on the intrinsic values of a diverse workforce, including gender, race, colour, religion, age, nationality or any other factor.

As an equal opportunity employer, we believe in meritocracy. To this end we have instituted a fair and an objective system to evaluate our people's performance, ensuring that it is aligned with our broader strategic objectives and operational goals.

1.	Total number of employees	4034
2.	Total number of employees hired on temporary/ contractual/ casual basis	1341
3.	Number of permanent women employees	41
4.	Number of permanent employees with disabilities	12
5.	Do you have an employee association that is recognised by management?	Dahej plant has a recognised employee union
6.	Percentage of your permanent employees is members of this recognised employee association?	100% of employees at the Dahej plant are members of a recognised employee union

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	Complaints filed during the financial year	Complaints pending as on end of the financial year
(i)	Child labour/ forced labour/ involuntary labour	Nil	Nil
(ii)	Sexual Harassment	Nil	Nil
(iii)	Discriminatory employment	Nil	Nil

8. Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Our approach to people management continually cultivates leadership qualities and encourages employees to learn and explore at all stages, to enable them to be the leaders of tomorrow. Learning is a vital part of our culture, and we believe that it is best achieved through observation, experimentation and reflection. At WCL, our training and development programme is aligned with the development needs of our people and our business goals

Location	Percentage given skills up-gradation training
Head office	80%
Anjar - Pipes	84%
Anjar- PCMD	90%
Dahej	68%
Mandya	90%

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Understanding the stakeholders' concerns and expectations is an essential part of WCL's sustainability approach. Through regular formal and informal engagements, we develop mutually beneficial relationships with our stakeholders.

We firmly believe in an inclusive participatory approach that values the voices of our stakeholders. Engaging with our stakeholders helps us establish and maintain an inclusive relationship with them. While the inputs from our stakeholders help us understand their needs and expectations, addressing their concerns help us to establish lasting partnerships based on trust.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, as part of our stakeholder engagement process, we identified the following key stakeholder groups:

1. Employees
2. Customers
3. Business partners (vendors, contractors including contract labourers)
4. Regulatory authorities & industry associations
5. Local community
6. Investors/lenders

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, we have identified disadvantaged, vulnerable & marginalised stakeholders which includes, rural communities, women and the youth.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Our social impact programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence.

Details of our CSR initiatives are provided under Principle 8.

Principle 5:
Businesses should respect and promote human rights
Human rights aspects relevant to our operations are covered under our Code of Conduct and Ethics Policy, Prevention of Sexual Harassment (POSH) Policy, Whistle-blower Policy and Human Resource related policies and practices. These policies ensure that human rights are not violated and there is zero tolerance for human rights violations at WCL.

1. **Does the policy of the Company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**
   Our code of conduct promotes respect for human rights and we provide a free, fair and a discrimination free environment to our employees. We encourage our employees to raise any concern they may have and we have laid down procedures for addressing such concerns. Under our whistle blower policy, a fair and a transparent mechanism has been provided to report any violation to our code of conduct.

   We do not deal with any supplier/contractor if it is in violation of local laws pertaining to human rights and we do not employ any person below the age of 18. Use of forced or compulsory labour is prohibited at any of our units and we discourage the same with our suppliers and contractors.

   The above policies apply to WCL and are extended to subsidiaries and business partners. Relevant policies are shared with our suppliers and contractors and they are expected to uphold human rights.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   There were no complaints related to human rights issues like child labour, forced or involuntary labour or discriminatory employment or sexual harassment in FY2016-17.

   Complaints from external stakeholders like suppliers and contractors are raised directly to business teams and are addressed by them on a case by case basis.

Principle 6:
Businesses should respect, protect, and make efforts to restore the environment
Protecting and conserving our environment is integral to our business philosophy. We identify and assess environmental risk and opportunities, which are also integrated into WCL's Enterprise Risk Management (ERM) framework. All our facilities are ISO 14001 and OSHAS 18000 certified and have a robust environment management systems in place that ensures environment friendly operations. We also regularly engage with our local communities for developing conservation initiatives.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others**
   WCL strives at all levels to conserve natural resources and energy. Optimisation of consumption and well planned wastage control & recycling measures are implemented at all facilities. Going beyond just compliance with applicable Health, Safety and Environment (HSE) legislations, we strive to ensure that all managerial decisions including selection/ procurement of materials, machinery, equipment, placement of personnel and setting up of projects are integrated with our broader sustainability goals.

   Our approach to environmental management extends to our subsidiaries and covers our suppliers and contractors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   WCL has undertaken several initiatives in the areas of energy efficiency, emissions management and water management across locations to minimise its environmental impact.

   Some of these initiatives include:

   Energy use: We believe that there are multiple strategic advantages that can be realised by exploring several of energy conservation measures through periodic energy audits and proactive maintenance of equipment. We have saved significant energy through various energy efficiency measures like installing VFDs, digital temperature controllers, LED fixtures, etc.

Material and waste management: We do not use any raw materials in the form of natural resources in our manufacturing operations and most of our products are made from externally procured plates and coils. The major associated process materials that are a part of our production processes include oil, greases, inserts and films. There is virtually no or limited packaging used, given the nature of our products.

Across all our facilities, we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. Waste disposal is carried out through appropriate methods and directed to authorised channels of disposal as per the laws of respective State Pollution Control Boards.

The hazardous waste generated at our Anjar unit has high calorific value and is therefore utilised for co-processing at nearby cement plant. This helps in reducing environmental risks related to waste disposal and conservation of natural resources. It is our constant endeavour to reduce waste generation in our operations and thereby reduce the load on landfill. We also encourage employees to reduce plastic consumption, water consumption and energy consumption through awareness.

Water: We do not have processes that are water intensive hence; our water withdrawal does not significantly impact any local water body. Our operations use water supplied from local municipalities and we regularly monitor our consumption patterns. The offices use municipal supply water for daily consumption purposes like drinking, cleaning, flushing, etc. The major industrial usage of water is for coating applications on line pipes.

While we acknowledge that our operations do not entail significant environmental impact, our investment in these initiatives reinforce our commitment to efficient utilisation of natural resources wherever possible.

3. **Does the Company identify and assess potential environmental risks? Y/N**
   Yes, Environmental risk related to climate change, energy, waste & water management has been identified & necessary steps have been taken to mitigate them. These are included in our Sustainability Report available at http://www.welspuncorp.com/WelspunCorpSR2016.pdf

4. **Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?**
   No, we do not have any Clean Development Mechanism (CDM) projects.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   Yes, we have taken several initiatives across our operations in areas related to energy efficiency, emissions management and water management. Details are provided in response to Q2. These are included in our Sustainability Report available at http://www.welspuncorp.com/WelspunCorpSR2016.pdf

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, the emissions and waste generated were within permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   We received 3 notices from Gujarat Pollution Control Board (GPCB) during FY2016-17, all of which were replied to and satisfactorily resolved before 31st March 2017.

Principle 7:
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

We believe that driving change and taking efforts towards effective policy development fosters industrial growth. WCL prefers to be a part of the policy development process and hence, actively participates in all forms, but has not been lobbying on any specific issue.

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**
   We are a part of a number of associations that enable value addition to the pipe industry:
   1. Bombay Chamber of Commerce and Industry
   2. The Associated Chambers of Commerce and Industry
   3. Engineering Export Promotion Council
   4. Indian Merchants Chamber

5. All India Management
6. Association FOKIA (Federation of Kutch Industries Associations).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
Through our representation in the above mentioned bodies, we participate in relevant forums that are of interest to our industry and our stakeholders. All such engagements are done in line with our code of conduct.

Principle 8:
Businesses should support inclusive growth and equitable development
At WCL, we continuously strive to improve the quality of life of the communities in which we operate. Our Corporate Social Responsibility (CSR) approach transcends the core pillars of sustainable development and is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment

We have a Corporate Social Responsibility (CSR) policy which is overseen by the CSR committee of the Board. In line with our CSR policy, we undertake activities that are aligned to schedule VII of Companies Act, 2013.

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**
Our CSR activities are carried out through Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence. WFHK works across a diverse spectrum spanning sustainable livelihood, hygiene and sanitation, health, education and gender.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**
Our social programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence. WFHK engages with local stakeholders, through a consultative and collaborative approach to identify community needs and design programmes that engage, empower and inspire visionary futures. Our Corporate Social Responsibility (CSR) approach transcends the core pillars of sustainable development and is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment.

3. **Have you done any impact assessment of your initiative?**
WFHK engaged an external consultant to carry out impact assessments of our Corporate Social Responsibility projects.

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**
During FY 2016-17, WCL was not required under the Companies Act, 2013 to spend on CSR since it did not make a profit.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
All initiatives, whether implemented directly by WFHK or in partnership with another agency, are meant to address the direct needs of the intended beneficiaries. Since the projects are linked to the needs of the communities they are meant to serve, community buy-in is ensured in this manner.

Principle 9:
Businesses should engage with and provide value to their customers and consumers in a responsible manner
We believe that customer value is driven by means of customer satisfaction and confidence. Our success is defined by the way we ensure customer satisfaction, reliability and transparency in economic performance. Our products are always aligned to customer specifications, which are primarily dependent on individual projects. During customer interactions, we discuss detailed product requirements and specifications based on the customer needs.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**
No cases or complaints were filed or are pending as on end of FY 2016-17.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)**
   Our industry is not governed by any regulations with respect to product labelling. Any relevant information with respect to our products and services is conveyed to the respective stakeholder.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**
   No cases or complaints were filed or are pending as on end of FY 2016-17.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   Our engagement with customers begins from front end engineering stages and extends well beyond the execution and post-commissioning stages. We also religiously seek feedback from customers post completion of the project and carry out analysis for assessment of Customer Satisfaction Index. We carry out audits by external agencies in our manufacturing facilities and review our Standard Operating Procedures (SOP's) to ensure we are always on track to meet customer requirements.

Independent Auditors' Report

To The Members of Welspun Corp Limited

Report on the Standalone Indian Accounting Standards (Ind AS) 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, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditors' Responsibility

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

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

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements as at and for the

years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 23, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(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, 2017 on its financial position in its standalone Ind AS financial statements - Refer Note 44.

ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.

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, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 45.

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

Mehul Desai
Partner
Membership Number : 103211

Mumbai
May 08, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) 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, 2017

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, 2017 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Mehul Desai
Partner
Membership Number : 103211

Mumbai
May 08, 2017

Annexure B 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 as of and for the year ended March 31, 2017

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 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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.

Annexure B 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 as of and for the year ended March 31, 2017

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 generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a case, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, 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, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ 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
		64.43	FY 2013-14	Review committee, Commissioner LTU, Mumbai
		0.08	FY 2007-08	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.10	FY 2013-14	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		3.38	FY 2008-09	Commissioner (Appeals), Mumbai
		4.84	FY 2005-06 to 2007-08	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		3.37	FY 2009-10	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
		4.17	FY 2008-09	Joint Commissioner of Commercial Tax Appeals, Vadodara
		1.65	FY 2009-10 t0 2012-13	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
		122.29	FY 2006-07 to 2007-08	Dy. Commissioner Appeal, Rajkot
		2.29	FY 1999-00 to 2006-07	Dy. Commissioner Appeal, Rajkot
		15.22	FY 2007-08 to 2009-10	Joint Commissioner of Commercial Tax Appeals, Vadodara
Finance Act, 1994	Service Tax	1.12	FY 2009-10 and 2013-14	Commissioner (Appeals) LTU Mumbai
		3.92	FY 2008-09	Commissioner Central Excise And Customs, Vadodara

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where the dispute is pending
		0.60	FY 2013-14	Commissioner (Appeal), Surat
		1.18	FY 2009-10	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		5.25	FY2009-10 to 2010-11	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		1.11	FY 2006-07 to 2012-13	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		10.57	FY 2013-14	Supreme Court, Delhi
		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	98.82	FY 2012-13	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. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. 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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

Mehul Desai
Partner
Membership Number : 103211

Mumbai
May 08, 2017

Standalone Balance Sheet

as at March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	23,627.12	25,843.20	27,950.51
Capital work-in-progress	3	242.49	248.90	229.84
Investment property	4	1.23	1.23	1.23
Intangible assets	5	71.68	115.02	124.54
Intangible assets under development	5	72.61	4.94	-
Equity investments in subsidiaries, joint ventures and associate	6	496.66	497.16	349.61
Financial assets				
Investments	7(a)	1,868.71	1,885.49	2,839.11
Loans	8(a)	256.07	156.95	-
Other financial assets	9(a)	282.09	355.45	346.44
Other non-current assets	10(a)	944.28	287.32	270.70
Total non-current assets		**27,862.94**	**29,395.66**	**32,111.98**
Current assets				
Inventories	11	13,270.28	7,922.02	8,272.30
Financial assets				
Investments	7(b)	5,018.64	7,147.63	7,781.99
Trade receivables	12	13,229.70	9,824.85	17,407.63
Cash and cash equivalents	13	519.03	301.81	863.36
Bank balances other than cash and cash equivalents	14	629.80	1,162.22	1,131.31
Loans	8(b)	5.98	934.19	4.94
Other financial assets	9(b)	505.42	992.24	407.12
Other current assets	10(b)	1,878.24	1,461.89	2,254.41
Assets classified as held for sale	15	6.00	19.88	8.40
Total current assets		**35,063.09**	**29,766.73**	**38,131.46**
Total assets		**62,926.03**	**59,162.39**	**70,243.44**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16(a)	1,326.13	1,326.13	1,315.88
Other equity				
Reserves and surplus	16(b)	16,671.84	14,923.74	16,086.64
Other reserve	16(c)	98.21	51.14	(287.30)
Total equity		**18,096.18**	**16,301.01**	**17,115.22**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	17(a)	11,725.00	15,914.87	18,625.16
Other financial liabilities	18(a)	-	578.84	507.97
Provisions	19(a)	350.26	271.62	266.30
Deferred tax liabilities (net)	20	2,019.19	1,532.08	1,912.03
Government grants	21	3,653.64	3,600.40	3,519.53
Other non-current liabilities	22(a)	-	876.00	-
Total non-current liabilities		**17,748.09**	**22,773.81**	**24,830.99**
Current liabilities				
Financial liabilities				
Borrowings	17(b)	2,136.08	1,865.22	1,881.51
Trade payables	23	19,342.89	13,338.68	21,872.45
Other financial liabilities	18(b)	2,208.14	1,612.02	2,774.44
Provisions	19(b)	168.46	159.88	154.83
Government grants	21	414.66	369.76	330.16
Current tax liabilities (net)	24	803.64	55.26	70.35
Other current liabilities	22(b)	2,007.89	2,686.75	1,213.49
Total current liabilities		**27,081.76**	**20,087.57**	**28,297.23**
Total liabilities		**44,829.85**	**42,861.38**	**53,128.22**
Total equity and liabilities		**62,926.03**	**59,162.39**	**70,243.44**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
This is the standalone balance sheet referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Profit and Loss

as at March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	25	42,628.14	37,679.93
Other operating revenue	26	2,197.43	1,490.27
Other income	27	2,130.67	1,075.77
Total income		**46,956.24**	**40,245.97**
Expenses			
Cost of materials consumed	28	28,453.42	21,448.82
Purchases of stock-in-trade	29	3,468.66	6,713.18
Changes in inventories of work-in progress, stock-in-trade and finished goods	30	(384.90)	(40.83)
Excise duty		1,367.57	1,445.68
Employee benefit expense	31	1,845.19	1,934.28
Depreciation and amortisation expense	32	2,442.45	2,475.26
Other expenses	33	5,052.93	6,040.94
Finance costs	34	2,073.04	2,014.60
Total expenses		**44,318.36**	**42,031.93**
Profit/ (loss) before tax		**2,637.88**	**(1,785.96)**
Income tax expense	35		
Current tax		418.10	-
Deferred tax		473.77	(554.39)
Total income tax expense		**891.87**	**(554.39)**
Profit/ (loss) for the year (A)		**1,746.01**	**(1,231.57)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains/ (losses) on cash flow hedges		71.98	513.45
Income tax relating to this item		(24.91)	(177.70)
		47.07	**335.75**
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(33.38)	(1.66)
Income tax relating to this item		11.57	0.57
		(21.81)	**(1.09)**
Other comprehensive income for the year, net of tax (B)		**25.26**	**334.66**
Total comprehensive income/ (loss) for the year (A+B)		**1,771.27**	**(896.91)**
Earnings/ (loss) per equity share:			
Basic and diluted earnings/ (loss) per share (in Rupees)	52	6.58	(4.67)

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

This is the standalone statement of profit and loss referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
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Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
A)	**Cash flow (used in)/ from operating activities**		
	Profit/(loss) before income tax	**2,637.88**	**(1,785.96)**
	Adjustments for:		
	Depreciation and amortisation expense	2,442.45	2,475.26
	Employee share-based expense	-	97.44
	Loss on disposal of property, plant and equipment (net)	9.77	31.94
	(Profit)/ loss on sale/ redemption of		
	Current investments	(161.36)	1.80
	Non-current investments	0.10	(73.81)
	Fair valuation loss/(gain) on investment (net)	45.81	(93.11)
	Allowance for doubtful debts (net)	(3.33)	5.61
	Provision no longer required written back	-	19.89
	Dividend income	(3.01)	(21.94)
	Interest income	(917.53)	(832.90)
	Interest expenses	1,938.25	1,905.98
	Net exchange differences (unrealised)	5,624.06	338.35
	Operating profit before changes in operating assets and liabilities	**11,613.09**	**2,068.55**
	Changes in operating assets and liabilities		
	(Increase)/ decrease in trade receivables	(5,046.43)	9,507.65
	(Increase)/ decrease in inventories	(5,348.26)	350.28
	Decrease in trade payables	(1,116.74)	(8,080.10)
	(Decrease)/ increase in other current liabilities	162.15	23.24
	Decrease in other non-current financial assets	12.45	14.27
	Increase in other current financial assets	(573.80)	(656.94)
	Increase in other non current assets	(40.66)	(23.21)
	(Increase)/ decrease in other current assets	(322.32)	801.42
	(Decrease)/ increase in other non-current financial Liabilities	(578.84)	70.87
	Increase/ (Decrease) in other current financial Liabilities	708.28	(808.09)
	Increase/ (Decrease) in provisions	53.84	(11.18)
	Increase in government grants	98.14	120.47
	Total changes in operating assets and liabilities	(11,992.19)	1,308.68
	Cash flow (used in)/ from operations	**(379.10)**	**3,377.23**
	Income taxes paid (net of refunds)	330.28	(15.09)
	Net cash (used in)/ from operating activities (A)	**(48.82)**	**3,362.14**
B)	**Cash flow from investing activities**		
	Payments for property, plant and equipment	(901.98)	(458.92)
	Proceeds from property, plant and equipment	13.87	29.76
	Investment in joint venture	-	(147.55)
	Sale/ redemption of long-term investments in subsidiaries	0.40	1,181.65
	Purchase of other long term investments	-	(27.78)
	Sale of current investments (net)	2,261.32	597.29
	Proceeds from maturity of/ (investment in) Fixed deposit (net)	554.15	(39.64)
	Interest received	842.26	883.73
	Dividend received	3.01	21.94
	Loan to joint venture, subsidiaries and other parties	(99.12)	(1,424.56)
	Repayment of Loan from joint venture, subsidiaries and other parties	928.21	338.36
	Net cash from investing activities (B)	**3,602.12**	**954.28**

Standalone Statement of Cash Flows

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
C)	**Cash flow used in financing activities**		
	Proceeds from issue of equity share capital	-	2.05
	Repurchase of non-convertible debentures	(3,000.00)	(490.00)
	Repayment of long term borrowings	(480.69)	(2,286.50)
	Proceeds from/(repayment) of short term borrowings (net)	2,207.44	(47.65)
	Interest paid	(1,902.89)	(1,897.15)
	Dividend paid (including dividend distribution tax)	(159.94)	(158.72)
	Net cash used in financing activities (C)	**(3,336.08)**	**(4,877.97)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**217.22**	**(561.55)**
	Cash and cash equivalents at the beginning of the financial year	301.81	863.36
	Cash and cash equivalents at the end of the year	**519.03**	**301.81**
	Net increase/ (decrease) in cash and cash equivalents	**217.22**	**(561.55)**

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.

This is the standalone statement of cash flows referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Changes in Equity

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 01, 2015		**1,315.88**
Changes in equity share capital during the year	16(a)	10.25
Balance as at March 31, 2016		**1,326.13**
Changes in equity share capital during the year	16(a)	-
Balance as at March 31, 2017		**1,326.13**

B. Other equity

	Reserves and surplus							Other reserves	
	Securities premium reserve	Debenture redemption reserve	General reserve	Foreign currency monetary Item translation difference account	Share options outstanding account	Retained earnings	Total reserve and surplus	Cash flow hedging reserve	Total other equity
Balance as at April 01, 2015	**7,644.81**	**1,142.37**	**53.09**	**(418.32)**	**35.77**	**7,628.92**	**16,086.64**	**(287.30)**	**15,799.34**
Loss for the year	-	-	-	-	-	(1,231.57)	(1,231.57)	-	(1,231.57)
Other comprehensive income/(loss)	-	-	-	-	-	(1.09)	(1.09)	335.75	334.66
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(1,232.66)**	**(1,232.66)**	**335.75**	**(896.91)**
Movement during the year (net)		-	-	138.90	-	-	138.90	-	138.90
Income tax on opening balance on account of tax rate change	-	-	-	-	-	-	-	2.69	2.69
Transactions with owners in their capacity as owners:								-	-
Dividends paid (including dividend distribution tax)	-	-	-	-	-	(158.38)	(158.38)	-	(158.38)
Employee stock option expense	-	-	-	-	97.44	-	97.44	-	97.44
Issue of shares on exercise of stock options	125.01	-	-	-	(133.21)	-	(8.20)	-	(8.20)
Balance as at March 31, 2016	**7,769.82**	**1,142.37**	**53.09**	**(279.42)**	**-**	**6,237.88**	**14,923.74**	**51.14**	**14,974.88**
Profit for the year	-	-	-	-	-	1,746.01	1,746.01	-	1,746.01
Other comprehensive income/(loss)	-	-	-	-	-	(21.81)	(21.81)	47.07	25.26
Total comprehensive income for the year	**-**	**-**	**-**		**-**	**1,724.20**	**1,724.20**	**47.07**	**1,771.27**
Movement during the year (net)	-	-	-	183.51	-	-	183.51	-	183.51
Movement in debenture redemption reserve	-	500.73	-	-	-	(500.73)	-	-	-
Movement in general reserve	-	-	174.60	-	-	(174.60)	-		
Transactions with owners in their capacity as owners:								-	-
Dividends paid (including dividend distribution tax)	-	-	-	-	-	(159.61)	(159.61)	-	(159.61)
Balance as at March 31, 2017	**7,769.82**	**1,643.10**	**227.69**	**(95.91)**	**-**	**7,127.14**	**16,671.84**	**98.21**	**16,770.05**

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.
This is the standalone statement of changes in equity referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S. Krishnan
Chief Financial Officer

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

Pradeep Joshi
Company Secretary
FCS-4959

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

General Information

Welspun Corp Limited (hereinafter referred to as "WCL" or "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 which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India.

These financial statements were approved for issue by the board of directors on May 08, 2017.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation of financial statements

a) Compliance with Ind AS

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

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

These financial statements are the first financial statements of the Company under Ind AS. Refer note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

b) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Share based payment arrangements	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

c) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e 12 months) and other criteria set out in Schedule III (Division II) to the Act.

1.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

liabilities carried at fair value are reported as part of the fair value gain or loss.

The Company has elected to apply the exemption in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the financial statement have been accounted in accordance with adopted under previous GAAP as given below:

- Foreign exchange differences on account of depreciable assets are adjusted in the cost of depreciable assets and depreciated over the balance life of the assets.

- In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets / liabilities.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added tax and amounts collected on behalf of third parties.

The Company recognises revenue from sale of goods when:

- the Company has transferred to the buyer the significant risk and reward of ownership of goods;

- the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;

- the amount of revenue can be reliably measured;

- it is probable that future economic benefits associated with the transaction will flow to the Company; and

- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing director and CEO of the Company assess the financial performance and position of the Company, and makes strategic decisions. The chief operating decision makers are Managing director and CEO of the Company (refer note 48).

1.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating revenue" or are deducted in reporting the related expense.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss over the periods and in proportions in which depreciation expense on those assets is recognised.

1.6 Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

income, in which case it is recognised in equity or other comprehensive income respectively.

a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

c) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

1.7 Leases

a) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.8 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Transition to Ind AS

On transition to first-time adoption of Ind AS, the Company has elected not to restate business combinations which occurred prior to the transition date i.e. April 01, 2015.

1.9 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for it intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Assets	Estimated Useful Lives (in years)
Buildings	
Building	30
Residential and other buildings	60
Road, fencing, etc.	Ranging between 3 to 5 years
Office and other equipments	
Office equipment	5
Computer	3 years except Networking equipment's which are depreciated over useful life of 4 years
Vehicles	8
Furniture and fixtures	10

Plant and machinery is depreciated on straight line method over the useful life ranging between 2 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 internal 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, etc.

The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income or other expenses, as applicable.

1.10 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

1.11 Intangible assets

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods

Intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life over a period of five years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell,

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except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

1.13 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.14 Inventories

Raw materials, stores and spares, work in progress, traded goods and finished goods

Raw materials, stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases on moving weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.15 Investment in subsidiaries, joint ventures and associate

Investment in subsidiaries, joint ventures and associate is carried at cost in the separate financial statements.

Company considers issuance of non-market rate redeemable preference shares by subsidiary as compound instrument comprising a loan with market terms and a capital injection and hence treat the difference between the cash paid and fair value on initial recognition as an addition to the investment in the subsidiary and presented separately as 'Investment in equity component of preference shares' under 'Equity investments in subsidiaries, joint ventures and associate'. Equity Component is not subsequent remeasured.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associate recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries, joint ventures and associate.

1.16 Financial Instruments

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

a) Financial assets

(I) Classification

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

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

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- those measured at amortised cost.

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

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

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(II) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

(ii) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

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Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(III) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(IV) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(V) Income recognition

(i) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividend income

Dividend income are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(iii) Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

(VI) Cash and cash equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

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(VII) Trade receivable

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

b) Financial liabilities

(I) Measurement

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

(II) Derecognition

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

(III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(IV) Trade and other payables

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

c) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

d) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Company enters into forward and interest rate swap contracts and other derivative

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financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(I) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial asset the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the change in fair value of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

- With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expense (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will

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be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit or loss at the time of the hedge relationship rebalancing.

(II) Derivatives that are not designated as hedges

The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income or other expenses (as applicable).

e) Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

f) Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world, and
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

1.18 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit

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credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund and superannuation fund.

(I) Defined Benefit Plans

(i) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(II) Defined contribution plans

(i) 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.

(ii) 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.

d) Share-based payments

Share-based compensation benefits are provided to employees under "Employee Stock Option Plan".

Employees of the Company receive remuneration in the form of share-based payments as per the eligibility criteria. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

e) Bonus Plan

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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1.19 Provisions, contingent liabilities and contingent assets

a) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

b) Contingent liabilities

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.

c) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

1.20 Contributed Equity

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

1.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.22 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

b) Diluted earnings per share

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

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

1.23 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees millions (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

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

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

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

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), Changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2017.

b) Amendments to Ind AS 102, 'Share-based Payment':

The amendment to Ind AS 102 clarifies the measurement basis for cash settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in Ind AS 102 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2017.

The Company intends to adopt the amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Note 2: Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

i) Estimation of current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note 35).

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the Company. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Significant items on which the Company has exercised accounting judgment include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgment as described above (refer note 35).

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ii) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (refer note 19).

iii) Estimation of useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment (refer notes 3).

iv) Estimation of Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed (refer note 11).

v) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability (refer note 19).

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions (refer note 39).

(All amounts in Rupees million, unless otherwise stated)

3. Property, plant and equipment

Carrying amounts	Freehold land	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2016							
Gross carrying amount							
Deemed cost as at April 01, 2015 (refer note (i) below)	252.47	4,701.33	22,844.60	59.44	22.63	70.04	27,950.51
Additions	62.71	8.86	253.57	12.51	1.10	3.87	342.62
Exchange differences (refer note 50)	-	-	37.55	-	-	-	37.55
Disposals	-	-	52.33	1.02	0.73	0.08	54.16
Classified as held for sale	-	-	12.16	-	-	-	12.16
Gross carrying amount as at March 31, 2016	**315.18**	**4,710.19**	**23,071.23**	**70.93**	**23.00**	**73.83**	**28,264.36**
Year ended March 31, 2017							
Gross carrying amount							
Additions	11.05	23.75	139.39	29.16	1.78	5.78	210.91
Exchange differences (refer note 50)	-	-	(14.05)	-	-	-	(14.05)
Disposals	-	-	26.31	1.96	3.58	1.00	32.85
Gross carrying amount as at March 31, 2017	**326.23**	**4,733.94**	**23,170.26**	**98.13**	**21.20**	**78.61**	**28,428.37**

Accumulated depreciation	Freehold land	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2016							
Depreciation charge during the year	-	206.96	2,175.08	24.12	5.34	14.28	2,425.78
Disposals	-	-	4.51	0.03	0.08	-	4.62
Accumulated depreciation as at March 31, 2016	**-**	**206.96**	**2,170.57**	**24.09**	**5.26**	**14.28**	**2,421.16**
Year ended March 31, 2017							
Depreciation charge during the year	-	201.67	2,153.49	17.92	3.60	12.62	2,389.30
Disposals	-	-	6.49	0.50	1.69	0.53	9.21
Accumulated depreciation as at March 31, 2017	**-**	**408.63**	**4,317.57**	**41.51**	**7.17**	**26.37**	**4,801.25**
Net carrying amount of property, plant and equipment							
As at April 01, 2015	252.47	4,701.33	22,844.60	59.44	22.63	70.04	27,950.51
As at March 31, 2016	315.18	4,503.23	20,900.66	46.84	17.74	59.55	25,843.20
As at March 31, 2017	326.23	4,325.31	18,852.69	56.62	14.03	52.24	23,627.12
Capital work-in-progress							
As at April 01, 2015	229.84						
As at March 31, 2016	248.90						
As at March 31, 2017	242.49						

Notes

(i) Deemed cost as at April 01, 2015 is the net carrying amount on April 01, 2015 which is tabulated as follows

	Freehold land	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Gross carrying amount	253.70	5,999.36	36,422.15	349.24	55.62	151.25	43,231.32
Reclassified as investment property	1.23	-	-	-	-	-	1.23
Accumulated depreciation	-	1,298.03	13,577.55	289.80	32.99	81.21	15,279.58
Net carrying amount	**252.47**	**4,701.33**	**22,844.60**	**59.44**	**22.63**	**70.04**	**27,950.51**

ii) For property, plant and equipment pledged as security (refer note 17).

Contractual obligations

Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated) (All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4. Investment property			
Investment property - freehold land	1.23	1.23	1.23
Total investment property	**1.23**	**1.23**	**1.23**

(i) Deemed cost as at April 01, 2015 is the net carrying amount on April 01, 2015 which is tabulated as follows

	Investment property - freehold land
Gross carrying amount	1.23
Net carrying amount	**1.23**

(ii) Amount recognised in statement of profit and loss for investment property

	Year ended March 31, 2017	Year ended March 31, 2016
Rental Income	7.63	2.79
	7.63	**2.79**

(iii) Leasing arrangements

The Company has given freehold land on operating lease. This lease arrangement is for a term of 10 years which is non-cancellable for a period of 2 years from February 10, 2017 is tabulated as below

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within one year	6.58	4.79	-
Later than one year but not later than five years	5.63	8.88	-
	12.21	**13.67**	**-**

(iv) Fair Value

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment property	154.39	154.39	154.39
	154.39	**154.39**	**154.39**

Estimation of fair value

The Company has obtained independent valuation of its freehold land located at Anjar based on current prices in an active market for properties of similar nature. The fair values of investment property have been determined by an independent valuer. The main inputs used are the rental growth rates and a study of the micro market in discussion with industry experts. Resulting fair value estimate for investment property are included in level 3.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Carrying amounts	Intangible assets (Software)
5. Intangible assets	
Year ended March 31, 2016	
Gross carrying amount	
Deemed cost as at April 01, 2015 (refer note (i) below)	124.54
Additions	39.96
Gross carrying amount as at March 31, 2016	**164.50**
Year ended March 31, 2017	
Gross carrying amount	
Additions	9.81
Disposals	0.63
Gross carrying amount as at March 31, 2017	**173.68**

Accumulated amortisation	Intangible assets (Software)
Year ended March 31, 2016	
Amortisation charge during the year	49.48
Accumulated amortisation as at March 31, 2016	**49.48**
Year ended March 31, 2017	
Amortisation charge during the year	53.15
Disposals	0.63
Accumulated amortisation as at March 31, 2017	**102.00**

Net carrying amount of Intangible assets	
As at April 01, 2015	124.54
As at March 31, 2016	115.02
As at March 31, 2017	71.68

Intangible assets under development	
As at April 01, 2015	-
As at March 31, 2016	4.94
As at March 31, 2017	72.61

Notes

(i) Deemed cost as at April 01, 2015 is the net carrying amount on April 01, 2015 which is tabulated as follows:

	Intangible assets (Software)
Gross carrying amount	566.90
Accumulated amortisation	442.36
Net carrying amount	**124.54**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(ii) Contractual obligations

Refer to note no 46 for disclosure of contractual commitments.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
6. Equity investments in subsidiaries, joint ventures and associate (refer note 42) (fully paid up)			
Unquoted			
Equity investments carried at cost			
I. Investments in equity instruments of subsidiaries			
i) Wholly owned subsidiaries			
Welspun Pipes Inc.	0.44	0.44	0.44
1,000 (March 31, 2016: 1,000, April 01, 2015: 1,000) equity shares of USD 0.0001 each			
Welspun Pipes Limited (upto March 17, 2017)	-	0.50	0.50
Nil (March 31, 2016: 50,000, April 01, 2015: 50,000) equity shares of ₹ 10 each			
Welspun Tradings Limited	50.22	50.22	50.22
5,013,402 (March 31, 2016: 5,013,402, April 01, 2015: 5,013,402) equity shares of ₹ 10 each			
ii) Other subsidiary			
Welspun Mauritius Holdings Limited	4.70	4.70	4.70
102,089 (March 31, 2016: 102,089, April 01, 2015: 102,089) equity shares of USD 1 each			
Total Investments in equity instruments of subsidiaries	**55.36**	**55.86**	**55.86**
II. Investment in equity component of preference shares			
Other subsidiary			
Welspun Mauritius Holdings Limited (refer note 7(II) and note 49 C(iii))	293.75	293.75	293.75
Total investments in equity instruments of Preference Shares	**293.75**	**293.75**	**293.75**
III. Investments in equity instruments of joint ventures			
Welspun Wasco Coatings Private Limited	147.55	147.55	-
14,755,014 (March 31, 2016: 14,755,014, April 01, 2015: Nil) equity shares of ₹ 10 each			
Total investments in equity instruments of joint ventures	**147.55**	**147.55**	**-**
IV. Investments in equity instruments of associate			
Red Lebondal Limited*	-	-	-
Nil (March 31, 2016: Nil, April 01, 2015: 450) equity shares of Euro 1 each			
* Deemed cost net of provision for diminution	-	-	-
Total equity investments in subsidiaries, joint ventures and associate	**496.66**	**497.16**	**349.61**
Aggregate amount of unquoted investments	496.66	497.16	349.61
Aggregate amount of impairment in the value of investments	-	-	0.03

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
7. Investments			
7(a) Non -current investments			
Unquoted			
Investment carried at fair value through profit and loss (fully paid up)			
I. Investments in equity instruments of other entities			
Welspun Captive Power Generation Limited	135.16	120.71	108.56
58,33,499 (March 31, 2016: 58,33,499, April 01, 2015: 5,316,429) equity shares of ₹ 10 each			
Welspun Enterprises (Cyprus) Limited*	-	-	-
Nil (March 31, 2016: Nil, April 01, 2015: 11,800) equity shares of Euro 1 each			
* Deemed cost net of provision for diminution			
Total investments in equity instruments of other entities	**135.16**	**120.71**	**108.56**
II. Investments in preference shares of subsidiary			
Welspun Mauritius Holdings Limited (refer note 6(II) and 49 C(iii))	1,520.99	1,555.77	2,575.83
23,454,000 (March 31, 2016: 23,454,000, April 01, 2015: 41,154,000) 7% optionally convertible, non- cumulative, redeemable preference shares of USD 1 each			
Total investments in preference shares of subsidiary	**1,520.99**	**1,555.77**	**2,575.83**
III. Investments in preference shares of other entity			
Welspun Captive Power Generation Limited	194.52	194.52	120.99
19,443,186 (March 31, 2016: 19,443,186, April 01, 2015: 17,720,021) 10% non-cumulative, redeemable preference shares of ₹ 10 each			
Total investments in preference shares of other entity	**194.52**	**194.52**	**120.99**
Quoted			
Investment carried at fair value through profit and loss (fully paid up)			
Investments in other entity			
Standard Chartered Bank PLC Indian Depository Receipt	18.04	14.49	33.73
334,331 (March 31, 2016: 334,331, April 01, 2015: 334,331) Indian Depository Receipt of ₹ 100 each			
Total Investment in other entity	**18.04**	**14.49**	**33.73**
Total non-current investments	**1,868.71**	**1,885.49**	**2,839.11**
Aggregate amount of quoted investments and market value thereof	18.04	14.49	33.73
Aggregate amount of unquoted investments	1,850.67	1,871.00	2,805.38
Aggregate amount of impairment in the value of investments	-	-	0.77

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
7(b) Current investments			
Bonds	4,639.92	6,240.04	6,961.81
Deep discount bonds	-	904.72	820.18
Mutual funds	378.72	2.87	-
Total current investments	**5,018.64**	**7,147.63**	**7,781.99**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Quoted

Investment carried at fair value through profit and loss

I. Investments in bonds

	Face Value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
10.40% Vijaya Bank Perpetual	1,000,000	3	3.00	3	3.00	726	718.19
10.75% IDBI Bank Limited Perpetual	1,000,000	60	61.20	250	266.86	337	375.98
10.90% Family Credit Ltd 28/02/2024	1,000,000	12	13.23	-	-	-	-
11.09% IDBI Bank Perpetual	1,000,000	223	228.58	-	-	-	-
11.70% UCO Bank Perpetual	1,000,000	132	132.17	-	-	-	-
12.00% United Bank of India Perpetual	1,000,000	250	250.00	-	-	-	-
7.39% Hudco Tax Free 15/03/2031	1,000	4,000	4.39	-	-	-	-
8.25% Reliance Capital Ltd 14/04/2020	1,000,000	589	589.53	-	-	-	-
8.37% LIC Housing Finance Ltd 10/05/2021	1,000,000	1	1.00	-	-	-	-
8.65% IL&FS Finance Services Ltd	1,000	600	0.60	-	-	-	-
8.85% Reliance Capital Ltd 02/11/2026	1,000,000	11	11.03	-	-	-	-
8.94% Bajaj Finance Ltd 07/11/2025	1,000,000	1	1.03	-	-	-	-
9.10% Reliance General Insurance 17/08/2026	1,000,000	117	117.59	-	-	-	-
9.25% Capital First Ltd 20/11/2025	1,000,000	100	101.91	-	-	-	-
9.25% L&T Fincorp Ltd 09/09/2025	1,000,000	155	157.93	-	-	-	-
9.30% Indiabulls Housing Finance Ltd 29/06/2026	100,000	315	31.74	-	-	-	-
9.40% Industrial Finance Corporation of India Limited 2025	1,000	10,000	10.00	10,000	10.00	-	-
9.50% Union Bank of India Perpetual	1,000,000	204	210.73	-	-	-	-
9.51% Corporation Bank Of India Perpetual	1,000,000	126	125.37	1,006	1,038.45	-	-
9.85% DCB Bank 16/11/2026	100,000	2,200	220.00	-	-	-	-
9.90% Industrial Finance Corporation of India Limited 2032	25,000	14	0.37	66	1.70	1,640	44.77
9.90% Industrial Finance Corporation of India Limited 2037	25,000	3,250	83.25	1,450	37.03	2,280	60.55
8.75% Axis Bank Perpetual	1,000,000	240	235.68	-	-	-	-
11.60% Bank Of Maharashtra Perpetual	1,000,000	63	63.00	-	-	-	-
8.75% Bajaj Finance Ltd 14/08/2026	1,000,000	2	2.03	-	-	-	-
9.25% Dewan Housing Finance Corporation Ltd 09/09/2023	1,000	58,900	58.76	-	-	-	-
10.75% Dewan Housing Finance Corporation Ltd Perpetual	1,000,000	195	198.94	-	-	-	-
8.07% Energy Efficiency Services Ltd 20/09/2021	1,000,000	6	6.04	-	-	-	-
8.07% Energy Efficiency Services Ltd 20/03/2020	1,000,000	64	64.45	-	-	-	-
9.75% Industrial Finance Corporation of India Limited 2028	1,000,000	30	31.23	116	118.90	332	374.72
9.30% Dewan Housing Finance Corporation Ltd 16/08/2026	1,000	63,200	63.57	-	-	-	-
10.00% Indian Overseas Bank Perpetual	1,000,000	405	400.98	255	255.00	379	383.10
10.40% Magma Fincorp Ltd 06/01/2027	1,000,000	20	20.20	-	-	-	-
7.38% National Bank For Agriculture And Rural Development 20/10/2031	1,000,000	2	2.01	-	-	-	-
9.95% Food Corporation Of India 07/03/2022	1,000,000	2	2.16	-	-	-	-
9.40% Reliance Home Finance Ltd 03/01/2032	1,000	334,498	346.44	-	-	-	-
9.50% Srei Equipment Finance Ltd 17/01/2020	1,000	15,000	15.08	-	-	-	-
8.97% U.P. Power Corporation Ltd 13/02/2026	1,000,000	66	66.05	-	-	-	-
8.97% U.P. Power Corporation Ltd 14/02/2025	1,000,000	1	1.00	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2021	1,000,000	117	117.08	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2022	1,000,000	114	114.08	-	-	-	-

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Face Value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
8.97% U.P. Power Corporation Ltd 15/02/2023	1,000,000	6	6.00	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2024	1,000,000	70	70.05	-	-	-	-
7.50% Water Sanitation Pooled Fund 2020	100,000	27	2.70	27	2.73	20	2.20
9.50% Yes Bank Ltd 23/12/2021	1,000,000	190	190.00	-	-	-	-
7.59% Government of India 11/01/2026	100	500,000	52.40	-	-	-	-
7.61% Government of India 09/05/2030	100	1,500,000	155.34	-	-	-	-
10.20% Dena Bank Perpetual	1,000,000	-	-	527	580.75	564	564.20
10.45% Gujarat State Petroleum Corporation Limited 2072	1,000,000	-	-	221	239.24	195	216.03
11.80% IL&FS Transportation Networks Ltd 2024	1,000,000	-	-	10	10.56	-	-
11.95 % United Bank of India Perpetual	1,000,000	-	-	9	9.99	-	-
7.72% Government of India 2025	100	-	-	2,000,000	200.40	-	-
7.88% Government of India 2030	100	-	-	1,500,000	150.59	-	-
7.93% Power Grid Corporation of India Limited 2028	1,000,000	-	-	9	9.00	-	-
8.11% Rural Electrification Corporation Limited 2025	1,000,000	-	-	300	300.30	-	-
8.13 % Government of India 2045	100	-	-	500,000	51.23	-	-
8.14% Nuclear Power Corporation of India Ltd 2027	1,000,000	-	-	139	140.78	-	-
8.17 % Government of India 2044	100	-	-	1,000,000	102.70	1,500,000	159.11
8.23% Punjab National Bank 2025	1,000,000	-	-	223	223.00	-	-
8.33% Government of India Loan 2026	100	-	-	3,000,000	310.65	3,000,000	333.47
8.48% National Highways Authority of India 2028	1,000,000	-	-	200	221.80	-	-
8.49% Indian Renewable Energy Development Agency 2028	1,000,000	-	-	64	65.18	95	96.95
8.65% India Infra Debt Ltd 2026	1,000,000	-	-	250	250.00	-	-
8.70% Power Finance Corporation Limited 2020	1,000,000	-	-	13	13.10	-	-
8.81% Tourism Finance Corporation of India Limited 2025	100,000	-	-	1,602	160.60	-	-
8.94% Power Finance Corporation Limited 2028	1,000,000	-	-	8	8.38	-	-
8.97% Government of India Loan 2030	100	-	-	1,000,000	109.35	1,000,000	119.68
9.48 % Oriental Bank of Commerce Perpetual	1,000,000	-	-	589	649.96	295	298.88
9.48% Bank of Maharashtra Perpetual	1,000,000	-	-	497	541.04	400	408.12
9.55% Andhra Bank Perpetual	1,000,000	-	-	10	10.00	-	-
9.80% Gujarat State Petroleum Corporation Limited 2073	1,000,000	-	-	141	147.77	81	85.61
9.84% Air India Limited 2026	1,000,000	-	-	-	-	1	1.24
8.97% Andhra Pradesh State Development Loan 2022	100	-	-	-	-	200,000	20.34
8.79% Bangalore Metro Rail Corporation Limited 2024	1,000,000	-	-	-	-	15	15.53
11% Bank of India Perpetual	1,000,000	-	-	-	-	3	3.52
9.55% Canara Bank Perpetual	1,000,000	-	-	-	-	90	89.79
8.30% Fertiliser Co. Spl 2023	100	-	-	-	-	32,000	3.45
9.15% Government of India Loan 2024	100	-	-	-	-	240,000	26.47
8.28% Government of India Loan 2032	100	-	-	-	-	35,000	3.91
7.40% Government of India Loan 2035	100	-	-	-	-	365,000	36.03
8.30% Government of India Loan 2040	100	-	-	-	-	5,000	0.58
8.30% Government of India Loan 2042	100	-	-	-	-	5,000,000	540.50
8.20% Housing And Urban Development Corp Ltd 2027	1,000	-	-	-	-	500	0.68
7.51% Housing And Urban Development Corp Ltd 2028	1,000	-	-	-	-	1,000	1.13

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Face Value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
9.70% Industrial Finance Corporation of India Limited 2030	1,000,000	-	-	-	-	15	16.28
9.90% Industrial Finance Corporation of India Limited 2027	25,000	-	-	-	-	2,088	57.02
8.10% Indian Railway Finance Corporation Ltd. 2027	1,000	-	-	-	-	250,000	278.69
8.99% Madhya Pradesh State Development Loan 2022	100	-	-	-	-	50,500	5.16
8.20% Government of India OIL SPL 2024	100	-	-	-	-	50,000	5.09
8.55% Power Finance Corporation Limited 2021	1,000,000	-	-	-	-	100	102.89
8.20% Power Finance Corporation Limited 2022	1,000	-	-	-	-	1,000	1.18
9.65% Reliance Capital Limited 2025	1,000,000	-	-	-	-	203	203.90
8.27% Rural Electrification Corporation Limited 2022	1,000,000	-	-	-	-	10	10.02
8.82% Rural Electrification Corporation Limited 2023	1,000,000	-	-	-	-	50	53.39
8.23% Rural Electrification Corporation Limited 2025	1,000,000	-	-	-	-	70	70.10
7.38% Rural Electrification Corporation Limited 2027	1,000	-	-	-	-	1,000	1.14
8.06% Rural Electrification Corporation Limited 2023	1,000,000	-	-	-	-	733	743.64
8.74% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2027	1,000,000	-	-	-	-	273	269.61
9.00% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2026	1,000,000	-	-	-	-	7	7.53
9% SBI Cards & Payments Services Pvt. Ltd 2021	1,000,000	-	-	-	-	6	6.59
10.20% SREI Infrastructure Finance Ltd	1,000,000	-	-	-	-	137	143.74
9.20% Tamil Nadu Generation and Distribution Corporation Limited 2024	1,000,000	-	-	-	-	1	1.11
Total investments in bonds		**2,495,581**	**4,639.92**	**9,017,985**	**6,240.04**	**11,742,146**	**6,961.81**

Unquoted

Investment carried at fair value through profit and loss

I. Investments in deep discount bonds

	Face Value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
Industrial Finance Corporation of India Ltd Deep Discount Bond 2031	25,000	-	-	28,404	240.33	28,404	217.75
Industrial Finance Corporation of India Ltd Deep Discount Bond 2032	25,000	-	-	9,150	72.42	10,150	72.59
Industrial Finance Corporation of India Ltd Deep Discount Bond 2035	25,000	-	-	25,270	186.91	25,270	168.59
Industrial Finance Corporation of India Ltd Deep Discount Bond 2036	25,000	-	-	4,795	30.98	4,795	27.84
Industrial Finance Corporation of India Ltd Deep Discount Bond 2033	25,000	-	-	2,190	13.22	2,190	11.86
Industrial Finance Corporation of India Ltd Deep Discount Bond 2039	25,000	-	-	34,460	169.84	34,460	151.49
Industrial Finance Corporation of India Ltd Deep Discount Bond 2040	25,000	-	-	41,470	191.02	41,470	170.06
Total investments in deep discount bonds				**145,739**	**904.72**	**146,739**	**820.18**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

II. Investments in mutual funds

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Units	Amount	Units	Amount	Units	Amount
Axis Liquid Fund - Growth	32,365	58.19	-	-	-	-
Reliance Liquid Fund - TP - Growth	81,065	320.53	-	-	-	-
SBI Premier Liquid Fund -Regular Fund -Growth		-	1,210	2.87	-	-
Total investments in mutual funds	**113,430**	**378.72**	**1,210**	**2.87**	**-**	**-**
Aggregate amount of quoted investments and market value thereof		4,639.92		6,240.04		6,961.81
Aggregate amount of unquoted investments		378.72		907.59		820.18
		5,018.64		**7,147.63**		**7,781.99**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
8. Loans			
8(a) Non-current			
Unsecured, considered good			
Loans to joint venture (refer note 42)	256.07	156.95	-
Total non-current loans	**256.07**	**156.95**	**-**
8(b) Current			
Unsecured, considered good			
Loans to subsidiary (refer note 42)	-	927.57	-
Loans to employees	5.98	6.62	4.94
Total current loans	**5.98**	**934.19**	**4.94**
Total loans	**262.05**	**1,091.14**	**4.94**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9. Other financial assets			
9(a) Non-current			
Security deposits			
Related parties (refer note 42)	202.22	286.30	274.53
Others	45.79	42.80	46.01
Term deposits with maturity more than 12 months			
Margin money deposits	4.62	26.35	17.62
Derivatives designated as hedges			
Interest rate swap	22.30	-	8.28
Derivatives not designated as hedges			
Coupon only swap	7.16	-	-
Total non-current other financial assets	**282.09**	**355.45**	**346.44**
9(b) Current			
Security deposits			
Related parties (refer note 42)	22.62	-	-
Others	1.25	1.30	0.02
Less: Allowance for doubtful security deposits	(0.02)	(0.02)	(0.02)
	23.85	**1.28**	**-**
Interest accrued on			
Current investments	168.29	115.83	182.70
Others	4.66	1.17	6.12
	172.95	**117.00**	**188.82**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other receivables from			
Related parties (refer note 42)	13.61	606.76	101.59
Others	-	31.70	46.13
	13.61	**638.46**	**147.72**
Derivatives designated as hedges			
Forward contracts	227.63	211.59	2.49
Derivatives not designated as hedges			
Forward contracts	-	4.02	2.84
Coupon only swap	-	-	24.46
	227.63	**215.61**	**29.79**
Receivable towards claim	67.38	19.89	40.79
Total current other financial assets	**505.42**	**992.24**	**407.12**
Total other financial assets	**787.51**	**1,347.69**	**753.56**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10. Other assets			
10(a) Non-current			
Capital advances			
Related parties (refer note 42)	595.87	-	-
Others	93.78	57.95	49.38
Less: Allowance for doubtful capital advances	(3.68)	(3.68)	(3.68)
	685.97	54.27	45.70
Balance with statutory authorities	406.67	348.09	240.69
Less: Allowance for doubtful balance with statutory authorities	(240.82)	(204.53)	(115.84)
	165.85	143.56	124.85
Advance to suppliers	65.76	81.16	96.32
Prepaid expenses	26.70	8.33	3.83
Total other non-current assets	**944.28**	**287.32**	**270.70**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10(b) Current			
Balance with statutory authorities	1,203.68	1,041.93	843.22
Less: Allowance for doubtful balance with statutory authorities	(0.13)	-	-
	1,203.55	1,041.93	843.22
Advance to suppliers	115.88	94.23	82.24
Share application money paid to subsidiary (refer note 42)	-	-	596.15
Prepaid expenses	64.14	73.71	65.85
Advance to employees	2.80	4.72	7.68
Export benefit receivable	491.87	247.30	659.27
Total other current assets	**1,878.24**	**1,461.89**	**2,254.41**
Total other assets	**2,822.52**	**1,749.21**	**2,525.11**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11. Inventories			
Raw materials	4,511.27	2,106.76	3,035.56
Goods-in-transit for raw materials	4,617.42	1,981.17	1,304.40
Work-in-progress	1,138.18	797.20	676.93
Finished goods	1,971.56	1,927.64	2,007.08
Stores and spares	1,031.85	1,109.25	1,248.33
Total inventories	**13,270.28**	**7,922.02**	**8,272.30**

The write-downs of inventories to net realisable value amounted to ₹ 350.49 (March 31, 2016: ₹ 213.94). These were recognised as an expense during the year and are included in "Cost of materials consumed" and "Changes in inventories of work-in progress, stock-in-trade and finished goods" in the statement of profit and loss.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12. Trade receivables			
Trade receivables from related parties (refer note 42)	6,944.23	3,954.61	14,569.63
Trade receivables from others	6,344.08	5,932.18	2,894.33
Allowance for doubtful debts (net)	(58.61)	(61.94)	(56.33)
Total receivables	**13,229.70**	**9,824.85**	**17,407.63**
Break up of security details			
Unsecured, considered good	13,229.70	9,824.85	17,407.63
Doubtful	58.61	61.94	56.33
Total	**13,288.31**	**9,886.79**	**17,463.96**
Allowance for doubtful debts (net)	(58.61)	(61.94)	(56.33)
Total trade receivables	**13,229.70**	**9,824.85**	**17,407.63**

Trade receivables with a carrying amount of ₹ 13,288.31 (March 31, 2016: ₹ 9,886.79 and April 01, 2015: ₹ 17,463.96) have been pledged as security against current bank borrowings.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13. Cash and cash equivalents			
Cash on hand	0.29	0.40	0.22
Balances with banks			
In current accounts	518.74	301.41	863.14
Total cash and cash equivalents	**519.03**	**301.81**	**863.36**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14. Bank balances other than cash and cash equivalents			
Unclaimed dividend (refer note (i) below)	3.82	4.15	4.49
Margin money deposits (refer note (ii) below)	625.98	1,158.07	1,126.82
Total bank balances other than cash and cash equivalents	**629.80**	**1,162.22**	**1,131.31**

(i) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

(ii) Fixed deposits of ₹ 625.98 (March 31, 2016: ₹ 1,158.07, April 01, 2015: ₹ 1,126.82) are earmarked as a security towards working capital facilities and external commercial borrowings.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15. Assets classified as held for sale			
Plant and machinery*	6.00	19.88	8.40
Total assets classified as held for sale	6.00	19.88	8.40

*It includes plant and machinery which management intends to sell

16. Equity share capital and other equity

	Equity shares			Preference shares		
	Number of Shares	Par value	Amount	Number of Shares	Par value	Amount
16(a) Share capital						
Authorised share capital						
As at April 01, 2015	304,000,000	5.00	1,520.00	98,000,000	10.00	980.00
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2016	**304,000,000**	**5.00**	**1,520.00**	**98,000,000**	**10.00**	**980.00**
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2017	**304,000,000**	**5.00**	**1520.00**	**98,000,000**	**10.00**	**980.00**

i) Movement in equity shares capital

	Number of shares	Amount
Issued, subscribed and paid up capital		
As at April 01, 2015	263,176,080	1,315.88
Increase on account of exercise of Employee Stock Options Scheme (refer note 53)	2,050,029	10.25
As at March 31, 2016	**265,226,109**	**1,326.13**
Increase/ (decrease) during the year	-	-
As at March 31, 2017	**265,226,109**	**1326.13**

ii) Terms and rights attached to equity shares

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.

Preference shares

Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

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

As at March 31, 2017	No. of shares	% holding
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	28,188,889	10.63%
Insight Solutions Limited	23,026,000	8.68%
Life Insurance Corporation of India Limited	19,277,980	7.27%

As at March 31, 2016	No. of shares	% holding
Equity shares held by		
Krishiraj Trading Limited	59,979,691	22.61%
Granele Limited	35,038,889	13.21%
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%
Welspun Mercantile Limited	14,477,701	5.46%
Life Insurance Corporation of India Limited	19,277,980	7.27%
Welspun Wintex Limited	13,336,576	5.02%

As at April 01, 2015	No. of shares	% holding
Equity shares held by		
Krishiraj Trading Limited	52,912,858	20.11%
Granele Limited	35,038,889	13.31%
J P Morgan Chase Bank NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)"	23,026,000	8.75%
Life Insurance Corporation of India Limited	19,277,980	7.33%
Welspun Mercantile Limited	14,477,701	5.50%
Welspun Wintex Limited	13,336,576	5.07%

iv) Aggregate number of shares issued for consideration other than cash

The Company has issued Nil (March 31, 2016: Nil, April 01, 2015: 227,781) equity shares of ₹ 5 each as sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of sweat equity) Regulations, 2002.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other equity			
16(b) Reserves and surplus			
(i) Securities premium reserve	7,769.82	7,769.82	7,644.81
(ii) Debenture redemption reserve	1,643.10	1,142.37	1,142.37
(iii) General reserve	227.69	53.09	53.09
(iv) Foreign currency monetary item translation difference account	(95.91)	(279.42)	(418.32)
(v) Share options outstanding account	-	-	35.77
(vi) Retained earnings	7,127.14	6,237.88	7,628.92
Total reserves and surplus	**16,671.84**	**14,923.74**	**16,086.64**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
(i) Securities premium reserve		
Opening balance	7,769.82	7,644.81
Exercise of employee stock options-proceeds received	-	125.01
Closing balance	**7,769.82**	**7,769.82**
(ii) Debenture redemption reserve		
Opening balance	1,142.37	1,142.37
Appropriations during the year	500.73	-
Closing balance	**1,643.10**	**1,142.37**
(iii) General reserve		
Opening balance	53.09	53.09
Appropriations during the year	174.60	-
Closing balance	**227.69**	**53.09**
(iv) Foreign currency monetary item translation difference account (refer note 50)		
Opening balance	(279.42)	(418.32)
Movement during the year	5.21	(190.00)
Amortisation during the year	178.30	328.90
Closing balance	**(95.91)**	**(279.42)**
(v) Share options outstanding account		
Opening balance	-	35.77
Employee stock option expense	-	97.44
Issue of shares on exercise of stock options	-	(133.21)
Closing balance	**-**	**-**
(vi) Retained earnings		
Opening balance	6,237.88	7,628.92
Profit for the year	1,746.01	(1,231.57)
Item of other comprehensive income recognised directly in retained earnings		
Remeasurements of post employment benefit, net of tax	(21.81)	(1.09)
Dividend on equity shares	(132.61)	(131.59)
Dividend distribution tax	(27.00)	(26.31)
Dividend distribution tax on dividend of earlier year	-	(0.48)
Transfer to debenture redemption reserve	(500.73)	-
Transfer to general reserve	(174.60)	-
Closing balance	**7,127.14**	**6,237.88**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
16(c) Other reserves			
Cash flow hedging reserve	98.21	51.14	(287.30)
Total other reserves	**98.21**	**51.14**	**(287.30)**
Cash flow hedging reserve			
Opening balance		51.14	(287.30)
Amount recognised in cash flow hedging reserve during the year (net)		229.32	96.48
Gain/ (Loss) transferred to statement of profit and loss		(157.34)	416.97
Income tax on opening balance on account of tax rate change		-	2.69
Income tax on amount recognised in cash flow hedging reserve		(24.91)	(177.70)
Closing balance		**98.21**	**51.14**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Nature and purpose of other equity

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

(iii) General reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Company's securities. It was created by transfer of amounts out of distributable profits.

(iv) Foreign currency monetary item translation difference account (refer note 50)

Foreign exchange differences on long term foreign currency monetary items which relates to other than depreciable assets, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets / liabilities.

(v) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Welspun Employee Stock Option Plan (refer note 53).

(vi) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The Cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flows reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17. Borrowings			
17(a): Non-current borrowings			
Secured			
Measured at amortised cost			
Redeemable non-convertible debentures (refer note (i) below)	10,077.76	13,101.93	13,612.72
External commercial borrowings (refer note (ii) below)	2,817.29	4,064.30	4,231.13
Term loan from bank (refer note (iii) below)	-	-	1,857.60
Unsecured			
Measured at amortised cost			
Other loans (refer note (iv) below)	-	10.29	18.66
	12,895.05	**17,176.52**	**19,720.11**
Less: Current maturities of long-term borrowings (included in note 18(b))	907.90	937.86	732.68
Less: Interest accrued (included in note 18(b))	262.15	323.79	362.27
Total non-current borrowings	**11,725.00**	**15,914.87**	**18,625.16**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

i) The debentures together with interest are secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable property, plant and equipment 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.

No. of debentures	Face value (₹)	Redemption date	Rate of interest per annum	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
5,000 (March 31, 2016: 5,000, April 01, 2015: 5,000)	1,000,000	September 2025	9.55%	5,000	5,000	5,000
2,000 (March 31, 2016: 5,000, April 01, 2015: 5,000)	1,000,000	August 2025	9.55%	2,000	5,000	5,000
900 (March 31, 2016: 900, April 01, 2015: 900)	1,000,000	November 2022	11.00%	900	900	900
528 (March 31, 2016: 528, April 01, 2015: 528)	1,000,000	September 2019	11.15%	528	528	528
1,510 (March 31, 2016: 1,510, April 01, 2015: 2,000)	1,000,000	August 2019	11.15%	1,510	1,510	2,000
Total*				**9,938**	**12,938**	**13,428**

* the above is excluding effective interest rate resulting in decrease in borrowing by ₹ 45.14 (March 31, 2016: ₹ 67.28, April 01, 2015: ₹ 78.33) and accrued interest of ₹ 184.90 (March 31, 2016: ₹ 231.21, April 01, 2015: ₹ 263.04)

ii) External commercial borrowings (ECB) of USD 42.60 million (March 31, 2016: USD 60.60 million, April 01, 2015: USD 67.30 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable property, plant and equipment of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% to 4.50%.

The ECB in INR Rupees is repayable as follows

Repayment schedule	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
October 2015	-	-	168.75
April 2016	-	-	250.00
October 2016	-	927.57	875.00
April 2017	-	265.02	250.00
October 2017	907.90	927.57	875.00
April 2018	259.40	265.02	250.00
October 2018	907.90	927.57	875.00
April 2019	343.71	351.15	331.25
October 2019	343.71	351.15	331.25
Total*	**2,762.62**	**4,015.05**	**4,206.25**

* the above is excluding impact of effective interest rate resulting in decrease in borrowing by ₹ 22.57 (March 31, 2016: ₹ 43.33, April 01, 2015: ₹ 66.21) and accrued interest of ₹ 77.24 (March 31, 2016: ₹ 92.58, April 01, 2015: ₹ 91.09).

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

iii) Term loan of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 1,857.60) from bank was secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire movable and immovable property, plant and equipment 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 year ended March 31, 2016. The amount is inclusive of impact of effective interest rate resulting in decrease in borrowing by ₹ Nil (March 31, 2016: Nil, April 01, 2015: ₹ 9.91) and accrued interest of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 8.14).

iv) Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ Nil (March 31, 2016: ₹ 10.29, April 01, 2015: ₹ 18.66). The loan carries interest rate of 12.03%. The outstanding loan is repayable within 12 months from the balance sheet date. The loan has been repaid during the year ended March 31, 2017.

Repayment schedule	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17(b) Current borrowings			
Secured			
Measured at amortised cost			
Loans repayable on demand			
Working capital loan from banks (refer note (i) and (ii) below)	-	98.40	-
Pre-shipment Credit in Foreign Currency (PCFC) (refer note (i) and (ii) below)	-	430.65	-
Buyers' Credit (refer note (i) and (ii) below)	2,144.14	1,336.65	1,884.38
	2,144.14	**1,865.70**	**1,884.38**
Less: Interest accrued (included in note 18(b))	8.06	0.48	2.87
Total current borrowings	**2,136.08**	**1,865.22**	**1,881.51**

(i) Nature of security for current borrowings

Secured by first charge on hypothecation of raw materials, finished goods, work-in-progress , goods-in-transit, stores and spares and trade receivables of the Company and second charge on entire immovable and movable property, plant and equipment of the Company both present and future.

(ii) Terms of repayment and interest

Working capital loan from banks and PCFC loan have a tenure of twelve months from the date of sanction and are repayable on demand.

Buyer's credit is repayable upto a period of 180 days from the drawdown date and carries an interest rate of LIBOR plus maximum 50 basis points per annum.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18. Other financial liabilities			
18(a) Non-current			
Derivatives designated as hedges			
Interest rate swap	-	15.16	17.89
Liability towards claims	-	563.68	490.08
Total other non-current financial liabilities	**-**	**578.84**	**507.97**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18(b) Current			
Current maturities of long-term borrowings	907.90	937.86	732.68
Interest accrued but not due on borrowings	270.21	324.27	365.14
Interest accrued but not due on acceptances and others	68.23	21.71	15.86
Unclaimed dividend (refer note 14)	3.82	4.15	4.49
Trade deposits	14.20	13.00	8.92
Capital creditors	30.27	32.62	38.84
Liability towards claims	598.63	-	1,040.63
Derivatives not designated as hedges			
Forward contracts	209.50	78.16	29.76
Coupon only swap	5.63	82.03	110.00
Derivatives designated as hedges			
Forward contracts	99.75	118.22	428.12
Total other current financial liabilities	**2,208.14**	**1,612.02**	**2,774.44**
Total other financial liabilities	**2,208.14**	**2,190.86**	**3,282.41**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
19. Provisions			
19(a) Non-current			
Employee benefit obligations			
Gratuity (refer note 36)	83.91	-	-
Other provisions			
Provision for litigation / disputes (refer note 37)	266.35	271.62	266.30
Total non-current provisions	**350.26**	**271.62**	**266.30**
19(b) Current			
Employee benefit obligations			
Gratuity (refer note 36)	-	29.45	25.38
Leave obligations (refer note 36)	72.41	57.49	53.34
Other provisions			
Provision for claims	96.05	72.94	56.11
Liquidated damages	-	-	20.00
Total current provisions	**168.46**	**159.88**	**154.83**
Total provisions	**518.72**	**431.50**	**421.13**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
20. Deferred tax liabilities (net) (refer note 38)			
The balance comprises temporary differences attributable to:			
Deferred tax liabilities			
Property, plant and equipment	4,205.87	4,443.78	4,537.05
Foreign currency monetary item translation difference account	33.18	96.70	142.19
Fair valuation of investments	24.09	35.94	83.98
Effective rate of interest on borrowings	23.43	38.28	52.50
Discounting of liability	17.26	34.21	45.86
Cash flow hedging reserve	51.98	27.07	-
Others	0.52	-	0.40
	4,356.33	**4,675.98**	**4,861.98**
Set-off of deferred tax assets pursuant to set-off provisions			
Deferred tax assets			
Employee benefit obligations	66.23	30.65	26.75
Allowance for doubtful debts and advances	230.37	190.54	171.17
Unabsorbed business losses	-	1,281.03	1,032.66
Government grants	1,407.96	1,374.00	1,308.51
Cash flow hedging reserve	-	-	147.94
Others	0.69	4.76	-
	1,705.25	**2,880.98**	**2,687.03**
Tax credit (minimum alternative tax)	631.89	262.92	262.92
Total deferred tax liabilities (net)	**2,019.19**	**1,532.08**	**1,912.03**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21. Government grants			
Opening balance	3,970.16	3,849.69	
Grants during the year	883.09	777.07	
Less: Recognised in the statement of profit and loss (refer note 26)	784.95	656.60	
Closing balance	**4,068.30**	**3,970.16**	
Non Current	3,653.64	3,600.40	3,519.53
Current	414.66	369.76	330.16
Total government grants	**4,068.30**	**3,970.16**	**3,849.69**

Note: The Company is entitled to VAT Incentive, on its investment in the eligible property plant and equipment, on fulfillment of the conditions stated in the scheme for the mentioned period.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
22. Other liabilities			
22(a) Non-current			
Trade advances	-	876.00	-
Total other non-current liabilities	**-**	**876.00**	**-**
22(b) Current			
Trade advances			
Related parties (refer note 42)	1.76	1,783.80	2.00
Others	1,571.94	630.91	982.65
Statutory dues including provident fund and tax deducted at source	383.21	245.09	199.04
Employee dues payable	50.98	26.95	29.80
Total other current liabilities	**2,007.89**	**2,686.75**	**1,213.49**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
23. Trade payables (refer note 43)			
Current			
Trade payables for acceptances	17,259.64	11,933.33	20,687.99
Trade payable to related parties (refer note 42)	33.95	18.14	40.41
Trade payables to others	2,049.30	1,387.21	1,144.05
Total trade payables	**19,342.89**	**13,338.68**	**21,872.45**

	As at March 31, 2017	As at March 31, 2016
24. Current tax liabilities (net)		
Opening balance	55.26	70.35
Add: Current tax payable for the year	418.10	-
Add: Refund received	772.15	-
Less: Taxes paid (including tax deducted at source)	441.87	15.09
Closing balance	**803.64**	**55.26**

	Year ended March 31, 2017	Year ended March 31, 2016
25. Revenue from operations		
Sale of products		
Finished goods	38,931.67	30,502.51
Traded goods	3,696.47	7,177.42
Total revenue from operations	**42,628.14**	**37,679.93**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
26. Other operating revenue		
Government grants		
VAT income	784.95	656.60
Export benefits	600.27	240.35
Scrap sale	775.84	504.74
Allowance for doubtful debts (net)	3.33	-
Others	33.04	88.58
Total other operating revenue	**2,197.43**	**1,490.27**

	Year ended March 31, 2017	Year ended March 31, 2016
27. Other income		
Interest income		
Loans to related party (refer note 42)	26.96	25.19
Current investments	521.10	628.34
Fixed deposits	47.80	85.39
Income tax refund	130.42	-
Others	191.25	93.98
Dividend income on		
Non-current investments (refer note 42)	-	19.44
Current investments	3.01	2.50
Net gain on sale/redemption of		
Non-current investments	-	73.81
Current investments	161.36	-
Other non-operating income		
Rental income	22.28	18.75
Net exchange differences	799.94	-
Commission income	221.08	25.11
Fair valuation gain on investment (net)	-	93.11
Miscellaneous income	5.47	10.15
Total other income	**2,130.67**	**1,075.77**

	Year ended March 31, 2017	Year ended March 31, 2016
28. Cost of materials consumed		
Raw materials at the beginning of the year	4,087.93	4,339.96
Add: Purchases	33,494.18	21,196.79
Less : Raw materials at the end of the year	9,128.69	4,087.93
Total cost of materials consumed	**28,453.42**	**21,448.82**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
29. Purchases of traded goods		
Purchases of H.R. Coils	3,468.66	6,713.18
Total purchases of traded goods	**3,468.66**	**6,713.18**

	Year ended March 31, 2017	Year ended March 31, 2016
30. Changes in inventories of work-in progress and finished goods		
Opening balance		
Work-in-progress	797.20	676.93
Finished goods	1,927.64	2,007.08
Total opening balance	**2,724.84**	**2,684.01**
Closing balance		
Work-in-progress	1,138.18	797.20
Finished goods	1,971.56	1,927.64
Total closing balance	**3,109.74**	**2,724.84**
Total changes in inventories of work-in progress and finished goods	**(384.90)**	**(40.83)**

	Year ended March 31, 2017	Year ended March 31, 2016
31. Employee benefit expense		
Salaries, wages and bonus	1,651.46	1,659.03
Contribution to provident and other funds (refer note below)	85.67	81.39
Gratuity expense (refer note 36)	21.08	20.41
Staff welfare expenses	86.98	76.01
Employee share-based expense (refer note 42 and 53)	-	97.44
Total employee benefit expense	**1,845.19**	**1,934.28**
Note:		
Defined contribution plans		
i. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995		
ii. Employees' State Insurance Act, 1948		
iii. Superannuation fund		
During the year, the Company has recognised the following amounts in the statement of profit and loss:		
Employer's Contribution to Provident Fund	70.58	69.56
Employer's Contribution to Employees State Insurance	0.82	0.50
Employer's Contribution to Employees Pension Scheme	8.37	6.44
Employer's Contribution to Superannuation fund	5.90	4.89
Total expenses recognised in the statement of profit and loss	**85.67**	**81.39**

	Year ended March 31, 2017	Year ended March 31, 2016
32. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	2,389.30	2,425.78
Amortisation of intangible assets	53.15	49.48
Total depreciation and amortisation expense	**2,442.45**	**2,475.26**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
33. Other expenses		
Consumption of stores and spares	1,240.46	899.24
Labour charges	177.37	157.33
Coating and other job charges	144.43	100.94
Power, fuel and water charges	836.99	811.92
Freight, material handling and transportation	1,440.19	1,147.13
Rental charges (refer 47)	72.55	73.72
Rates and taxes	-	105.71
Repairs and maintenance		
Plant and machinery	93.10	79.35
Buildings	97.26	22.50
Others	208.17	248.27
Travel and conveyance expenses	155.85	163.81
Communication expenses	11.34	14.28
Legal and professional fees	112.73	149.71
Insurance	83.98	73.31
Directors' sitting fees (refer note 42)	3.25	2.81
Printing and stationery	13.47	12.57
Security charges	31.79	33.71
Membership and fees	30.23	29.33
Vehicle expenses	12.12	11.12
Net exchange differences	-	1,514.26
Payment to auditors (refer note below)	11.06	11.91
Sales promotion expenses	41.47	42.41
Commission on sales to agents	43.43	195.21
Investments written off (refer note 6 and 7)	-	0.80
Less: Provision for diminution in value of investment	-	(0.80)
Allowance for doubtful debts (net)	-	5.61
Loss on sale of current investments (net)	-	1.80
Loss on sale of non-current investments (net)	0.10	-
Loss on disposal of property, plant and equipment (net)	9.77	31.94
Fair valuation loss on investments (net)	45.81	-
Fair value losses on derivatives not designated as hedges (net)	51.79	43.26
Realised loss on settlement of derivatives	44.01	13.47
Miscellaneous expenses	40.21	44.31
Total other expenses	**5,052.93**	**6,040.94**

Note: Corporate social responsibility expenditure

Gross amount required to be spent by the Company during the year is Nil (March 31, 2016: Nil).

	Year ended March 31, 2017	Year ended March 31, 2016
Note:		
Details of payments to auditors		
Payment to auditors		
As auditor:		
Audit fee	8.80	8.60
Tax audit fee	1.00	1.00
In other capacities		
Certification fees	0.99	2.10
Re-imbursement of expenses	0.27	0.21
Total payment to auditors	**11.06**	**11.91**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
34. Finance cost		
Interest on financial liabilities not at fair value through profit and loss		
External commercial borrowings	218.68	291.23
Redeemable non-convertible debentures	1,312.29	1,338.71
Current borrowings	84.84	19.63
Interest on acceptances and charges on letter of credit	322.44	256.41
Unwinding of discount on liabilities	46.90	44.16
Other finance cost	87.89	64.46
Total finance cost	**2,073.04**	**2,014.60**

	Year ended March 31, 2017	Year ended March 31, 2016
35. Income tax expense		
(i) Income tax expense		
Current tax		
Current tax on profit for the year	418.10	-
Total Current tax	**418.10**	**-**
Deferred tax (refer note 38)		
Decrease/ (increase) in deferred tax assets (including tax credit)	818.33	(341.32)
Decrease in deferred tax liabilities	(344.56)	(213.07)
Total deferred tax expense/ (benefit)	**473.77**	**(554.39)**
Total income tax expense	**891.87**	**(554.39)**
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit/ (loss) before income tax expenses	**2,637.88**	**(1,785.96)**
Tax rate	34.608%	34.608%
Tax at normal rate	**912.92**	**(618.09)**
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Dividend income	(1.04)	(7.59)
Employee share-based payment expenses	-	(0.66)
Expense/ (income) on which no deferred tax was required to be recognised	(13.43)	17.84
Items subject to differential tax rate	4.99	13.13
Change in tax rate (basis adjustment)	-	41.55
Others	(11.57)	(0.57)
Total Income tax expense	**891.87**	**(554.39)**
(iii) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity:		
Cash flow hedging reserves	-	(2.69)
Total amounts recognised directly in equity	**-**	**(2.69)**

(iv) There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

36. Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

(ii) Post-employment obligations - gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligations	Fair value of plan assets	Net amount
April 01, 2015	**144.36**	**(118.98)**	**25.38**
Current service cost	18.40	-	18.40
Interest expense/(income)	11.49	(9.48)	2.01
Total amount recognised in profit or loss	**29.89**	**(9.48)**	**20.41**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.75	0.75
Experience losses	3.61	-	3.61
Gain from change in financial assumptions	(2.70)	-	(2.70)
Total amount recognised in other comprehensive income	**0.91**	**0.75**	**1.66**
Employer's contribution	-	(18.00)	(18.00)
Benefit payment	(15.14)	15.14	-
March 31, 2016	**160.02**	**(130.57)**	**29.45**

	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2016	**160.02**	**(130.57)**	**29.45**
Current service cost	18.72	-	18.72
Interest expense/(income)	12.82	(10.46)	2.36
Total amount recognised in profit or loss	**31.54**	**(10.46)**	**21.08**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	(2.09)	(2.09)
Experience losses	4.98	-	4.98
Loss from change in financial assumptions	30.49	-	30.49
Total amount recognised in other comprehensive income	**35.47**	**(2.09)**	**33.38**
Benefit payment	(24.26)	24.26	-
March 31, 2017	**202.77**	**(118.86)**	**83.91**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

The net liabilities disclosed above relating to funded plans are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of funded obligations	202.77	160.02	144.36
	(118.86)	(130.57)	(118.98)
Deficit of funded plan	**83.91**	**29.45**	**25.38**
Non-current (refer note 19(a))	83.91	-	-
Current (refer note 19(b))	-	29.45	25.38

(iv) Significant actuarial assumptions are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Discount rate	7.57%	8.01%	7.96%
Salary growth rate	6.00%	5.00%	5.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation							
	Change in assumption (%)		Increase in assumption (₹)			Decrease in assumption (₹)		
	As at March 31, 2017	As at March 31, 2016		As at March 31, 2017	As at March 31, 2016		As at March 31, 2017	As at March 31, 2016
Discount rate	1.00%	1.00%	Decrease by	21.54	16.52	Increase by	25.50	19.54
Salary growth rate	1.00%	1.00%	Increase by	25.64	19.95	Decrease by	22.03	17.10

(vi) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the Group in Kotak Group Gratuity Fund and IndiaFirst Employee Benefits Plan. The Group intends to maintain these investments in the continuing years.

(vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ending March 31, 2018 is ₹ 50.57 (March 31, 2017: ₹ 48.17, March 31, 2016: ₹ 43.77).

The weighted average duration of the defined benefit obligation is 10 years (2016 - 10 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2017					
Defined benefit obligations-Gratuity	15.46	5.06	27.93	114.39	162.84
March 31, 2016					
Defined benefit obligations-Gratuity	13.09	4.77	26.54	109.00	153.40

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

37. Movements in provision for litigation/ disputes

Movements in each class of provisions during the financial year ended March 31, 2017 are set out below:

	As at March 31, 2017				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 01, 2016	136.22	88.45	7.93	39.02	271.62
Provided during the year	-	0.11	-	-	0.11
Provision reversed during the year	-	(5.38)	-	-	(5.38)
Closing balance as at March 31, 2017	**136.22**	**83.18**	**7.93**	**39.02**	**266.35**

Movements in each class of provisions during the financial year ended March 31, 2016 are set out below:

	As at March 31, 2016				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 01, 2015	138.21	88.45	7.78	31.86	266.30
Provided during the year	-	-	0.15	18.07	18.22
Provision reversed during the year	(1.99)	-	-	(10.91)	(12.90)
Closing balance as at March 31, 2016	**136.22**	**88.45**	**7.93**	**39.02**	**271.62**

Note : There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

38. Movement in deferred tax liabilities and deferred tax assets:

	Deferred tax liabilities							Deferred tax assets							Tax credit (minimum alternative tax)	Net deferred tax liabilities
	Property, plant and equipment	Foreign currency monetary item translation difference account	Fair valuation of investments	Effective rate of interest on borrowings	Discounting of liability	Others	Total deferred tax liabilities	Employee benefit obligations	Allowance for doubtful debts and advances	Unabsorbed business losses	Government grants	Cash flow hedging reserve	Others	Total deferred tax assets		
As at April 01, 2015	4,537.05	142.19	83.98	52.50	45.86	0.40	4,861.98	26.75	171.17	1,032.66	1,308.51	147.94	-	2,687.03	262.92	1,912.03
Charged/ (credited)							-							-		-
to profit and loss	(93.27)	(45.49)	(48.04)	(14.22)	(11.65)	(0.40)	(213.07)	3.33	19.37	248.37	65.49	-	4.76	341.32	-	(554.39)
to other comprehensive income	-	-	-	-	-	-	-	0.57	-	-	-	(177.70)	-	(177.13)	-	177.13
Income tax on opening balance on account of tax rate change	-	-	-	-	-	-	-	-	-	-	-	2.69	-	2.69	-	(2.69)
As at March 31, 2016	**4,443.78**	**96.70**	**35.94**	**38.28**	**34.21**	**-**	**4,648.91**	**30.65**	**190.54**	**1,281.03**	**1,374.00**	**(27.07)**	**4.76**	**2,851.22**	**262.92**	**1,532.08**
Charged/ (credited)																-
to profit and loss	(237.91)	(63.52)	(11.85)	(14.85)	(16.95)	0.52	(344.56)	24.01	39.83	(1,281.03)	33.96	-	(4.07)	(1,187.30)	368.97	473.77
to other comprehensive income	-	-	-	-	-	-	-	11.57	-	-	-	(24.91)	-	(13.34)	-	13.34
As at March 31, 2017	**4,205.87**	**33.18**	**24.09**	**23.43**	**17.26**	**0.52**	**4,304.35**	**66.23**	**230.37**	**-**	**1,407.96**	**(51.98)**	**0.69**	**1,650.58**	**631.89**	**2,019.19**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

39. Fair value measurements

Financial instruments by category

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Investments						
Equity instruments	135.16	-	120.71	-	108.56	-
Preference shares	1,715.51	-	1,750.29	-	2,696.82	-
Bonds	4,639.92	-	7,144.76	-	7,781.99	-
Mutual fund	378.72	-	2.87	-	-	-
Others	18.04	-	14.49		33.73	-
Loans						
Loans to joint venture	-	256.07	-	156.95	-	-
Loans to subsidiary	-	-	-	927.57	-	-
Loans to employees	-	5.98	-	6.62	-	4.94
Trade receivables	-	13,229.70	-	9,824.85	-	17,407.63
Cash and cash equivalents	-	519.03	-	301.81	-	863.36
Bank balances other than cash and cash equivalents	-	629.80	-	1,162.22	-	1,131.31
Other financial assets						
Security deposits	-	271.86	-	330.38	-	320.54
Term deposits with maturity more than 12 months	-	4.62	-	26.35	-	17.62
Derivatives designated as hedges						
Forward contracts	227.63	-	211.59	-	2.49	-
Interest rate swap	22.30	-	-	-	8.28	-
Derivatives not designated as hedges						
Forward contracts	-	-	4.02	-	2.84	-
Coupon only swap	7.16	-	-	-	24.46	-
Others	-	253.94	-	775.35	-	377.33
Total financial assets	**7,144.44**	**15,171.00**	**9,248.73**	**13,512.10**	**10,659.17**	**20,122.73**
Financial liabilities						
Borrowings (includes interest accrued and current maturities of long-term debt)	-	15,039.19	-	19,042.22	-	21,604.49
Trade payables	-	19,342.89	-	13,338.68	-	21,872.45
Other financial liabilities						
Derivatives designated as hedges						
Forward contracts	99.75	-	118.22	-	428.12	-
Interest rate swap	-	-	15.16	-	17.89	-
Derivatives not designated as hedges						
Forward contracts	209.50	-	78.16	-	29.76	-
Coupon only swap	5.63	-	82.03	-	110.00	-
Others	-	715.15	-	635.16	-	1,598.82
Total financial liabilities	**314.88**	**35,097.23**	**293.57**	**33,016.06**	**585.77**	**45,075.76**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	135.16	135.16
Preference shares	-	1,520.99	194.52	1,715.51
Bonds	-	4,639.92	-	4,639.92
Mutual fund		378.72	-	378.72
Others	18.04	-	-	18.04
Derivatives designated as hedges				
Forward contracts	-	227.63	-	227.63
Interest rate swap	-	22.30	-	22.30
Derivatives not designated as hedges				
Coupon only swap	-	7.16	-	7.16
Total financial assets	**18.04**	**6,796.72**	**329.68**	**7,144.44**
Financial liabilities				
Derivatives designated as hedges				
Forward contracts	-	99.75	-	99.75
Derivatives not designated as hedges				
Forward contracts	-	209.50	-	209.50
Coupon only swap	-	5.63	-	5.63
Total financial liabilities	**-**	**314.88**	**-**	**314.88**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	256.07	256.07
Loans to employees	-	-	5.98	5.98
Other financial assets				
Security deposits	-	-	271.86	271.86
Term deposits with maturity more than 12 months	-	-	4.62	4.62
Others	-	-	253.94	253.94
Total financial assets	**-**	**-**	**792.47**	**792.47**
Financial liabilities				
Borrowings	-	-	15,039.19	15,039.19
Other financial liabilities				
Others	-	-	715.15	715.15
Total financial liabilities	**-**	**-**	**15,754.34**	**15,754.34**

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(All amounts in Rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	120.71	120.71
Preference shares	-	1,555.77	194.52	1,750.29
Bonds	-	7,144.76	-	7,144.76
Mutual fund	-	2.87	-	2.87
Others	14.49	-	-	14.49
Derivatives designated as hedges				
Forward contracts	-	211.59	-	211.59
Derivatives not designated as hedges				
Forward contracts	-	4.02	-	4.02
Total financial assets	**14.49**	**8,919.01**	**315.23**	**9,248.73**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	118.22	-	118.22
Interest rate swap	-	15.16	-	15.16
Derivatives not designated as hedges				
Forward contracts	-	78.16	-	78.16
Coupon only swap	-	82.03	-	82.03
Total financial liabilities	**-**	**293.57**	**-**	**293.57**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to subsidiary	-	-	927.57	927.57
Loans to joint venture	-	-	156.95	156.95
Loans to employees	-	-	6.62	6.62
Other financial assets				
Security deposits	-	-	330.38	330.38
Term deposits with maturity more than 12 months			26.35	26.35
Others	-	-	775.35	775.35
Total financial assets	**-**	**-**	**2,223.22**	**2,223.22**
Financial liabilities				
Borrowings	-	-	19,042.22	19,042.22
Other financial liabilities				
Others	-	-	635.16	635.16
Total financial liabilities	**-**	**-**	**19,677.38**	**19,677.38**

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(All amounts in Rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at April 01, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	108.56	108.56
Preference shares	-	2,575.83	120.99	2,696.82
Bonds	-	7,781.99	-	7,781.99
Others	33.73	-	-	33.73
Derivatives designed as hedges				
Forward contracts	-	2.49	-	2.49
Interest rate swap	-	8.28	-	8.28
Derivatives not designated as hedges				
Coupon only swap	-	24.46	-	24.46
Forward contracts	-	2.84	-	2.84
Total financial assets	**33.73**	**10,395.89**	**229.55**	**10,659.17**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	428.12	-	428.12
Interest rate swap	-	17.89	-	17.89
Derivatives not designated as hedges				
Forward contracts	-	29.76	-	29.76
Coupon only swap	-	110.00	-	110.00
Total financial liabilities	**-**	**585.77**	**-**	**585.77**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at April 01, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				-
Loans to employees	-	-	4.94	4.94
Other financial assets				
Security deposits	-	-	320.54	320.54
Term deposits with maturity more than 12 months	-	-	17.62	17.62
Others	-	-	377.33	377.33
Total financial assets	**-**	**-**	**720.43**	**720.43**
Financial liabilities				
Borrowings	-	-	21,604.49	21,604.49
Other financial liabilities				
Others	-	-	1,598.82	1,598.82
Total financial liabilities	**-**	**-**	**23,203.31**	**23,203.31**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in Standard Chartered Bank PLC Indian Depository Receipt.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on

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(All amounts in Rupees million, unless otherwise stated)

entity-specific estimates. The Company has derivatives which are designated as hedges and which are not designated as hedges, investments in preference shares, bonds and mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

investment in Standard Chartered Bank PLC Indian Depository Receipt is valued using the closing price at National Stock Exchange (NSE) at the reporting period.

the fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.

the fair value of interest rate swaps and coupon only swap is calculated as the present value of the estimated future cash flows based on observable yield curves.

the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

the fair value of quoted bonds are derived based on the indicative quotes of price and yields prevailing in the market or latest available prices.

the fair value of deep discount bonds are derived based on the yields comparable to Tax Free bonds considering the spreads of such deep discount bonds.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2017 and March 31, 2016:

	Unlisted equity shares	Unlisted preference shares	Total
As at April 01, 2015	**108.56**	**120.99**	**229.55**
Purchases	10.55	17.23	27.78
Gain recognised in profit or loss	1.60	56.30	57.90
As at March 31, 2016	**120.71**	**194.52**	**315.23**
Gain recognised in profit or loss	14.45	-	14.45
As at March 31, 2017	**135.16**	**194.52**	**329.68**
Unrealised gain recognised in profit or loss related to assets held at the end of the reporting period			
Year ended March 31, 2017	14.45	-	14.45
Year ended March 31, 2016	1.60	56.30	57.90

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(All amounts in Rupees million, unless otherwise stated)

(iv) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2017	As at March 31, 2016		As at March 31, 2017	As at March 31, 2016	
Unlisted equity shares	135.16	120.71	Risk adjusted discount rate	11%	12%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)
Unlisted preference shares	194.52	194.52	Risk adjusted discount rate	10%	10%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)

(v) Valuation processes:

The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Loans						
Loans to joint venture	256.07	256.07	156.95	156.95	-	-
Loans to subsidiary	-	-	927.57	927.57	-	-
Loans to employees	5.98	5.98	6.62	6.62	4.94	4.94
Other financial assets						
Security deposits	271.86	271.86	330.38	330.38	320.54	320.54
Term deposits with maturity more than 12 months	4.62	4.62	26.35	26.35	17.62	17.62
Others	253.94	253.94	775.35	775.35	377.33	377.33
Total	**792.47**	**792.47**	**2,223.22**	**2,223.22**	**720.43**	**720.43**
Financial liabilities						
Borrowings	15,039.19	15,039.19	19,042.22	19,042.22	21,604.49	21,604.49
Other financial liabilities						
Others	715.15	715.15	635.16	635.16	1,598.82	1,598.82
Total	**15,754.34**	**15,754.34**	**19,677.38**	**19,677.38**	**23,203.31**	**23,203.31**

a) The carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their value, due to their short-term nature.

b) The fair values and carrying value of loans, term deposits with maturity period more than 12 months, security deposits, borrowings and other financial liabilities (other than those covered in above note (a)) are materially the same.

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

40. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate risk	Borrowings	Sensitivity analysis	Interest rate swaps
Market risk – security prices risk	Investments in bonds and mutual funds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

(I) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Top three customer contributes 51.4% (March, 31 2016: 47%) of total revenue. Trade receivables are regularly monitored and shipment to major customer are generally covered by letter of credit.

Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable (net of allowance) broken into ageing bucket is given below:

	0-120 Days	More than 120 Days	Total
March 31, 2017	12,456.11	773.59	**13,229.70**
March 31, 2016	7,625.46	2,199.39	**9,824.85**
April 01, 2015	14,822.16	2,585.47	**17,407.63**

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(All amounts in Rupees million, unless otherwise stated)

b) Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, derivative financial instruments, investments in government securities and bonds and investments in mutual funds. The Company has diversified portfolio of investment with various number of counterparties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

(II) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Floating rate			
Expiring within one year	1,864.60	2,136.00	2,118.50
Total	**1,864.60**	**2,136.00**	**2,118.50**

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, and
Derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

As at March 31, 2017

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	4,459.78	6,500.33	2,598.15	7,038.71	20,596.97	15,039.19
Trade payables	19,342.89	-	-	-	19,342.89	19,342.89
Other financial liabilities	715.15	-	-	-	715.15	715.15
Total non-derivative liabilities	**24,517.82**	**6,500.33**	**2,598.15**	**7,038.71**	**40,655.01**	**35,097.23**
Derivatives						
Forward contracts	309.25	-	-	-	309.25	309.25
Coupon only swap	5.30	-	-	-	5.30	5.63
Total derivative liabilities	**314.55**	**-**	**-**	**-**	**314.55**	**314.88**

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(All amounts in Rupees million, unless otherwise stated)

As at March 31, 2016

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	4,282.65	7,181.12	3,354.79	13,040.64	27,859.20	19,042.22
Trade payables	13,338.68	-	-	-	13,338.68	13,338.68
Other financial liabilities	71.48	563.68	-	-	635.16	635.16
Total non-derivative liabilities	**17,692.81**	**7,744.80**	**3,354.79**	**13,040.64**	**41,833.04**	**33,016.06**
Derivatives						
Forward contracts	196.38	-	-	-	196.38	196.38
Coupon only swap	36.74	32.61	8.01	-	77.36	82.03
Interest only Swap	14.13	2.94	-	-	17.07	15.16
Total derivative liabilities	**247.25**	**35.55**	**8.01**	**-**	**290.81**	**293.57**

As at April 01, 2015

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	4,497.47	9,248.12	4,222.58	14,357.43	32,325.60	21,604.49
Trade payables	21,872.45	-	-	-	21,872.45	21,872.45
Other financial liabilities	1,108.74	490.08	-	-	1,598.82	1,598.82
Total non-derivative liabilities	**27,478.66**	**9,738.20**	**4,222.58**	**14,357.43**	**55,796.87**	**45,075.76**
Derivatives						
Forward contracts	457.88	-	-	-	457.88	457.88
Coupon only swap	5.85	46.88	-	-	52.73	110.00
Interest only Swap	34.28	(23.14)	-	-	11.14	17.89
Total derivative liabilities	**498.01**	**23.74**	**-**	**-**	**521.75**	**585.77**

(III) Market risk - foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(All amounts in Rupees million, unless otherwise stated)

a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial assets									
Investment in preference share	1,520.99	-	-	1,555.77	-	-	2,575.83	-	-
Trade receivables	366.32	3,605.51	-	5,193.29	-	-	9,779.60	0.02	-
Loans to subsidiary	-	-	-	927.57	-	-	-	-	-
Other financial assets	-	-	-	29.41	-	-	57.78	-	-
Derivatives designated as hedges						-			
Forward contracts	(686.48)	(6,410.64)	-	(1,038.98)	(2,119.30)		(1,148.29)	-	-
Net exposure to foreign currency risk (assets)	**1,200.83**	**(2,805.13)**	**-**	**6,667.06**	**(2,119.30)**	**-**	**11,264.92**	**0.02**	**-**
Financial liabilities									
Borrowing	4,961.43	-	-	5,831.61	-	-	7,973.11	-	-
Trade payables	12,542.18	4,503.34	4.09	11,284.21	758.38	3.70	20,582.06	435.25	6.42
Other financial liabilities	643.42	4.73	-	585.40	-	-	1,546.56	-	-
Derivatives not designated as hedges									
Forward contracts	(3,840.42)	(834.19)	-	(6,889.13)	(734.30)	-	(4,650.60)	-	-
Derivatives designated as hedges									
Forward contracts	(1,411.62)	(2,289.91)	-	(4,654.57)	(3,351.32)	-	(3,320.57)	(3,632.60)	-
Net exposure to foreign currency risk (liabilities)	**12,894.99**	**1,383.97**	**4.09**	**6,157.52**	**(3,327.24)**	**3.70**	**22,130.56**	**(3,197.35)**	**6.42**
Total Net exposure to foreign currency risk	**(12,419.30)**	**(68.37)**	**(4.09)**	**(3,106.05)**	**(24.08)**	**(3.70)**	**(13,037.92)**	**(435.23)**	**(6.42)**
Net Derivatives designated as hedges	**725.14**	**(4,120.73)**	**-**	**3,615.59**	**1,232.02**	**-**	**2,172.28**	**3,632.60**	**-**

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(All amounts in Rupees million, unless otherwise stated)

b) As at the balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise:

	Amount in Rupees			Equivalent amount in USD (in millions)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets						
Investment in equity share	5.14	5.14	5.14	0.11	0.11	0.11
Investment in preference share	1,520.99	1,555.77	2,575.83	23.45	23.48	41.21
Investment in equity component of preference shares	293.75	293.75	293.75	5.56	5.56	5.56
Trade receivables	3,971.83	5,193.29	9,779.62	61.25	78.38	156.47
Loans to subsidiary	-	927.57	-	-	14.00	-
Other financial assets	-	29.41	57.78	-	0.44	0.92
Advance to suppliers	47.69	22.10	19.41	0.74	0.33	0.31
	5,839.40	**8,027.03**	**12,731.53**	**91.11**	**122.31**	**204.59**
Liabilities						
Borrowing	4,961.43	5,831.61	7,973.11	76.51	88.02	127.57
Trade payables	17,049.61	12,046.29	21,023.73	262.91	181.82	336.38
Other financial liabilities	648.15	585.40	1,546.56	9.99	8.84	24.74
Trade advances	966.92	902.18	885.21	14.91	13.62	14.16
	23,626.11	**19,365.48**	**31,428.61**	**364.32**	**292.29**	**502.86**
Less: Forward contracts (USD-INR)	(3,840.42)	(6,889.13)	(4,650.60)	(59.22)	(103.98)	(74.41)
Less: Forward contracts (EURO-INR)	(152.15)	-		(2.35)	-	-
Net unhedge foreign currency exposure*	**13,794.14**	**4,449.32**	**14,046.48**	**211.65**	**66.00**	**223.86**

*Cross currency forward contract of EURO - USD is not considered as hedges aggregating to ₹ 682.04 (March 31, 2016 ₹ 734.30 and April 01, 2015 ₹ Nil)

b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from foreign forward exchange contracts, designated as cash flow hedges.

	Net impact on profit before tax		Net impact on other reserve	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
USD sensitivity				
INR/USD - Increase by 1% (March 31, 2016 - 1%)*	(124.19)	(31.06)	7.25	36.16
INR/USD - Decrease by 1% (March 31, 2016 - 1%)*	124.19	31.06	(7.25)	(36.16)
EURO sensitivity				
INR/EURO - Increase by 1% (March 31, 2016 - 1%)*	(0.68)	(0.24)	(41.21)	12.32
INR/EURO - Decrease by 1% (March 31, 2016 - 1%)*	0.68	0.24	41.21	(12.32)

* Holding all other variables constant

(IV) Market risk - interest rate risk

The Company had borrowed funds at both fixed and floating interest rates. The Company's interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2017 and March 31, 2016, the Company's borrowings at variable rate were denominated in USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Fixed rate borrowings	12,221.90	14,448.87	15,515.76
Floating rate borrowings	2,817.29	4,593.35	6,088.73
Total borrowings	**15,039.19**	**19,042.22**	**21,604.49**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Floating rate borrowings	2,817.29	4,593.35	6,088.73
Interest rate swaps (notional principal amount)	(2,762.61)	(4,015.05)	(6,234.38)
Net exposure to cash flow interest rate risk	**54.68**	**578.30**	**(145.65)**

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit before tax		Net impact on other reserve	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Interest rate increase by 10 basis points (March 31, 2016 - 10 basis points)*	0.05	0.58	(0.02)	0.02
Interest rate decrease by 10 basis points (March 31, 2016 - 10 basis points)*	(0.05)	(0.58)	0.02	(0.02)

*** Holding all other variables constant**

(V) Market risk – security prices

a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

b) Sensitivity

The table below summarises the impact of increases/decreases of 1% increase in price of bonds and mutual funds.

	Impact on profit before tax	
	As at March 31, 2017	As at March 31, 2016
Increase in rate 1% (March 31, 2016 - 1%)	50.19	71.48
Decrease in rate 1% (March 31, 2016 - 1%)	(50.19)	(71.48)

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(VI) Impact of hedging activities

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward contracts.

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2017

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	5,278.18	5,520.46	227.63	99.75	Apr 17 - Mar 18	1:1
Interest rate risk						
Interest rate swap	2,762.61	-	22.30	-	Apr 17 - Oct 19	1:1

As at March 31, 2016

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	4,708.98	6,455.19	211.59	118.22	Apr 16 - Mar 17	1:1
Interest rate risk						
Interest rate swap	4,015.05	-	-	15.16	Apr 16 - Oct 19	1:1

As at April 01, 2015

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	1,338.54	6,762.92	2.49	428.12	Apr 15 - Mar 16	1:1
Interest rate risk						
Interest rate swap	6,234.38	-	8.28	17.89	Apr 15 - Oct 19	1:1

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Ineffectiveness is recognised on a cash flow hedge and net investment hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale and purchase transactions, hedges of interest rate risk and hedges of net investment this may arise if:

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(All amounts in Rupees million, unless otherwise stated)

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2017 and March 31, 2016.

b) Movements in cash flow hedging reserve

Risk category	Foreign currency risk	Interest rate risk	Total
Derivative instruments	Forward contracts	Interest rate swap	
(i) Cash flow hedging reserve			
As at April 01, 2015	(280.96)	(6.34)	(287.30)
Amount recognised in Cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	100.94	-	100.94
Changes in fair value of interest rate swaps	-	(4.46)	(4.46)
Gain / (Loss) transferred to statement of profit and loss	418.06	(1.09)	416.97
Income tax on opening balance on account of tax rate change	2.63	0.06	2.69
Income tax on amount recognised in hedging reserve	(179.62)	1.92	(177.70)
As at March 31, 2016	**61.05**	**(9.91)**	**51.14**
Amount recognised in Cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	189.74	-	189.74
Changes in fair value of interest rate swaps	-	39.58	39.58
Gain / (Loss) transferred to statement of profit and loss	(155.22)	(2.12)	(157.34)
Income tax on amount recognised in hedging reserve	(11.95)	(12.96)	(24.91)
As at March 31, 2017	**83.62**	**14.59**	**98.21**

41. Capital management

(I) Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	8,601.51	10,106.29	11,462.69
Total equity	18,096.18	16,301.01	17,115.22
Net debt equity ratio	**0.48**	**0.62**	**0.67**

Loan covenants

The Company has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and fixed assets coverage ratio attached to the borrowings.

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(All amounts in Rupees million, unless otherwise stated)

(II) Dividend

	As at March 31, 2017	As at March 31, 2016
Equity Share		
Final dividend for the year ended March 31, 2016 of ₹ 0.50 (April 01, 2015 - ₹ 0.50) per fully paid shares	132.61	131.59
Dividend not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 0.50 per fully paid equity share (March 31, 2016 - ₹ 0.50). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	132.61	132.61

42. Related party transactions

a) List of related parties:

Relationships	Holdings as at		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Subsidiaries			
Welspun Pipes Inc.	90.01%	90.01%	90.01%
Welspun Tradings Limited	100.00%	100.00%	100.00%
Welspun Mauritius Holdings Limited	89.98%	89.98%	89.98%
Welspun Pipes Limited (till March 17, 2017)	100.00%	100.00%	100.00%
Welspun Middle East DMCC	100.00%	100.00%	100.00%
Welspun Tubular LLC	100.00%	100.00%	100.00%
Welspun Global Trade LLC	100.00%	100.00%	100.00%
Joint ventures			
Welspun Wasco Coatings Private Limited (w.e.f. September 30, 2015)	51.00%	51.00%	-
Welspun Middle East Pipes LLC	50.01%	50.01%	50.01%
Welspun Middle East Pipes Coating LLC	50.01%	50.01%	50.01%

b) Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Director
Mr. Braja Mishra	Managing Director (till December 31, 2016)
Mr. Lalitkumar Naik	Managing Director & Chief Executive officer (w.e.f. January 01, 2017)
Mr. S. Krishnan	Chief Financial Officer
Mr. Pradeep Joshi	Company Secretary
Mr. K.H.Viswanathan	Director
Mr. Rajkumar Jain	Director
Mr. Ram Gopal Sharma	Director
Mr. Mintoo Bhandari	Director
Mr. Utsav Baijal	Director
Mr. Atul Desai	Director
Mrs. Revathy Ashok	Director
Mr. Mukul Sarkar	Director (till January 25, 2017)
Mr. Nirmal Gangwal	Director (till August 24, 2016)
Mr. Desh Raj Dogra	Director (w.e.f. February 10, 2017)

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(All amounts in Rupees million, unless otherwise stated)

c) List of Others 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:

Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (erstwhile Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Captive Power Generation Limited
Welspun Enterprises Limited
Welspun Anjar SEZ Limited
Welspun Group Master Trust
AYM Syntex Limited (erstwhile Welspun Syntex Limited)
Welspun Energy Private Limited
Adani Welpsun Exploration Limited
Welspun Developers and Infrastructure Private Limited
Leighton Welspun Contractors
Welspun Fintrade Private Limited
Vipuna Tradings Limited

d) Disclosure in respect of significant transactions with related parties during the year:

	Transactions	
	Year ended March 31, 2017	Year ended March 31, 2016
1) Sale of product*		
Welspun Tradings Limited	14,761.42	10,798.82
Welspun Tubular LLC	2,340.68	5,588.22
Others	1,559.90	1,745.76
Total sale of product	**18,662.00**	**18,132.80**
2) Other income		
Welspun Pipes Inc.	6.73	23.76
Welspun Middle East Pipes LLC	12.23	13.74
Welspun Energy Private Limited	-	7.62
Welspun Tradings Limited	8.13	4.50
Welspun Wasco Coatings Private Limited	29.03	4.63
Others	2.45	4.11
Total other income	**58.57**	**58.36**
3) Redemption of preference shares		
Welspun Mauritius Holdings Limited	-	1,181.65
Total redemption of preference shares	**-**	**1,181.65**
4) Dividend income		
Welspun Captive Power Generation Limited	-	19.44
Total dividend income	**-**	**19.44**
5) Purchase of goods and expenses incurred		
Welspun Captive Power Generation Limited	327.41	355.84
Welspun Realty Private Limited	45.23	49.17
Others	51.61	18.85
Total purchase of goods and expenses incurred	**424.25**	**423.86**
6) Purchase of property, plant and equipment		
Welspun Steel Limited	6.29	-
Total of purchase of property, plant and equipment	**6.29**	**-**

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(All amounts in Rupees million, unless otherwise stated)

	Transactions	
	Year ended March 31, 2017	Year ended March 31, 2016
7) Sale of property, plant and equipment		
Welspun Wasco Coatings Private Limited	0.05	8.36
Total sale of property, plant and equipment	**0.05**	**8.36**
8) Sale of investments		
Welspun Group Master Trust	0.40	-
Total sale of investments	**0.40**	**-**
9) Reimbursement of expenses (paid)/ recovered		
Welspun Tubular LLC	2.04	1.54
Welspun Tradings Limited	(3.48)	(7.80)
Welspun Middle East Pipes LLC	4.63	16.44
Welspun Wasco Coatings Private Limited	33.04	7.12
Welspun Global Brands Limited	(3.63)	(8.43)
Welspun Captive Power Generation Limited	0.89	0.88
Welspun India Limited	(21.16)	(4.72)
Welspun Steel Limited	0.21	1.57
AYM Syntex Limited (erstwhile Welspun Syntex Limited)	-	0.79
Others	1.07	(0.26)
Total reimbursement of expenses (paid)/ recovered	**13.61**	**7.13**
10) Loans and deposit given		
Welspun Pipes Inc.	-	1,232.32
Welspun Wasco Coatings Private Limited	99.12	168.41
Welspun Steel Limited	-	25.00
Others	-	0.20
Total loans and deposit given	**99.12**	**1,425.93**
11) Loans and deposit received back		
Welspun Pipes Inc.	927.57	338.36
Welspun Wasco Coatings Private Limited	-	11.46
Welspun Realty Private Limited	22.62	17.98
Others	0.20	10.00
Total loans and deposit received back	**950.39**	**377.80**
12) Investment in shares		
Welspun Wasco Coatings Private Limited	-	147.55
Welspun Captive Power Generation Limited	-	27.78
Total investment in shares	**-**	**175.33**
13) Advances and deposit repaid		
Welspun Tradings Limited	2.00	-
Total advances and deposit repaid	**2.00**	**-**
14) Advance received		
Welspun Anjar SEZ Limited	-	0.28
Total advance received	**-**	**0.28**
15) Addition of corporate guarantee		
Welspun Tradings Limited	-	993.83
Welspun Middle East Pipes LLC	-	1,323.35
Welspun Wasco Coatings Private Limited	54.25	-
Total addition of corporate guarantee	**54.25**	**2,317.18**
16) Release of corporate guarantee		
Welspun Middle East Pipes LLC	-	1,332.00
Welspun Tradings Limited	993.83	-
Welspun Captive Power Generation Limited	-	600.00
Welspun Energy Private Limited	-	1,270.00
Total release of corporate guarantee	**993.83**	**3,202.00**

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(All amounts in Rupees million, unless otherwise stated)

		Transactions	
		Year ended March 31, 2017	Year ended March 31, 2016
17)	**Key management personnel compensation**		
	Mr. Balkrishan Goenka		
	Short-term employee benefit	27.99	-
	Mr. Braja Mishra		
	Short-term employee benefit	45.19	51.28
	Employee share-based payment		97.44
	Mr. Lalitkumar Naik		
	Short-term employee benefit	9.41	-
	Mr. S. Krishnan		
	Short-term employee benefit	24.72	26.31
	Mr. Pradeep Joshi		
	Short-term employee benefit	3.91	3.91
Total key management personnel compensation		**111.22**	**178.94**
18)	**Directors' sitting fees***		
	Mr. K.H.Viswanathan	0.78	0.70
	Mr. Rajkumar Jain	0.83	0.67
	Mr. Ram Gopal Sharma	0.83	0.70
	Mr. Mintoo Bhandari	0.20	0.11
	Mr. Utsav Baijal	0.07	0.10
	Mr. Atul Desai	0.14	0.13
	Mrs. Revathy Ashok	0.22	0.17
	Mr. Desh Raj Dogra	0.07	-
	Mr. Nirmal Gangwal	-	0.17
	Mr. Mukul Sarkar	0.11	0.06
Total directors' sitting fees		**3.25**	**2.81**
19)	**Proceeds from issue of equity share capital**		
	Mr. Braja Mishra	-	2.05
Total proceeds from issue of equity share capital		**-**	**2.05**

*** Including applicable taxes**

e) Disclosure of significant closing balances:

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1)	**Trade receivables**			
	Welspun Tradings Limited	6,669.36	8.71	4,774.60
	Welspun Tubular LLC	272.29	2,338.34	9,768.45
	Welspun Middle East Pipes LLC	0.07	1,589.86	1.23
	Others	2.51	17.70	25.35
Total trade receivables		**6,944.23**	**3,954.61**	**14,569.63**
2)	**Trade payables**			
	Welspun Captive Power Generation Limited	-	1.82	38.24
	Welspun Tubular LLC	5.10	3.42	-
	Welspun Tradings Limited	3.97	5.72	-
	Welspun Middle East DMCC	24.14	5.36	-
	Others	0.74	1.82	2.17
Total trade payables		**33.95**	**18.14**	**40.41**
3)	**Trade Advance**			
	Welspun Tubular LLC	1.76	-	-
	Welspun Tradings Limited	-	1,783.80	2.00
Total trade advance		**1.76**	**1,783.80**	**2.00**

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4) Loans and deposits given			
Welspun Wasco Coatings Private Limited	256.07	156.95	-
Welspun Realty Private Limited	203.76	266.50	262.13
Welspun Pipes Inc.	-	927.57	-
Others	21.08	19.80	12.40
Total loans, advances and deposits given	**480.91**	**1,370.82**	**274.53**
5) Share application money paid to subsidiary			
Welspun Pipes Limited	-	-	596.15
Total capital advance given	**-**	**-**	**596.15**
6) Capital advance given			
Welspun Anjar SEZ Limited	595.87	-	-
Total capital advance given	**595.87**	**-**	**-**
7) Corporate guarantees given (to the extent of outstanding loan amount/ export obligation to custom authority) refer note 46 (ii)			
Welspun Middle East Pipes LLC	1,460.22	1,724.72	205.68
Welspun Middle East Pipes Coating LLC	134.05	198.80	245.86
Welspun Tradings Limited	-	993.83	-
Welspun Wasco Coatings Private Limited	54.25	-	-
Welspun Energy Private Limited	-	-	1,270.00
Total corporate guarantees given	**1,648.52**	**2,917.35**	**1,721.54**
8) Other current liabilities			
Mr. Balkrishan Goenka	27.99	-	-
Total other current liabilities	**27.99**	**-**	**-**
9) Other long term commitment			
Welspun Energy Private Limited	-	-	2,000.00
Total other long term commitment	**-**	**-**	**2,000.00**
10) Equity investments in subsidiaries, joint ventures and associate			
Welspun Mauritius Holdings Limited (Investments in equity instruments)	4.70	4.70	4.70
Welspun Mauritius Holdings Limited (Investment in equity component of preference shares)	293.75	293.75	293.75
Welspun Tradings Limited (Investments in equity instruments of subsidiaries)	50.22	50.22	50.22
Welspun Wasco Coatings Private Limited (Investments in equity instruments of joint ventures)	147.55	147.55	-
Others	0.44	0.94	0.94
Total equity investments	**496.66**	**497.16**	**349.61**
11) Non-current investments			
Welspun Mauritius Holdings Limited	1,520.99	1,555.77	2,575.83
Welspun Captive Power Generation Limited	329.68	315.23	229.55
Total non-current investments	**1,850.67**	**1,871.00**	**2,805.38**
12) Other receivables			
Welspun Tubular LLC	-	-	55.44
Welspun Middle East Pipes Coating LLC	8.14	6.48	5.08
Welspun Middle East Pipes LLC	3.39	3.35	14.49
Welspun Wasco Coatings Private Limited	2.08	-	-
Welspun Anjar SEZ Limited	-	595.87	-
Others	-	1.06	26.58
Total other receivables	**13.61**	**606.76**	**101.59**

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

43. Micro, Small and Medium Enterprises Development Act, 2016

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:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Principal amount due to suppliers under MSMED Act	3.18	2.37	42.79
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.04	0.01	0.08
	3.22	**2.38**	**42.87**
Payment made to suppliers (other than interest) beyond the appointed day, during the year	48.27	19.40	47.69
Interest due and payable to suppliers under MSMED Act, for payments already made	0.37	0.13	0.12
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	3.32	2.91	2.77

44. Contingent liabilities

i) The Company has contingent liabilities as at the year end in respect of:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Claims against the Company not acknowledged as debts	114.37	101.26	102.20
Disputed direct taxes	295.28	385.35	1,614.61
Disputed indirect taxes	1,413.94	1,374.61	407.11

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.

The Company does not expect any re-imbursements in respect of the above contingent liabilities.

ii) 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 on account of alleged wrong classification of imported raw materials along with penalty of ₹ 8,609.82 on the Company and a penalty of ₹ 205 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 Honorable Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

45. Specified bank notes

The Ministry of Corporate Affairs has published notification in Official Gazette vide no. G.S.R. 308(E) dated March 30, 2017 where in the Company has to disclose its holdings as well as dealings in Specified Bank Notes (SBNs) during the period from November 08, 2016 to December 30, 2016.

'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016. The said notification, defines the term as "bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

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(All amounts in Rupees million, unless otherwise stated)

Following are the details of holdings as well as dealings in Specified Bank Notes:

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	1.53	0.06	1.59
Add: Permitted receipts	-	1.00	1.00
Less: Amount deposited in banks	1.53	0.83	2.36
Closing cash in hand as on December 30, 2016	**-**	**0.23**	**0.23**

46. Capital and other commitments

i) Capital commitments

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Property, plant and equipment	27.90	118.39	130.56
Intangible assets under development	31.35	-	-

ii) Other commitments

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Corporate guarantees given by the company for loans of subsidiaries, joint ventures and other related party. Loan/ liabilities outstanding against this guarantee aggregate to ₹ 1,648.52 (March 31, 2016: ₹ 2,917.35 and April 01, 2015: ₹ 1,721.54) (refer note 42)	9,618.12	10,729.34	11,225.82
Outstanding letters of credit (net)	5,699.53	10,537.47	7,162.67
Custom duty liabilities on duty free import of raw materials (export obligations)	1,854.52	1,241.81	809.28
Other long term commitments (refer note 42)	-	-	2,000.00

iii) The Company has committed to provide continued need based financial support to its subsidiaries and joint ventures.

47. Operating lease

The Company has operating leases for premises and equipments. These lease arrangements range for a period within one year to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

i) Rent expense with respect to all operating leases:

	Year ended March 31, 2017	Year ended March 31, 2016
Lease payment recognised in the statement of profit and loss during the year	72.55	73.72

ii) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Not later than one year	7.70	1.52	0.99
Later than one year but not later than five years	10.95	1.87	0.81

48. Segment information

In accordance with the paragraph 4 of Ind AS 108 "Operating segments", the Company has presented segmental information only in the consolidated financial statements (refer note 48 of the Consolidated financial statements).

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

49. First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

1. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost

Ind AS 101 permits a first -time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustment for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Exchange differences arising from translation of long-term foreign currency monetary item

Ind AS 101 permits a first-time adopter to elect to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Company has elected to apply this exemption.

A.1.4 Share-based payment

The Company has availed the exemption provided by Ind AS 101 regarding share based payment transactions and accordingly has not applied Ind AS 102 – Share based payment to equity instruments that vested before date of transition to Ind AS.

A.1.5 Investments in subsidiaries, joint ventures and associate.

The Company has elected to measure its investments in subsidiaries, joint ventures and associate at its previous GAAP carrying values which shall be the deemed cost as at the date of transition.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 01, 2015 are reflected as hedges in the Company's results under Ind AS.

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The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

A.2.3 Classification and measurement of financial assets

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

A.2.4 Impairment of financial assets

Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind As.

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Reconciliation of equity as at April 01, 2015				
ASSETS				
Non-current assets				
Property, plant and equipment	3, A.1.2, A.1.3 and A.2.2	27,951.74	(1.23)	27,950.51
Capital work-in-progress	3, A.1.2 and A.1.3	229.84	-	229.84
Investment property	4, A.1.2, A.1.3 and C(i)	-	1.23	1.23
Intangible assets	5 and A.1.2 and A.2.2	124.54	-	124.54
Equity investments in subsidiaries, joint ventures and associate	6, A.1.5 and C (iii)	55.86	293.75	349.61
Financial assets	A.2.4			
Investments	7(a) and C (ii)	2,458.24	380.87	2,839.11
Other financial assets	9(a) and C(iv)	368.79	(22.35)	346.44
Other non-current assets	10(a) and C(iv)	533.61	(262.91)	270.70
Total non-current assets		**31,722.62**	**389.36**	**32,111.98**
Current assets				
Inventories	11	8,272.30	-	8,272.30
Financial assets	A.2.4			
Investments	7(b), C (ii) and C (iii)	7,783.32	(1.33)	7,781.99
Trade receivables	12	17,407.63	-	17,407.63
Cash and cash equivalents	13	863.36	-	863.36
Bank balances other than cash and cash equivalents	14	1,131.31	-	1,131.31
Loans	8(b)	4.94	-	4.94
Other financial assets	9(b) and C(ii)	532.32	(125.20)	407.12
Other current assets	10(b) and C(iv)	2,232.64	21.77	2,254.41
Assets classified as held for sale	15	8.40	-	8.40
Total current assets		**38,236.22**	**(104.76)**	**38,131.46**
Total assets		**69,958.84**	**284.60**	**70,243.44**

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16(a)	1,315.88	-	1,315.88
Other equity				
Reserves and surplus	16(b), C(xii) and C(xiv), A.1.4 and A.2.1	17,813.97	(1,727.33)	16,086.64
Other reserve	16(c), C(xiii) and C(xv)	(435.24)	147.94	(287.30)
Total equity		**18,694.61**	**(1,579.39)**	**17,115.22**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	17(a) and C(v)	18,779.61	(154.45)	18,625.16
Other financial liabilities	18(a) and C(vi)	642.89	(134.92)	507.97
Provisions	19(a)	266.30	-	266.30
Deferred tax liabilities (net)	20 and C(xvi)	3,448.66	(1,536.63)	1,912.03
Government grants	21 and C(vii)	-	3,519.53	3,519.53
Total non-current liabilities		**23,137.46**	**1,693.53**	**24,830.99**
Current liabilities				
Financial liabilities				
Borrowings	17(b)	1,881.51	-	1,881.51
Trade payables	23	21,872.45	-	21,872.45
Other financial liabilities	18(b) and C(xiii)	2,711.62	62.82	2,774.44
Provisions	19(b) and C(viii)	312.73	(157.90)	154.83
Government grants	21 and C(vii)	-	330.16	330.16
Current tax liabilities (net)	24	70.35	-	70.35
Other current liabilities	22(b) and C(xiii)	1,278.11	(64.62)	1,213.49
Total current liabilities		**28,126.77**	**170.46**	**28,297.23**
Total liabilities		**51,264.23**	**1,863.99**	**53,128.22**
Total equity and liabilities		**69,958.84**	**284.60**	**70,243.44**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total equity as at April 01, 2015

Particulars	Notes to first-time adoption	April 01, 2015
Total equity as per previous GAAP		18,694.61
Adjustments:		
Effect of change in method of recognising grants	21 and C(vii)	(3,849.69)
Effect of measuring investments at fair value through profit and loss	7(b), C (ii) and C (iii)	548.09
Effect on account of reversal of proposed dividend	16(b) and C(viii)	157.90
Effect on account effective interest method	17(a) and C(v)	154.45
Effect on account of tax on cash flow hedging reserve	16(c), C(xiii) and C(xv)	147.94
Deferred Tax impact on Ind AS adjustments	20 and C(xvi)	1,125.75
Others		136.17
Total adjustments		**(1,579.39)**
Total equity as per Ind AS		**17,115.22**

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3, A.1.2, A.1.3 and A.2.2	25,844.43	(1.23)	25,843.20
Capital work-in-progress	3, A.1.2 and A.1.3	248.90	-	248.90
Investment property	4, A.1.2, A.1.3 and C(i)	-	1.23	1.23
Intangible assets	5 and A.1.2 and A.2.2	115.02	-	115.02
Intangible assets under development	5 and A.1.2 and A.2.2	4.94	-	4.94
Equity investments in subsidiaries, joint ventures and associate	6, A.1.5 and C (iii)	203.41	293.75	497.16
Financial assets				
Investments	7(a) and C (ii)	1,577.21	308.28	1,885.49
Loans	8(a)	156.95	-	156.95
Other financial assets	9(a) and C(iv)	363.25	(7.80)	355.45
Other non-current assets	10(a), C(iv) and C(xvi)	544.24	(256.92)	287.32
Total non-current assets		**29,058.35**	**337.31**	**29,395.66**
Current assets				
Inventories	11	7,922.02	-	7,922.02
Financial assets				
Investments	7(b), C (ii) and C (iii)	7,183.56	(35.93)	7,147.63
Trade receivables	12	9,824.85	-	9,824.85
Cash and cash equivalents	13	301.81	-	301.81
Bank balances other than cash and cash equivalents	14	1,162.22	-	1,162.22
Loans	8(b)	934.19	-	934.19
Other financial assets	9(b) and C(ii)	1,240.96	(248.72)	992.24
Other current assets	10(b) and C(iv)	1,460.22	1.67	1,461.89
Assets classified as held for sale	15	19.88	-	19.88
Total current assets		**30,049.71**	**(282.98)**	**29,766.73**
Total assets		**59,108.06**	**54.33**	**59,162.39**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16(a)	1,326.13	-	1,326.13
Other equity				
Reserves and surplus	16(b), C(xii) and C(xiv), A.1.4 and A.2.1	16,950.30	(2,026.56)	14,923.74
Other reserve	16(c), C(xiii) and C(xv)	78.21	(27.07)	51.14
Total equity		**18,354.64**	**(2,053.63)**	**16,301.01**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	17(a) and C(v)	16,025.48	(110.61)	15,914.87
Other financial liabilities	18(a) and C(vi)	677.71	(98.87)	578.84
Provisions	19(a)	271.62	-	271.62
Deferred tax liabilities (net)	20 and C(xvi)	3,038.83	(1,506.75)	1,532.08
Government grants	21and C(vii)	-	3,600.40	3,600.40
Other non-current liabilities	22(a)	876.00	-	876.00
Total non-current liabilities		**20,889.64**	**1,884.17**	**22,773.81**

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(All amounts in Rupees million, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Current liabilities				
Financial liabilities				
Borrowings	17(b)	1,865.22	-	1,865.22
Trade payables	23	13,338.68	-	13,338.68
Other financial liabilities	18(b) and C(xiii)	1,553.70	58.32	1,612.02
Provisions	19(b) and C(viii)	319.49	(159.61)	159.88
Government grants	21 and C(vii)	-	369.76	369.76
Current tax liabilities (net)	24	55.26	-	55.26
Other current liabilities	22(b) and C(xiii)	2,731.43	(44.68)	2,686.75
Total current liabilities		**19,863.78**	**223.79**	**20,087.57**
Total liabilities		**40,753.42**	**2,107.96**	**42,861.38**
Total equity and liabilities		**59,108.06**	**54.33**	**59,162.39**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Revenue from operations	25, C(ix) and C(x)	36,243.11	1,436.82	37,679.93
Other operating revenue	26 and C(vii)	1,610.74	(120.47)	1,490.27
Other income	27, C(ii) and C(iv)	1,284.22	(208.45)	1,075.77
Total income		**39,138.07**	**1,107.90**	**40,245.97**
Expenses				
Cost of materials consumed	28	21,448.82	-	21,448.82
Purchases of stock-in-trade	29	6,713.18	-	6,713.18
Changes in inventories of work-in progress, stock-in-trade and finished goods	30	(40.83)	-	(40.83)
Excise duty	C(ix)	0.12	1,445.56	1,445.68
Employee benefit expense	31, C(xi)and C(xii)	1,937.85	(3.57)	1,934.28
Depreciation and amortisation expense	32	2,475.26	-	2,475.26
Other expenses	33 C(v), C(vi), C(x) and C(xiii)	6,020.52	20.42	6,040.94
Finance costs	34, C(v) and C(vi)	1,926.60	88.00	2,014.60
Total expenses		**40,481.52**	**1,550.41**	**42,031.93**
Loss before tax		**(1,343.45)**	**(442.51)**	**(1,785.96)**
Income tax expense	35 and C(xvi)			
Deferred tax		(409.83)	(144.56)	(554.39)
Loss for the year (A)		**(933.62)**	**(297.95)**	**(1,231.57)**
Other comprehensive income for the year, net of tax (B)	C(xv)	-	334.66	334.66
Total comprehensive loss for the year (A+B)		**(933.62)**	**36.71**	**(896.91)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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(All amounts in Rupees million, unless otherwise stated)

Reconciliation of total equity as at March 31, 2016

Particulars	Notes to first-time adoption	March, 31 2016
Total equity (shareholder's fund) as per previous GAAP		18,354.64
Adjustments:		
Effect of change in method of recognising grants	21 and C(vii)	(3,970.16)
Effect of measuring investments at fair value through profit and loss	7(b), C (ii) and C (iii)	317.38
Effect on account of reversal of proposed dividend	16(b) and C(viii)	159.61
Effect on account of effective interest method	17(a) and C(v)	110.61
Deferred tax impact on Ind AS adjustments	20 and C(xvi)	1,270.31
Others		58.62
Total adjustments		**(2,053.63)**
Total equity as per Ind AS		**16,301.01**

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first-time adoption	March, 31 2016
Profit after tax as per previous GAAP		(933.62)
Adjustments:		
Fair valuation of investments	27, C(ii) and C(iv)	(230.70)
Effect of change in method of recognising grants	26 and C(vii)	(120.47)
Effect on account of effective interest method	34, C(v) and C(vi)	(43.84)
Deferred tax impact on Ind AS adjustments	35 and C(xvi)	144.56
Others		(47.50)
Total adjustment		**(297.95)**
Profit after tax as per Ind AS		**(1,231.57)**
Other comprehensive income	C(xv)	334.66
Total comprehensive income as per Ind AS		(896.91)

Particulars	Previous GAAP*	Adjustments	Ind AS
Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended March 31, 2016			
Net cash flow from operating activities	3,362.14	-	3,362.14
Net cash flow from investing activities	954.28	-	954.28
Net cash flow from financing activities	(4,877.97)	-	(4,877.97)
Net decrease in cash and cash equivalents	**(561.55)**	**-**	**(561.55)**
Cash and cash equivalents at April 01, 2015	863.36	-	863.36
Cash and cash equivalents at March 31, 2016	301.81	-	301.81

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

C. Notes for the first time adoption

(i) Investment property

Under Ind AS, investment property is required to be presented separately on the face of the balance sheet. Accordingly, the land given on lease amounting to ₹ 1.23 (March 31, 2016: ₹ 1.23, April 01, 2015: ₹ 1.23) has been reclassified from property, plant and equipment to investment property. There is no impact on the total equity or profit or loss as a result of this adjustment.

(ii) Fair valuation of investments

Under the previous GAAP, investments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value at initial and subsequent recognition at fair value (other than equity investment in subsidiaries which are carried at cost and preference shares which are subsequently measured at amortised cost). The resulting fair value changes of these investments (other than equity instruments designated as at fair value through other comprehensive income) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by ₹ 317.38 as at March 31, 2016 (April 01, 2015 increased by ₹ 548.09).

(iii) Equity component of investment in preference share

Under the previous GAAP, investment in preference shares of subsidiaries is recorded at the transaction price. Under Ind AS, investment in preference shares is treated as financial asset. Such asset is recorded at fair value at initial recognition and are subsequently measured at fair value. The difference between fair value and transaction price on initial recognition is recognised as additional investment in subsidiary. Equity Investment in subsidiary is tested for impairment. As a result of this adjustment, investment in equity of subsidiaries has increased by ₹ 293.75 in April 01, 2015 with a corresponding decrease in investment in preference shares. The subsequent gain/ (loss) on fair valuation has been considered in note (ii) above.

(iv) Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 7.80 as at March 31, 2016 (April 01, 2015: ₹ 22.35). The prepaid rent increased by ₹ 7.66 as at March 31, 2016 (April 01, 2015: ₹ 21.77). Total equity decreased by ₹ 0.14 as at March 31, 2016 (April 01, 2015: ₹ 0.58). The profit for the year ended March 31, 2016 increased by ₹ 0.44 due to amortisation of the prepaid rent of ₹ 22.48 which is partially off-set by the notional interest income of ₹ 22.92 recognised on security deposits.

(v) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been decreased by ₹ 110.61 (April 01, 2015: ₹ 154.45) with corresponding adjustment to retained earnings. The profit for the year ended March 31, 2016 reduced by ₹ 43.84 as a result of the additional interest expense.

(vi) Liability towards claim

Under the previous GAAP, the liabilities towards claim were measured at amount payable. Under the Ind AS, these financial liabilities are measured at fair value on initial recognition. The retained earnings as at March 31, 2016 increased by ₹ 98.87 (April 01, 2015: ₹ 134.92). The profit for the year ended March 31, 2016 reduced by ₹ 36.05.

(vii) Government grants:

The Company receives VAT incentives from the government of Gujarat under Gujarat Industrial Development policy based on the amount of capital expenditure made on eligible investments. The impact of change in method of recognising grants has resulted in decrease in the retained earnings by ₹ 3,970.16 as at March 31, 2016 (April 01, 2015 ₹ 3,849.69).

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annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(viii) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of ₹ 159.61 as at March 31, 2016 (April 01, 2015: ₹ 157.90) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(ix) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 1,445.56. There is no impact on the total equity and profit.

(x) Variable consideration

Under previous GAAP, Claims, discounts & rebates and liquidated damages paid to customers were recorded as part of expenses in the statement of profit and loss. However, under Ind-AS, these expenses are netted off against revenue. This change has resulted in decrease in total revenue and total expenses for the year ended March 31, 2016 by ₹ 8.74. There is no impact on the total equity and profit.

(xi) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 1.66. There is no impact on the total equity as at March 31, 2016.

(xii) Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan was recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account decreased by ₹ Nil as at March 31, 2016 (April 01, 2015: ₹ 0.70) and the amount recognised in share premium decreased by ₹ 2.61 as at March 31, 2016 (April 01, 2015: ₹ Nil). The profit for the year ended March 31, 2016 increased by ₹ 1.91. There is no impact on total equity.

(xiii) Financial instruments - derivatives

Under the previous GAAP, forward contracts were accounted for as prescribed under AS 11 " The Effects of Changes in Foreign Exchange Rates", under which forward premium was amortised over the period of forward contract and forward contracts were restated at the closing spot exchange rate. Under Ind AS 109, all derivative financial instrument are to be marked to market and any resultant gain or loss is to be charged to the statement of profit and loss. Accordingly, the marked to market has been recognised and forward premium unamortised balance has been derecognised. As a result of this adjustment, the total equity as at March 31, 2016 decreased by 13.64 (April 01, 2015 increased by ₹ 1.80). The profit for the year ended March 31, 2016 is lower by ₹ 15.44. Further, due to derivatives designated as hedge, the total equity as at March 31, 2016 lower by ₹ 27.07 (April 01, 2015 increased by ₹ 147.94)

(xiv) Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

(xv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and cash flow hedging reserve. The concept of other comprehensive income did not exist under previous GAAP.

(xvi) Deferred tax

Deferred taxes impact of the above adjustments, wherever applicable have been recognised on transition to Ind AS.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

50. Exchange differences on long term foreign currency monetary items outstanding

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset. In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets/ liabilities.

Accordingly, the Company has adjusted exchange gain of ₹ 14.05 (March 31, 2016: loss of ₹ 37.55) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

Exchange gain of ₹ 5.21 (March 31, 2016: loss of ₹ 190.00) has been transferred to "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" to be amortised over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 178.30 (March 31, 2016: loss of ₹ 328.90) has been adjusted in the current year and balance of ₹ 95.91 (March 31, 2016: ₹ 279.42, April 01, 2015: ₹ 418.32) has been carried over and included in reserves and surplus.

51. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015 (refer note 42)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	Maximum amount outstanding during the year		
				As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans and advances in the nature of loans to joint venture and subsidiary:						
Welspun Wasco Coating Private Limited (joint venture)	256.07	156.95	-	256.07	156.95	-
Welspun Pipes Inc. (subsidiary)	-	927.57	-	-	1,256.95	-

	Year ended March 31, 2017	Year ended March 31, 2016
52. Earnings/ (loss) per share		
Profit/ (Loss) after tax attributable to the equity holders of the Company	1,746.01	(1,231.57)
Weighted average number of equity shares	265,226,109	263,467,341
Basic and diluted earnings/ (loss) per share	6.58	(4.67)
Nominal value of an equity share	5.00	5.00

The Company has excluded the shares issued under the employee stock options scheme from the calculations of diluted earnings per share because their inclusion would have been anti-dilutive.

Notes

annexed to and forming part of the standalone balance sheet as at March 31, 2017 and the standalone statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

53. 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 amortised on a straight line basis over the vesting period. Employee benefits expense includes ₹ Nil debited during the year (March 31, 2016: ₹ 97.44)

Stock options outstanding as at the year end are as follows:

	As at March 31, 2017	As at March 31, 2016
Exercise price	-	₹ 1
Date of grant	-	24 December 2014
Vesting period	-	1 year
Opening balance (Nos.)	-	2,050,029
Granted during the year (Nos.)	-	-
Exercised during the year (Nos.)	-	2,050,029
Lapsed during the year(Nos.)	-	-
Closing balance (Nos.)	**-**	**-**

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

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Independent Auditors' Report

To The Members of Welspun Corp Limited

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

1. We have audited the accompanying consolidated Ind AS financial statements of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its joint ventures; (refer Note 44 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity 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 Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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-paragraphs 8, 9 and 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements give

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its joint ventures as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of ₹ 21,858.18 million and net assets of ₹ 14,338.17 million as at March 31, 2017, total revenue of ₹ 21,555.57 million, net loss of ₹ 441.83 million and net cash outflows amounting to ₹ 304.23 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 750.71 million for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures respectively, whose financial statements have not been audited by us. These financial statements in respect of the aforesaid subsidiaries and 2 joint ventures have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiaries and joint ventures is based solely on the reports of the other auditors.

9. We did not audit the financial statements of 1 subsidiary (disposed off during the year) whose financial statements reflect total revenue of ₹ Nil, net loss of ₹ 0.009 million and net cash outflows amounting to ₹ 0.012 million for the period ended on March 17, 2017, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the Subsidiaries and Joint Venture is based solely on the reports of the other auditors.

10. The financial statements of 2 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 3,009.44 million and net assets of ₹ 2,729.58 million as at March 31, 2017, total revenue of Nil, net profit of ₹ 145.16 million and net cash inflows amounting to ₹ 30.09 million for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion insofar as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS 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.

11. The comparative financial information of the Group and its joint ventures for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 23, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Holding Company on transition to the Ind AS have been audited by us except in respect of four subsidiaries for which the adjustments were audited by other auditors.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

12. As required by Section143(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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries incorporated in India and its joint

venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS 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 auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries incorporated in India and its joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India and joint venture incorporated in India, none of the directors of the Holding Company and its subsidiary incorporated in India and its joint venture incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company incorporated in India and joint venture incorporated in India 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 information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2017 on the consolidated financial position of the Group and its joint ventures – Refer Note 45.

ii. The Group and its joint ventures have made provision as at March 31, 2017 in the consolidated Ind AS financial statements, 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 subsidiaries company incorporated in India and its joint venture incorporated in India during the year ended March 31, 2017.

iv. The Holding Company, its subsidiaries incorporated in India and its joint venture incorporated in India have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, its subsidiaries incorporated in India and its joint venture incorporated in India and as produced to us by the Management - Refer Note 46.

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

Mehul Desai
Partner
Membership Number : 103211

Mumbai
May 08, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (f) 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, 2017

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, 2017, we have audited the internal financial controls over financial reporting of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiary company and joint venture, 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, its subsidiary company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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, its subsidiary company and joint venture, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mehul Desai
Partner
Membership Number : 103211

Mumbai
May 08, 2017

Consolidated Balance Sheet

as at March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	33,481.28	37,184.79	39,081.42
Capital work-in-progress	3	249.71	339.41	665.97
Investment property	4	1.23	1.23	1.23
Goodwill on consolidation		4.68	4.68	4.68
Other intangible assets	5	71.75	115.14	124.54
Intangible assets under development	5	72.61	4.94	-
Investments accounted for using the equity method	6	1,836.38	2,514.69	2,329.11
Financial assets				
Investments	7(a)	347.72	329.72	263.28
Loans	8(a)	2,095.23	1,786.44	2,785.40
Other financial assets	9(a)	320.51	419.99	447.30
Deferred tax assets (net)	10	-	11.60	-
Other non-current assets	11(a)	1,028.33	474.99	606.71
Total non-current assets		**39,509.43**	**43,187.62**	**46,309.64**
Current assets				
Inventories	12	17,646.59	12,931.92	17,916.57
Financial assets				
Investments	7(b)	5,068.65	7,327.87	7,781.99
Trade receivables	13	14,651.93	14,006.65	10,281.68
Cash and cash equivalents	14	1,479.53	1,060.30	1,767.80
Bank balances other than cash and cash equivalents	15	816.62	4,495.29	1,159.96
Loans	8(b)	6.63	6.88	5.05
Other financial assets	9(b)	573.81	1,219.13	1,223.49
Current tax assets (net)	16	1.43	192.66	244.52
Other current assets	11(b)	2,708.71	1,936.45	2,945.42
Assets classified as held for sale	17	6.00	19.88	8.40
Total current assets		**42,959.90**	**43,197.03**	**43,334.88**
Total assets		**82,469.33**	**86,384.65**	**89,644.52**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18(a)	1,326.13	1,326.13	1,315.88
Other equity				
Reserves and surplus	18(b)	26,517.62	26,251.82	24,665.53
Other reserves	18(c)	250.62	410.98	20.92
Equity attributable to owners of Welspun Corp Limited		28,094.37	27,988.93	26,002.33
Non-controlling interests	54(a)	1,135.39	1,316.89	1,026.76
Total equity		**29,229.76**	**29,305.82**	**27,029.09**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	19(a)	15,214.53	18,461.21	22,295.28
Other financial liabilities	20(a)	-	578.84	507.97
Provisions	21(a)	350.92	271.62	266.30
Deferred tax liabilities (net)	22	3,805.10	4,037.85	4,143.12
Government grants	23	3,653.64	3,600.40	3,519.53
Other non-current liabilities	24(a)	-	876.00	20.31
Total non-current liabilities		**23,024.19**	**27,825.92**	**30,752.51**
Current liabilities				
Financial liabilities				
Borrowings	19(b)	2,203.27	5,680.46	1,883.80
Trade payables	25	21,931.02	15,971.40	23,720.09
Other financial liabilities	20(b)	2,485.73	3,039.03	3,991.57
Provisions	21(b)	172.87	167.59	159.80
Government grants	23	414.66	369.76	330.16
Current tax liabilities (net)	26	803.90	65.09	84.65
Other current liabilities	24(b)	2,203.93	3,959.58	1,692.85
Total current liabilities		**30,215.38**	**29,252.91**	**31,862.92**
Total liabilities		**53,239.57**	**57,078.83**	**62,615.43**
Total equity and liabilities		**82,469.33**	**86,384.65**	**89,644.52**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
This is the consolidated balance sheet referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Consolidated Statement of Profit and Loss

(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	27	57,634.07	71,828.19
Other operating income	28	2,720.58	1,972.55
Other income	29	2,246.00	1,131.53
Total income		**62,600.65**	**74,932.27**
Expenses			
Cost of materials consumed	30	36,277.16	43,737.17
Purchases of stock-in-trade	31	5,850.47	366.26
Changes in inventories of work-in progress, stock-in-trade and finished goods	32	(1,725.58)	211.39
Excise duty		1,367.57	1,445.68
Employee benefit expense	33	4,305.48	5,576.36
Depreciation and amortisation expense	34	3,860.80	3,864.79
Other expenses	35	9,155.41	14,686.99
Finance costs	36	2,357.14	2,411.38
Total expenses		**61,448.45**	**72,300.02**
Profit before share of loss of joint ventures accounted for using the equity method and tax		1,152.20	2,632.25
Share of net loss of joint ventures accounted for using the equity method	54(d)	(793.01)	(47.26)
Profit before tax		359.19	2,584.99
Income tax expense	37		
Current tax		472.21	1,205.05
Deferred Tax		(214.17)	(412.85)
Total income tax expense		**258.04**	**792.20**
Profit for the year (A)		**101.15**	**1,792.79**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains on cash flow hedges		158.01	471.89
Exchange differences on translation of foreign operations (including non-controlling interests)		(282.08)	94.32
Income tax relating to these items		(54.69)	(160.69)
		(178.76)	**405.52**
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		(34.18)	(2.43)
Income tax relating to this item		11.83	0.84
		(22.35)	**(1.59)**
Other comprehensive income/ (loss) for the year, net of tax (B)		(201.11)	403.93
Total comprehensive income/ (loss) for the year (A+B)		(99.96)	2,196.72
Profit is attributable to:			
Owners of Welspun Corp Limited		264.25	1,518.12
Non-controlling interests		(163.10)	274.67
		101.15	**1,792.79**
Other comprehensive income/ (loss) is attributable to:			
Owners of Welspun Corp Limited		(182.71)	388.47
Non-controlling interests		(18.40)	15.46
		(201.11)	**403.93**
Total comprehensive income/ (loss) is attributable to:			
Owners of Welspun Corp Limited		81.54	1,906.59
Non-controlling interests		(181.50)	290.13
		(99.96)	**2,196.72**
Earnings per equity share attributable to owners of Welspun Corp Limited:			
Basic and diluted earnings per share (in Rupees)	51	1.00	5.76

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Consolidated Statement of Cash Flow

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
A)	**Cash flow from operating activities**		
	Net profit before income tax	**359.19**	**2,584.99**
	Adjustments for :		
	Depreciation and amortisation expense	3,860.80	3,864.79
	Employee share-based expense	-	97.44
	Loss on disposal of property, plant and equipment (net)	12.07	31.94
	(Profit)/ loss on sale or redemption of		
	Current investments	(168.30)	(12.26)
	Non-current investment	0.02	-
	Share of net loss of joint ventures accounted for using the equity method	793.01	47.26
	Fair valuation gain/ (loss) on investments (net)	(11.03)	5.32
	Allowance for doubtful debts (net)	12.80	3.70
	Provision no longer required written back	3.33	-
	Dividend income	(3.01)	(2.56)
	Interest income	(1,036.86)	(1,037.43)
	Interest expenses	817.56	740.17
	Net exchange differences (unrealised)	4,994.30	1,220.37
	Operating profit before changes in operating assets and liabilities	**9,633.88**	**7,543.73**
	Changes in operating assets and liabilities		
	(Increase)/ decrease in trade receivables	(589.31)	(4,104.25)
	(Increase)/ decrease in inventories	(4,714.67)	4,984.65
	Decrease/ (increase) in trade payables	(1,155.08)	(7,298.21)
	Decrease/ (increase) in other non-current liabilities	(876.00)	855.69
	Decrease/ (increase) in other current liabilities	(1,755.65)	2,246.77
	(Increase)/ decrease in other non-current financial assets	38.57	10.19
	(Increase)/ decrease in other current financial assets	(629.57)	(50.10)
	(Increase)/ decrease in other non-current assets	92.24	128.82
	(Increase)/ decrease in other current assets	(713.76)	1,017.36
	Decrease/ (increase) in other non-current financial liabilities	(578.84)	70.88
	Decrease/ (increase) in other current financial liabilities	810.89	(821.04)
	Decrease/ (increase) in provisions	50.40	10.68
	Decrease/ (increase) in government grants	98.14	120.47
	Total changes in operating assets and liabilities	(9,922.64)	(2,828.09)
	Cash flow (used in)/ from operations	(288.76)	4,715.64
	Income taxes paid (net of refunds)	457.82	(1,172.75)
	Net cash from operating activities (A)	**169.06**	**3,542.89**
B)	**Cash flow from investing activities**		
	Payments for property, plant and equipment	(494.11)	(2,337.86)
	Proceeds from property, plant and equipment	13.82	17.95
	Investment in joint ventures	-	(147.55)
	Sale of current investments (net)	2,420.53	394.62
	Proceeds from maturity of/ (investment in) Fixed deposit (net)	3700.40	(3303.66)
	Interest received	1,175.86	1,068.95
	Dividend received	3.01	2.56
	Loan to joint venture and other parties	(308.54)	-
	Repayment of Loan from joint venture and other parties	-	997.13
	Net cash from/ (used in) investing activities (B)	**6,510.97**	**(3,307.86)**

Consolidated Statement of Cash Flow

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2017	Year ended March 31, 2016
C)	**Cash flow used in financing activities**		
	Proceeds from issue of equity share capital	-	2.05
	Proceeds from long term borrowings	3,818.20	-
	Repurchase of non-convertible debentures	(3,000.00)	(490.00)
	Repayment of long term borrowings	(4,493.00)	(3,322.61)
	Proceeds from/(repayment) of short term borrowings (net)	(1,540.61)	3,765.30
	Interest paid	(876.67)	(783.32)
	Dividend paid (including dividend distribution tax)	(159.61)	(158.38)
	Net cash used in financing activities (C)	**(6,251.69)**	**(986.96)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	428.34	(751.93)
	Cash and cash equivalents at the beginning of the financial year	1,060.30	1,767.80
	(Loss)/ gain on exchange rate changes on cash and cash equivalents	(9.11)	44.43
	Cash and cash equivalents at the end of year	**1,479.53**	**1,060.30**
	Net increase/ (decrease) in cash and cash equivalents	**428.34**	**(751.93)**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flows referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Statement of Changes in Equity

for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 01, 2015		**1,315.88**
Changes in equity share capital during the year	18(a)	10.25
Balance as at March 31, 2016		**1,326.13**
Changes in equity share capital during the year	18(a)	-
Balance as at March 31, 2017		**1,326.13**

B. Other equity

	Attributable to owners of Welspun Corp Limited											
	Reserves and surplus							Other reserves		Total other equity	Non-controlling interests	Total
	Capital Reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Foreign currency monetary Item translation difference account	Share options outstanding account	Retained earnings	Cash flow hedging reserve	Foreign Currency Translation Reserve			
Balance as at April 01, 2015	**152.92**	**7,644.81**	**1,142.37**	**53.09**	**(418.32)**	**35.77**	**16,054.89**	**(279.41)**	**300.33**	**24,686.45**	**1,026.76**	**25,713.21**
Profit for the year	-	-	-	-	-	-	1,518.12	-	-	1,518.12	274.67	1,792.79
Other comprehensive income/ (loss)	-	-	-	-	-	-	(1.59)	311.20	78.86	388.47	15.46	403.93
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,516.53**	**311.20**	**78.86**	**1,906.59**	**290.13**	**2,196.72**
Movement during the year (net)	-	-	-	-	138.90	-	-	-	-	138.90	-	138.90
Transactions with owners in their capacity as owners:												
Dividends paid (including dividend distribution tax)	-	-	-	-	-	-	(158.38)	-	-	(158.38)	-	(158.38)
Employee stock option expense	-	-	-	-	-	97.44	-	-	-	97.44	-	97.44
Issue of shares on exercise of stock options	-	125.01	-	-	-	(133.21)	-	-	-	(8.20)	-	(8.20)
Balance as at March 31, 2016	**152.92**	**7,769.82**	**1,142.37**	**53.09**	**(279.42)**	**-**	**17,413.04**	**31.79**	**379.19**	**26,662.80**	**1,316.89**	**27,979.69**
Profit/ (loss) for the year	-	-	-	-	-	-	264.25	-	-	264.25	(163.10)	101.15
Other comprehensive income/ (loss)	-	-	-	-	-	-	(22.35)	103.32	(263.68)	(182.71)	(18.40)	(201.11)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**		**-**	**241.90**	**103.32**	**(263.68)**	**81.54**	**(181.50)**	**(99.96)**
Movement during the year (net)	-	-	-		183.51	-	-	-	-	183.51	-	183.51
Movement in debenture redemption reserve	-	-	500.73	-	-	-	(500.73)	-	-	-	-	-
Movement in general reserve	-	-	-	174.60	-	-	(174.60)	-	-	-	-	-
Transactions with owners in their capacity as owners:												
Dividends paid (including dividend distribution tax)	-	-	-	-	-	-	(159.61)	-	-	(159.61)	-	(159.61)
Balance as at March 31, 2017	**152.92**	**7,769.82**	**1,643.10**	**227.69**	**(95.91)**	**-**	**16,820.00**	**135.11**	**115.51**	**26,768.24**	**1,135.39**	**27,903.63**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board
B.K.Goenka
Chairman
DIN No.00270175

S. Krishnan
Chief Financial Officer

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

Pradeep Joshi
Company Secretary
FCS-4959

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

General Information

Welspun Corp Limited (hereinafter referred to as "WCL" or "the Company") and its subsidiaries (hereinafter 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.

The Company is a public limited company which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India.

These consolidated financial statements were approved for issue by the board of directors on May 08, 2017.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries, joint ventures and associate.

1.1 Basis of preparation of financial statements

a) Compliance with Ind AS

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

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. ("Previous GAAP").

These financial statements are the first financial statements of the Group under Ind AS. Refer note 55 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

b) Historical cost convention

The financial statements have been prepared on the accrual and going concern basis, The financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Share based payment arrangements	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

c) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (i.e. 12 months) and other criteria set out in Schedule III (Division II) to the Act.

1.2 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. In assessing control, potential voting rights that currently are exercisable are taken into account. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company.

For list of subsidiaries consolidated, refer table below:

Name of the Subsidiaries	Country of Incorporation	Extent of Holding		
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Direct Subsidiaries				
Welspun Pipes Limited (till March 17, 2017)	India	-	100%	100%
Welspun Pipes Inc.	USA	100%	100%	100%
Welspun Tradings Limited	India	100%	100%	100%
Welspun Mauritius Holdings Limited	Mauritius	89.98%	89.98%	89.98%
Indirect Subsidiaries				
Held through Welspun Pipes Inc.				
Welspun Tubular LLC	USA	100%	100%	100%
Welspun Global Trade LLC	USA	100%	100%	100%
Held through Welspun Tradings Limited				
Welspun Middle East DMCC	Dubai, UAE	100%	100%	100%

b) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has three joint ventures.

For list of Joint ventures consolidated, refer table below:

Name of the Joint ventures	Country of Incorporation	Extent of Holding		
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Welspun Wasco Coatings Private Limited (w.e.f. September 30, 2015).	India	51%	51%	-
Welspun Middle East Pipes Company LLC	Kingdom of Saudi Arabia	50.01%	50.01%	50.01%
Welspun Middle East Pipes Coatings Company LLC	Kingdom of Saudi Arabia	50.01%	50.01%	50.01%

Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The financial statements of the joint venture are prepared for the same reporting period as the Group.

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Interests in joint ventures are accounted for using the equity method (refer below), after initially being recognised at cost in the consolidated balance sheet.

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the policy described in note 1.14 below.

d) Change in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control, and any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.3 Foreign currency translations

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example: translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

The Group has elected to apply the exemption in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the financial statements up to the year ended March 31, 2016 have been accounted in accordance with the policy adopted under previous GAAP as given below:

- Foreign exchange differences on account of depreciable assets are adjusted in the cost of depreciable assets and depreciated over the balance life of the assets.
- In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets/ liabilities.

c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income under head Foreign currency translation reserve (FCTR).

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added tax, applicable taxes within jurisdiction and amounts collected on behalf of third parties.

The Group recognises revenue when

- the Group has transferred to the buyer the significant risk and reward of ownership of goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that future economic benefits associated with the transaction will flow to the Group; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Group bases its estimates on historical results, taking into consideration the type of customer,

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

the type of transaction and the specifics of each arrangement.

1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is Managing director and CEO of the Group. The Managing director and CEO of the Group assess the financial performance and position of the Group, and makes strategic decisions (refer note 48).

1.6 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating revenue" or are deducted in reporting the related expense. The presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss over the periods and in proportions in which depreciation expense on those assets is recognised.

1.7 Income tax, deferred tax and dividend distribution tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements at the reporting date. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in jointly controlled entities, except where the

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Group has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

c) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to Statement of Profit and Loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

1.8 Leases

a) As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.9 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected not to restate business combinations which occurred prior to the transition date i.e. April 01, 2015.

1.10 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for it intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Lives (in years)
Buildings	
Factory Building	30
Office Building	60
Road, Fencing, etc.	Ranging between 3 to 5 years
Office and other equipments	
Office Equipment	5
Computer	3 years except Networking equipment's which are depreciated over useful life of 4 years
Vehicles	10
Furniture and fixtures	10

Plant and machinery is depreciated on straight line method over the useful life ranging between 2 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

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asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses, as applicable.

1.11 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

1.12 Intangible assets

a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arise. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

b) Other intangible assets

Other intangible assets with finite useful lives acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

c) Amortisation methods and periods

Other intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life over a period of three to five years.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

1.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through

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continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately in the balance sheet.

1.14 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.15 Inventories

Raw materials, stores and spares, work in progress, traded goods and finished goods

Raw materials, stores and spares, work in progress, traded goods and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases on moving weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.16 Investment in joint ventures and associate

Investment in joint ventures and associate is carried at cost in the separate financial statements.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associate recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidiaries, joint ventures and associate.

1.17 Financial Instruments

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

a) Financial Assets

(I) Classification

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

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

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

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

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(II) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

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Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(III) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(IV) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(V) Income recognition

(i) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(ii) Dividend income

Dividend income is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iii) Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

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(VI) Cash and cash equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in balance sheet and which are considered as integral part of Company's cash management policy.

(VII) Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

b) Financial liabilities

(I) Measurement

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

(II) Derecognition

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

(III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit or loss as other income or other expenses (as applicable).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish

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all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(IV) Trade and other payables

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

c) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

d) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Group enters into forward and interest rate swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(I) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).

When forward contracts are used to hedge forecast transactions, the Group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In

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such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial asset, the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the change in fair value of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

- With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expenses (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(II) Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income or other expenses (as applicable).

e) Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

f) Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract;

- the currency in which the price of the

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related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world; and

- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Group currently does not have any such derivatives which are not closely related.

g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

1.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

1.19 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund and superannuation fund.

(I) Defined Benefit Plans

(i) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(II) Defined contribution plans

(i) **Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds**

The Contribution towards provident fund, ESIC, Pension fund and other 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.

(ii) **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.

d) **Share-based payments**

Share-based compensation benefits are provided to employees under "Employee Stock Option Plan".

Employees of the Group receive remuneration in the form of share-based payments as per the eligibility criteria, the cost of equity-settled transactions is determined by the fair value at the date when the grant is made.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

e) **Bonus Plan**

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.20 Provisions, contingent liabilities and contingent assets

a) **Provisions**

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate

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of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

b) Contingent liabilities

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 Group 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.

c) Contingent assets

Contingent assets are disclosed, where an inflow of economic benefits is probable.

1.21 Contributed equity

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

1.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.23 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

b) Diluted earnings per share

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

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

1.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees millions (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

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

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

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

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), Changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Group

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is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2017.

(b) Amendments to Ind AS 102, 'Share-based Payment':

The amendment to Ind AS 102 clarifies the measurement basis for cash settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in Ind AS 102 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2017.

The Group intends to adopt the amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

i) Estimation of current tax expense and deferred tax

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note 37).

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the approved budgets of the Group. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group. Significant items on which the Group has exercised accounting judgment include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Group's best estimation and judgment as described above (refer note 37).

ii) Estimation of Provisions and Contingent Liabilities

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims.

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Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (refer note 21).

iii) Estimation of useful life of Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Group's property, plant and equipment (refer note 3).

iv) Estimation of Provision for Inventory

The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed (refer note 12).

v) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability (refer note 21).

vi) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions (refer note 41).

(All amounts in Rupees million, unless otherwise stated)

3. Property, plant and equipment

Carrying amounts	Freehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2016								
Gross carrying amount								
Deemed cost as at April 01, 2015 (refer note (i) below)	551.35	1,095.42	8,172.94	28,766.74	386.28	29.56	79.13	39,081.42
Additions	62.71	171.46	51.89	957.08	55.40	4.34	4.14	1,307.02
Exchange differences (refer note 54)	-	-	-	37.55	-	-	-	37.55
Exchange differences on translation of foreign operations	17.96	65.81	208.57	323.04	19.73	0.39	0.54	636.04
Disposals	-	-	-	52.63	1.02	0.73	0.07	54.45
Classified as held for sale	-	-	-	12.16	-	-	-	12.16
Gross carrying amount as at March 31, 2016	**632.02**	**1,332.69**	**8,433.40**	**30,019.62**	**460.39**	**33.56**	**83.74**	**40,995.42**
Year ended March 31, 2017								
Gross carrying amount								
Additions	11.05	-	39.39	266.41	46.54	2.76	5.78	371.93
Exchange differences (refer note 54)	-	-	-	(14.05)	-	-	-	(14.05)
Exchange differences on translation of foreign operations	(6.72)	(28.26)	(78.95)	(134.46)	(8.93)	(0.17)	(0.21)	(257.70)
Disposals	-	-	-	26.37	6.04	3.58	1.00	36.99
Gross carrying amount as at March 31, 2017	**636.35**	**1,304.43**	**8,393.84**	**30,111.15**	**491.96**	**32.57**	**88.31**	**41,058.61**

(₹ in million)

Accumulated depreciation	Freehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2016								
Depreciation charge during the year	-	111.67	312.16	3,261.97	103.37	8.02	18.10	3,815.29
Disposals	-	-	-	4.55	0.03	0.08	-	4.66
Accumulated depreciation as at March 31, 2016	**-**	**111.67**	**312.16**	**3,257.42**	**103.34**	**7.94**	**18.10**	**3,810.63**
Year ended March 31, 2017								
Depreciation charge during the year	-	119.35	305.56	3,270.63	91.55	6.13	14.38	3,807.60
Disposals	-	-	-	6.53	2.35	1.69	0.53	11.10
Exchange differences on translation of foreign operations	-	(2.37)	(2.23)	(23.37)	(1.69)	(0.06)	(0.08)	(29.80)
Accumulated depreciation as at March 31, 2017	**-**	**228.65**	**615.49**	**6,498.15**	**190.85**	**12.32**	**31.87**	**7,577.33**

(All amounts in Rupees million, unless otherwise stated)

Accumulated depreciation	Freehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Net carrying amount of property, plant and equipment								
As at April 01, 2015	551.35	1,095.42	8,172.94	28,766.74	386.28	29.56	79.13	39,081.42
As at March 31, 2016	632.02	1,221.02	8,121.24	26,762.20	357.05	25.62	65.64	37,184.79
As at March 31, 2017	636.35	1,075.78	7,778.35	23,613.00	301.11	20.25	56.44	33,481.28

Capital work-in-progress	
As at April 01, 2015	665.97
As at March 31, 2016	339.41
As at March 31, 2017	249.71

Notes:

(i) Deemed cost as at April 01, 2015 is the net carrying amount (gross block and accumulated depreciation) under previous GAAP on April 01, 2015 which is tabulated as follows

	Freehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Gross carrying amount	552.58	1,562.78	10,214.76	46,498.59	1,033.56	75.35	184.89	60,122.51
Reclassified as investment property	1.23	-	-	-	-	-	-	1.23
Accumulated depreciation	-	467.36	2,041.82	17,731.85	647.28	45.79	105.76	21,039.86
Net carrying amount	**551.35**	**1,095.42**	**8,172.94**	**28,766.74**	**386.28**	**29.56**	**79.13**	**39,081.42**

(ii) For property, plant and equipment pledged as security (refer note 19).

Contractual obligations

Refer to note no 47 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
4. Investment property			
Investment property - freehold land	1.23	1.23	1.23
Total investment property	**1.23**	**1.23**	**1.23**

(i) Deemed cost as at April 01, 2015 is the net carrying amount on April 01, 2015 which is tabulated as follows

	Investment property - free hold land
Gross carrying amount	1.23
Net carrying amount	**1.23**

(ii) Amount recognised in profit and loss for investment properties

	Year ended March 31, 2017	Year ended March 31, 2016
Rental Income	7.63	2.79
	7.63	**2.79**

(iii) Leasing arrangements

The Group has given freehold land on operating lease. This lease arrangement is for a term of 10 years which is non-cancellable for a period of 2 years from February 10, 2017 is tabulated as below

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within one year	6.58	4.79	-
Later than one year but not later than five years	5.63	8.88	-
	12.21	**13.67**	**-**

(iv) Fair Value

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment property	154.39	154.39	154.39
	154.39	**154.39**	**154.39**

Estimation of fair value

The Group has obtained independent valuation of its freehold land located at Anjar based on current prices in an active market for properties of similar nature. The fair values of investment property have been determined by an independent valuer. The main inputs used are the rental growth rates and a study of the micro market in discussion with industry experts. Resulting fair value estimate for investment property are included in level 3.

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Carrying amounts	Other intangible assets (Software)
5. Other intangible assets and Intangible assets under development	
Year ended March 31, 2016	
Gross carrying amount	
Deemed cost as at April 01, 2015 [refer note (i) below]	124.54
Additions	40.10
Gross carrying amount as at March 31, 2016	**164.64**
Additions	9.81
Disposals	0.64
Gross carrying amount as at March 31, 2017	**173.81**

Accumulated amortisation	Other intangible assets (Software)
Year ended March 31, 2016	
Amortisation charge during the year	49.50
Accumulated amortisation as at March 31, 2016	**49.50**
Year ended March 31, 2017	
Amortisation charge during the year	53.20
Disposals	0.64
Accumulated amortisation as at March 31, 2017	**102.06**

Net carrying amount of other intangible assets	
As at April 01, 2015	124.54
As at March 31, 2016	115.14
As at March 31, 2017	71.75
Intangible assets under development	
As at April 01, 2015	-
As at March 31, 2016	4.94
As at March 31, 2017	72.61

Notes

(i) Deemed cost as at April 01, 2015 is the net carrying amount (gross block and accumulated depreciation) under previous GAAP on April 01, 2015 which is tabulated as follows:

	Other intangible assets (Software)
Gross carrying amount	566.62
Accumulated amortisation	442.08
Net carrying amount	**124.54**

(ii) Contractual obligations

Refer to note no 47 for disclosure of contractual commitments.

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	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
6. Investments accounted for using the equity method (refer note 44(d))			
Unquoted			
I. Investments in equity instruments of joint ventures (fully paid up) (refer note 50)			
Welspun Wasco Coatings Private Limited			
14,755,014 (March 31, 2016 : 14,755,014, April 01, 2015 : Nil) equity shares of ₹ 10 each	105.40	147.60	-
Welspun Middle East Pipes Company LLC	1,730.98	2,367.09	2,253.62
38,031,042 (March 31, 2016 : 38,031,042, April 01, 2015 : 38,031,042) equity shares of SAR 1 each			
Welspun Middle East Pipes Coatings Company LLC	-	-	75.49
16,886,189 (March 31, 2016 : 16,886,189, April 01, 2015 : 16,886,189) equity shares of SAR 1 each			
II. Investments in equity instruments of associate			
Red Lebondal Limited*			
Nil (March 31, 2016 : Nil, April 01, 2015 : 450) equity shares of Euro 1 each	-	-	-
* Deemed cost net of provision of diminution			
Total investment accounted for using the equity method	**1,836.38**	**2,514.69**	**2,329.11**
Aggregate amount of unquoted investments	1,836.38	2,514.69	2,329.11
Aggregate amount of impairment in the value of investments	-	-	0.03

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
7. Investments			
7(a) Non-current investments			
Unquoted			
Investment carried at fair value through profit and loss (fully paid up)			
I. Investment in equity instruments of other entities			
Welspun Captive Power Generation Limited			
58,33,499 (March 31, 2016 : 58,33,499, April 01, 2015 : 5,316,429) equity shares of ₹ 10 each	135.16	120.71	108.56
Welspun Enterprises (Cyprus) Limited*			
Nil (March 31, 2016 : Nil, April 01, 2015 : 11,800) equity shares of Euro 1 each	-	-	-
* Deemed cost net of provision for diminution			
Total investment in equity instruments of other entities	**135.16**	**120.71**	**108.56**
II. Investment in preference shares of other entity			
Welspun Captive Power Generation Limited			
19,443,186 (March 31, 2016 : 19,443,186, April 01, 2015 : 17,720,021) 10% non-cumulative, redeemable preference shares of ₹ 10 each	194.52	194.52	120.99
Total investment in preference shares of other entity	**194.52**	**194.52**	**120.99**

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Quoted			
Investment carried at fair value through profit or loss (fully paid up)			
Investments in other entity			
Standard Chartered Bank PLC Indian Depository Receipt 334,331 (March 31, 2016 : 334,331, April 01, 2015 : 334,331) Indian Depository Receipt of ₹ 100 each	18.04	14.49	33.73
Total investments in other entity	**18.04**	**14.49**	**33.73**
Total non-current investments	**347.72**	**329.72**	**263.28**
Aggregate amount of quoted investments and market value thereof	18.04	14.49	33.73
Aggregate amount of unquoted investments	329.68	315.23	229.55
Aggregate amount of impairment in the value of investments	-	-	0.77

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
7(b) Current investments			
Bonds	4,639.92	6,240.04	6,961.81
Deep discount bonds	-	904.72	820.18
Mutual funds	428.73	183.11	-
Total current investments	**5,068.65**	**7,327.87**	**7,781.99**

Quoted

Investment carried at fair value through profit and loss

I. Investments in bonds

	Face value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
10.40% Vijaya Bank Perpetual	1,000,000	3.00	3.00	3	3.00	726	718.19
10.75% IDBI Bank Limited Perpetual	1,000,000	60.00	61.20	250	266.86	337	375.98
10.90% Family Credit Ltd 28/02/2024	1,000,000	12	13.23	-	-	-	-
11.09% IDBI Bank Perpetual	1,000,000	223	228.58	-	-	-	-
11.70% UCO Bank Perpetual	1,000,000	132	132.17	-	-	-	-
12.00% United Bank of India Perpetual	1,000,000	250	250.00	-	-	-	-
7.39% Hudco Tax Free 15/03/2031	1,000	4,000	4.39	-	-	-	-
8.25% Reliance Capital Ltd 14/04/2020	1,000,000	589	589.53	-	-	-	-
8.37% LIC Housing Finance Ltd 10/05/2021	1,000,000	1	1.00	-	-	-	-
8.65% IL&FS Finance Services Ltd	1,000	600	0.60	-	-	-	-
8.85% Reliance Capital Ltd 02/11/2026	1,000,000	11	11.03	-	-	-	-
8.94% Bajaj Finance Ltd 07/11/2025	1,000,000	1	1.03	-	-	-	-
9.10% Reliance General Insurance 17/08/2026	1,000,000	117	117.59	-	-	-	-
9.25% Capital First Ltd 20/11/2025	1,000,000	100	101.91	-	-	-	-
9.25% L&T Fincorp Ltd 09/09/2025	1,000,000	155	157.93	-	-	-	-
9.30% Indiabulls Housing Finance Ltd 29/06/2026	100,000	315	31.74	-	-	-	-
9.40% Industrial Finance Corporation of India Limited 2025	1,000	10,000	10.00	10,000	10.00	-	-
9.50% Union Bank of India Perpetual	1,000,000	204	210.73	-	-	-	-
9.51% Corporation Bank Of India Perpetual	1,000,000	126	125.37	1,006	1,038.45	-	-
9.85% DCB Bank 16/11/2026	100,000	2,200	220.00	-	-	-	-

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	Face value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
9.90% Industrial Finance Corporation of India Limited 2032	25,000	14	0.37	66	1.70	1,640	44.77
9.90% Industrial Finance Corporation of India Limited 2037	25,000	3,250	83.25	1,450	37.03	2,280	60.55
8.75% Axis Bank Perpetual	1,000,000	240	235.68	-	-	-	-
11.60% Bank Of Maharashtra Perpetual	1,000,000	63	63.00	-	-	-	-
8.75% Bajaj Finance Ltd 14/08/2026	1,000,000	2	2.03	-	-	-	-
9.25% Dewan Housing Finance Corporation Ltd 09/09/2023	1,000	58,900	58.76	-	-	-	-
10.75% Dewan Housing Finance Corporation Ltd Perpetual	1,000,000	195	198.94	-	-	-	-
8.07% Energy Efficiency Services Ltd 20/09/2021	1,000,000	6	6.04	-	-	-	-
8.07% Energy Efficiency Services Ltd 20/03/2020	1,000,000	64	64.45	-	-	-	-
9.75% Industrial Finance Corporation of India Limited 2028	1,000,000	30	31.23	116	118.90	332	374.72
9.30% Dewan Housing Finance Corporation Ltd 16/08/2026	1,000	63,200	63.57	-	-	-	-
10.00% Indian Overseas Bank Perpetual	1,000,000	405	400.98	255	255.00	379	383.10
10.40% Magma Fincorp Ltd 06/01/2027	1,000,000	20	20.20	-	-	-	-
7.38% National Bank For Agriculture And Rural Development 20/10/2031	1,000,000	2	2.01	-	-	-	-
9.95% Food Corporation Of India 07/03/2022	1,000,000	2	2.16	-	-	-	-
9.40% Reliance Home Finance Ltd 03/01/2032	1,000	334,498	346.44	-	-	-	-
9.50% Srei Equipment Finance Ltd 17/01/2020	1,000	15,000	15.08	-	-	-	-
8.97% U.P. Power Corporation Ltd 13/02/2026	1,000,000	66	66.05	-	-	-	-
8.97% U.P. Power Corporation Ltd 14/02/2025	1,000,000	1	1.00	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2021	1,000,000	117	117.08	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2022	1,000,000	114	114.08	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2023	1,000,000	6	6.00	-	-	-	-
8.97% U.P. Power Corporation Ltd 15/02/2024	1,000,000	70	70.05	-	-	-	-
7.50% Water Sanitation Pooled Fund 2020	100,000	27	2.70	27	2.73	20	2.20
9.50% Yes Bank Ltd 23/12/2021	1,000,000	190	190.00	-	-	-	-
7.59% Government of India 11/01/2026	100	500,000	52.40	-	-	-	-
7.61% Government of India 09/05/2030	100	1,500,000	155.34	-	-	-	-
10.20% Dena Bank Perpetual	1,000,000	-	-	527	580.75	564	564.20
10.45% Gujarat State Petroleum Corporation Limited 2072	1,000,000	-	-	221	239.24	195	216.03
11.80% IL&FS Transportation Networks Ltd 2024	1,000,000	-	-	10	10.56	-	-
11.95 % United Bank of India Perpetual	1,000,000	-	-	9	9.99	-	-
7.72% Government of India 2025	100	-	-	2,000,000	200.40	-	-
7.88% Government of India 2030	100	-	-	1,500,000	150.59	-	-
7.93% Power Grid Corporation of India Limited 2028	1,000,000	-	-	9	9.00	-	-
8.11% Rural Electrification Corporation Limited 2025	1,000,000	-	-	300	300.30	-	-
8.13 % Government of India 2045	100	-	-	500,000	51.23	-	-
8.14% Nuclear Power Corporation of India Ltd 2027	1,000,000	-	-	139	140.78	-	-
8.17 % Government of India 2044	100	-	-	1,000,000	102.70	1,500,000	159.11
8.23% Punjab National Bank 2025	1,000,000	-	-	223	223.00	-	-
8.33% Government of India Loan 2026	100	-	-	3,000,000	310.65	3,000,000	333.47

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(All amounts in Rupees million, unless otherwise stated)

	Face value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
8.48% National Highways Authority of India 2028	1,000,000	-	-	200	221.80	-	-
8.49% Indian Renewable Energy Development Agency 2028	1,000,000	-	-	64	65.18	95	96.95
8.65% India Infra Debt Ltd 2026	1,000,000	-	-	250	250.00	-	-
8.70% Power Finance Corporation Limited 2020	1,000,000	-	-	13	13.10	-	-
8.81% Tourism Finance Corporation of India Limited 2025	100,000	-	-	1,602	160.60	-	-
8.94% Power Finance Corporation Limited 2028	1,000,000	-	-	8	8.38	-	-
8.97% Government of India Loan 2030	100	-	-	1,000,000	109.35	1,000,000	119.68
9.48 % Oriental Bank of Commerce Perpetual	1,000,000	-	-	589	649.96	295	298.88
9.48% Bank of Maharashtra Perpetual	1,000,000	-	-	497	541.04	400	408.12
9.55% Andhra Bank Perpetual	1,000,000	-	-	10	10.00	-	-
9.80% Gujarat State Petroleum Corporation Limited 2073	1,000,000	-	-	141	147.77	81	85.61
9.84% Air India Limited 2026	1,000,000	-	-	-	-	1	1.24
8.97% Andhra Pradesh State Development Loan 2022	100	-	-	-	-	200,000	20.34
8.79% Bangalore Metro Rail Corporation Limited 2024	1,000,000	-	-	-	-	15	15.53
11% Bank of India Perpetual	1,000,000	-	-	-	-	3	3.52
9.55% Canara Bank Perpetual	1,000,000	-	-	-	-	90	89.79
8.30% Fertiliser Co. Spl 2023	100	-	-	-	-	32,000	3.45
9.15% Government of India Loan 2024	100	-	-	-	-	240,000	26.47
8.28% Government of India Loan 2032	100	-	-	-	-	35,000	3.91
7.40% Government of India Loan 2035	100	-	-	-	-	365,000	36.03
8.30% Government of India Loan 2040	100	-	-	-	-	5,000	0.58
8.30% Government of India Loan 2042	100	-	-	-	-	5,000,000	540.50
8.20% Housing And Urban Development Corp Ltd 2027	1,000	-	-	-	-	500	0.68
7.51% Housing And Urban Development Corp Ltd 2028	1,000	-	-	-	-	1,000	1.13
9.70% Industrial Finance Corporation of India Limited 2030	1,000,000	-	-	-	-	15	16.28
9.90% Industrial Finance Corporation of India Limited 2027	25,000	-	-	-	-	2,088	57.02
8.10% Indian Railway Finance Corporation Ltd. 2027	1,000	-	-	-	-	250,000	278.69
8.99% Madhya Pradesh State Development Loan 2022	100	-	-	-	-	50,500	5.16
8.20% Government of India OIL SPL 2024	100	-	-	-	-	50,000	5.09
8.55% Power Finance Corporation Limited 2021	1,000,000	-	-	-	-	100	102.89
8.20% Power Finance Corporation Limited 2022	1,000	-	-	-	-	1,000	1.18
9.65% Reliance Capital Limited 2025	1,000,000	-	-	-	-	203	203.90
8.27% Rural Electrification Corporation Limited 2022	1,000,000	-	-	-	-	10	10.02
8.82% Rural Electrification Corporation Limited 2023	1,000,000	-	-	-	-	50	53.39
8.23% Rural Electrification Corporation Limited 2025	1,000,000	-	-	-	-	70	70.10
7.38% Rural Electrification Corporation Limited 2027	1,000	-	-	-	-	1,000	1.14

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Face value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
8.06% Rural Electrification Corporation Limited 2023	1,000,000	-	-	-	-	733	743.64
8.74% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2027	1,000,000	-	-	-	-	273	269.61
9.00% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2026	1,000,000	-	-	-	-	7	7.53
9% SBI Cards & Payments Services Pvt. Ltd 2021	1,000,000	-	-	-	-	6	6.59
10.20% SREI Infrastructure Finance Ltd	1,000,000	-	-	-	-	137	143.74
9.20% Tamil Nadu Generation and Distribution Corporation Limited 2024	1,000,000	-	-	-	-	1	1.11
		-	-	-	-	-	-
Total Investments in bonds		**2,495,581**	**4,639.92**	**9,017,985**	**6,240.04**	**11,742,146**	**6,961.81**

Unquoted

Investment carried at fair value through profit and loss

I. Investment in deep discount bonds

	Face value in ₹	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Units	Amount	Units	Amount	Units	Amount
Industrial Finance Corporation of India Ltd Deep Discount Bond 2031	25,000	-	-	28,404	240.33	28,404	217.75
Industrial Finance Corporation of India Ltd Deep Discount Bond 2032	25,000	-	-	9,150	72.42	10,150	72.59
Industrial Finance Corporation of India Ltd Deep Discount Bond 2035	25,000	-	-	25,270	186.91	25,270	168.59
Industrial Finance Corporation of India Ltd Deep Discount Bond 2036	25,000	-	-	4,795	30.98	4,795	27.84
Industrial Finance Corporation of India Ltd Deep Discount Bond 2033	25,000	-	-	2,190	13.22	2,190	11.86
Industrial Finance Corporation of India Ltd Deep Discount Bond 2039	25,000	-	-	34,460	169.84	34,460	151.49
Industrial Finance Corporation of India Ltd Deep Discount Bond 2040	25,000	-	-	41,470	191.02	41,470	170.06
Total investments in deep discount bonds		**-**	**-**	**145,739**	**904.72**	**146,739**	**820.18**

II. Investment in mutual funds

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Units	Amount	Units	Amount	Units	Amount
Axis Liquid Fund - Growth	32,365	58.19	-	-	-	-
Reliance Liquid Fund - TP - Growth	81,065	320.53	-	-	-	-
SBI Premier Liquid Fund -Regular Fund -Growth	-	-	1,210	2.87	-	-
Baroda Pioneer Liquid Fund - Plan A Growth	26,851	50.01	-	-	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	75,855	180.24	-	-
Total investments in mutual funds	**140,281**	**428.73**	**77,065**	**183.11**	**-**	**-**
Aggregate amount of quoted investments and market value thereof		4,639.92		6,240.04		6,961.81
Aggregate amount of unquoted investments		428.73		1,087.83		820.18
		5,068.65		**7,327.87**		**7,781.99**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
8. Loans			
8(a) Non-current			
Unsecured, considered good			
Loans to joint venture (refer note 50)	2,095.23	1,786.44	2,785.40
Total non-current loans	**2,095.23**	**1,786.44**	**2,785.40**
8(b) Current			
Unsecured, considered good			
Loans to employees	6.63	6.88	5.05
Total current loans	**6.63**	**6.88**	**5.05**
Total loans	**2,101.86**	**1,793.32**	**2,790.45**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9. Other financial assets			
9(a) Non-current			
Security deposits			
Related parties (refer note 50)	202.22	286.31	274.53
Other parties	84.21	107.33	68.83
Term deposits with more than 12 months maturity			
Margin money deposits	4.62	26.35	58.02
Derivatives designated as hedges			
Interest rate swap	22.30	-	8.28
Derivatives not designated as hedges			
Coupon only swap	7.16	-	-
Others receivables	-	-	37.64
Total non-current other financial assets	**320.51**	**419.99**	**447.30**
9(b) Current			
Security deposits			
Related parties (refer note 50)	22.62	-	-
Other parties	1.25	1.99	0.65
Less: Allowance for doubtful security deposits	(0.02)	(0.02)	(0.02)
	23.85	**1.97**	**0.63**
Interest accrued on			
Loan to joint ventures (refer note 50)	11.95	225.63	208.86
Current investments	168.29	115.83	182.70
Others	4.66	1.76	6.12
	184.90	**343.22**	**397.68**
Other receivables from			
Related parties (refer note 50)	13.61	606.76	642.30
Other parties	-	-	54.19
	13.61	**606.76**	**696.49**
Derivatives designated as hedges			
Forward contracts	284.07	211.59	14.44
Derivatives not designated as hedges			
Forward contracts	-	4.00	2.84
Coupon only swap	-	-	24.48
	284.07	**215.59**	**41.76**
Receivable towards claim	67.38	19.89	40.79
Other receivables	-	31.70	46.14
Total current other financial assets	**573.81**	**1,219.13**	**1,223.49**
Total other financial assets	**894.32**	**1,639.12**	**1,670.79**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10. Deferred tax assets (net) (refer note 38)			
Deferred tax assets			
Employee benefits	-	0.27	-
Provision for doubtful balances	-	0.67	-
Cash flow hedging reserve	-	14.88	-
Gross deferred tax asset	-	15.82	-
Deferred tax liability			
Others		4.22	
Gross deferred tax liability	-	4.22	-
Net deferred tax assets	**-**	**11.60**	**-**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11. Other assets			
11(a) Non-current			
Capital advances			
Related parties (refer note 50)	595.87	-	-
Other parties	93.78	57.95	49.38
Less: Allowance for doubtful capital advances	(3.68)	(3.68)	(3.68)
	685.97	54.27	45.70
Balance with statutory authorities	490.72	535.76	576.70
Less: Allowance for doubtful balance with statutory authorities	(240.82)	(204.53)	(115.84)
	249.90	331.23	460.86
Advance to suppliers	65.76	81.16	96.32
Prepaid expenses	26.70	8.33	3.83
	92.46	89.49	100.15
Total other non-current assets	**1,028.33**	**474.99**	**606.71**
11(b) Current			
Balance with statutory authorities	1,956.85	1,382.72	1,886.41
Less: Allowance for doubtful balance with statutory authorities	(6.75)	(1.90)	-
	1,950.10	**1,380.82**	**1,886.41**
Advance to suppliers	180.37	187.04	206.69
Prepaid expenses	82.12	108.36	175.83
Advance to employees	4.25	12.26	15.39
Gratuity (refer note 39)	-	0.67	1.85
Export benefit receivable	491.87	247.30	659.25
Total other current assets	**2,708.71**	**1,936.45**	**2,945.42**
Total other assets	**3,737.04**	**2,411.44**	**3,552.13**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12. Inventories			
Raw materials	5,116.34	4,635.54	10,117.74
Goods-in-transit for raw material	4,617.42	1,981.17	1,304.40
Work-in-progress	1,197.76	1,195.46	775.81
Finished goods	4,704.25	2,980.97	3,612.01
Stores and spares	2,010.82	2,138.78	2,106.61
Total inventories	**17,646.59**	**12,931.92**	**17,916.57**

The write-downs of inventories to net realisable value amounted to ₹ 393.10 (March 31, 2016: ₹ 344.97). These were recognised as an expense during the year and are included in "Cost of materials consumed" and "Changes in inventories of work-in progress, stock-in-trade and finished goods" in the consolidated statement of profit and loss.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13. Trade receivables			
Receivable from related party (refer note 50)	7.16	1,607.57	2,848.67
Trade receivables from others	14,703.42	12,461.06	7,491.29
Allowance for doubtful debts	(58.65)	(61.98)	(58.28)
Total trade receivables	**14,651.93**	**14,006.65**	**10,281.68**
Break-up of security details			
Unsecured, considered good	14,651.93	14,006.65	10,281.68
Doubtful	58.65	61.98	58.28
Total	**14,710.58**	**14,068.63**	**10,339.96**
Allowance for doubtful debts	(58.65)	(61.98)	(58.28)
Total trade receivables	**14,651.93**	**14,006.65**	**10,281.68**

Trade receivables (before intercompany eliminations) with a carrying amount of ₹ 13,288.31 (March 31, 2016: ₹ 9,886.79 and April 01, 2015: ₹ 17,463.96) have been pledged as security against current bank borrowings of Welspun Corp limited.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14. Cash and cash equivalents			
Cash on hand	0.72	0.97	1.33
Balances with banks			
In current accounts	998.36	1,016.78	1,730.52
Deposits with maturity of less than three months	480.45	42.55	35.95
Total cash and cash equivalents	**1,479.53**	**1,060.30**	**1,767.80**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15. Bank balances other than cash and cash equivalents			
Unclaimed dividend (refer note (a) below)	3.82	4.15	4.49
Margin money deposits (refer note (b) below)	812.80	4,491.14	1,155.47
Total bank balances other than cash and cash equivalents	816.62	4,495.29	1,159.96

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

(b) Margin money deposits of ₹ 812.80 (March 31, 2016 : ₹ 4,491.14, April 01, 2015 : ₹ 1,155.47) are earmarked as a security towards working capital facilities and external commercial borrowings loan.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
16. Current tax assets (net)		
Opening balance	192.66	244.52
Current tax payable for the year	(50.66)	(1,147.92)
Refund received during the year	(194.05)	-
Taxes paid (including tax deducted at source)	62.97	1,096.06
	10.92	**192.66**
Transferred from current tax liability (refer note 26)	(9.49)	-
Closing balance	**1.43**	**192.66**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17. Assets classified as held for sale			
Plant and machinery*	6.00	19.88	8.40
Total assets classified as held for sale	**6.00**	**19.88**	**8.40**

*It includes plant and machinery which management intends to sell.

	Equity Shares			Preference Shares		
	Number of shares	Par value	Amount	Number of shares	Par value	Amount
18. Equity share capital and other equity						
18(a) Share capital						
Authorised share capital						
As at April 01, 2015	304,000,000	5.00	1,520.00	98,000,000	10.00	980.00
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2016	**304,000,000**	**5.00**	**1,520.00**	**98,000,000**	**10.00**	**980.00**
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2017	**304,000,000**	**5.00**	**1520.00**	**98,000,000**	**10.00**	**980.00**

(₹ in million)

i) Movement in equity shares capital	Number of shares	Amount
Issued, subscribed and paid up capital		
As at April 01, 2015	263,176,080	1,315.88
Increase on account of exercise of Employee Stock Options Scheme (refer note 52)	2,050,029	10.25
As at March 31, 2016	**265,226,109**	**1,326.13**
Increase/ (decrease) during the year	-	-
As at March 31, 2017	**265,226,109**	**1326.13**

ii) Terms and rights attached to equity shares

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.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

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.

Preference shares

Preference shares does not carry any voting rights in the company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

iii) Details of Shareholders holding more than 5% Shares in the Company

	No. of shares	% holding
As at March 31, 2017		
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	28,188,889	10.63%
Insight Solutions Limited	23,026,000	8.68%
Life Insurance Corporation of India Limited	19,277,980	7.27%
As at March 31, 2016		
Equity shares held by		
Krishiraj Trading Limited	59,979,691	22.61%
Granele Limited	35,038,889	13.21%
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%
Welspun Mercantile Limited	14,477,701	5.46%
Life Insurance Corporation of India Limited	19,277,980	7.27%
Welspun Wintex Limited	13,336,576	5.02%
As at April 01, 2015		
Equity shares held by		
Krishiraj Trading Limited	52,912,858	20.11%
Granele Limited	35,038,889	13.31%
J P Morgan Chase Bank NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)	23,026,000	8.75%
Life Insurance Corporation of India Limited	19,277,980	7.33%
Welspun Mercantile Limited	14,477,701	5.50%
Welspun Wintex Limited	13,336,576	5.07%

iv) Aggregate number of shares issued for consideration other than cash

The Company issued Nil (March 31, 2016: Nil, April 01, 2015: 227,781) equity shares of ₹ 5 each as sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (issue of sweat equity) Regulations, 2002.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Other equity			
18(b) Reserves and surplus			
(i) Capital reserve on consolidation	152.92	152.92	152.92
(ii) Securities premium reserve	7,769.82	7,769.82	7,644.81
(iii) Debenture redemption reserve	1,643.10	1,142.37	1,142.37
(iv) General reserve	227.69	53.09	53.09
(v) Foreign currency monetary item translation difference account	(95.91)	(279.42)	(418.32)
(vi) Share options outstanding account	-	-	35.77
(vii) Retained earnings	16,820.00	17,413.04	16,054.89
Total reserves and surplus	**26,517.62**	**26,251.82**	**24,665.53**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
(i) Capital reserve on consolidation		
Opening balance	152.92	152.92
Movement during the year	-	-
Closing balance	**152.92**	**152.92**
(ii) Securities premium reserve		
Opening balance	7,769.82	7,644.81
Exercise of employee stock options-proceeds received	-	125.01
Closing balance	**7,769.82**	**7,769.82**
(iii) Debenture redemption reserve		
Opening balance	1,142.37	1,142.37
Appropriations during the year	500.73	-
Closing balance	**1,643.10**	**1,142.37**
(iv) General reserve		
Opening balance	53.09	53.09
Appropriations during the year	174.60	-
Closing balance	**227.69**	**53.09**
(v) Foreign currency monetary item translation difference account (refer note 54)		
Opening balance	(279.42)	(418.32)
Movement during the year	5.21	(190.00)
Amortisation during the year	178.30	328.90
Closing balance	**(95.91)**	**(279.42)**
(vi) Share options outstanding account (refer note 52)		
Opening balance	-	35.77
Employee stock option expenses	-	97.44
Issue of shares on exercise of stock options	-	(133.21)
Closing balance	**-**	**-**
(vii) Retained earnings		
Opening balance	17,413.04	16,054.89
Profit for the year	264.25	1,518.12
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post employment benefit (net of tax)	(22.35)	(1.59)
Dividend on equity shares	(132.61)	(131.59)
Dividend distribution tax	(27.00)	(26.31)
Dividend distribution tax on dividend of earlier year	-	(0.48)
Transfer to debenture redemption reserve	(500.73)	-
Transfer to general reserve	(174.60)	-
Closing balance	**16,820.00**	**17,413.04**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18(c) Other reserves			
(i) Cash flow hedging reserve	135.11	31.79	(279.41)
(ii) Foreign currency translation reserve	115.51	379.19	300.33
Total other reserves	**250.62**	**410.98**	**20.92**

	As at March 31, 2017	As at March 31, 2016
(i) Cash flow hedging reserve		
Opening balance	31.79	(279.41)
Amount recognised in cash flow hedging reserve during the year (net)	317.66	54.92
Gain/ (Loss) transferred to statement of profit and loss	(159.65)	416.97
Income tax on opening balance on account of tax rate change	-	2.69
Income tax on amount recognised in cash flow hedging reserve	(54.69)	(163.38)
Closing balance	**135.11**	**31.79**
(ii) Foreign currency translation reserve		
Opening balance	379.19	300.33
Movement during the year	(263.68)	78.86
Closing balance	**115.51**	**379.19**

Nature and purpose of other equity

(i) Capital reserve on consolidation

Capital reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

(iv) General reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Group's securities. It was created by transfer of amounts out of distributable profits.

(v) Foreign currency monetary item translation difference account

Foreign exchange differences on long term foreign currency monetary items which relates to other than depreciable assets, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets/ liabilities.

(vi) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Welspun Employee stock option plan (refer note 52).

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(vii) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulating gain or loss arising on changes in the fair value of the designated portion of hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

(viii) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
19. Borrowings			
19(a) Non-current borrowings			
Secured			
Measured at amortised cost			
Redeemable non-convertible debentures [refer note (i) below]	10,077.76	13,101.94	13,612.72
Non-convertible Bonds - City of Little Rocks, Arkansas, Series 2007-A [refer note (ii) below]	-	495.31	483.45
Revenue bonds - City of Little Rocks, Arkansas, Series 2015 [refer note (iii) below]	458.74	-	-
External commercial borrowings [refer note (iv) below]	2,817.29	4,064.30	4,231.13
Term loan from banks [refer note (v) below]	-	-	1,857.60
Other loans from banks [refer note (vi) below]	3,142.42	3,421.25	4,390.44
Unsecured			
Measured at amortised cost			
Other loans [refer note (vii) below]	-	10.29	25.49
	16,496.21	**21,093.09**	**24,600.83**
Less: Current maturities of long-term debt [included in note 20(b)]	1,011.98	2,295.49	1,928.40
Less: Interest accrued [included in note 20(b)]	269.70	336.39	377.15
	1,281.68	**2,631.88**	**2,305.55**
Total non-current borrowings	**15,214.53**	**18,461.21**	**22,295.28**

(i) **Redeemable non-convertible debentures:** The debentures together with interest are secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable property, plant and equipment 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.

No. of debentures Face value (₹)	Face Value	Redemption date	Rate of interest per annum	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
5,000 (March 31, 2016: 5,000, April 01, 2015: 5,000)	1,000,000	September 2025	9.55%	5,000	5,000	5,000
2,000 (March 31, 2016: 5,000, April 01, 2015: 5,000)	1,000,000	August 2025	9.55%	2,000	5,000	5,000
900 (March 31, 2016: 900, April 01, 2015: 900)	1,000,000	November 2022	11.00%	900	900	900
528 (March 31, 2016: 528, April 01, 2015: 528)	1,000,000	September 2019	11.15%	528	528	528
1,510 (March 31, 2016: 1,510, April 01, 2015: 2,000)	1,000,000	August 2019	11.15%	1,510	1,510	2,000
Total				**9,938**	**12,938**	**13,428**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(ii) Non-convertible Bonds - City of Little Rocks, Arkansas, Series 2007-A:

These bonds were guaranteed by the Arkansas Development Finance Authority and the Arkansas Economic Development Commission; payable monthly which carry interest @ 5.75%, secured against property, plant and equipment of the subsidiary. The loan has been repaid during the current year.

(iii) Revenue bonds - City of Little Rocks, Arkansas, Series 2015:

City of little Rock, Arkansas Taxable Industrial Development Refunding Revenue Bond, Series 2015, of USD 7.98 million, obtained during the current year, due through May 2021; payable USD 152,250 monthly, including interest, at 3.50%, secured by the Company's property, plant and equipment.

(iv) External commercial borrowings (ECB) of USD 42.60 million (March 31, 2016:

USD 60.60 million, April 01, 2015: USD 67.30 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable property, plant and equipment of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% to 4.50%.

The ECB in INR Rupees is repayable as follows

Repayment schedule	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
October 2015	-	-	168.75
April 2016	-	-	250.00
October 2016	-	927.57	875.00
April 2017	-	265.02	250.00
October 2017	907.90	927.57	875.00
April 2018	259.40	265.02	250.00
October 2018	907.90	927.57	875.00
April 2019	343.71	351.15	331.25
October 2019	343.71	351.15	331.25
Total	**2,762.62**	**4,015.05**	**4,206.25**

(v) Term loan from a bank

Term loan of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 1,857.60) from bank was secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire movable and immovable property, plant and equipment 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 year ended March 31, 2016.

(vi) Other loans from banks

(a) Exim Import Bank of India loan of USD 50 million maturing on February 2022. Interest accrued at 3.25% over the three-month LIBOR rate, payable in four equal installments, due every six months beginning August 2020, secured by the Company's property, plant and equipment.

(b) Term loan of ₹ Nil (March 31, 2016: ₹ 3,408.64, April 01, 2015: ₹ 4,382.41) from bank carries interest ranging LIBOR plus 2.71 % to 4.46%. The loan has been repaid during the current year.

(vii) Other unsecured loans

Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ Nil (March 31, 2016: ₹ 10.29, April 01, 2015: ₹ 18.66). The loan carries interest rate of 12.03%. The outstanding loan is repayable within 12 months from the balance sheet date. The loan has been repaid during the year ended March 31, 2017.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
19(b) Current borrowings			
Secured			
Measured at amortised cost			
Loans repayable on demand			
Working capital loan from banks (refer note (i) and (ii) below)	-	98.40	2.29
Pre-shipment Credit in Foreign Currency (PCFC) (refer note (i) and (ii) below)	67.19	4,245.89	-
Buyers' Credit (refer note (i) and (ii) below)	2,144.14	1,336.65	1,884.38
	2,211.33	**5,680.94**	**1,886.67**
Less: Interest accrued [included in note 20(b)]	8.06	0.48	2.87
Total current borrowings	**2,203.27**	**5,680.46**	**1,883.80**

(i) Nature of security for current borrowings

Secured by first charge on hypothecation of raw materials, finished goods, work-in-progress, goods-in-transit, stores and spares and trade receivables of the Company and second charge on entire immovable and movable property, plant and equipment of the Company both present and future.

(ii) Terms of repayment and interest

Working capital loan from banks and PCFC loan have a tenure of twelve months from the date of sanction and are repayable on demand.

Buyer's credit is repayable upto a period of 180 days from the drawdown date and carries an interest rate of LIBOR plus maximum 50 basis points per annum.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
20. Other financial liabilities			
20(a) Non-current			
Derivatives designated as hedges			
Interest rate swap	-	15.16	17.89
Liability towards claims	-	563.68	490.08
Total other non-current financial liabilities	**-**	**578.84**	**507.97**
20(b) Current			
Current maturities of long-term borrowings	1,011.98	2,295.49	1,928.40
Interest accrued but not due on borrowings	277.76	336.87	380.02
Interest accrued but not due on acceptances and others	68.23	21.71	15.86
Unclaimed dividend (refer note 15)	3.82	4.15	4.49
Trade deposits	14.23	13.00	15.45
Capital creditors	30.27	32.62	38.84
Liability towards claims	598.63	-	1,040.63
Derivatives not designated as hedges			
Forward contracts	209.50	78.16	29.76
Coupon only swap	5.63	82.03	110.00
Derivatives designated as hedges			
Forward contracts	99.75	147.83	428.12
Share of loss of joint venture (refer note 44(d) and note 50)	165.93	27.17	-
Total other current financial liabilities	**2,485.73**	**3,039.03**	**3,991.57**
Total other financial liabilities	**2,485.73**	**3,617.87**	**4,499.54**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21. Provisions			
21(a) Non-current			
Employee benefits obligations			
Gratuity (refer note 39)	84.57	-	-
Other provisions			
Provision for litigation/ disputes (refer note 40)	266.35	271.62	266.30
Total non-current provisions	**350.92**	**271.62**	**266.30**
21(b) Current			
Employee benefits obligations			
Gratuity (refer note 39)	0.08	29.45	25.38
Leave obligations (refer note 39)	76.74	65.20	58.31
Other provisions			
Provision for claims	96.05	72.94	56.11
Liquidated damages	-	-	20.00
Total current provisions	**172.87**	**167.59**	**159.80**
Total provisions	**523.79**	**439.21**	**426.10**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
22. Deferred tax liabilities (net) (refer note 38)			
The balance comprises temporary differences attributable to			
Deferred tax liabilities			
Property, plant and equipment	6,375.03	7,034.95	6,917.62
Foreign currency monetary item translation difference account	33.18	96.70	142.19
Fair valuation of investments	24.09	35.94	83.98
Effective rate of interest on borrowings	23.43	38.28	52.50
Discounting of liability	17.26	34.21	45.86
Cash flow hedging reserve	51.98	27.07	-
Undistributed profit of joint venture	74.12	124.18	129.58
Others	124.43	-	0.42
	6,723.52	**7,391.33**	**7,372.15**
Set-off of deferred tax assets pursuant to set-off provisions			
Deferred tax asset			
Employee benefits obligations	67.67	30.66	26.75
Allowance for doubtful debts and advances	232.65	119.75	171.84
Unabsorbed business losses	274.88	1,351.82	1,131.22
Cash flow hedging reserve	-	-	143.88
Government grants	1,407.96	1,374.00	1,308.51
Unrealised profit on stock reserve	230.03	47.55	165.83
Others	73.34	166.78	18.08
	2,286.53	**3,090.56**	**2,966.11**
Tax credit (minimum alternate tax)	631.89	262.92	262.92
Total deferred tax liabilities (net)	**3,805.10**	**4,037.85**	**4,143.12**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
23. Government grants			
Opening balance	3,970.16	3,849.69	
Grants during the year	883.09	777.07	
Less: Recognised in the statement of profit and loss (refer note 28)	784.95	656.60	
Closing balance	**4,068.30**	**3,970.16**	
Non Current	3,653.64	3,600.40	3,519.53
Current	414.66	369.76	330.16
Total government grants	**4,068.30**	**3,970.16**	**3,849.69**

Note: The Company is entitled to VAT Incentive, on its investment in the eligible property plant and equipment, on fulfillment of the conditions stated in the scheme for the mentioned period.

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
24. Other liabilities			
24(a) Non-current			
Trade advances	-	876.00	20.31
Total other non-current liabilities	**-**	**876.00**	**20.31**
24(b) Current			
Trade advances	1,577.08	3,573.66	1,361.80
Statutory dues including provident fund and tax deducted at source	383.52	274.48	236.62
Employee dues payable	243.33	111.44	94.43
Total other current liabilities	**2,203.93**	**3,959.58**	**1,692.85**
Total other liabilities	**2,203.93**	**4,835.58**	**1,713.16**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
25. Trade payables			
Current			
Trade payables for acceptances	19,853.67	11,933.36	20,688.01
Trade payables to others	1,622.06	3,666.99	2,991.67
Trade payables to related parties (refer note 50)	455.29	371.05	40.41
Total trade payables	**21,931.02**	**15,971.40**	**23,720.09**

	As at March 31, 2017	As at March 31, 2016
26. Current tax liabilities (net)		
Opening balance	65.09	84.65
Current tax payable for the year	421.56	57.13
Refund received	772.15	-
Taxes paid (including tax deducted at source)	(445.41)	(76.69)
	813.39	**65.09**
Shown under Current tax assets (refer note 16)	(9.49)	-
Closing balance	**803.90**	**65.09**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
27. Revenue from operations		
Sale of products		
Finished goods	56,263.61	68,283.53
Traded goods	1,370.46	3,544.66
Total revenue from operations	**57,634.07**	**71,828.19**

	Year ended March 31, 2017	Year ended March 31, 2016
28. Other operating revenue		
Government grants		
VAT income	784.95	656.60
Export benefits	600.27	240.35
Scrap sale	1,144.88	738.90
Allowance for doubtful debts (net)	3.33	-
Others	187.15	336.70
Total other operating revenue	**2,720.58**	**1,972.55**

	Year ended March 31, 2017	Year ended March 31, 2016
29. Other income		
Interest income		
Loan to related party (refer note 50)	106.50	116.17
Current investments	521.10	628.34
Fixed deposits	210.73	137.07
Income tax refund	130.42	-
Others	198.53	155.85
Dividend income on		
Non-current investments (refer note 50)	-	19.44
Current investments	3.01	2.56
Net gain on sale/ redemption of		
Non-current investments	0.02	-
Current investments	168.30	12.26
Other non-operating income		
Rental income	22.28	18.75
Net exchange differences	654.07	-
Commission income	221.08	25.11
Fair value gain on investment (net)	-	5.32
Miscellaneous income	9.96	10.66
Total other income	**2,246.00**	**1,131.53**

	Year ended March 31, 2017	Year ended March 31, 2016
30. Cost of materials consumed		
Raw materials at the beginning of the year	6,616.71	11,422.14
Add: Purchases	39,394.21	38,931.74
Less: Raw materials at the end of the year	9,733.76	6,616.71
Total cost of materials consumed	**36,277.16**	**43,737.17**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
31. Purchase of traded goods		
Purchase of stock-in-trade	5,850.47	366.26
Total purchase of traded goods	**5,850.47**	**366.26**

	Year ended March 31, 2017	Year ended March 31, 2016
32. Changes in inventories of work-in progress and finished goods		
Opening Balance		
Work-in-progress	1,195.46	775.81
Finished goods	2,980.97	3,612.01
Total opening balance	**4,176.43**	**4,387.82**
Closing Balance		
Work-in-progress	1,197.76	1,195.46
Finished goods	4,704.25	2,980.97
Total closing balance	**5,902.01**	**4,176.43**
Total changes in inventories of work-in progress and finished goods	**(1,725.58)**	**211.39**

	Year ended March 31, 2017	Year ended March 31, 2016
33. Employee benefit expense		
Salaries, wages and bonus	3,862.50	5,003.77
Contribution to provident and other funds (refer note below)	308.07	317.32
Gratuity expense (refer note 39)	21.69	20.82
Staff welfare expenses	113.22	137.01
Employee share based expense (refer note 50 and 52)	-	97.44
Total employee benefit expense	**4,305.48**	**5,576.36**

Note

Defined contribution plans

i. Employers' contribution to Provident Fund and Employee's Pension Scheme, 1995

ii. Employees' State Insurance Act, 1948

iii. Superannuation fund

iv. Others

	Year ended March 31, 2017	Year ended March 31, 2016
During the year, the Group has recognised the following amounts in the statement of profit and loss		
Employer's contribution to Provident Fund	73.49	71.68
Employer's contribution to Employees State Insurance	0.82	0.50
Employer's contribution to Employees Pension Scheme	8.37	6.44
Employer's contribution to Superannuation Fund	6.24	5.22
Other schemes	219.16	233.48
Total expenses recognised in the statement of profit and loss	**308.07**	**317.32**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
34. Depreciation and amortisation expense		
Depreciation of property, plant and equipment	3,807.60	3,815.29
Amortisation of intangible assets	53.20	49.50
Total depreciation and amortisation expense	**3,860.80**	**3,864.79**

	Year ended March 31, 2017	Year ended March 31, 2016
35. Other expenses		
Consumption of stores and spares	1,758.89	1,841.86
Labour charges	304.88	719.72
Coating and other job charges	201.46	605.25
Power, fuel and water charges	1,062.64	1,167.63
Freight, material handling and transportation	3,901.77	5,695.37
Rental charges (refer note 49)	184.50	293.53
Rates and taxes	76.65	168.94
Repairs and maintenance		
Plant and machinery	133.59	168.68
Buildings	97.26	27.51
Others	271.28	453.03
Travelling and conveyance expenses	251.34	294.21
Communication expenses	34.24	39.88
Legal and professional fees	282.08	499.84
Insurance	131.84	127.96
Directors' sitting fees (refer note 50)	4.43	3.86
Printing and stationery	35.53	66.40
Security charges	47.79	48.71
Membership and fees	43.30	38.59
Vehicle expenses	12.12	12.90
Net exchange difference	-	1,360.59
Payment to auditors	13.59	14.36
Sales promotion expenses	46.47	58.79
Commission on sales to agents	42.28	757.44
Investment written off (refer note 6 and 7)	-	0.80
Less: Provision for diminution in value of Investment	-	(0.80)
Allowance for doubtful debts (net)	12.80	3.70
Loss on sale of current investments (net)	-	1.80
Loss on disposal of property, plant and equipment (net)	12.07	31.94
Expenditure towards corporate social responsibility (refer note below and 50)	2.33	2.23
Fair valuation loss on investments (net)	11.03	-
Fair value losses on derivatives not designated as hedges (net)	51.79	43.26
Realised loss on settlement of derivatives	44.01	13.47
Miscellaneous expenses	83.45	125.54
Total other expenses	**9,155.41**	**14,686.99**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
Note		
Corporate social responsibility expenditure		
Contribution to Welspun Foundation for Health and Knowledge	2.33	2.23
Total	**2.33**	**2.23**
Amount required to be spent as per section 135 of the Act		
Amount spent during the year on:		
Construction/ acquisition of any asset	-	-
On purposes other than above	2.33	2.23

	Year ended March 31, 2017	Year ended March 31, 2016
36. Finance cost		
Interest on financial liabilities not at fair value through profit and loss		
Term borrowings	385.36	411.93
Redeemable non-convertible debentures	1,312.29	1,338.71
Current borrowings	93.14	102.69
Interest on acceptances and charges on letter of credit	339.06	225.55
Unwinding of discount on liabilities	46.90	44.16
Others finance cost	180.39	288.34
Total finance cost	**2,357.14**	**2,411.38**

	Year ended March 31, 2017	Year ended March 31, 2016
37. Income tax expense		
(i) Income tax expenses		
Current tax		
Current tax on profits for the year	472.21	1,205.05
Total current tax	**472.21**	**1,205.05**
Deferred tax (refer note 38)		
Decrease/ (increase) in deferred tax assets (including tax credit)	459.28	(132.49)
Decrease in deferred tax liabilities	(673.45)	(280.36)
Total deferred tax benefit	**(214.17)**	**(412.85)**
Total income tax expense	**258.04**	**792.20**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	**359.19**	**2,584.99**
Tax rate	34.608%	34.608%
Tax at normal rate	**124.31**	**894.61**
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
Dividend income	(1.04)	(7.61)
Expense/ (income) on which no deferred tax was required to be recognised	(13.43)	17.84
Eligible donation @ 50% allowed under section 80G of income tax act, 1961	0.40	0.39
Items subject to differential tax rate	5.00	13.13
Share of loss of joint ventures accounted for using the equity method	274.44	16.36
Employee share-based payment expenses	-	(0.66)
Change in tax rate (basis adjustment)	-	41.54
Weighted deduction on eligible expenditure in Welspun Pipes Inc. (subsidiary)	28.25	(182.07)
Tax on undistributed earning relating to investment in joint venture	(50.06)	(5.40)
Difference in overseas tax rates	(98.37)	5.80
Others	(11.46)	(1.73)
Total income tax expense	**258.04**	**792.20**

(iii) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters.

(iv) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters. Deferred income tax liabilities have not been recognised on temporary differences amounting to ₹ 1,195.07 (March 31, 2016: ₹ 1,333.46), associated with investments in subsidiaries as it is probable that the temporary differences will not reverse in the foreseeable future.

(All amounts in Rupees million, unless otherwise stated)

38 Movement in deferred tax liabilities and deferred tax assets

	Deferred tax liabilities									Deferred tax assets									Net Deferred tax liabilities
	Property, plant and equipment	Foreign currency monetary item translation difference account	Fair value of investments	Effective rate of interest on borrowings	Discounting of Liability	Hedging Reserve Account	Undistributed profit/ (loss) of joint venture	Others	Total Deferred tax liabilities	Employee benefits obligations	Provision for doubtful debts and advances	Unabsorbed business losses	Hedging Reserve Account	Government grants	Unrealised Profit on Stock Reserve	Tax credit (minimum alternate tax)	Others	Total Deferred tax assets	
As at April 01, 2015	6,917.62	142.19	83.98	52.50	45.86	-	129.58	0.42	7,372.15	26.75	171.84	1,131.22	143.88	1,308.51	165.83	262.92	18.08	3,229.03	**4,143.12**
Charged/ (Credited)																		-	**-**
to profit and loss	(25.74)	(45.49)	(48.04)	(14.22)	(11.65)	(133.62)	(5.40)	3.80	(280.36)	3.34	(51.42)	229.62	(143.88)	65.49	(118.28)	-	147.62	132.49	**(412.85)**
to other comprehensive income	-	-	-	-	-	163.38		-	163.38	0.84								0.84	**162.54**
Income tax on opening balance on account of tax rate change	-	-	-	-	-	(2.69)	-	-	(2.69)	-	-	-	-	-	-	-	-	-	**(2.69)**
Exchange difference	143.07	-	-	-	-	-	-	-	143.07	-	-	5.86	-	-	-	-	1.08	6.94	**136.13**
As at March 31, 2016	**7,034.95**	**96.70**	**35.94**	**38.28**	**34.21**	**27.07**	**124.18**	**4.22**	**7,395.55**	**30.93**	**120.42**	**1,366.70**	**-**	**1,374.00**	**47.55**	**262.92**	**166.78**	**3,369.30**	**4,026.25**
Charged/ (Credited)																			
to profit and loss	(606.65)	(63.52)	(11.85)	(14.85)	(16.95)	(29.78)	(50.06)	120.21	(673.45)	24.91	112.23	(1,091.82)	-	33.96	182.48	368.97	(90.01)	(459.28)	**(214.17)**
to other comprehensive income	-	-	-	-	-	54.69	-	-	54.69	11.83	-	-	-	-	-	-	-	11.83	**42.86**
Exchange difference	(53.27)	-	-	-	-	-	-	-	(53.27)	-	-	-	-	-	-	-	(3.43)	(3.43)	**(49.84)**
As at March 31, 2017	**6,375.03**	**33.18**	**24.09**	**23.43**	**17.26**	**51.98**	**74.12**	**124.43**	**6,723.52**	**67.67**	**232.65**	**274.88**	**-**	**1,407.96**	**230.03**	**631.89**	**73.34**	**2,918.42**	**3,805.10**

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39. Employee benefits obligations

(i) Leave obligations

The leave obligations cover the Group's liability for earned leave.

(ii) Post-employment obligations - gratuity

The Group has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

This defined benefit plans expose the Group to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2015	147.22	(123.69)	23.53
Current service cost	18.92	-	18.92
Interest expense/ (income)	11.70	(9.80)	1.90
Total amount recognised in profit or loss	**30.62**	**(9.80)**	**20.82**
Remeasurements			
Return on plan assets excluding amount included in interest expense	-	0.75	0.75
Experience losses	4.38	-	4.38
Gain from change in financial assumptions	(2.70)	-	(2.70)
Total amount recognised in other comprehensive income	**1.68**	**0.75**	**2.43**
Employer's Contribution	-	(18.00)	(18.00)
Benefit payments	(15.69)	15.69	-
March 31, 2016	**163.83**	**(135.05)**	**28.78**

	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2016	**163.83**	**(135.05)**	**28.78**
Current service cost	19.38	-	19.38
Interest expense/ (income)	13.12	(10.81)	2.31
Total amount recognised in profit or loss	**32.50**	**(10.81)**	**21.69**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	(2.09)	(2.09)
Experience (gains)/ losses	5.55	(0.07)	5.48
Loss from change in financial assumptions	30.79	-	30.79
Total amount recognised in other comprehensive income	**36.34**	**(2.16)**	**34.18**
Benefit payments	(24.43)	24.43	-
March 31, 2017	**208.24**	**(123.59)**	**84.65**

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The net liability disclosed above relating to funded and unfunded plans are as follows

	As at March 31, 2017	As at March 31, 2016	As at April 01,2015
Present value of funded obligations	208.24	163.83	147.22
Fair value of plan assets	(123.59)	(135.05)	(123.69)
Deficit of funded plan	**84.65**	**28.78**	**23.53**
Non-current provision (refer note 21(a))	**84.57**	**-**	**-**
Current provision (refer note 21(b))	**0.08**	**29.45**	**25.38**
Other current assets (refer note 11(b))	**-**	**(0.67)**	**(1.85)**

(iv) Significant actuarial assumptions are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01,2015
Discount rate	7.57%	8.01%	7.96%
Salary growth rate	6.00%	5.00%	5.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

Assumptions	Impact on defined benefit obligation							
	Change in assumption (%)		Increase in assumption (₹)			Decrease in assumption (₹)		
	March 31, 2017	March 31, 2016		March 31, 2017	March 31, 2016		March 31, 2017	March 31, 2016
Discount rate	1.00%	1.00%	Decrease by	21.54	16.52	Increase by	25.50	19.54
Salary growth rate	1.00%	1.00%	Increase by	25.64	5.44	Decrease by	22.03	6.21

(vi) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which is Asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the Group in Kotak Group Gratuity Fund wholly with Kotak Life Insurance. The Group intends to maintain this investment in the continuing years.

(vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ending March 31, 2018 is ₹ 50.57 (March 31, 2017: ₹ 48.17, March 31, 2016: ₹ 43.77).

The weighted average duration of the defined benefit obligation is 10 years (2016 - 10 years, 2015- 10 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2017					
Defined benefit obligations- Gratuity	15.46	5.06	27.93	114.39	162.84
March 31, 2016					
Defined benefit obligations- Gratuity	13.09	4.77	26.54	109.00	153.40

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40. Movements in provisions.

Movements in each class of provisions during the financial year ended March 31, 2017 are set out below:

	As at March 31, 2017				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 01, 2016	136.22	88.45	7.93	39.02	271.62
Provided during the year	-	0.11	-	-	0.11
Provision reversed during the year		(5.38)	-		(5.38)
Closing balance as at March 31, 2017	**136.22**	**83.18**	**7.93**	**39.02**	**266.35**

Movements in each class of provisions during the financial year ended March 31, 2016 are set out below:

	As at March 31, 2016				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 01, 2015	138.21	88.45	7.78	31.86	266.30
Provided during the year	-	-	0.15	18.07	18.22
Provision reversed during the year	(1.99)	-	-	(10.91)	(12.90)
Closing balance as at March 31, 2016	**136.22**	**88.45**	**7.93**	**39.02**	**271.62**

Note: There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

41. Fair Value Measurements

Financial instruments by category

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets						
Investments						
Equity instruments	135.16	-	120.71	-	108.56	-
Preference shares	194.52	-	194.52	-	120.99	-
Bonds	4,639.92	-	7,144.76	-	7,781.99	-
Mutual funds	428.73	-	183.11	-	-	-
Others	18.04	-	14.49	-	33.73	-
Loans						
Loans to joint venture	-	2,095.23	-	1,786.44	-	2,785.40
Loans to employees	-	6.63	-	6.88	-	5.05
Trade Receivables	-	14,651.93	-	14,006.65	-	10,281.68
Cash and cash equivalents	-	1,479.53	-	1,060.30	-	1,767.80
Bank balances other than cash and cash equivalents	-	816.62	-	4,495.29	-	1,159.96
Other financial assets						
Security deposits	-	310.28	-	395.61	-	343.99
Term deposits with maturity more than 12 months	-	4.62	-	26.35	-	58.02
Derivatives designated as hedge						
Forward contracts	284.07	-	211.59	-	14.44	-
Interest rate swaps	22.30	-	-	-	8.28	-

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Derivatives not designated as hedge						
Forward contracts	-	-	4.00	-	2.84	-
Coupon only swap	7.16	-	-	-	24.48	-
Others	-	265.89	-	1,001.57	-	1,218.74
Total financial assets	**5,729.90**	**19,630.73**	**7,873.18**	**22,779.09**	**8,095.31**	**17,620.64**
Financial liabilities						
Borrowings (includes interest accrued and current maturities of long-term debt)	-	18,707.54	-	26,774.03	-	26,487.50
Trade payables	-	21,931.02	-	15,971.40	-	23,720.09
Other financial liabilities						
Derivatives designated as hedge						
Forward contracts	99.75	-	147.83	-	428.12	-
Interest rate swaps	-	-	15.16	-	17.89	-
Derivatives not designated as hedge						
Forward contracts	209.50	-	78.16	-	29.76	-
Coupon only swap	5.63	-	82.03	-	110.00	-
Capital creditors	-	30.27	-	32.62	-	38.84
Others	-	850.84	-	629.71	-	1,566.51
Total financial liabilities	**314.88**	**41,519.67**	**323.18**	**43,407.76**	**585.77**	**51,812.94**

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	135.16	135.16
Preference shares	-	-	194.52	194.52
Bonds	-	4,639.92	-	4,639.92
Mutual fund	-	428.73	-	428.73
Others	18.04	-	-	18.04
Derivatives designated as hedges				
Forward contracts	-	284.07	-	284.07
Interest rate swap	-	22.30	-	22.30
Derivatives not designated as hedges				
Coupon only swap	-	7.16	-	7.16
Total financial assets	**18.04**	**5,382.18**	**329.68**	**5,729.90**

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(All amounts in Rupees million, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivatives designated as hedges				
Forward contracts	-	99.75	-	99.75
Derivatives designated not as hedges				
Forward contracts	-	209.50	-	209.50
Coupon only swap	-	5.63	-	5.63
Total financial liabilities	**-**	**314.88**	**-**	**314.88**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	2,095.23	2,095.23
Loans to employees	-	-	6.63	6.63
Other financial assets				
Security deposits	-	-	310.28	310.28
Term deposits with maturity more than 12 months	-	-	4.62	4.62
Others	-	-	265.89	265.89
Total financial assets	**-**	**-**	**2,682.65**	**2,682.65**
Financial liabilities				
Borrowings	-	-	18,707.54	18,707.54
Other financial liabilities				
Capital creditors and others	-	-	881.11	881.11
Total financial liabilities	**-**	**-**	**19,588.65**	**19,588.65**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	120.71	120.71
Preference Shares	-	-	194.52	194.52
Bonds	-	7,144.76	-	7,144.76
Mutual Fund	-	183.11	-	183.11
Others	14.49	-	-	14.49
Derivatives designed as hedges				-
Forward contracts	-	211.59	-	211.59
Derivatives not designated as hedges				-
Forward contracts	-	4.00	-	4.00
Total financial assets	**14.49**	**7,543.46**	**315.23**	**7,873.18**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	147.83	-	147.83
Interest rate swap	-	15.16	-	15.16
Derivatives not designated as hedges				
Forward contracts	-	78.16	-	78.16
Coupon only swap	-	82.03	-	82.03
Total financial liabilities	**-**	**323.18**	**-**	**323.18**

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Assets and Liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	1,786.44	1,786.44
Loans to employees	-	-	6.88	6.88
Other financial assets				
Security deposits	-	-	395.61	395.61
Term deposits with maturity more than 12 months	-	-	26.35	26.35
Others	-	-	1,001.57	1,001.57
Total financial assets	**-**	**-**	**3,216.85**	**3,216.85**
Financial liabilities				
Borrowings	-	-	26,774.03	26,774.03
Other financial liabilities				
Capital creditors and others	-	-	662.33	662.33
Total financial liabilities	**-**	**-**	**27,436.36**	**27,436.36**

Financial assets and Liabilities measured at fair value - recurring fair value measurements at April 01, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	108.56	108.56
Preference Shares	-	-	120.99	120.99
Bonds	-	7,781.99	-	7,781.99
Others	33.73	-	-	33.73
Derivatives designed as hedges				
Forward contracts	-	14.44	-	14.44
Interest rate swap	-	8.28	-	8.28
Derivatives not designated as hedges				-
Coupon only swap	-	24.48	-	24.48
Forward contracts	-	2.84	-	2.84
Total financial assets	**33.73**	**7,832.03**	**229.55**	**8,095.31**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	428.12	-	428.12
Interest rate swap	-	17.89	-	17.89
Derivatives not designed as hedges				
Forward contracts	-	29.76	-	29.76
Coupon only swap	-	110.00	-	110.00
Total financial liabilities	**-**	**585.77**	**-**	**585.77**

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Assets and Liabilities which are measured at amortised cost for which fair value are disclosed at April 01, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	2,785.40	2,785.40
Loans to employees	-	-	5.05	5.05
Other financial assets				
Security deposits	-	-	343.99	343.99
Term deposits with maturity more than 12 months	-	-	58.02	58.02
Others	-	-	1,218.74	1,218.74
Total financial assets	**-**	**-**	**4,411.20**	**4,411.20**
Financial liabilities				
Borrowings	-	-	26,487.50	26,487.50
Other financial liabilities				
Capital creditors and others	-	-	1,605.35	1,605.35
Total financial liabilities	**-**	**-**	**28,092.85**	**28,092.85**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in Standard Chartered Bank PLC Indian Depository Receipt.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has derivatives which are designated as hedges and which are not designated as hedges, bonds and mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include

Investment in Standard Chartered Bank PLC Indian Depository Receipt is valued using the closing price at National Stock Exchange (NSE) at the reporting period. the fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange. the fair value of interest rate swaps and coupon only swap is calculated as the present value of the estimated future cash flows based on observable yield curves. the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors. the fair value of quoted bonds are derived based on the indicative quotes of price and yields prevailing in the market or latest available prices. the fair value of deep discount bonds are derived based on the yields comparable to Tax Free bonds considering the spreads of such deep discount bonds.

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(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2017 and March 31, 2016:

	Unlisted equity shares	Unlisted preference shares	Total
As at April 01, 2015	**108.56**	**120.99**	**229.55**
Purchases	10.55	17.23	27.78
Gain recognised in profit or loss	1.60	56.30	57.90
As at March 31, 2016	**120.71**	**194.52**	**315.23**
Gain recognised in profit or loss	14.45	-	14.45
As at March 31, 2017	**135.16**	**194.52**	**329.68**
Unrealised gain recognised in profit or loss related to assets held at the end of the reporting period			
Year ended March 31, 2017	14.45	-	14.45
Year ended March 31, 2016	1.60	56.30	57.90

(iv) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2017	As at March 31, 2016		As at March 31, 2017	As at March 31, 2016	
Unlisted equity shares	135.16	120.71	Risk adjusted discount rate	11%	12%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)
Unlisted preference shares	194.52	194.52	Risk adjusted discount rate	10%	10%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)

(v) Valuation processes

The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Loans						
Loans to joint venture	2,095.23	2,095.23	1,786.44	1,786.44	2,785.40	2,785.40
Loans to employees	6.63	6.63	6.88	6.88	5.05	5.05
Other financial assets						
Security deposits	310.28	310.28	395.61	395.61	343.99	343.99
Term deposits with maturity more than 12 months	4.62	4.62	26.35	26.35	58.02	58.02
Others	265.89	265.89	1,001.57	1,001.57	1,218.74	1,218.74
Total	**2,682.65**	**2,682.65**	**3,216.85**	**3,216.85**	**4,411.20**	**4,411.20**

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	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities						
Borrowings (includes interest accrued and current maturities of long-term debt)	18,707.54	18,707.54	26,774.03	26,774.03	26,487.50	26,487.50
Other financial liabilities						
Capital creditors and others	881.11	881.11	662.33	662.33	1,605.35	1,605.35
Total	**19,588.65**	**19,588.65**	**27,436.36**	**27,436.36**	**28,092.85**	**28,092.85**

a) The carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their value, due to their short-term nature.

b) The fair values and carrying value of loans, term deposits with maturity period more than 12 months, security deposits, other financial assets, borrowings and other financial liabilities (other than those covered in above note (a)) are materially the same.

42. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate risk	Borrowings	Sensitivity analysis	Interest rate swaps
Market risk – security prices risk	Investments in bonds and mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

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(I) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable (net of allowance) broken into ageing bucket is given below:

	0-120 Days	More than 120 Days	Total
March 31, 2017	13,866.92	785.01	**14,651.93**
March 31, 2016	11,802.50	2,204.15	**14,006.65**
April 01, 2015	7,696.22	2,585.46	**10,281.68**

b) Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, derivative financial instruments, investments in government securities and bonds and investments in mutual funds. The Group has diversified portfolio of investment with various number of counterparties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group.

(II) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities for working capital at the end of the reporting period

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Floating rate			
Expiring within one year	1,864.60	2,136.00	2,118.50
Expiring beyond one year	3,242.50	-	-
Total	**5,107.10**	**2,136.00**	**2,118.50**

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(All amounts in Rupees million, unless otherwise stated)

(b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:
All non-derivative financial liabilities, and

Derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

As at March 31, 2017

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	4,526.98	8,348.94	4,239.06	7,038.71	24,153.68	18,707.54
Trade payables	21,931.02	-	-	-	21,931.02	21,931.02
Other financial liabilities	881.11	-	-	-	881.11	881.11
Total non-derivative liabilities	**27,339.11**	**8,348.94**	**4,239.06**	**7,038.71**	**46,965.81**	**41,519.67**
Derivatives						
Forward contracts	309.25	-	-	-	309.25	309.25
Coupon only swap	5.63	-	-	-	5.63	5.63
Total derivative liabilities	314.88	-	-	-	314.88	314.88

As at March 31, 2016

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	9,025.46	9,337.48	3,482.38	13,303.01	35,148.34	26,774.03
Trade payables	15,971.40	-	-	-	15,971.40	15,971.40
Other financial liabilities	98.65	563.68		-	662.33	662.33
Total non-derivative liabilities	**25,095.51**	**9,901.16**	**3,482.38**	**13,303.01**	**51,782.07**	**43,407.76**
Derivatives						
Forward contracts	225.99	-	-	-	225.99	225.99
Coupon only swap	36.74	32.61	8.01	-	77.36	82.03
Interest only Swap	14.13	2.94	-	-	17.07	15.16
Total derivative liabilities	**276.86**	**35.55**	**8.01**	**-**	**320.42**	**323.18**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

As at April 01, 2015

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	4,499.76	12,538.87	4,304.04	14,648.52	35,991.19	26,487.50
Trade payables	23,720.09	-	-	-	23,720.09	23,720.09
Other financial liabilities	1,115.27	490.08	-	-	1,605.35	1,605.35
Total non-derivative liabilities	**29,335.12**	**13,028.95**	**4,304.04**	**14,648.52**	**61,316.63**	**51,812.94**
Derivatives						
Forward contracts	457.88	-	-	-	457.88	457.88
Coupon only swap	5.85	46.88	-	-	52.73	110.00
Interest only Swap	34.28	(23.14)	-	-	11.14	17.89
Total derivative liabilities	**498.01**	**23.74**	**-**	**-**	**521.75**	**585.77**

(III) Market risk - foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy and procedures.

(All amounts in Rupees million, unless otherwise stated)

a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	USD	EUR	Others	USD	EUR	Others	USD	EUR	Others
Financial Assets									
Trade receivables	1,304.23	3,605.51	-	3,099.46	7.35	-	4,636.81	128.71	-
Other financial assets	-	-	-	29.41	-	-	57.78	-	-
Derivatives designated as hedges									
Forward contracts	(1,654.64)	(6,410.64)	-	(1,038.98)	(2,119.30)		(1,474.32)	-	-
Net exposure to foreign currency risk (assets)	**(350.41)**	**(2,805.13)**	**-**	**2,089.89**	**(2,111.95)**	**-**	**3,220.27**	**128.71**	**-**
Financial liabilities									
Borrowing	4,961.43	-	-	7,697.51	-	-	7,973.11	-	-
Trade payables	6,687.81	4,505.65	42.52	12,269.24	760.90	3.70	16,719.01	646.17	6.42
Other financial liabilities	643.42	4.73	-	585.40	-	-	1,546.56	-	-
Derivatives not designated as hedges									
Forward contracts	(3,840.42)	(834.19)	-	(6,889.13)	(734.30)	-	(4,650.60)	-	-
Derivatives designated as hedges									
Forward contracts	(1,411.62)	(2,289.91)	-	(4,654.57)	(6,605.81)	-	(3,320.57)	(3,632.60)	-
Net exposure to foreign currency risk (liabilities)	**7,040.62**	**1,386.28**	**42.52**	**9,008.45**	**(6,579.21)**	**3.70**	**18,267.51**	**(2,986.43)**	**6.42**
Total Net exposure to foreign currency risk	**(7,148.01)**	**(70.68)**	**(42.52)**	**(10,534.15)**	**(19.25)**	**(3.70)**	**(16,893.49)**	**(517.46)**	**(6.42)**
Net Derivatives designated as hedges	**(243.02)**	**(4,120.73)**	**-**	**3,615.59**	**4,486.51**	**-**	**1,846.25**	**3,632.60**	**-**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Net impact on profit before tax		Net impact on other reserve	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
USD sensitivity				
INR/USD - Increase by 1% (March 31, 2016 - 1%)*	(71.48)	(105.34)	(2.43)	36.16
INR/USD - Decrease by 1% (March 31, 2016 - 1%)*	71.48	105.34	2.43	(36.16)
EURO sensitivity				
INR/EURO - Increase by 1% (March 31, 2016 - 1%)*	(0.71)	(0.19)	(41.21)	44.87
INR/EURO - Decrease by 1% (March 31, 2016 - 1%)*	0.71	0.19	41.21	(44.87)

* Holding all other variables constant

(IV) Cash flow and fair value interest rate risk

The Group had borrowed funds at both fixed and floating interest rates. The Groups's interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2017 and March 31, 2016, the Group's borrowings at variable rate were denominated in USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Fixed rate borrowings	12,680.64	16,314.74	15,515.76
Floating rate borrowings	6,026.90	10,459.29	10,971.74
Total borrowings	**18,707.54**	**26,774.03**	**26,487.50**

As at the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Floating rate borrowings	6,026.90	10,459.29	10,971.74
Interest rate swaps (notional principal amount)	(2,762.61)	(4,015.05)	(6,234.38)
Net exposure to cash flow interest rate risk	**3,264.29**	**6,444.24**	**4,737.36**

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit before tax		Net impact on other reserve	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Increase by 10 basis points (March 31, 2016 - 10 basis points)*	3.26	6.44	(0.02)	0.02
Decrease by 10 basis points (March 31, 2016 - 10 basis points)*	(3.26)	(6.44)	0.02	(0.02)

* Holding all other variables constant

(V) Investment risk

a) Exposure

The Group is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.

b) Sensitivity

The table below summarises the impact of increase/ decrease of 1% increase in price of bonds and mutual funds

	Impact on profit before tax	
	March 31, 2017	March 31, 2016
Increase in rate 1% (March 31, 2016 - 1%)	50.69	73.28
Decrease in rate 1% (March 31, 2016 - 1%)	(50.69)	(73.28)

(VI) Impact of hedging activities

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward contracts.

a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2017

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	6,246.33	5,520.46	284.07	99.75	Apr 17 - Mar 18	1:1
Interest rate risk						
Interest rate swap	2,762.61	-	22.30	-	Apr 17 - Oct 19	1:1

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

As at March 31, 2016

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	4,708.98	9,709.68	211.59	147.83	Apr 16 - Mar 17	1:1
Interest rate risk						
Interest rate swap	4,015.05	-	-	15.16	Apr 16 - Oct 19	1:1

As at April 01, 2015

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	1,664.57	6,762.92	14.44	428.12	Apr 15 - Mar 16	1:1
Interest rate risk						
Interest rate swap	6,234.38	-	8.28	17.89	Apr 15 - Oct 19	1:1

The Group uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy.

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Ineffectiveness is recognised on a cash flow hedge and net investment hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale and purchase transactions, hedges of interest rate risk and hedges of net investment this may arise if:

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

b) Movement in cash flow hedging reserve

Risk category	Foreign currency risk	Interest rate risk	Total
Derivative instruments	Forward contracts	Interest rate swap	
(i) Cash flow hedging reserve			
As at April 01, 2015	(273.07)	(6.34)	(279.41)
Amount recognised in Cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	59.38	-	59.38
Changes in fair value of interest rate swaps	-	(4.46)	(4.46)
Gain/ (Loss) transferred to statement of profit and loss	418.06	(1.09)	416.97
Income tax on opening balance on account of tax rate change	2.63	0.06	2.69
Income tax on amount recognised in hedging reserve	(165.30)	1.92	(163.38)
As at March 31, 2016	**(631.75)**	**(9.91)**	**31.79**
Amount recognised in Cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	278.08	-	278.08
Changes in fair value of interest rate swaps	-	39.58	39.58
Gain/ (Loss) transferred to statement of profit and loss	(157.53)	(2.12)	(159.65)
Income tax on amount recognised in hedging reserve	(41.73)	(12.96)	(54.69)
As at March 31, 2017	**(552.93)**	**14.59**	**135.11**

43. Capital management

(I) Risk management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the following gearing ratio:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	11,064.98	13,553.70	15,397.73
Total equity (including non-controlling interests)	29,229.76	29,305.82	27,029.09
Net debt to equity ratio	**0.38**	**0.46**	**0.57**

Loan covenants

The Group has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and fixed assets coverage ratio attached to the borrowings.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(II) Dividend

	March 31, 2017	March 31, 2016
Equity share		
Final dividend for the year ended March 31, 2016 of ₹ 0.50 (April 01, 2015 - ₹ 0.50) per fully paid shares	132.61	131.59
Dividend not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 0.50 per fully paid equity share (March 31, 2016 - ₹ 0.50). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	132.61	132.61

44. Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group			Ownership interest held by non-controlling interests			Principal activities
		March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	
		%	%	%	%	%	%	
Welspun Pipes Inc.	USA	90.01	90.01	90.01	9.99	9.99	9.99	Manufacturing of steel pipes
Welspun Pipes Limited *	India	-	100.00	100.00	-	-	-	No activity
Welspun Tradings Limited	India	100.00	100.00	100.00	-	-	-	Trading in steel pipes
Welspun Mauritius Holdings Limited	Mauritius	89.98	89.98	89.98	10.02	10.02	10.02	Investment Holding Company

* Subsidiary of Welspun Corp Limited till March 17, 2017.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Welspun Mauritius Holdings Limited			Welspun Pipes Inc.		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Current Assets	24.64	242.49	245.63	13,566.16	13,450.93	14,291.03
Current liabilities	973.40	994.49	323.13	7,725.58	8,562.80	12,237.50
Net current assets	**(948.76)**	**(752.00)**	**(77.50)**	**5,840.58**	**4,888.13**	**2,053.53**
Non-current Assets	3,454.56	4,009.75	5,151.88	9,952.53	11,560.83	12,610.00
Non-current Liabilities	1,520.73	1,553.68	3,509.38	5,415.62	4,975.75	5,955.00
Net non-current assets	**1,933.83**	**2,456.07**	**1,642.50**	**4,536.91**	**6,585.08**	**6,655.00**
Net assets	**985.07**	**1,704.07**	**1,565.00**	**10,377.49**	**11,473.21**	**8,708.53**
Accumulated NCI	**98.68**	**170.72**	**156.78**	**1,036.71**	**1,146.17**	**869.98**

	March 31, 2017	March 31, 2016	April 01, 2015
Accumulated NCI	1,135.39	1,316.89	1,026.76

Summarised statement of profit and loss	Welspun Mauritius Holdings Limited		Welspun Pipes Inc.	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Income	-	-	21,724.95	37,704.28
Profit for the year	(708.56)	43.72	(922.05)	2,705.24
Other comprehensive income	-	-	-	-
Total comprehensive income	**(708.56)**	**43.72**	**(922.05)**	**2,705.24**
Profit allocated to NCI	(70.99)	4.38	(92.11)	270.29
Dividends paid to NCI	-	-	-	-

	March 31, 2017	March 31, 2016
Profit allocated to NCI	**(163.10)**	**274.67**

Summarised cash flows	Welspun Mauritius Holdings Limited		Welspun Pipes Inc.	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Cash flows from operating activities	(2.70)	(14.41)	2,956.12	(1,469.44)
Cash flows from investing activities	-	266.82	(236.19)	434.54
Cash flows from financing activities	(1.09)	(274.42)	(3,009.10)	1,606.88
Net increase/ (decrease) in cash and cash equivalents	**(3.79)**	**(22.01)**	**(289.17)**	**571.98**

(c) Transactions with non-controlling interests

There were no transactions with non-controlling interests during the year ended March 31, 2017 and March 31, 2016.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(d) Interests in associate and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 March 2017 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					March 31, 2017	March 31, 2016	April 01, 2015
Red Lebondal Limited*	India	25%	Associate	Equity	-	-	-
Welpsun Wasco Coatings Private Limited	India	51%	Joint Venture	Equity	105.40	147.60	-
Welspun Middle East Pipes Company LLC	Kingdom of Saudi Arabia	50.01%	Joint Venture	Equity	1,730.98	2,367.09	2,253.62
Welspun Middle East Pipes Coatings Company LLC	Kingdom of Saudi Arabia	50.01%	Joint Venture	Equity	(165.93)	(27.17)	75.49
Total equity accounted investments					**1,670.45**	**2,487.52**	**2,329.11**

*The investment of ₹ 0.03 is written off in the F.Y. 2015-2016 (refer note 35)

Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Welspun Corp Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(All amounts in Rupees million, unless otherwise stated)

Summarised balance sheet	Welspun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC			Welspun Middle East Pipes Coatings Company LLC		
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Current assets								
Cash and cash equivalents	273.81	303.82	734.75	1,362.38	426.33	6.49	100.35	29.17
Other assets	37.15	10.81	2,693.22	7,973.04	7,903.00	115.43	810.61	344.50
Total current assets	310.96	314.63	3,427.97	9,335.42	8,329.33	121.92	910.96	373.67
Total non-current assets	644.26	555.77	4,890.34	5,393.86	5,529.00	1,825.53	2,021.93	2,043.67
Current liabilities								
Financial liabilities (excluding trade payables)	244.95	275.14	518.15	2,844.19	214.33	611.54	546.12	445.83
Other liabilities	14.06	3.13	219.84	1,995.60	4,360.50	133.59	755.48	125.50
Total current liabilities	259.01	278.27	737.99	4,839.79	4,574.83	745.13	1,301.60	571.33
Non-current liabilities								
Financial liabilities (excluding trade payables)	489.54	302.72	4,237.30	5,150.58	4,701.17	1,512.06	1,666.35	1,681.33
Other liabilities	-	-	91.44	97.17	76.50	22.05	19.26	13.67
Total non-current liabilities	489.54	302.72	4,328.74	5,247.75	4,777.67	1,534.11	1,685.61	1,695.00
Net assets	**206.67**	**289.41**	**3,251.58**	**4,641.74**	**4,505.83**	**(331.79)**	**(54.32)**	**151.01**

Reconciliation to carrying amounts

	Welspun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC		Welspun Middle East Pipes Coatings Company LLC	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Opening net assets	289.41	-	4,641.74	4,505.83	(54.32)	151.01
Investment during the year	-	289.31	-	-	-	-
Profit for the year	(82.74)	0.10	(1,336.42)	198.35	(288.49)	(211.74)
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	(335.90)	-	-
Exchange differences	-	-	(53.74)	273.46	11.02	6.41
Closing net assets	**206.67**	**289.41**	**3,251.58**	**4,641.74**	**(331.79)**	**(54.32)**
Group's share in %	51.00%	51.00%	50.01%	50.01%	50.01%	50.01%
Group's share	105.40	147.60	1,626.12	2,321.33	(165.93)	(27.17)
Share of tax not applicable to the Group as per applicable laws	-	-	104.86	86.40	-	-
Inter-company eliminations	-	-	-	(40.64)	-	-
Carrying amount	**105.40**	**147.60**	**1,730.98**	**2,367.09**	**(165.93)**	**(27.17)**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Summarised statement of profit and loss

	Welpsun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC		Welspun Middle East Pipes Coatings Company LLC	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	2.70	-	5,640.89	12,205.88	855.39	1,268.20
Interest income	13.67	5.24	2.01	-	-	-
Depreciation and amortisation	7.84	0.18	523.30	517.14	156.32	152.22
Interest expense	28.37	1.94	202.61	209.48	74.47	72.62
Income tax expense	-	1.81	42.27	(19.64)	-	(0.17)
Profit from continuing operations	(82.74)	0.10	(1,336.42)	198.35	(288.49)	(211.74)
Profit from discontinued operations	-	-	-	-	-	-
Profit for the year	**(82.74)**	**0.10**	**(1,336.42)**	**198.35**	**(288.49)**	**(211.74)**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**(82.74)**	**0.10**	**(1,336.42)**	**198.35**	**(288.49)**	**(211.74)**
Dividends received	-	-	-	75.45	-	-

	March 31, 2017	March 31, 2016
Share of profits from associates	-	-
Share of profits from joint ventures	(854.81)	(6.65)
Inter company elimination	40.64	(40.64)
Exchange differences	21.16	0.03
Total share of profits from associates and joint ventures	(793.01)	(47.26)

45. Contingent liabilities not provided for

(i) The Group had contingent liabilities as at the year end in respect of

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Claims against the Group not acknowledged as debts	114.37	101.26	102.20
Disputed direct taxes	295.28	385.35	1,614.61
Disputed indirect taxes	1,415.50	1,377.77	407.11

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

(ii) 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 on account of alleged wrong classification of imported raw materials along with penalty of ₹ 8,609.82 on the Company and a penalty of ₹ 205 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 Honorable Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

46. Specified bank notes

The Ministry of Corporate Affairs has published notification in Official Gazette vide no. G.S.R. 308(E) dated March 30, 2017 where in the Company has to disclose its holdings as well as dealings in Specified Bank Notes (SBNs) during the period from November 08, 2016 to December 30, 2016.

'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016. The said notification, defines the term as "bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

Following are the details of holdings as well as dealings in Specified Bank Notes

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1.53	0.06	1.59
Add: Permitted receipts	-	1.00	1.00
Less: Amount deposited in banks	1.53	0.83	2.36
Closing cash in hand as on December 30, 2016	**-**	**0.23**	**0.23**

47. Capital and other commitments

i) Capital commitments

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	4.19	77.70	31.39
Property, plant and equipment	27.90	118.39	130.56
Intangible assets under development	31.35	-	-

ii) Other commitments

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Corporate guarantees given by the Group for loans to joint ventures and others. Loan/ liability outstanding against these guarantees aggregate to ₹ 1,648.52 (March 31, 2016: ₹ 1,923.52 and April 01, 2015: ₹ 1,721.54) (refer note 50)	2,789.65	2,792.90	4,588.26
Outstanding letters of credit (net)	5,842.07	10,537.47	7,162.67
Custom duty liabilities on duty free import of raw materials (export obligations)	1,854.52	1,241.81	809.28
Other long term commitments (refer note 50)	-	16.05	2,016.90

iii) The Company has committed to provide continued need based financial support to its subsidiaries and joint ventures.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

48. Segment reporting

(i) Description of segments and principle activities

The Group's chief operating decision maker consists of the managing director and chief executive officer of the Company who examines the Group's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing and sale of pipes.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from major external customers is as follows:

For the year ended	Number of customers	Amount	% to revenue from operations
March 31, 2017	2	13,186.43	22.88%
March 31, 2016	1	26,389.90	36.74%

(iv) The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	Year ended March 31, 2017	Year ended March 31, 2016
United States of America	22,127.94	39,008.33
India	18,156.24	20,679.50
Other countries	20,070.46	14,112.91
Total revenue from external customers	**60,354.65**	**73,800.74**

(v) The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

	Year ended March 31, 2017	Year ended March 31, 2016
United States of America	9,914.06	11,496.39
India	24,993.76	26,626.08
Other countries	1.77	2.71
Total non-current assets	**34,909.59**	**38,125.18**

49. Operating lease

As a lessee

The Company has operating leases for premises and equipments. These lease arrangements range for a period within one year to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) With respect to all operating leases

	Year ended March 31, 2017	Year ended March 31, 2016
Lease payments recognised in the statement of profit and loss during the year	184.50	293.53

b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows

	As at March 31, 2017	As at March 31, 2016
Not later than one year	65.01	60.07
Later than one year but not later than five years	113.39	160.58

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

50. Related party disclosures

a) List of Related parties

Name of Joint Venture	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Welspun Wasco Coatings Private Limited (w.e.f. September 30, 2015)	51.00%	51.00%	-
Welspun Middle East Pipes Company LLC	50.01%	50.01%	50.01%
Welspun Middle East Pipes Coating Company LLC	50.01%	50.01%	50.01%

b) Key management Personnel

Name	Nature of Relationship
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Director
Mr. Braja Mishra	Managing Director (till December 31, 2016)
Mr. Lalitkumar Naik	Managing Director and CEO (w.e.f. January 01, 2017)
Mr. S. Krishnan	Chief Financial Officer
Mr. Pradeep Joshi	Company Secretary
Mr. K.H.Viswanathan	Director
Mr. Rajkumar Jain	Director
Mr. Ram Gopal Sharma	Director
Mr. Mintoo Bhandari	Director
Mr. Utsav Baijal	Director
Mr. Atul Desai	Director
Mrs. Revathy Ashok	Director
Mr. Mukul Sarkar	Director (till January 25, 2017)
Mr. Nirmal Gangwal	Director (till August 24, 2016)
Mr. Desh Raj Dogra	Director (w.e.f. February 10, 2017)

c) List of Other entities 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

Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (erstwhile Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Captive Power Generation Limited
Welspun Enterprises Limited
Welspun Anjar SEZ Limited
Welspun Group Master Trust
AYM Syntex Limited (erstwhile Welspun Syntex Limited)
Welspun Energy Private Limited
Adani Welpsun Exploration Limited
Welspun Developers and Infrastructure Private Limited
Leighton Welspun Contractors
Welspun Fintrade Private Limited
Vipuna Tradings Limited

d) Disclosure in respect of significant transactions with related parties during the year

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Transactions	
	Year ended March 31, 2017	Year ended March 31, 2016
1) Sale of product*		
Welspun Middle East Pipes Company LLC	1,433.62	1,788.83
Welspun India Limited	95.31	49.57
Welspun Steel Limited	2.33	24.87
Welspun Captive Power Generation Limited	2.64	0.49
Others	26.00	59.00
Total sale of product	**1,559.90**	**1,922.76**
2) Other income		
Welspun Middle East Pipes Coating Company LLC	38.43	37.60
Welspun Middle East Pipes Company LLC	61.85	92.62
Welspun Energy Private Limited	-	7.62
Welspun Wasco Coatings Private Limited	29.03	4.63
Welspun Captive Power Generation Limited	0.03	2.00
Others	0.66	0.37
Total other income	**129.98**	**144.84**
3) Dividend income		
Welspun Captive Power Generation Limited	-	19.44
Total dividend income	**-**	**19.44**
4) Purchase of goods and expenses incurred		
Welspun Middle East Pipes Company LLC	4,710.15	366.26
Welspun Captive Power Generation Limited	327.41	355.84
Welspun Realty Private Limited	49.72	49.17
Welspun Steel Limited	0.15	0.77
Others	10.46	12.67
Total purchase of goods and expenses incurred	**5,097.89**	**784.71**
5) Purchase of property, plant and equipment		
Welspun Steel Limited	6.29	-
Total of purchase of property, plant and equipment	**6.29**	**-**
6) Sale of property, plant and equipment		
Welspun Wasco Coating Private Limited	0.05	8.36
Total sale of property, plant and equipment	**0.05**	**8.36**
7) Corporate social responsibility expenses		
Welspun Foundation for Health and Knowledge	2.33	2.23
Total corporate social responsibility expenses	**2.33**	**2.23**
8) Sale of investment		
Welspun Group Master Trust	0.40	-
Total sale of investment	**0.40**	**-**
9) Reimbursement of expenses (paid) / recovered		
Welspun Middle East Pipes Company LLC	4.63	16.44
Welspun Wasco Coating Private Limited	33.04	7.12
Welspun Global Brands Limited	(4.46)	(8.43)
Welspun Captive Power Generation Limited	0.89	0.88
Welspun India Limited	(21.16)	(4.72)
Welspun Steel Limited	0.21	1.57
Welspun Enterprises Limited	0.14	0.11
Others	1.02	0.59
Total reimbursement of expenses (paid) / recovered	**14.31**	**13.56**
10) Loans and deposits given		

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	Transactions	
	Year ended March 31, 2017	Year ended March 31, 2016
Welspun Wasco Coating Private Limited	99.12	168.41
Welspun Steel Limited	-	25.00
Others	-	0.20
Total loans and deposit given	**99.12**	**193.61**
11) Loans and deposit received back		
Welspun Middle East Pipes Company LLC	-	1,307.41
Welspun Wasco Coating Private Limited	-	11.46
Welspun Realty Private Limited	22.62	17.98
Others	0.20	10.00
Total loan and deposit repaid	**22.82**	**1,346.85**
12) Investment in shares		
Welspun Wasco Coating Private Limited	-	147.55
Welspun Captive Power Generation Limited (excluding fair valuation impact)	-	27.78
Total investment in shares	**-**	**175.33**
13) Advance received		
Welspun Anjar SEZ Limited	-	0.28
Total advance received	**-**	**0.28**
14) Addition of corporate guarantee		
Welspun Middle East Pipes Company LLC	-	1,323.35
Welspun Wasco Coatings Private Limited	54.25	-
Total addition of corporate guarantee	**54.25**	**1,323.35**
15) Release of corporate guarantee		
Welspun Middle East Pipes Company LLC	-	1,332.00
Welspun Captive Power Generation Limited	-	600.00
Welspun Energy Private Limited	-	1,270.00
Total release of corporate guarantee	**-**	**3,202.00**
16) Key management personnel compensation		
Mr. Balkrishan Goenka		
Short-term employee benefit	27.99	-
Mr. Braja Mishra		
Short-term employee benefit	45.19	51.28
Employee share-based payment	-	97.44
Mr. Lalitkumar Naik		
Short-term employee benefit	9.41	-
Mr. S. Krishnan		
Short-term employee benefit	24.72	26.31
Mr. Pradeep Joshi		
Short-term employee benefit	3.91	3.91
Total key management personnel compensation	**111.22**	**178.94**
17) Directors' sitting fees*		
Mr. K.H.Viswanathan	1.15	1.05
Mr. Rajkumar Jain	1.19	1.02
Mr. Ram Gopal Sharma	1.20	1.05
Mr. Mintoo Bhandari	0.20	0.11
Mr. Utsav Baijal	0.07	0.10
Mr. Atul Desai	0.14	0.13
Mrs. Revathy Ashok	0.30	0.17
Mr. Desh Raj Dogra	0.07	-

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

		Transactions	
		Year ended March 31, 2017	Year ended March 31, 2016
	Mr. Nirmal Gangwal	-	0.17
	Mr. Mukul Sarkar	0.11	0.06
Total directors' sitting fees		**4.43**	**3.86**
18)	**Proceeds from issue of equity share capital**		
	Mr. Braja Mishra	-	2.05
Total proceeds from issue of equity share capital		**-**	**2.05**

* Including applicable taxes

e) Disclosure of significant closing balances with related parties

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1)	**Trade receivables**			
	Welspun Steel Limited	-	-	24.89
	Welspun Middle East Pipes Company LLC	0.07	1,589.86	2,822.64
	Welspun Middle East Pipe Coatings Company LLC	0.12	0.36	1.12
	Welspun Wasco Coatings Private Limited	2.40	17.33	-
	Welspun Global Brands Limited	4.57	-	-
	Others	-	0.03	0.02
Total trade receivables		**7.16**	**1,607.57**	**2,848.67**
2)	**Trade payables**			
	Welspun Captive Power Generation Limited	-	1.82	38.24
	Welspun Middle East Pipes Company LLC	455.29	366.35	-
	Welspun India Limited	-	0.64	2.16
	Welspun Global Brands Limited	-	1.05	-
	Welspun Steel Limited	-	1.14	-
	Others	-	0.05	0.01
Total trade payables		**455.29**	**371.05**	**40.41**
3)	**Loans, advances and deposits given (including accrued interest)**			
	Welspun Middle East Pipes Company LLC	927.73	947.93	2,172.73
	Welspun Middle East Pipes Coating Company LLC	923.38	907.18	821.53
	Welpsun Wasco Coatings Private Limited	256.07	156.96	-
	Welspun Realty Private Limited	203.76	266.50	262.13
	Others	21.08	19.81	12.40
Total loans, advances and deposits given		**2,332.02**	**2,298.38**	**3,268.79**
4)	**Capital advance given**			
	Welspun Anjar SEZ Limited	595.87		-
Total capital advance given		**595.87**	**-**	**-**
5)	**Other long term commitment**			
	Welpsun Energy Private Limited	-	-	2,000.00
Total other long term commitment		**-**	**-**	**2,000.00**
6)	**Corporate guarantees given**			
	Welspun Energy Private Limited	-	-	1,270.00
	Welspun Middle East Pipe Company LLC	1,460.22	1,724.72	205.68
	Welspun Middle East Pipe Coating Company LLC	134.05	198.80	245.86
	Others	54.25	-	-
Total corporate guarantees given		**1,648.52**	**1,923.52**	**1,721.54**
7)	**Other current liability**			

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Mr. Balkrishan Goenka	27.99	-	-
Total other current liability	**27.99**	**-**	**-**
8) Non-current investments			
Welspun Captive Power Generation Limited	329.68	315.23	229.55
Welpsun Wasco Coatings Private Limited	105.40	147.60	-
Welspun Middle East Pipe Company LLC	1,730.98	2,367.09	2,253.62
Welspun Middle East Pipe Coating Company LLC	(165.93)	(27.17)	75.49
Total non-current investments	**2,000.13**	**2,802.75**	**2,558.66**
9) Other receivables			
Welspun Anjar SEZ Limited	-	595.87	596.15
Welspun Middle East Pipes Coating Company LLC	8.14	6.48	5.08
Welspun Middle East Pipes Company LLC	3.39	3.35	14.49
Welspun Wasco Coatings Private Limited	2.08	-	-
Others	-	1.06	26.58
Total other receivables	**13.61**	**606.76**	**642.30**

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

	Year ended March 31, 2017	Year ended March 31, 2016
Computation of weighted average number of shares		
Basic EPS (₹)		
Weighted average number of ordinary shares for basic earnings per share	265,226,109	263,467,341
Effect of dilution:		
Employee stock ownership plan (ESOP)	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	265,226,109	263,467,341
Computation of basic and diluted earnings per share		
Basic earnings per share:		
Profit attributable to the equity holders of the Company	264.25	1,518.12
Weighted average number of equity shares	265,226,109	263,467,341
Basic EPS (₹)	1.00	5.76
Diluted earnings per share:		
Profit attributable to the equity holders of the Company	264.25	1,518.12
Adjustment in respect of ESOP	-	-
Profit for the year after dilutive adjustment	264.25	1,518.12
Adjusted weighted average number of ordinary shares for diluted earnings per share	265,226,109	263,467,341
Diluted EPS (₹)	1.00	5.76

The Company has excluded the shares issued under the employee stock options scheme from the calculations of diluted earnings per share because their inclusion would have been anti-dilutive.

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

52. 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 amortised on a straight line basis over the vesting period. Employee benefits expense includes ₹ Nil debited to statement of profit and loss (March 31, 2016: ₹ 97.44).

Stock options outstanding as at the year end are as follows:

	As at March 31, 2017	As at March 31, 2016
Exercise price	-	₹ 1
Date of grant	-	December 24, 2014
Vesting period	-	1 year
Opening balance (nos.)	-	2,050,029
Granted during the year (nos.)	-	-
Exercised during the year (nos.)	-	2,050,029
Lapsed during the year (nos.)	-	-
Closing balance (nos.)	**-**	**-**

(All amounts in Rupees million, unless otherwise stated)

53. Additional information required by Schedule III

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets (%)	Amount	As % of consolidated profit or (loss) (%)	Amount	As % of consolidated other comprehensive income (%)	Amount	As % of consolidated total comprehensive income (%)	Amount
Parent								
Welspun Corp Limited								
March 31, 2017	61.91	18,096.18	1,726.16	1,746.01	(127.70)	(256.82)	1,489.79	1,489.19
March 31, 2016	55.62	16,301.01	(68.70)	(1,231.57)	106.87	431.67	(36.41)	(799.90)
Subsidiaries (Group's share)								
Indian								
Welspun Tradings Limited								
March 31, 2017	2.49	728.32	88.80	89.82	27.70	55.71	145.59	145.53
March 31, 2016	1.99	582.75	4.61	82.64	(6.87)	(27.74)	2.50	54.90
Welspun Pipes Limited								
March 31, 2017 (till March 17, 2017)	-	-	0.12	0.12	-	-	0.12	0.12
March 31, 2016	0.00	0.39	(0.00)	(0.03)	-	-	(0.00)	(0.03)
Foreign								
Welspun Mauritius Holdings Limited								
March 31, 2017	6.49	1,897.07	32.42	32.79	-	-	32.80	32.79
March 31, 2016	6.37	1,865.76	7.30	130.82	-	-	5.96	130.82
Welspun Pipes Inc.								
March 31, 2017	35.52	10,383.50	(911.59)	(922.07)	-	-	(922.44)	(922.07)
March 31, 2016	39.17	11,478.53	150.90	2,705.26	-	-	123.15	2,705.26
Welspun Middle East DMCC (Investment through Welspun Tradings Limited)								
March 31, 2017	0.14	39.47	111.04	112.32	-	-	112.36	112.32
March 31, 2016	(0.24)	(70.57)	(0.43)	(7.76)	-	-	(0.35)	(7.76)
Non-controlling interests in all subsidiaries								
March 31, 2017	-	1,135.39	-	(163.10)	-	(18.40)	-	(181.50)
March 31, 2016	-	1,316.89	-	274.67	-	15.46	-	290.13
Joint ventures (Investment as per equity method)								
Indian								

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annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Name of the entity in the Group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets (%)	Amount	As % of consolidated profit or (loss) (%)	Amount	As % of consolidated other comprehensive income (%)	Amount	As % of consolidated total comprehensive income (%)	Amount
Welspun Wasco Coatings Private Limited								
March 31, 2017	(0.14)	(42.20)	(41.72)	(42.20)	-	-	(42.22)	(42.20)
March 31, 2016	0.00	0.05	0.00	0.05	-	-	0.00	0.05
Foreign								
Welspun Middle East Pipes Company LLC (Investment through Welspun Mauritius Holdings Limited)								
March 31, 2017	3.63	1,061.08	(590.08)	(596.87)	-	-	(597.11)	(596.87)
March 31, 2016	5.85	1,713.40	1.03	18.41	-	-	0.84	18.41
Welspun Middle East Pipes Coating Company LLC (Investment through Welspun Mauritius Holdings Limited)								
March 31, 2017	(1.55)	(452.74)	(142.83)	(144.47)	-	-	(144.53)	(144.47)
March 31, 2016	(1.10)	(321.32)	(5.89)	(105.52)	-	-	(4.80)	(105.52)
Inter-company eliminations and consolidation adjustments								
March 31, 2017	(8.49)	(2,480.92)	(172.32)	(174.30)	-	-	(174.37)	(174.30)
March 31, 2016	(7.66)	(2,244.18)	11.18	200.49	-	-	9.13	200.49
Total								
March 31, 2017	**100.00**	**29,229.76**	**100.00**	**101.15**	**(100.00)**	**(201.11)**	**(100.00)**	**(99.96)**
March 31, 2016	**100.00**	**29,305.82**	**100.00**	**1,792.79**	**100.00**	**403.93**	**100.00**	**2,196.72**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

54. Exchange differences on long term foreign currency monetary items outstanding

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset. In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets/ liabilities.

Accordingly, the Company has adjusted exchange gain of ₹ 14.05 (March 31, 2016: loss of ₹ 37.55) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

Exchange gain of ₹ 5.21 (March 31, 2016: loss of ₹ 190.00) has been transferred to "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" to be amortised over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 178.30 (March 31, 2016: loss of ₹ 328.90) has been adjusted in the current year and balance of ₹ 95.91 (March 31, 2016: ₹ 279.42, April 01, 2015: ₹ 418.32) has been carried over and included in reserves and surplus.

55. First-time adoption of Ind AS

Transition to Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

1. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost

Ind AS 101 permits a first -time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustment for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets and investment property covered by Ind AS 40 - Investment Properties.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Exchange differences arising from translation of long-term foreign currency monetary item

Ind AS 101 permits a first-time adopter to elect to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Company has elected to apply this exemption.

A.1.4 Share-based payment

The Company has availed the exemption provided by Ind AS 101 regarding share based payment transactions and accordingly has not applied Ind AS 102 – Share based payment to equity instruments that vested before date of transition to Ind AS.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 01, 2015 are reflected as hedges in the Company's results under Ind AS.

The Company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

A.2.3 Classification and measurement of financial assets

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

A.2.4 Impairment of financial assets

Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind As.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Reconciliation of equity as at date of transition (i.e. April 01, 2015)

Particulars	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment	3, A.1.2, A.1.3 and A.2.2, C(i) and (ii)	46,489.33	(7,406.68)	(1.23)	39,081.42
Capital work-in-progress	3, A.1.3 and C(i)	800.83	(134.86)	-	665.97
Investment property	4, A.1.2, A.1.3 and C(ii)	-	-	1.23	1.23
Goodwill		4.68	-	-	4.68
Intangible assets	5 and A.1.2 and A.2.2	124.54	-	-	124.54
Equity investments accounted for using the equity method	6 and C(i)	-	2,329.11	-	2,329.11
Financial assets	A.2.4				
Investments	7(a) and C(iii)	265.26	-	(1.98)	263.28
Loans	8(a) and C(i)	-	2,785.40	-	2,785.40
Other financial assets	9(a) and C(iv)	469.65	-	(22.35)	447.30
Deferred tax assets (net)	10 and C(xvi)	-	-	-	-
Other non-current assets	11(a), C(i), (iv) and (xvi)	899.73	(30.11)	(262.91)	606.71
Total non-current assets		**49,054.02**	**(2,457.14)**	**(287.24)**	**46,309.64**
Current assets					
Inventories	12 and C(i)	22,082.09	(4,165.52)	-	17,916.57
Financial assets	A.2.4				
Investments	7(b) and C(iii)	7,783.32	-	(1.33)	7,781.99
Trade receivables	13 and C(i)	11,300.53	(1,018.85)	-	10,281.68
Cash and cash equivalents	14 and C(i)	2,223.40	(455.60)	-	1,767.80
Bank balances other than cash and cash equivalents	15	1,159.96	-	-	1,159.96
Loans	8(b)	5.05	-	-	5.05
Other financial assets	9(b), C(i) and (iv)	1,203.06	145.63	(125.20)	1,223.49
Current tax assets (net)	16	244.52	-	-	244.52
Other current assets	11(b), C(i) and (iv)	3,147.02	(223.37)	21.77	2,945.42
Assets classified as held for sale	17	8.40	-	-	8.40
Total current assets		**49,157.35**	**(5,717.71)**	**(104.76)**	**43,334.88**
Total assets		**98,211.37**	**(8,174.85)**	**(392.00)**	**89,644.52**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	18(a)	1,315.88	-	-	1,315.88
Other equity					
Reserves and surplus	18(b), C(i), (x), (xi) and (xiv), A.1.4 and A.2.1	26,362.70	2.47	(1,699.64)	24,665.53
Other reserve	18(c), C(xii) and (xv)	309.60	-	(288.68)	20.92
Equity attributable to owners of Welspun Corp Limited		**27,988.18**	**2.47**	**(1,988.32)**	**26,002.33**
Non-controlling interests	54(a) and C(i)	3,562.65	(2,329.92)	(205.97)	1,026.76
Total equity		**31,550.83**	**(2,327.45)**	**(2,194.29)**	**27,029.09**

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Reconciliation of equity as at date of transition (i.e. April 01, 2015)

Particulars	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
LIABILITIES					
Non-current liabilities					
Financial liabilities					
Borrowings	19(a), C(i) and (v)	26,159.93	(3,665.37)	(199.28)	22,295.28
Other financial liabilities	20(a) and C(vi)	642.89	-	(134.92)	507.97
Provisions	21(a) and C(i)	356.47	(90.17)	-	266.30
Deferred tax liabilities (net)	22 and C(xvi)	5,696.62	-	(1,553.50)	4,143.12
Government grants	23 and C(vii)	-	-	3,519.53	3,519.53
Other non-current liabilities	24(a)	20.31		-	20.31
Total non-current liabilities		**32,876.22**	**(3,755.54)**	**1,631.83**	**30,752.51**
Current liabilities					
Financial liabilities					
Borrowings	19(b) and C(v)	1,883.80	-	-	1,883.80
Trade payables	25 and C(i)	24,593.07	(872.98)	-	23,720.09
Other financial liabilities	20(b), C(i), (iv) and (xii)	4,399.88	(471.13)	62.82	3,991.57
Provisions	21(b) and C(viii)	317.70	-	(157.90)	159.80
Government grants	23 and C(vii)	-	-	330.16	330.16
Current tax liabilities (net)	26 and C(i)	370.06	(285.41)	-	84.65
Other current liabilities	24(b) and C(i) and (xii)	2,219.81	(462.34)	(64.62)	1,692.85
Total current liabilities		**33,784.32**	**(2,091.86)**	**170.46**	**31,862.92**
Total liabilities		**66,660.54**	**(5,847.40)**	**1,802.29**	**62,615.43**
Total equity and liabilities		**98,211.37**	**(8,174.85)**	**(392.00)**	**89,644.52**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of equity attributable to owners of Welspun Corp Limited as at April 01, 2015

	Notes to first-time adoption	April 01, 2015
Equity attributable to owners of Welspun Corp Limited as per previous GAAP		27,988.18
Adjustments:		
- Effect of change in method of recognising grants	23 and C(vii)	(3,849.69)
- Effect of measuring investments at fair value through profit and loss	7(b) and C(iii)	255.15
- Effect on account of reversal of proposed dividend	21(b) and C(viii)	157.90
- Effect on account of effective interest method	19(a), C(i) and (v)	199.28
- Others		(39.07)
- Deferred tax impact on Ind AS adjustments	22 and C(xvi)	1,290.58
Total adjustments		**(1,985.85)**
Total equity attributable to owners of Welspun Corp Limited as per Ind AS		**26,002.33**

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(All amounts in Rupees million, unless otherwise stated)

Reconciliation of equity as at March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
ASSETS					
Non-current assets					
Property, plant and equipment	3, A.1.2, A.1.3 and A.2.2, C(i) and (ii)	44,567.15	(7,381.13)	(1.23)	37,184.79
Capital work-in-progress	3, A.1.3 and C(i)	850.16	(510.75)	-	339.41
Investment property	4, A.1.2, A.1.3 and C(ii)	-		1.23	1.23
Goodwill		4.68		-	4.68
Other intangible assets	5 and A.1.2 and A.2.2	115.14		-	115.14
Intangible assets under development	5 and A.1.2 and A.2.2	4.94		-	4.94
Equity investments accounted for using the equity method	6 and C(i)	-	2,514.69	-	2,514.69
Financial assets	A.2.4				
Investments	7(a), C(i) and C(iii)	328.78	(35.73)	36.67	329.72
Loans	8(a) and C(i)	-	1,786.44	-	1,786.44
Other financial assets	9(a), C(i) and (iv)	452.98	(25.19)	(7.80)	419.99
Deferred tax assets (net)	10 and C(xvi)	1.17	-	10.43	11.60
Other non-current assets	11(a), C(i), (iv) and (xvi)	746.93	(15.02)	(256.92)	474.99
Total non-current assets		**47,071.93**	**(3,666.69)**	**(217.62)**	**43,187.62**
Current assets					
Inventories	12 and C(i)	16,175.87	(3,243.95)	-	12,931.92
Financial assets					
Investments	7(b) and C(iii)	7,363.56		(35.69)	7,327.87
Trade receivables	13 and C(i)	16,218.07	(2,211.42)	-	14,006.65
Cash and cash equivalents	14 and C(i)	2,826.54	(1,766.24)	-	1,060.30
Bank balances other than cash and cash equivalents	15 and C(i)	4,576.43	(81.14)	(0.00)	4,495.29
Loans	8(b) and C(i)	8.16	(1.28)	-	6.88
Other financial assets	9(b), C(i) and (iv)	1,672.75	(204.90)	(248.72)	1,219.13
Current tax assets (net)	16	192.66		-	192.66
Other current assets	11(b), C(i) and (iv)	2,306.93	(372.15)	1.67	1,936.45
Assets classified as held for sale	17 and C(i)	22.76	(2.88)	-	19.88
Total current assets		**51,363.73**	**(7,883.96)**	**(282.74)**	**43,197.03**
Total assets		**98,435.66**	**(11,550.65)**	**(500.36)**	**86,384.65**

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(All amounts in Rupees million, unless otherwise stated)

Particulars	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
EQUITY AND LIABILITIES					
Equity					
Equity share capital	18(a)	1,326.13	-	-	1,326.13
Other equity					
Reserves and surplus	18(b), C(i), (x), (xi) and (xiv), A.1.4 and A.2.1	28,707.39	78.39	(2,533.96)	26,251.82
Other reserve	18(c), C(xii) and (xv)	611.61	-	(200.63)	410.98
Equity attributable to owners of Welspun Corp Limited		**30,645.13**	**78.39**	**(2,734.59)**	**27,988.93**
Non-controlling interests	54(a) and C(i)	3,629.26	(2,382.65)	70.28	1,316.89
Total equity		**34,274.39**	**(2,304.26)**	**(2,664.31)**	**29,305.82**

Reconciliation of equity as at March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
LIABILITIES					
Non-current liabilities					
Financial liabilities					
Borrowings	19(a), C(i) and (v)	23,990.57	(5,385.25)	(144.11)	18,461.21
Other financial liabilities	20(a) and C(vi)	677.71		(98.87)	578.84
Provisions	21(a) and C(i)	388.06	(116.44)	-	271.62
Deferred tax liabilities (net)	22 and C(xvi)	5,455.11		(1,417.26)	4,037.85
Government grants	23 and C(vii)	-		3,600.40	3,600.40
Other non-current liabilities	24(a)	876.00		-	876.00
Total non-current liabilities		**31,387.45**	**(5,501.69)**	**1,940.16**	**27,825.92**
Current liabilities					
Financial liabilities					
Borrowings	19(b), C(i) and (v)	8,395.28	(2,714.82)	-	5,680.46
Trade payables	25 and C(i)	16,159.95	(188.55)	(0.00)	15,971.40
Other financial liabilities	20(b), C(i), (iv) and (xii)	3,696.85	(716.14)	58.32	3,039.03
Provisions	21(b) and C(viii)	327.20		(159.61)	167.59
Government grants	23 and C(vii)	-		369.76	369.76
Current tax liabilities (net)	26 and C(i)	65.62	(0.53)	(0.00)	65.09
Other current liabilities	24(b) and C(i) and (xii)	4,128.92	(124.66)	(44.68)	3,959.58
Total current liabilities		**32,773.82**	**(3,744.70)**	**223.79**	**29,252.91**
Total liabilities		**64,161.27**	**(9,246.39)**	**2,163.95**	**57,078.83**
Total equity and liabilities		**98,435.66**	**(11,550.65)**	**(500.36)**	**86,384.65**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Reconciliation of equity attributable to owners of Welspun Corp Limited as at March 31, 2016

	Notes to first-time adoption	March, 31 2016
Equity attributable to owners of Welspun Corp Limited as per previous GAAP		30,645.13
Adjustments:		
- Effect of change in method of recognising grants	23 and C(vii)	(3,970.16)
- Effect of measuring investments at fair value through profit and loss	7(a), 7(b), C(i) and (iii)	(247.74)
- Effect on account of reversal of proposed dividend	21(b) and C(viii)	159.61
- Effect on account of effective interest method	19(a), C(i) and (v)	144.11
- On account of recognition of deferred tax on hedging reserves	22 and C(xvi)	(16.82)
- Others		103.65
- Deferred tax impact on Ind AS adjustments	22 and C(xvi)	1,171.15
Total adjustments		**(2,656.20)**
Total equity attributable to owners of Welspun Corp Limited as per Ind AS		**27,988.93**

Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to first-time adoption	Previous GAAP *	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
Revenue from operations	27, C(i), C(ix) and (xiii)	80,927.00	(10,502.97)	1,404.16	71,828.19
Other operating revenue	28, C(i) and (vii)	2,277.36	(184.34)	(120.47)	1,972.55
Other income	29, C(i) and (iii)	1,378.20	123.13	(369.80)	1,131.53
Total income		**84,582.56**	**(10,564.18)**	**913.89**	**74,932.27**
Expenses					
Cost of material consumed	30 and C(i)	51,259.29	(7,522.12)	-	43,737.17
Purchases of traded goods	31 and C(i)	-	366.26	-	366.26
Changes in inventories of work-in progress and finished goods	32 and C(i)	(219.96)	431.35	-	211.39
Excise duty	C(ix)	0.12	0	1,445.56	1,445.68
Employee benefit expenses	33, C(i), C(x) and (xi)	6,632.38	(1,051.67)	(4.35)	5,576.36
Depreciation and amortisation expenses	34 and C(i)	4,542.04	(677.25)	-	3,864.79
Other expenses	35,C(i), (iv), (vi)	16,561.32	(1,700.50)	(173.83)	14,686.99
Finance costs	36, C(i), (v) and (xii)	2,636.78	(327.15)	101.75	2,411.38
Total expenses		**81,411.97**	**(10,481.08)**	**1,369.13**	**72,300.02**
Profit before share of net profits of investments accounted for using equity method and tax		**3,170.59**	**(83.10)**	**(455.24)**	**2,632.25**
Share of (loss) from joint ventures accounted for using the equity method	54(d) and C(i)	-	(47.26)	-	(47.26)
Profit before tax		**3,170.59**	**(130.36)**	**(455.24)**	**2,584.99**
Income tax expense	37, C(i) and (xvi)				
Current tax		1,265.21	18.12	(78.28)	1,205.05
Deferred tax		(377.77)		(35.08)	(412.85)
Excess provision of earlier years written back		(78.28)		78.28	-
Total tax expense		**809.16**	**18.12**	**(35.08)**	**792.20**
Profit for the year (A)		**2,361.43**	**(148.48)**	**(420.16)**	**1,792.79**
Other comprehensive income, net of tax (B)	C(xv)	-	-	403.93	403.93
Total comprehensive income for the year (A+B)		**2,361.43**	**(148.48)**	**(16.23)**	**2,196.72**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first-time adoption	March, 31 2016
Profit after tax as per previous GAAP		2,361.43
Adjustments:		
Fair valuation of investments	29, C(i) and (iii)	(230.46)
Effect of change in method of recognising grants	28, C(i) and (vii)	(120.47)
Effect on account of effective interest method	36, C(i), (v) and (xii)	(57.59)
Impact of change in classification of entities from subsidiary under previous GAAP to joint venture under Ind AS	54(d) and C(i)	(148.48)
Deferred tax impact on Ind AS adjustments	37, C(i) and (xvi)	35.08
Others		(46.72)
Total adjustments		**(568.64)**
Profit after tax as per Ind AS		1,792.79
Other comprehensive income	C(xv)	403.93
Total comprehensive income as per Ind AS		**2,196.72**

Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended March 31, 2016

	Notes	Previous GAAP*	Ind AS Adjustments (Refer Note C(i))	Other Ind AS Adjustments	Ind AS
Net cash flow from operating activities	C(i)	1,832.61	1,710.28	-	3,542.89
Net cash flow from investing activities	C(i)	(3,208.69)	(99.17)	-	(3,307.86)
Net cash flow from financing activities	C(i)	1,972.62	(2,959.58)	-	(986.96)
Net increase (decrease) in cash and cash equivalents		**596.54**	**(1,348.47)**	**-**	**(751.93)**
Cash and cash equivalents as at April 01, 2015	14	**2,187.45**	**(419.65)**	**-**	**1,767.80**
Cash and cash equivalents as at March 31, 2016	14	**2,783.99**	**(1,768.12)**	**-**	**1,015.87**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

C: Notes to first-time adoption:

(i) Joint venture

Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities. Since the Group held more than 50% of the voting power in Welspun Middle East Pipes Company LLC (WMEP), Welspun Middle East Pipe Coating Company LLC (WMEPC) and Welspun Wasco Coatings Private Limited (WWCPL), they were consolidated as a subsidiaries.

Under Ind AS, WMEP, WMEPC and WWCPL have been classified as joint ventures and accounted for using the equity method based on the terms of contractual arrangement. Accordingly, the assets and liabilities, income and expenditures were previously consolidated on a line-by-line basis under previous GAAP.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(ii) Investment property

Under Ind AS, investment property is required to be presented separately on the face of the balance sheet. Accordingly, the land given on lease amounting to ₹ 1.23 as at March 31, 2016 (April 01, 2015: ₹ 1.23) has been reclassified from property, plant and equipment to investment property. There is no impact on the total equity or profit or loss as a result of this adjustment.

(iii) Fair valuation of investments

Under the previous GAAP, investments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at fair value through other comprehensive income) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This decreased the retained earnings by ₹ 247.74 as at March 31, 2016 (April 01, 2015: increased by ₹ 255.15).

(iv) Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 7.80 as at March 31, 2016 (April 01, 2015: ₹ 22.35). The prepaid rent increased by ₹ 7.66 as at March 31, 2016 (April 01, 2015: ₹ 21.77). Total equity decreased by ₹ 0.14 as at March 31, 2016 (April 01, 2015: ₹ 0.58). The profit for the year ended March 31, 2016 increased by ₹ 0.44 due to amortisation of the prepaid rent of ₹ 22.48 which is partially off-set by the notional interest income of ₹ 22.92 recognised on security deposits.

(v) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been decreased by ₹ 144.11 (April 01, 2015: ₹ 199.28) with corresponding adjustment to retained earnings. The profit for the year ended March 31, 2016 reduced by ₹ 55.17 as a result of the additional interest expense.

(vi) Liability towards claim

Under the previous GAAP, the liabilities towards claim were measured at amount payable. Under the Ind AS, these financial liabilities are measure at fair value on initial recognition. The retained earnings as at March 31, 2016 increased by ₹ 98.87 (April 01, 2015: ₹ 134.92). The profit for the year ended March 31, 2016 reduced by ₹ 36.05.

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(vii) Government grants

The Company receives VAT incentives from the government of Gujarat under Gujart Industrial Development policy based on the amount of capital expenditure made on eligible investments. The impact of change in method of recognising grants has resulted in decrease in the retained earnings by ₹ 3,970.16 as at March 31, 2016 (April 01, 2015 ₹ 3,849.69).

(viii) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) of ₹ 159.61 as at March 31, 2016 (April 01, 2015: ₹ 157.90) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(ix) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2016 by ₹ 1,445.56. There is no impact on the total equity and profit.

(x) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 2.43. There is no impact on the total equity as at March 31, 2016.

(xi) Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan was recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account decreased by ₹ Nil as at March 31, 2016 (April 01, 2015: ₹ 0.70) and the amount recognised in share premium decreased by ₹ 2.61 as at March 31, 2016 (April 01, 2015: ₹ Nil). The profit for the year ended March 31, 2016 increased by ₹ 1.91. There is no impact on total equity.

(xii) Financial instruments - derivatives

Under the previous GAAP, forward contracts were accounted for as prescribed under AS 11 " The Effects of Changes in Foreign Exchange Rates", under which forward premium was amortised over the period of forward contract and forward contracts were restated at the closing spot exchange rate. Under Ind AS 109, all derivative financial instrument are to be marked to market and any resultant gain or loss is to be charged to the statement of profit and loss. Accordingly, the marked to market has been recognised and forward premium unamortised balance has been derecognised. As a result of this adjustment,total equity as at March 31, 2016 decreased by ₹ 13.64 (April 01, 2015 increased by ₹ 1.80). The profit for the year ended March 31, 2016 is lower by ₹ 15.44. Further, due to derivatives designated as hedge, the total equity as at March 31, 2016 lower by ₹ 16.82 (April 01, 2015: increased by ₹ 143.88).

Notes

annexed to and forming part of the consolidated balance sheet as at March 31, 2017 and the consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in Rupees million, unless otherwise stated)

(xiii) Variable consideration

Under previous GAAP, Claims, discounts & rebates and liquidated damages paid to customers were recorded as part of expenses in the statement of profit and loss. However, under Ind-AS, these expenses are netted off against revenue. This change has resulted in decrease in total revenue and total expenses for the year ended March 31, 2016 by ₹ 41.40. There is no impact on the total equity and profit.

(xiv) Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

(xv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and cash flow hedging reserve. The concept of other comprehensive income did not exist under previous GAAP.

(xvi) Deferred tax

Deferred taxes impact of the above adjustments, undistributed profits of joint ventures, intra-group eliminations and temporary differences associated with investment in subsidiaries [refer note 37(iv)], wherever applicable have been recognised on transition to Ind AS.

56. Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2017 and March 31, 2016 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2017 and March 31, 2016.

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

Place: Mumbai
Date: May 08, 2017

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Lalitkumar Naik
Managing Director and Chief Executive Officer
DIN No. 02943588

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

NOTES

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 22nd Annual General Meeting of Welspun Corp Limited will be held on Wednesday, September 20, 2017 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110 at 10:00 am to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2017 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. Balkrishan Goenka (DIN: 00270175), who retires by rotation, and being eligible, offers himself for re-appointment.

4) To appoint a director in place of Mr. Utsav Baijal (DIN: 02592194), 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 2017-18 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 a Special Resolution:

   "RESOLVED THAT Mr. Desh Raj Dogra, (DIN: 00226775) who was appointed as an additional director of the Company with effect from February 10, 2017 pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as an independent, non-executive director not liable to retire by rotation to hold the office for five consecutive years commencing from February 10, 2017 and ending on February 9, 2022."

7) 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 Rs. 6.50 lac (Rupees Six Lac fifty Thousand 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, 2017.

   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."

8) 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 issuing 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 ₹ 700 crores (Rupees Seven Hundred crores only) 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 members be accorded to the Board of the Company 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."

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

   "RESOLVED THAT pursuant to Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and subject to all permissions, sanctions and approvals as may be necessary, approval of the members be and is hereby accorded for the payment of remuneration by way of commission @1% of the net profits of the Company as computed under Section 198 of the Companies Act, 2013 for a period of 5 years commencing from the financial year 2017-18 to Mr. Balkrishan Goenka, Non-Executive Chairman.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Nomination and Remuneration Committee constituted by the Board be and is hereby authorized 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 8, 2017

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. Balkrishan Goenka.**

Mr. Goenka being one of the promoters of the Company is also a Chairman of Welspun Group from its inception. He is a prime architect of the Welspun Group. For over 27 years, Mr. Goenka with his strong business acumen and risk-taking abilities is credited to have successfully steered the Welspun Group in many high-growth sectors. He has a vision to make Welspun one of the most respected Groups in the world by creating world-class companies that consistently sets industry benchmarks.

Details of directorship /membership of the Committees of the Board of other bodies corporate : He is also a director in following bodies corporate - Welspun India Limited, Welspun Enterprises Limited, Welspun Steel Limited, Welspun Wasco Coatings Private Limited, Welspun Logistics Limited, Welspun Global Brands Limited, Adani Welspun Exploration Limited, Solarsys Infra Projects Private Limited, MGN Agro Properties Private Limited, Welspun Energy Private Limited, Rank Marketing LLP, Welspun Pipes Inc., Welspun Tubular LLC, Welspun Global Trade LLC, Welspun Middle East Pipe Coatings Company LLC, Welspun Middle East Pipe Company LLC and Welspun Home Textiles UK Limited.

He is a member / chairman in the following Committees: (1) Welspun Corp Limited : Corporate Social Responsibility Committee – Member, Finance and Administration Committee – Member, International Trade Practices & Governance Committee – Chairman, Budget Committee – Chairman, Share Transfer & Investor Grievance & Stakeholders Committee – Member. (2) Welspun India Limited : Finance and Administration Committee – Chairman, Share Transfer & Investor Grievance & Stakeholders Committee – Member, Nomination and Remuneration Committee – Member, (3) Welspun Energy Private Limited : Audit Committee – Member, Nomination and Remuneration Committee – Member, Corporate Social Responsibility Committee - Chairman, Finance Administration and Bid Committee – Chairman, (4) Welspun Steel Limited : Finance Committee – Member, CSR Committee – Member and (5) Welspun Enterprises Limited : Nomination and Remuneration Committee – Member, Finance and Administration Committee – Member and Budget Committee – Chairman.

He is holding 140 equity shares in the Company.

Except Mr. Goenka, being the appointee herein and his wife Mrs. Dipali Goenka who is also a member in the Company, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

Members' 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. Utsav Baijal.**

Mr. Baijal, born in 1976 is a nominee director of Insight Solutions Limited. Mr. Baijal is a Principal at Apollo, having joined the firm in 2008. Mr. Baijal joined Apollo in its New York office and worked actively on distressed investments before moving to India in 2009. Prior to Apollo, Mr. Baijal was with the private equity group at Bain Capital in Boston. Mr. Baijal spent five years as a consultant with McKinsey & Company and was the founding member of that firm's corporate finance practice in India. He worked extensively on corporate M&A assignments in India, Hong Kong and China. Mr. Baijal graduated summa cum laude from St. Stephen's College/ University of Delhi with a BA in Economics. He also completed his MBA from Indian Institute of Management, Ahmedabad, where he was an Industry Scholar.

Details of directorship / membership of the Committees of the Board of other companies are – He is also a director in AGM India Advisors Private Limited and Welspun Enterprises Limited (alternate director to Mr. Mintoo Bhandari)

He is a member / chairman in the following Committees: Welspun Enterprises Limited : Audit Committee – Member, Nomination and Remuneration Committee – Member and Share Transfer, Investor Grievance and Stakeholders' Relationship Committee – Member.

He does not hold any equity share in the Company.

Except Mr. Baijal, 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, financially or otherwise, in this resolution.

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

3. **Item No. 6 – Appointment of Mr. Desh Raj Dogra**

The Board of Directors appointed Mr. Dogra as an additional director pursuant to Section 161 of the Companies Act, 2013. He holds office till conclusion of this Annual General Meeting.

Mr. Dogra aged ~ 62 years is Retired Managing Director & CEO of Credit Analysis and Research Limited. He is an MBA, CAIIB, M.Sc., B.Sc. He has over 38 years of experience in financial sector in the areas of banking and credit rating.

He has been awarded with the prestigious Institute of Public Enterprises (Hyderabad) Corporate Excellence Award in 2013 for his contribution to field of excellence and corporate governance. He has also received IPE BFSI Leader Award in 2012.

He has prepared dossier on the Indian Economy and White Papers on both the equity and debt markets for the Ministry of Finance.

Details of directorship /membership of the Committees of the Board of other companies: He is also a director in Gandhar Oil Refinery (India) Limited, G R Infraprojects Limited, Asirvad Micro Finance Limited, Vikas Publishing House Private Limited, S Chand and Company Limited, SK Restaurants Private Limited, AMPL Cleantech Private Limited, Mercator Limited, Brickwork Risk & Investment Management Solutions Pvt. Ltd., ITI Mutual Fund Trustee Private Limited.

He is a member / chairman in the following Committees:

Audit Committee:
Chairman : S Chand and Company Limited
Member : Gandhar Oil Refinery (India) Limited and Asirvad Micro Finance Limited

He does not hold any equity share in the Company.

Except Mr. Dogra, 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, financially or otherwise, in this resolution.

Members' approval is sought by way of special resolution proposed under Item no. 6 of the accompanying Notice.

4. **Item No. 7 – 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, 2018, 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. 7 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 members.

None of the directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Members' approval is sought by way of ordinary resolution proposed under Item no. 7 of the accompanying Notice.

5. **Item No. 8 – 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 (NCDs), the Company can pass a Special Resolution once in a year for all the offers or invitations to be made for such NCDs during the year.

In order to augment resources for, inter alia, repayment of high cost debts or refinancing of existing NCD's, 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 Rs. 700 crores (Rupees Seven Hundred Crores only), 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 members vide the resolution dated September 11, 2014 is "Paid-up capital and free reserves plus Rs. 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only)." As on 31st March, 2017, the aggregate of the paid-up capital and free reserves of the Company stood at Rs. 18,09.62 crores and the Company had outstanding long term borrowings of Rs. 1,263.29 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.

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. 8 of the Notice.

Members' approval is sought by way of special resolution proposed under Item no. 8 of the accompanying Notice.

6. **Item No. 9 – Payment of remuneration by way of commission to Mr. Balkrishan Goenka, Non-Executive Chairman of the Company.**
Mr. Goenka, the Chairman and a non-executive Director is required to devote more time and attention in the planning for the growth of the Company. The Board therefore recognizes the need to suitably remunerate him with commission @1% of the net profits of the Company, every year, computed in the manner specified in the Act, or such other limit as may be notified by the Central Government from time to time, for a period of 5 years commencing from April 1, 2017.

Except Mr. Goenka, being the appointee herein and his wife Mrs. Dipali Goenka who is also a member in the Company, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

Members' approval is sought by way of special resolution proposed under Item no. 9 of the accompanying Notice.

`By Order of the Board

`Sd/-

Pradeep Joshi

Place: Mumbai
Date: May 8, 2017

Company Secretary
FCS-4959

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 member.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, June 26, 2017 to Wednesday, June 28, 2017 (both days inclusive) for the purpose of determination of members entitled to dividend for the year ended March 31, 2017.

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 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai-400 083. Tel No: +91 22 49186000, Fax: +91 22 49186060, email - rnt.helpdesk@linkintime.co.in; bonds.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. As part of the Green Initiatives by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company is being sent to the members at their respective e-mail addresses registered with the Company. Those members 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.

   However, members 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.

8. 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.

9. The members 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.

10. 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, 2015, 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 Sunday, September 17, 2017 (9:00 am) and ends on Tuesday, September 19, 2017 (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 Wednesday, September 13, 2017 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 members (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 siroyam@gmail.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 Wednesday, September 13, 2017.

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. Wednesday. September 13, 2017, 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. Members who have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, can access e-voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting their votes electronically by using their existing user ID and password used for accessing the website www. icicidirect.com. In case any member is not able to login through the ICICI direct website, can access the e-voting system of NSDL by using their existing user ID and password for the e-voting system of NSDL.

Further, NSDL has now integrated its e-Services website (https:// eservices.nsdl.com/) with the aforesaid e-voting system of NSDL, which enables registered User of IDeAS facility to also access e-voting system of NSDL for casting their votes by using their existing login credentials viz.; User ID and password of IDeAS facility. Thus, member would not be required to login to e-voting system separately for casting votes in respect of the resolutions of the companies.

XII. 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.

XIII. 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.

XIV. Mr. Mukesh Siroya of M/s. M. Siroya & Company, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XV. 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.

XVI. 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.

XVII. 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
Company Secretary
FCS-4959

Place: Mumbai
Date: May 8, 2017

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

2. 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 Wednesday, September 20, 2017 at 10:00 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. Balkrishan Goenka (DIN: 00270175) as a director of the Company, liable to retire by rotation.		
4	Re-appointment of Mr. Utsav Baijal (DIN: 02592194) 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	Appointment of Mr. Desh Raj Dogra (DIN: 00226775) as an independent director of the Company.		
7	Ratification of payment of remuneration to the Cost Auditors.		
8	Borrowing by offer of issue of securities on a private placement basis.		
9	Payment of remuneration by way of commission to Mr. Balkrishan Goenka, Non- Executive Chairman		

Signed this _____ day of _____ 2017.

Affix Re. 1 Revenue stamp

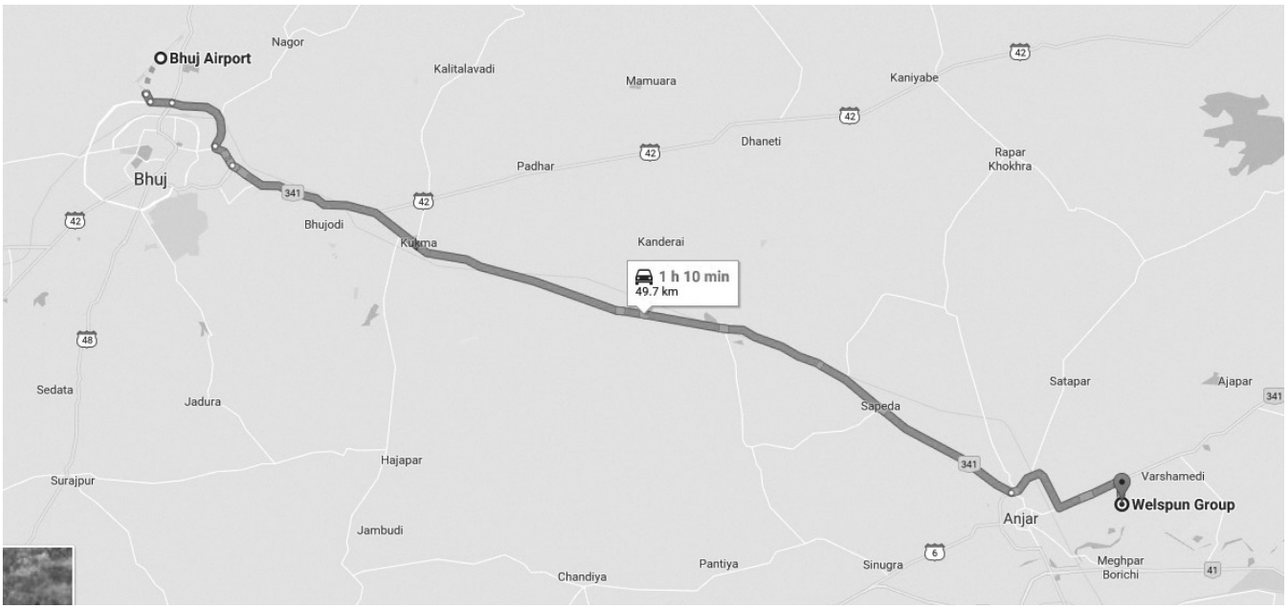
Signature of member _____

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

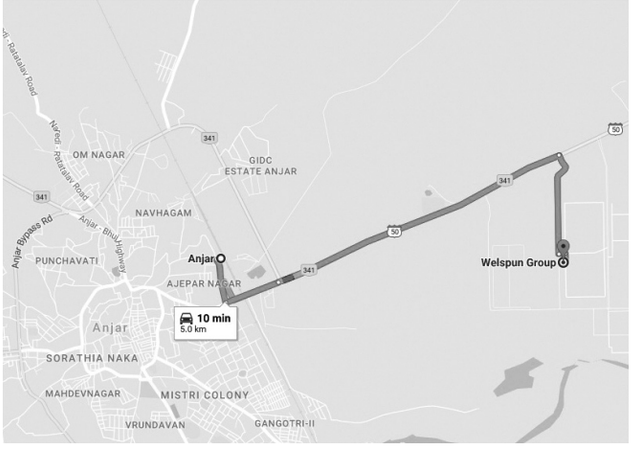
Note:

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 member.
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.

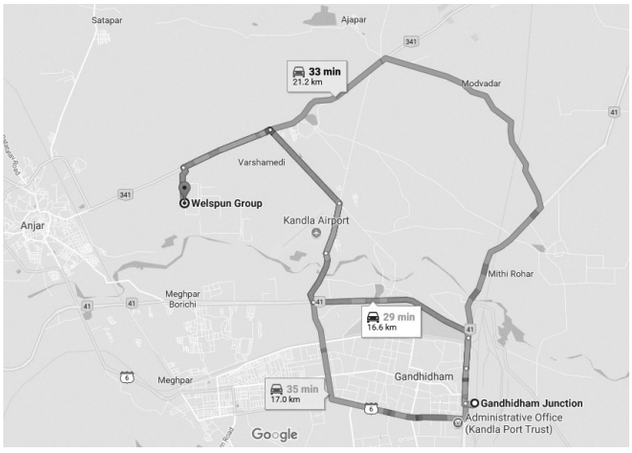
Route Map - Bhuj Airport to Welspun



Route Map
Anjar Station to Welspun



Route Map
Gandhidham Station to Welspun



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 member(s) 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 member(s)*

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

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 members.
14. For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.

WELSPUN CORP LIMITED

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Email : CompanySecretary_WCL@welspun.com Website: www.welspuncorp.com
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Board : +91 -22-66136000 Fax: +91-22-2490 8020

ATTENDANCE SLIP

Name and Registered address of sole / first named member (in block letters) :

Name(s) of Joint holder(s) if any (in block letters) :

Registered Folio No. / (DP ID No./ Client ID No.)* :

*Applicable to members holding Shares in dematerialized form

Number of shares held :

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Wednesday, September 20, 2017 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 10:00 am.

Signature of the Member / 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
107060		

The remote e-voting period commences on Sunday, September 17, 2017 (9:00 am) and ends on Tuesday, September 19, 2017 (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 8, 2017 of the 22nd Annual General Meeting before exercising the vote. These detail and instructions forms integral part of the said Notice.



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WELSPUN999

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SPACES HOME & BEYOND

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Welspun Corp Ltd.
Welspun House

Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013, India.
Tel: +91 22 6613 6000 / 2490 8000
Fax: +91 22 2490 8020 / 2490 8021
www.welspuncorp.com

Member of Welspun Group I www.welspun.com

concept, content and design at AICL [info@aicl.in]