WEL/SEC/2018 **August 16, 2018**

To,

BSE Limited 1st Floor, Rotunda Bldg, Dalal Street, Fort, Mumbai - 400 001. **Scrip Code: 532553**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. **NSE Symbol: WELENT**

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 at the 24th Annual General Meeting of the Company held on Tuesday, August 14, 2018 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat 370110.

Please take it on record.

Thanking you.

For **Welspun Enterprises Limited**

Pakhare

Welspun Enterprises Limited

Priya Pakhare
Company Secretary
FCS – 7805

WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

HIGHWAY TO PROSPERITY



Actual Site Photo

2017-18

प्रधान मंत्री
Prime Minister

New Delhi
23 May, 2018

Shri B. K. Goenka Ji,

I am delighted to know of your valuable contribution to the completion of Package I of Delhi-Meerut Expressway, which as you know got completed much before the target date.

We, as a nation, are standing at the cusp of a wave of development that is driven by a young nation with great aspirations. The infrastructure we are building will create new pathways for India's all-inclusive development and open new vistas of opportunity for our people.

It was our former Prime Minister Shri Atal Bihari Vajpayee's vision to connect each and every village and city with all-weather roads. He envisioned India's future built on a firm foundation of enhanced connectivity for people and businesses.

Today, from highways to I-ways, we are ensuring that our nation is ahead of the curve in infrastructural development.

The Delhi-Meerut expressway has showcased India's engineering capabilities that are well integrated with our goal of sustainable development. Also appreciable is the way in which the expressway has been converted into a green belt with initiatives such as drip water irrigation, solar plant and landscape development.

It is a matter of immense joy to see pride in people's eyes when they experience seamless commute through these modern day marvels. The new expressway is one such marvel that will ease the lives of citizens by saving them time and money as well as ensuring that local economy flourishes.

It is my firm belief that the highways built today will become runways for dreams of tomorrow to take flight. I, once again, congratulate everyone associated with this project for achieving a remarkable feat and delivering not just an expressway, but a roadway to progress and prosperity.

I wish you success in all your future endeavours.

Yours Sincerely,

(Narendra Modi)

Shri B. K. Goenka
Chairman, Welspun Group of Companies
Welspun House, Kamala City
Senapati Bapat Marg, Lower Parel
Mumbai- 400013

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Highway To Prosperity

Delhi-Meerut Expressway (Delhi Section)

In India over 60 per cent of all goods and 85 percent of total passengers use Roads as mode of transportation. The Central Government thus embarked on a journey to transform India, keeping Infrastructure development at the core. In this direction, the Government took several positive steps to expedite buildup of the large infrastructural need of the country. The Honorable Union Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, Shri Nitin Gadkari and National Highway Authority of India (NHAI) have been working relentlessly to achieve Government's vision of developing India's infrastructure which is at par with developed nations.

Welspun Enterprises Limited (WEL), the fastest growing company of Welspun Group, began its association with the National Highway Authority of India (NHAI) through the Hybrid Annuity Model (HAM); a revolutionary scheme developed to address the pain of the industry and the constraints of the Government. After the successful bidding process, Welspun Enterprises Limited was awarded Delhi-Meerut Expressway (Delhi Section) by the NHAI in early 2016.

> We are thankful and proud to be associated with NHAI under the Hybrid Annuity Model. Welspun Enterprises was the first Company to achieve the financial closure for this expressway project. We are proud to contribute through industry first initiatives like vertical gardens, cycling track, solar lighting and beautification of this stretch. The completion of this expressway along with NHAI strongly showcases our strength in Infrastructure and truly resonates with our philosophy of '**Leading Tomorrow Together**'."
>
> ***Balkrishan Goenka***
> *- Chairman, Welspun Group*

Welspun Enterprises Limited completed the project in a record time of 18 months as against the scheduled 30 months. The project consists of a six-lane expressway in the centre, flanked by two four-lane highways on either side - making it India's first 14-lane sustainable green expressway

The foundation and probability of success in achieving this ambitious target lay in close synchronization, timely permissions from various stakeholders and quick decision making by respective authorities. NHAI closely coordinated these activities and assisted in timely approvals from various Government agencies such as NGT/ Forest Department, BSES, GAIL, IGL, DTL, DJB, DMRC. Welspun specially recognizes the exceptional efforts put in by the Honorable Minister and his office, NHAI Chairman & Board Members, Chief General Manager & Regional Officer, Project Director and Project team from NHAI along with the Independent Engineer who monitored the developments very closely and provided solutions to every challenge faced along the way.

The journey of achieving this monumental target was paved with transparency, commitment and meticulous planning by NHAI and Welspun Enterprises Limited. Welspun Enterprises along with its contractor, exhibited exemplary teamwork & commitment to the cause and ensured that this project is successfully completed with highest standards of quality.

Welspun Enterprises Limited under the leadership of Mr. Sandeep Garg, Managing Director and CEO had set an ambitious target of completing the project in less than 500 days as against the schedule of 900 days. Welspun's team made a bold commitment to NHAI that they would be the first Company to complete a HAM project and establish a benchmark; a tall order, given that this was the first project of the Company with NHAI and also that it required building the infrastructure in a highly congested urban terrain.





Foundation Stone Laying Ceremony of Delhi-Meerut Expressway (Delhi Section) December 31, 2015



As on March 27, 2017



As on March 30, 2017



As on April 15, 2017



As on June 01, 2017



As on June 30, 2017



As on September 11, 2017



As on November 20, 2017



As on November 30, 2017



As on February 10, 2018



As on March 20, 2018



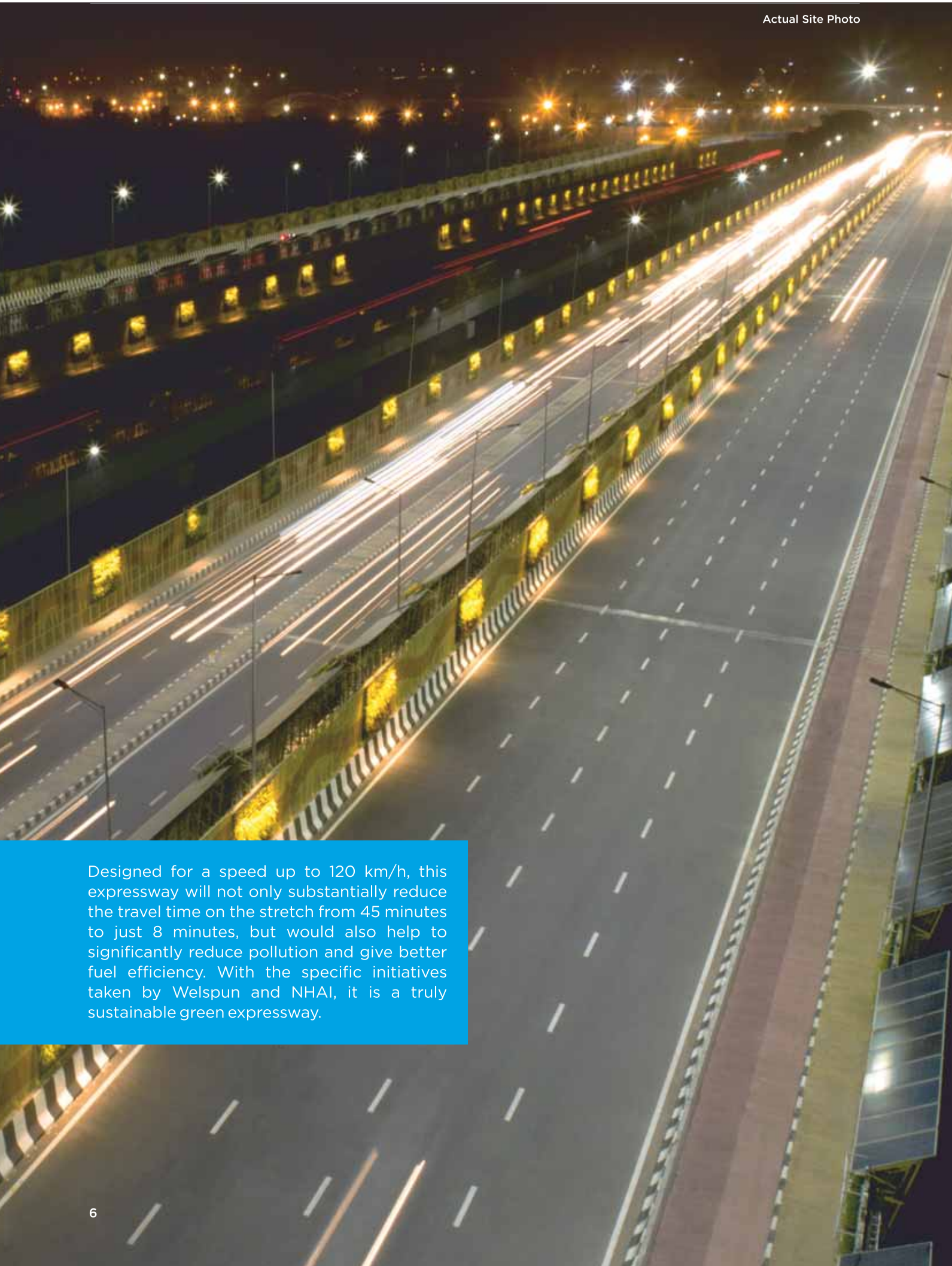
India's first 14 lane Expressway Inaugurated on May 27, 2018



Welspun Enterprises Ltd. completed the project in a record time of 18 months as against the scheduled 30 months, setting a new benchmark with operational efficiency and commitment. The stretch features Advanced Traffic Management Systems (ATMS), CCTV's, India's first cycling track on both sides, vertical gardens with drip irrigation, solar panels for lighting entire stretch thus making it a first green and sustainable road infrastructure development in the country. To make it a world class infrastructure from point of view of aesthetics, beautification replicas of prominent monuments like Qutub Minar & Ashoka Stambh, development of open area into parks and fountains were also done.



Honorable Prime Minister of India, Shri Narendra Modi inaugurated India's first 14 lane green expressway on 27th May, 2018 and dedicated it to the nation.



Actual Site Photo

Designed for a speed up to 120 km/h, this expressway will not only substantially reduce the travel time on the stretch from 45 minutes to just 8 minutes, but would also help to significantly reduce pollution and give better fuel efficiency. With the specific initiatives taken by Welspun and NHAI, it is a truly sustainable green expressway.

Chairman's Message



Balkrishan Goenka
- Chairman, Welspun Group

My Dear Fellow Stakeholders,

FY18 was a landmark year for your Company. I am extremely happy to share that our performance in FY2017-18 has surpassed expectations and set new benchmarks for the industry. This is the result of our focused efforts in the last few years to build a solid foundation for a profitable and sustainable business. On the one hand, we have built a solid balance sheet with significant cash balance and on the other hand, we have built an exceptional team focussed on operational excellence. Our efforts have started delivering significant value for all our stakeholders and I firmly believe that, this is just the beginning of a wonderful journey.

A Differentiated Business Model

Since the formation of Welspun Enterprises in its current form, we have been trying to evolve a business model in the infra space which is profitable, sustainable and minimises risk. As you would know, this sector has been notorious for destroying stakeholder value in the last few years. Many Infra companies have a lot of cash stuck in plant and machinery as well as working capital, and we did not want to fall into the same trap, by following a similar business model. Hence we have evolved an asset-light model which we believe would deliver much better returns on capital employed with much lesser risk.

Firstly, we are focused only on HAM projects as a developer, and that too on differentiated projects where the competition is lower. At the pre-bidding stage, each bid is evaluated by an independent bid committee and is approved for bidding, only if it meets the Company's return criteria. Unlike most other companies in the infra space that are burdened with high amount of debt, the Company has built a significant cash balance of Rs. 7.1 billion. This cash gives WEL ample capital for growth and supports the equity required for the HAM projects. The strong balance sheet (with net worth of about Rs. 15 billion) and robust credit rating (AA- for long-term facilities) helps the Company achieve quick financial closure and arrange debt for the projects at very competitive costs, which we have demonstrated in the awarded projects in our portfolio.

On the EPC part, the entire construction is outsourced/sub-contracted to the best-suited sub-contractor and WEL only focuses on the high value-add activity - Project Management Consultancy (PMC) ensuring quality, safety and timely completion of the projects. There is no investment in construction plant and machinery as well as working capital. There is also no need to build a labour force. The outsourcing of construction also gives WEL flexibility to take up projects in any part of the country. The rigorous project monitoring and supervision by WEL, during the construction phase, reduces execution risk, helps in achieving early completion and minimises operations and maintenance expenses during the O&M period. It also helps improve returns by earning the early completion bonus.

Once the construction is over, we plan to unlock value from these projects by divesting the projects to investors with lower cost of capital. This ensures that the capital is churned and is not stuck in various completed projects.

Thus, our strategy is based on three pillars:

- Financial Strength
- Operational Excellence
- Prudent Risk Management

Honorable Prime Minister of India, Shri Narendra Modi on the Delhi Meerut Expressway (Delhi Section)



The Year Gone by

We started the year with just one HAM project in our portfolio. By following a cautious bid/buy strategy, we added five more HAM projects to our portfolio taking the total HAM portfolio size to Rs. 70+ billion and 235+ kms. While one of the projects in our portfolio is already complete, work is in full swing in two more of these. Financial closure has been achieved for two others whereas we are awaiting the Letter of Award in the most recent project win.

The highlight of the year has been the completion of our first project and India's first 14 lane expressway - Delhi-Meerut Expressway (Package-1). The project was inaugurated and dedicated to the nation by the Hon'ble Prime Minister of India, Shri Narendra Modi in May 2018. We are thankful and proud to be associated with NHAI on this marquee project - India's first to be built under the HAM model. Completed in a record time of 18 months as against the scheduled 30 months, the Delhi-Meerut Exprxessway sets a new benchmark for the industry. It also showcases the operational excellence achieved by Welspun Enterprises.

Delhi-Meerut Expressway is much more than an expressway, with several industry first features. This green Expressway features vertical gardens, cycling track, solar lighting and beautification initiatives by wall arts and replicas of famous monuments. The completion of this expressway with the support of NHAI, exceeded our commitments, thus truly resonating with our philosophy of 'Leading Tomorrow Together'. We have built an expressway today for the dreams of tomorrow.

Our operational achievements are also reflected in our financial performance. We have almost tripled our total income compared to the previous year. On the profitability front, we have achieved 145% growth in EBITDA and 153% growth in Profit After Tax on account of the EPC margins from the accelerated execution of projects, especially Delhi-Meerut Expressway. We were also successful in improving our long-term credit rating two notches to "AA-" while maintaining our short-term rating at "A1+" (highest possible rating).


सड़क परिवहन एवं राजमार्ग मंत्रालय
(भारत सरकार)
Ministry of Road Transport & Highways
(Govt. of India)

Certificate of Appreciation

AWARDED TO

SHRI SANDEEP GARG

Managing Director, M/s Welspun DME Pvt Ltd.

In recognition of your valuable contribution towards the successful completion of Delhi-Meerut Expressway Project (Pkg.-I) well before the scheduled time and that too with great efficacy. I really appreciate your efforts and professionalism by which you have been associated in completion of the project well before time.

Nitin Gadkari

Union Minister of Road Transport & Highways Shipping and Water Resources, River Development & Ganga Rejuvenation Government of India

May 31, 2018

A Promising Future Awaits

While FY2017-18 has been very encouraging for us, I am more excited about the future of Welspun Enterprises. With government initiatives including Bharatmala being rolled out in the road space, we see a significant uptick in bidding activity. Under Bharatmala, a total of around 24,800 kms are proposed to be constructed in Phase I. In addition, Phase I also includes 10,000 km of balance road works under NHDP. Estimated outlay for Phase I is more than Rs. 5 trillion. The Ministry of Road Transport and Highways (MoRTH) has fixed a target of awarding works for around 20,000 kilometres of national highways during the current year 2018-19. This is about 25 per cent more than the FY18 figure.

Apart from the upcoming projects, there are many projects awarded by NHAI in the past year, which have not been able to achieve financial closure. Most of these distressed projects, owned by weaker developers, are available for takeover by stronger players.

Welspun Enterprises has built a robust HAM portfolio of Rs. 70+ billion with unexecuted order book at Rs. 60 billion at the end of FY18, which sets a strong foundation for future growth of the Company. The order book provides revenue growth visibility of 100% p.a. for the next 2 years i.e. FY19 and FY20. The significant increase in revenue is also expected to translate to better operating margins as operating leverage comes into play.

Your Company intends to continue its approach of prudent bid/buy strategy to strengthen its HAM project portfolio. The Company will continue to work on an asset-light model with focus on Return on Capital Employed (RoCE), free cash flow and risk management.

We are also analysing the water sector for


Actual Site Photo

future growth opportunities and for diversification. With experience of water pipes and water supply project, I believe that WEL is at an advantageous position to tap these opportunities and fuel the future growth.

We will also look at unlocking value from our Oil & Gas investments, at the right time. There are some promising blocks in our portfolio, which could yield significant returns, at the right stage of the development cycle.

Sustainability

Welspun believes in doing business which is not only consistent with the environment but also helps sustain it in the long run. Known for its various social initiatives, Welspun has played a key role in rehabilitating the slums at the constructed Delhi-Meerut expressway. It has also initiated various social awareness programs with local population in the areas of hygiene, women empowerment and education for children. It will continue to play its part responsibly in and around the region it operates in.

My Sincere Thanks

We had an outstanding year and this would not have been possible without the support of our key stakeholders. I take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees, our esteemed customers, vendors, bankers and investors, for their unrelenting dedication, support and commitment to Welspun. With your continued support, I am confident that Welspun Enterprises will reach much greater heights.

Sincerely,
Best Regards,



Balkrishan Goenka
- Chairman, Welspun Group



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Q&A

Sandeep Garg WITH MD & CEO

Q. Completing Delhi-Meerut Expressway Package-1 in a record time is itself a benchmark. To whom you attribute the success of the early completion?

A. The success of any project depends on the synchronisation of various activities such as utility shifting, forest clearance, source identification, resource mobilisation, manpower engagements, location and construction of camp, etc, which were efficiently managed in coordination with NHAI. Meticulous planning and timely follow-up with various government agencies such as BSES, GAIL, IGL, DTL, DJB independent engineers and various subcontractors ensured smooth and speedy execution of this project. The successful completion of this expressway well ahead of the stipulated time strongly showcases our strength in the infrastructure space.

Q. Saving almost a year on the scheduled completion of 30 months is a substantial saving which can only be achieved with focused planning. Please throw some light on what the Company did differently to achieve this milestone?

A. In this project, we were able to achieve substantial early completion by value engineering to reduce overall construction time as well as by taking support of technology. At the engineering stage, a design change was initiated to convert the well foundation to pile foundation to reduce construction time of the bridge.

At the execution stage, we took various steps to reduce construction time even at the expense of slightly higher cost. For instance, we used sacrificial shuttering to save time on shuttering removal and reduce cycle time. We implemented various techniques like using specialised admixtures to reduce the setting time of concrete. Additional cranes were mobilised for launching girders in lesser duration, which reduced construction time and traffic congestion. Further, hydraulic piling rigs were used at all locations to avoid shifting from one location to another. Boom placers were placed separately at all structure locations to speed up concrete pouring. Sensor pavers for bituminous works (BC, DBM and WMM) were separately made available; hence, shifting time was substantially saved. Precast sections were used in various structures to reduce construction time. Additional equipment was mobilised at various fronts, enabling work to be continued in parallel at different locations and, water tankers were in rotation for 24 hours. All this enabled us to complete the expressway well ahead of the schedule.

Q. You mentioned about use of technology. Can you please explain more on that?

A. Several differentiated technologies and methods were used in the construction of this project. These include an intelligent compaction system to monitor the quality of compaction; PTZ cameras to analyse progress as well as safety and other quality requirements; and video monitoring and analytical reports to resolve bottlenecks in real time. Moreover, a dedicated QMC was hired to monitor all the activities and raise an alarm in case of any violation in operating standards and methodologies during construction.

Q. Safety always remains important in these types of expressways built for high speed traffic. How was that achieved in this expressway?

A. The project has undertaken world-class safety measures for a better commuting experience. During winters, the number of accidents usually increases to a greater extent in Delhi owing to the heavy fog, which results in poor visibility. Thus in this project, LED lights have been used, which also work effectively under fog and provide additional safety for users. Anti-fog lights have been used at the major bridge as well, for better visibility. Moreover, CCTV cameras, retro reflective signage, antiglare in the medians and U-turn in all underpasses, as well as advanced traffic management system (ATMS) have been installed for enhancing safety.

Q. Under the HAM model, Welspun Enterprises will have to undertake the O&M expenses of the highway against fixed payments (with some escalation) from NHAI, it is important that a good quality road is built to have low O&M expenses in future. What has been done on that front?

A. The expressway was made using high-quality construction materials, adding to the life and quality of the expressway. High-grade admixtures have been used to achieve early strength of concrete. Geo-composites were used to improve earth slope stability and geo-synthetics and geo-cells were used for soil stabilization and slope protection. Also, fibre-reinforced concrete was used in crash barriers for improved finish and to reduce shrinkage cracks. Polymer-modified bitumen was used in the wearing course for enhanced texture, better riding quality and increased life of the expressway. What's more, all structures are being painted with anti-carbonation paint, which will protect them against damage from chloride, sulphate and other corrosive salts.

Q. Apart from making it a safe and quality expressway to drive on, you have built a one of its kind green expressway. What exactly different has been done on that part?

A. Yes, we have built a one of its kind green expressway. Green walls and solar panels have been installed along the major bridge for beautification and to reduce pollution. A solar power plant has been installed to meet all the power requirements of the project, thereby reducing overall power cost and promoting use of clean energy. The expressway includes a 2.5-m-wide cycle track on either side of the highway and a vertical garden with drip irrigation to reduce the carbon footprint. Fountains and replicas of Qutub Minar and Ashoka Sthambh have been installed for beautification. About 40,000 trees were transplanted to enhance the environment and the junction is designed so as to retain existing trees. Other benefits accruing from this expressway include curbing the pollution in Delhi through diversion of traffic to other states like Uttarakhand and Uttar Pradesh, and improving the connectivity of Delhi with these two states.

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Enterprises Ltd ("Welspun" or "WEL" or the "Company"), and the notes thereto for the year ended March 31, 2018. This MD&A covers Welspun's financial position and operations for the year ended March 31, 2018. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers for the year ending March 31, 2018 as well as for the previous year are regrouped and reclassified wherever necessary.

Forward-Looking Statements

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

Business Overview

Welspun Enterprises Limited (WEL), formerly known as Welspun Projects Ltd., is a part of the USD 2.3 billion Welspun Group.

The Company operates in the infrastructure space with investments in oil & gas. The Company, in its current form, was created by the merger of the erstwhile Welspun Enterprises Ltd., Welspun Infratech Limited, Welspun Plastics Private Limited and Welspun Infra Projects Private Limited with Welspun Projects, which was renamed as Welspun Enterprises Ltd. In the infrastructure space, WEL is focussed on Hybrid Annuity Model (HAM) projects as a developer.

WEL currently has a portfolio of six HAM projects (including L-1 in one project). The total portfolio size stands at Rs. 70+ billion and 235+ kms. For the five awarded projects, the Company has completed one, started construction on two and achieved financial closure for the remaining two projects. WEL is awaiting the Letter of Award on the project in the sixth project.



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Macro-Economic Overview

In CY17, the global economy recorded growth of 3.8% in 2017 which was the fastest since 2011. With financial conditions still being supportive, global growth is expected to tick up to 3.9% in both 2018 and 2019. Advanced economies are expected to grow faster than in 2018 and 2019 vs. 2017. Euro area economies are set to narrow excess capacity with support from accommodative monetary policy, and expansionary fiscal policy is expected to drive the US economy above full employment. Aggregate growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after three years of weak performance.

The Indian economy on the other hand, emerged as the fastest growing major economy in the world. The Indian economy recorded growth of 6.7% in FY2018. With Gross Domestic Product (GDP) growth averaging 7.3% between 2014-15 and 2017-18, India was among the best performing economies in the world.

During FY2018, the country saw several structural reforms by the government to fuel the economic development of the country. These reforms were majorly targeted towards financial inclusion, banking sector and the organized market. The push on the Jan Dhan Yojana and Aadhar improved the financial inclusion in the country as more than 300 million banks accounts were opened under the scheme. In order to improve the efficiency in the banking sector, new NPA disclosure rules and Insolvency and Bankruptcy Code (IBC) were introduced. The IBC provided a one-stop solution for resolving insolvencies. With a target to improve the tax compliance and promote organized market, the government introduced GST in July 2017. It was with the aim to consolidate all other indirect tax laws and to also bring a harmonized tax structure and uniform compliance practices both by regulators and businesses. With increased compliances for unorganized players, in the medium to long term, GST will provide level playing field for the organized players to compete with the unorganized players in the country. Introduction of GST is expected to be a potential game changer that would unite the country into a common market by dismantling inter-state tariff barriers. As a result of the reforms, India has improved its ease of doing business and has become one of the most competitive countries in in South Asia, being ranked number 40 in the global competitiveness ranking of 137 countries by the World Economic Forum (WEF).

Outlook for the Indian economy continues to be positive. As per the International Monetary Fund (IMF) World Economic Outlook, Indian economy is expected to grow by 7.8 per cent in 2019, which will make the country the world's fastest-growing economy in 2018 and 2019. The economic growth is expected to be lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the GST. The reform measures undertaken in 2017-18 are expected to strengthen further in 2018-19 and reinforce growth momentum.

Infrastructure

Infrastructure is an important sector that propels overall development of any economy and India is no exception. As per the World Economic Forum's Global Competitiveness Report 2017-18, India's overall infrastructure rank is 66 out of 137 economies, 2 places up from last year. Despite this improvement, India still lacks behind most of the BRIC countries reflecting huge potential in the infrastructure sector in India.

The under-investment in infrastructure sector in the period 2010-2014 was on account of collapse of Public Private Partnership (PPP) especially in power and telecom projects; stressed balance sheet of private companies; and issues related to land as well as forest clearances. However, with the various reforms introduced by the Government, there has been a pickup in the infrastructure investment across the country in recent years.

As per Global Infrastructure Outlook, rising income levels and economic prosperity is likely to further drive demand for infrastructure investment in India over the next 25 years. India will require about $4.5 trillion investment in infrastructure by 2040 to improve economic growth and community well-being. Given this context, the Indian government has ambitious plans for its new integrated infrastructure programme which involves building of roads, railways, waterways and airports.



Road Infrastructure

Road transport is the dominant mode of transport in India, both in terms of traffic share and in terms of contribution to the national economy. Apart from facilitating the movement of goods and passengers, road transport plays a key role in promoting equitable socio-economic development across regions of the country. Easy accessibility, flexibility of operation, door-to-door service and reliability have earned road transport a greater significance in both passenger and freight traffic vis-à-vis other modes of transport. India has one of the largest road networks in the world, of over 5.6 million km comprising National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads. This road network is used to transport over 60% of total goods and 85% of total passenger traffic. This shows the importance of the road infrastructure for the country and justifies the undivided focus of government on the sector.

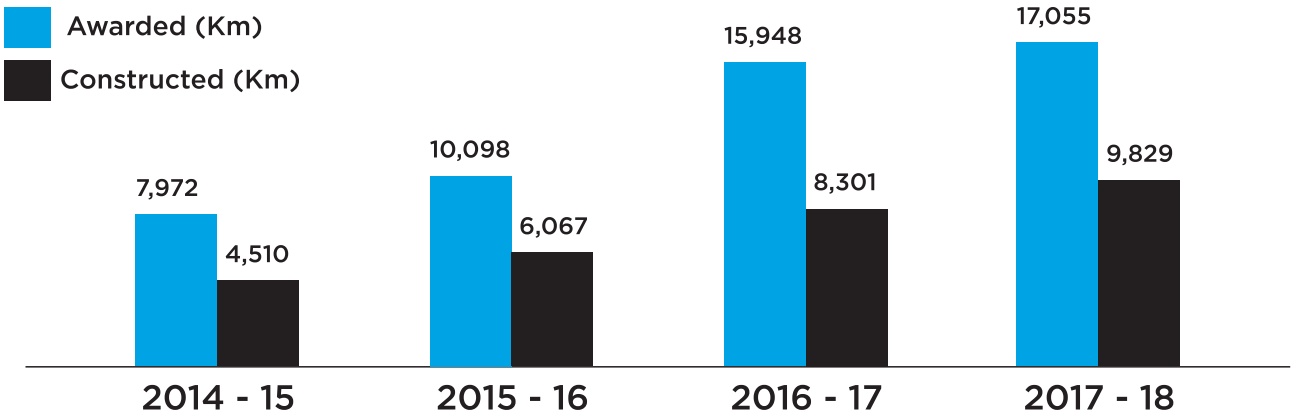
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> During the year, we have strengthened our project portfolio by growing from one project at the beginning of the year to five projects by the end of the financial year. This has translated into higher revenues, better margins, robust order book and a foundation for creating long-term value for our stakeholders. We continue to demonstrate our philosophy of operational excellence with focus on return on capital. We are well-poised to take advantage of the potential in the infrastructure space, with a strong balance sheet and a sizable cash reserve. This can be seen in our ability to quickly achieve the financial closure of all awarded projects.
>
> ***Sandeep Garg***
> *- Managing Director & CEO*



During FY2017-18, the total length of highways awarded in the country was 17,055 kilometres, of which, 8,652 kilometres were awarded by the Ministry, 7,397 kilometres by NHAI and 1,006 kilometres by NHIDCL.

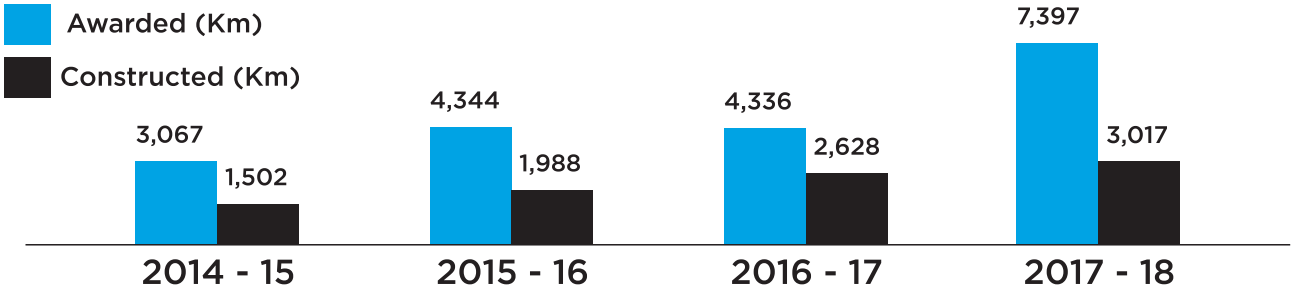
Highway projects awarded and constructed in Kms



Construction of national highways hit an all-time high of about 10,000 km in 2017-18, which translates to 28 km a day higher than the previous record 8,301 km, achieved in 2016-17. The total investment in national highway construction in FY18 was around Rs 1.5 lakh crore, of which Rs 1 lakh crore came from budgetary allocation.

NHAI being the single largest agency for implementation of national highways, constructed more than 3,000 km in FY18 and awarded more than 150 projects totaling 7,397 km worth Rs. 1.22 lakh crore.

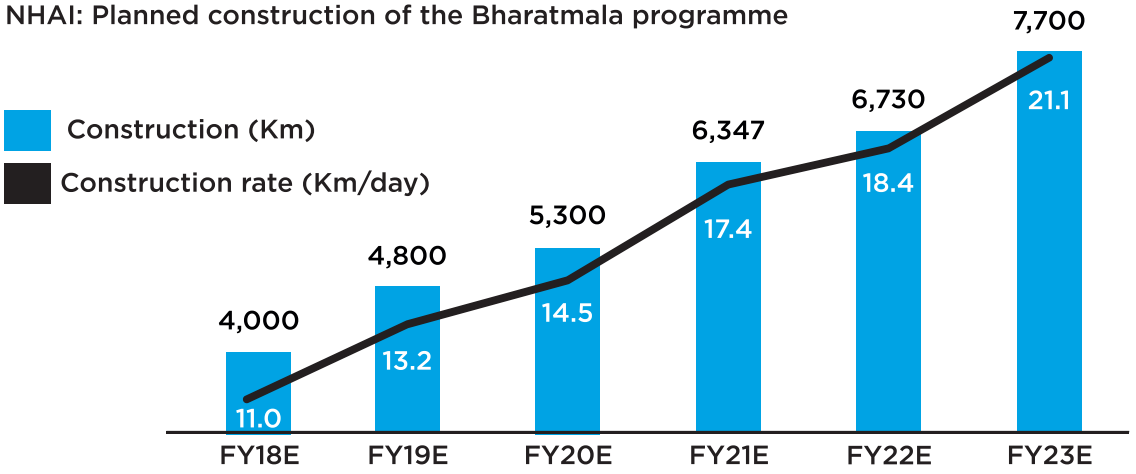
NHAI projects awarded and constructed in Kms



The Ministry of Road Transport and Highways (MoRTH) has fixed a target of awarding works for around 20,000 kilometres of national highways during the current year 2018-19. This is about 25 per cent more than the FY18 figure. The highway construction target for 2018-19 has been pegged at 16,420 km, and per day construction target has been fixed at 45 km.

Considering the importance of the road infrastructure, the government has come up with Bharatmala Pariyojana, a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressways. A total of around 24,800 kms are proposed to be constructed in Phase I. In addition, Phase I also includes 10,000 km of balance road works under NHDP. Estimated outlay for Phase I is Rs. 5,35,000 crore. The objective of the program is to achieve optimal resource allocation for a holistic highway development/improvement initiative.

NHAI: Planned construction of the Bharatmala programme

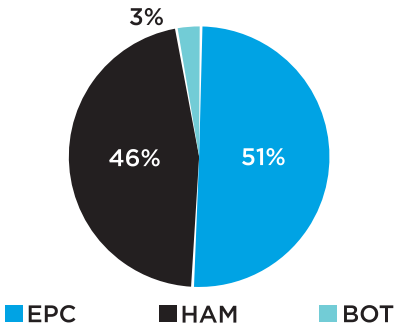


In order to facilitate implementation of projects under the ambitious future plans, the government has been taking initiatives to revive interest of private players in the road sector. Towards this objective, an innovative model of project development - Hybrid-annuity model (HAM) was introduced in January 2016. HAM targets to overcome the issues of earlier models including land acquisition, change of scope, traffic changes, tolling risk and difficulty in debt financing of projects. HAM model is advantageous for both the developer and the concessioning authority. From the point of developer, 40% of the project cost in HAM contracts is provided by the authority (such as NHAI) as construction support, thus reducing equity requirement for the developer to a minimal level of 12-15%. Since fund disbursement from the government is on time and happens during the construction phase itself, projects do not get stuck because of financing reasons. The authority also ensures necessary clearances and 80% of the land before the appointed date. During the operational period, the developer bears no toll collection risk and its O&M gets covered by separate payments from the authority. While for the authority, capital expenditure is deferred under HAM and requires lesser amount of funds during construction years in comparison to projects on EPC mode. By following HAM, the authority would able to finance 2.5 times of what it could achieve on EPC mode. In addition to this, the authority retains the right to collect toll revenue from these roads, which partly or fully funds the annuity payments to the concessionaire. The authority also need not take the onus of maintenance of the road during the entire concession period (typically 15 years) as the responsibility is on the concessionaire.

To make HAM projects even more attractive for developers to bid and banks to finance, some governments have started to tweak the HAM model itself. Maharashtra, for example, provides 60% of the funds in the first two years instead of the earlier 40%, and the payment tenure for the remaining amount has been cut from 15 years to 10 years.

The attractiveness of the HAM model can be seen from the fact that, of the total length awarded by the NHAI in financial year 2018, almost half was through the hybrid annuity model (HAM). Engineering, procurement and construction (EPC) mode was around 51 per cent and the remaining through build-operate-transfer (BOT) toll mode. (refer fig.)

Projects awarded by NHAI in FY2018



Both the ministry and NHAI plan to increase the portion of HAM projects even further in the award list for 2018-19 considering the heightened interest level from developers and banks.

Other initiatives such as introduction of Infrastructure Investment Trusts (InvITs) have also been taken to make financing easier for the developers. In order to raise funds for its contribution, the government has worked on monetization of operational projects through the Toll-Operate-Transfer (TOT) model.

Water Infrastructure

India represents 16 percent of the world population and 15 percent of livestock, whereas it has only 4 percent of the water resources of the world. India ranks 133rd out of 180 nations for its water availability and 120th out of 122 nations for its water quality.

Government has launched several programs to improve the water infrastructure of the country. The National Water Development Agency (NWDA) has also identified 30 links for inter linking projects for transferring water from water surplus basin to water deficit basins. Under the Union Budget 2018-19, government has allocated an outlay for Rs. 2,000 crore for irrigation infrastructure. The ministry is implementing key projects such Namami Gange, Pradhan Mantri Krishi Sinchayi Yojana and river inter-linking.

According to Assocham estimates, India's water sector requires annual investment worth US$13 billion. In order to bridge the gap between the current situation and the requirement, the government is making efforts to promote private participation in water infrastructure. On the similar lines of HAM road infrastructure model, the government is working on the HAM model for water infrastructure as well where the capital investment (up to 40%) will be paid by the government through construction-linked milestones and the balance through an annuity over the contract duration.



Oil And Gas

The world economy is expected to almost double over the next 20 years; much of this expected growth will be contributed by the emerging economies, with India and China leading the deck. This economic growth will require energy and thus the energy demand is expected to grow by 30% in next 20 years. During this period, India's energy demand is expected to grow by 165%, nearly three times the overall non-OECD growth of 61%, also outpacing each of the BRIC countries: China (+41%), Brazil (+60%), and Russia (+6%). India is already the 3rd largest consumer of crude oil and petroleum products in the world; however, the country's share in global primary energy consumption is projected to increase significantly from 5% in 2017 to 11% in 2040.

Rapid economic growth is leading to greater outputs, which in turn is increasing the demand of oil for production and transportation in the country. In addition, with rising income levels demand for automobile is also estimated to rise, in turn leading to augmented demand for oil and gas. Due to this strong growth in demand, India's dependency on oil imports has increased rapidly and is expected to increase further. In the next 20 years, oil imports are expected to rise by 175% while the gas imports are expected to increase by 291%.

In order to reduce this dependence on imports, government is taking several steps to increase oil and gas output of the country. The Cabinet approved a revised exploration policy, named Hydrocarbon Exploration and Licensing Policy (HELP), last year. HELP replaces New Exploration Licensing Policy (NELP) that governed India's oil and gas sector for two decades but didn't help produce much oil or gas. In FY18, the oil ministry has put in place all components needed to operationalise the latest policy, including a model revenue sharing contract and open acreage licensing policy. The Oil ministry has also launched the National Data Repository containing exploration and production data of all Indian sedimentary basins. The repository gives potential investors access to necessary geological data that will help companies carve out exploration blocks.



WEL - Business Strategy And Highlights

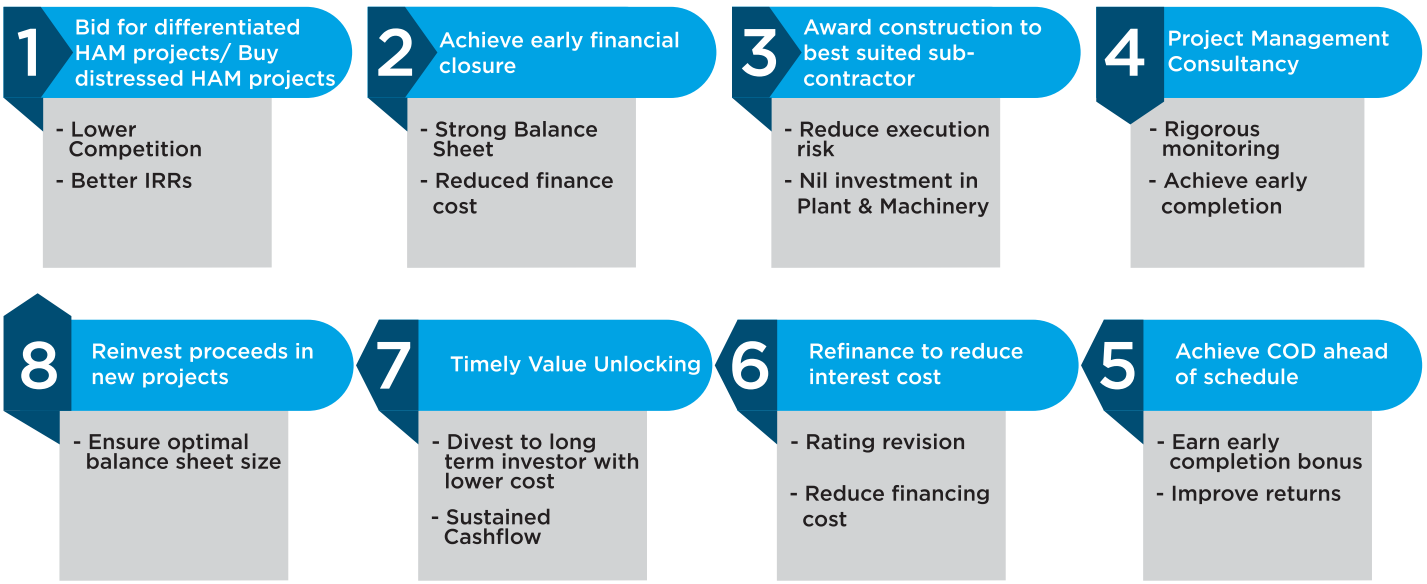
Welspun Enterprise Limited (WEL) is one of the three key companies under the Welspun Group. The company operates in the infrastructure sector (Road and water infra) with investment in oil and gas space. WEL is unique in the Indian infrastructure space with its focus only on HAM, significant cash balance and asset-light model.

WEL is focused only on HAM projects as a developer – it does not undertake any new EPC projects or BOT projects. The focus is on differentiated projects where the competition is lower. At the pre-bidding stage, each bid is evaluated by an independent bid committee and is approved for bidding, only if it meets the Company's return criteria. The Company has a cash balance of Rs. 7.1 billion, unlike most other companies in the infra space that are burdened with high amount of debt. This cash gives the company ample capital for growth and supports the equity required for the HAM projects. The strong balance sheet and robust credit rating helps the Company to arrange debt for the projects at very competitive costs. While many weaker players are finding it difficult to achieve financial closure, WEL has achieved quick financial closure of all 5 awarded projects, thanks to its balance sheet.

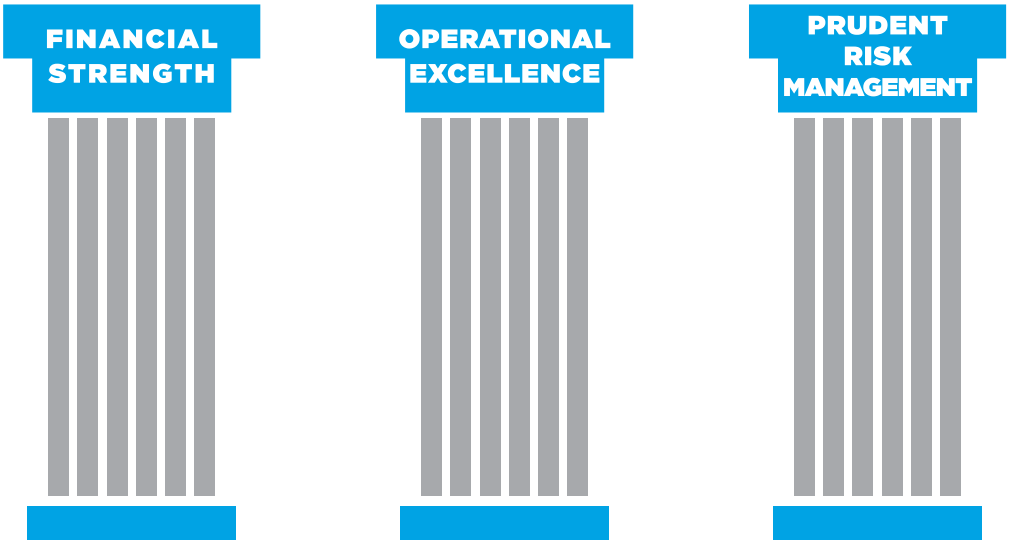
The Company follows a unique asset-light model, with no investment in construction plant and machinery. The entire construction is outsourced/sub-contracted to the best-suited sub-contractor and WEL only focuses on the high value-add activity - Project Management Consultancy (PMC), ensuring quality, safety and timely completion of the projects in its portfolio. The outsourcing of construction also gives WEL flexibility to take up projects in any part of the country. The rigorous project monitoring and supervision by WEL, during the construction phase, helps in achieving early completion and reducing operations and maintenance during the O&M period. It also helps improve returns by earning the early completion bonus.

With focus only on HAM, working capital requirements are also minimal. Under HAM, the risks are significantly reduced once the construction is over. WEL will look to unlock value from these projects at this stage, by divesting the projects to investors with lower cost of capital.

WEL's Asset Light Approach to Infrastructure



WEL's future strategy is based on three pillars



BUILDING
MUCH MORE THAN AN
EXPRESSWAY

Vertical Garden developed along the entire bridge

40,000+ Trees



transplanted and retained existing trees

3230 Solar Panels



Electrification through Solar Power of 1050 kWp

Beautification Initiatives



Wall Art on pillars & replicas of famous monuments

Actual Site Pictures of Delhi Meerut Expressway (Delhi Section)

Infrastructure Project Portfolio

In FY18, the Company followed a cautious bid/buy strategy to strengthen its HAM portfolio. The Company started the financial year with one HAM project and added 5 more HAM projects (including L-1 bidder status in one project) to its portfolio taking the total HAM portfolio size to Rs. 70+ billion and 235+ kms. The EPC order book at the end of the year was Rs. 60 billion.

By March 31st 2018, the Company had substantially completed India's first HAM project -Delhi-Meerut Expressway Package 1 (Delhi Section), demonstrating operational excellence by remaining well ahead of the scheduled construction. The Company started construction on two more HAM projects during the financial year while two other projects have achieved financial closure and are awaiting appointed date. The Company holds the L-1 bidder status in its most recent project addition and is awaiting formal communication ("Letter of Award") from NHAI.

The details of the HAM projects and their status is given below:

- **Delhi - Meerut Expressway Package 1**
  Project Description: 14 Lane expressway: Six-laning of Delhi – Meerut Expressway & four-laning either side from 0th km to existing km 8.4 of NH-24 in Delhi.
  Project Status: WEL started construction on the country's first 14-lane expressway and one of the first projects under the Hybrid Annuity Model (HAM), in November 2016. While the construction schedule was 30 months, the Company has completed the project and applied for provisional completion certificate within 18 months. This demonstrates the operational excellence and superior project management by WEL, with its outstanding performance being appreciated by the NHAI as well. The extraordinary speed of completion also entitles WEL to an early completion bonus from the authority.

- **Gagalheri - Saharanpur Yamunanagar (GSY)**
  Project Description: 4-Laning of Gagalheri-Saharanpur Yamunanagar section of NH-73 in UP / Haryana.
  Project Status: WEL acquired a stake in this project from the MBL group and become the project sponsor in January 2018. NHAI declared the Appointed Date for the Project as 26th January 2018. Execution is in full swing in this project.

- **Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri (CGRG)**
  Project Description: 4-Laning of Chutmalpur-Ganeshpur section of NH-72A & Roorkee-Chutmalpur-Gagalheri section of NH-73 in UP & Uttarakhand.
  Project Status: WEL acquired a stake in this project from the MBL group and become the project sponsor in January 2018. NHAI declared the Appointed Date for the Project as 28th February 2018. Execution is in full swing in this project.

- **Aunta - Simaria (Ganga Bridge with Approach Roads)**
  Project Description: Six- Laning from Aunta-Simaria (Ganga Bridge with Approach Roads) Section from km 197.9 to km 206.1 of NH-31 in Bihar.
  Project Status: The Company was awarded the project in August 2017 by NHAI. WEL has achieved the financial closure and is awaiting the appointed date for starting construction. In the meantime, the Company has mobilized the site and started developmental work.

- **Chikhali-Tarsod (Package-IIA)**
  Project Description: 4-laning of Chikhali – Tarsod (Package-IIA) section of NH-6 from km. 360.0 to km.422.7 in Maharashtra.
  Project Status: WEL acquired a stake in this project from the Vishvaraj group and become the project sponsor in January 2018. WEL has achieved the financial closure and is awaiting the appointed date for starting construction. In the meantime, the Company has mobilized the site and started developmental work.

- **Sattanathapuram – Nagapattinam**
  Project Description: 4 laning of Sattanathapuram to Nagapattinam (Design Ch Km 123.8 to Km 179.6) section of NH-45A (New NH -332) in Tamil Nadu
  Project Status: WEL has been declared the lowest bidder (L1) in May 2018; the Letter of Award (LoA) is awaited from NHAI.

Apart from the HAM projects, the Company also has a small portfolio of legacy BOT projects. The Company currently operates three BOT projects - two in road and one in water. The projects are:

- Himmatnagar bypass in Gujarat: Rs. 15.7 million toll collection in the year
- Raisen-Rahatgarh road project in Madhya Pradesh: Rs. 21 million toll collection in FY18
- Dewas water project in Madhya Pradesh: This project, which involves supply of treated water of up to 23 MLD to industrial customers in Dewas, has been modified under the Madhya Pradesh Swiss Challenge Guidelines. Construction of the modified project, with project cost of Rs. 1,463 million (including subsumed debt of old project), started in May 2018 and is expected to be completed in 12 months.

During the period Feb-April 2018, the Company handed back two road projects - Hoshangabad- Khandwa and Kim-Mandvi back to the respective authorities. Apart from these, the Company owns 13% equity stake in the road project - Dewas Bhopal Corridor Limited, which it plans to divest, subject to approval from relevant authorities.

Outlook

WEL has a strong unexecuted EPC order book of Rs. 60 billion which sets a strong foundation for future growth of the Company. The order book is more than 6 times the Company's revenue in FY18 and provides revenue growth visibility of 100% p.a. for the next 2 years. The significant increase in revenue is also expected to translate to better operating margins as operating leverage comes into play.

The Company intends to continue its approach of prudent bid/buy strategy to build its HAM project portfolio. For bidding, WEL will target projects where the Company can differentiate itself from other routine players. As part of building its HAM portfolio, WEL will also look at acquiring distressed HAM projects, which are available at reasonable valuations and can be value-accretive to shareholders.

Apart from road infrastructure projects, the Company also sees huge potential in the water sector in the country. WEL is building a team for its water vertical and intends to participate in future bids in this sector, especially which are awarded under the HAM model.

The Company will continue to work on an asset-light model with focus on Return on Capital Employed (RoCE), free cash flow and risk management.



Actual Site Photo

Oil And Gas

The Company is invested in the oil and gas sector through a Joint Venture Company - Adani Welspun Exploration Ltd. (AWEL), where it owns 35% stake. Under the existing portfolio, the Company has five relevant blocks:

- **Kutch-1 or GK-OSN-2009/1 -** AWEL has 25% stake in this block. This field has already been declared as a potential commercial discovery by the operator - ONGC. Appraisal studies are underway to determine the commercial viability of the block.
- **Kutch-2 or GK-OSN-2009/2 -** AWEL has 30% stake in this block. This field has also been declared as a potential commercial discovery by the operator - ONGC. Appraisal studies are underway to determine the commercial viability of the block.
- **Mumbai Block or MB-OSN-2005/2 -** AWEL currently holds 100% ownership interest in Phase I. AWEL has decided to execute Phase – II of the exploration.
- **Palej or CB-ONN-2005/4** – WEL and Adani Group directly hold 35% and 55% respectively in this block. The consortium had stuck oil in the block but termination notice was served by MoPNG due to default of Naftogaz India holding 10% stake; non-defaulting partners Adani Group and WEL have requested for transfer of this 10% stake to Adani/AWEL. The request is pending for approval by DGH/MoPNG.
- **B-9 Cluster (DSF) –** AWEL was awarded this block in Mumbai High under the Discovered Small Field bidding process (DSF 2016) in March 2017. The block is in close proximity to AWEL's prospective exploratory block (MB/OSN/2005/2) and ONGC's B-12 area, which is under advanced stage of development. At present, the development plan is being drawn for B9 Cluster. The anticipated capital cost is USD 110 million at the AWEL level.

WEL believes that these blocks have considerable hydrocarbon potential, which would be quantifiable post the appraisal stage/during the development stage of each of these blocks. The Company intends to unlock value from these blocks at the right time.



Corporate Social Responsibilty

Welspun's social commitment includes sustainability and inclusive growth. While creating world class infrastructure, the Company has always targeted to work with the local communities through diverse social interventions to secure stable & sustainable futures. In areas nearby its Delhi-Meerut Expressway package-1 site, the Company has taken initiatives for:

- **Community Healthcare**
  - Weekly health check-up camps being organised
  - Regular fogging
  - **Impact:** Cases of illness have reduced 90% over a span of 6 months, Malaria/ Dengue/ Chikungunya cases completely eliminated

- **Potable Water Supply**
  - Distribution of Potable Water every alternate day at slums
  - Provided clean & hygienic water bottles for storage
  - **Impact:** Condition have changed from unavailability of water to doorstep water distribution; 250+ beneficiaries

- **Promoting Education**
  - Providing basic education at a young age
  - Distribution of school kits and books for children
  - **Impact:** Programme started with 20 children, now increased to 60; 15 students admitted in govt. school post preliminary education at classes

The Company has been able to build the Delhi-Meerut Expressway Package-1 in a unique and sustainable way by developing vertical gardens along the entire bridge and electrification through solar power. Several beautification initiatives have also been undertaken along the expressway, including wall arts on pillars and replicas of famous monuments.







Actual Photo

Key Risks

Infrastructure

- Limited avenues for raising long-term funding
- Inadequate regulatory framework
- Requirement of multiple clearances and associated delays
- Inefficiencies in pricing of infrastructure
- Inadequate availability of skilled manpower
- Rising interest rates

Oil & Gas Exploration

- Commercial viability of discoveries
- Price Volatility of Oil & Gas
- Limitation due to Infrastructure for exploration and evacuation of products
- Regulatory controls

Human Resources Policy

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance. The headcount in the Company as on 31st March 2018 was 448.

Internal Control System And Their Adequacy

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies.

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 reviews internal audit reports as well as the internal control systems and financial disclosures.

Discussion Of Financial Performance – FY18

Note: This section discusses the financial performance on a comparable basis. The numbers might differ from the reported numbers.

The standalone financials are as shown below:

(Rs. Million)

Income Statement Snapshot	FY18	FY17	YoY Growth
Total Income*	**10,928**	**3,894**	**181%**
EBITDA	**1,660**	**678**	**145%**
EBITDA margin	15.2%	17.4%	
PBT	**1,385**	**427**	**225%**
Exceptional	142	107	33%
Reported PBT	1,527	534	186%
PAT	**1,097**	**433**	**154%**
PAT margin	10.0%	11.1%	
Cash PAT	**1,062**	**539**	**97%**

Note: Cash PAT = PBDT (before exceptional items) – Current tax
** Other income (part of Total income) includes treasury income of Rs.172 million for Q4FY18 and Rs.750 million for FY18.*

(Rs. Million)

Balance Sheet Snapshot		
Net Worth	**14,573**	**13,524**
Gross Debt	664	801
Cash & Cash Equivalents	**7,135**	**10,663**
Net Debt /(Cash)	(6,471)	(9,862)
Other Long Term Liabilities	303	287
Total Net Fixed Assets (Incl. CWIP)	87	818
Net Current Assets (Excl. Cash & Cash Equivalents)	1,053	(1,409)
Other Long Term Investments and Assets	7,263	4,540

Note: Cash & Cash Equivalents includes liquid Investments & ICDs

Total Income
Total income up 181% to Rs. 10,928 million from Rs. 3,894 million, primarily contributed by progress on the Delhi-Meerut road project.

Profitability
Profit before tax (before exceptional) more than tripled to Rs. 1,385 million in FY18 from Rs. 427 million in FY17. Profit after tax more than doubled to Rs. 1,097 million in FY18 from Rs. 433 million in FY17.

Networth
Networth was at Rs. 14,573 million in FY18 as compared to Rs. 13,524 million in FY17.

Debt
The company gross debt stands at Rs. 664 million in FY18 compared to Rs. 801 million in FY17. Taking into consideration, cash and cash equivalents of Rs. 7,135 million, the Net Debt/(cash) stood at Rs. (6,471) million in FY18 as compared to Rs. (9,862) million in FY17. The reduction in cash was primarily on account of investments in SPV for under construction HAM projects.

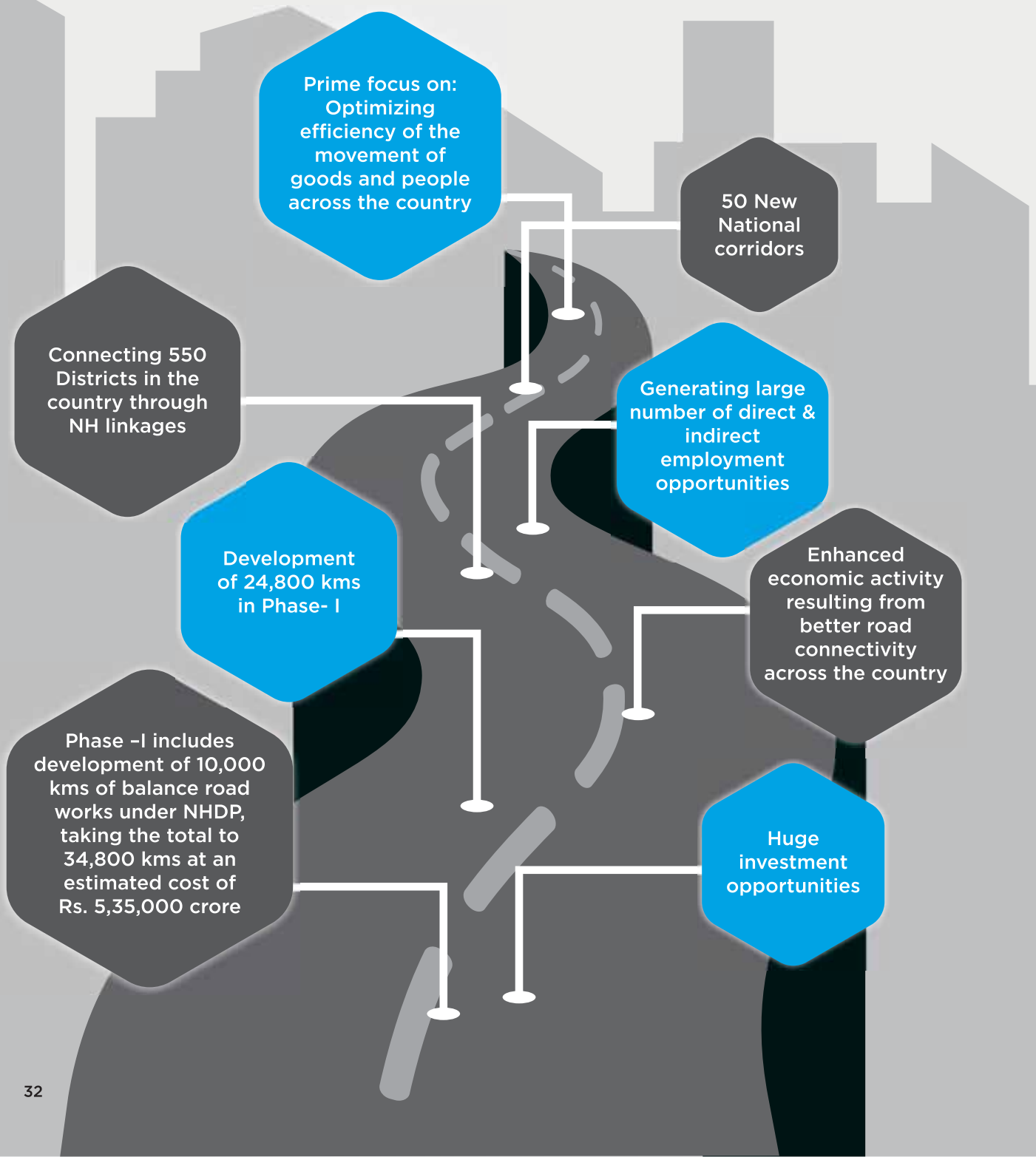
Credit Ratings
As a result of the Company's consolidation efforts, the credit ratings of the Company have also been upgraded by CARE. The rating has been revised to "AA-" from "A+" in respect of long-term facilities. On the short-term facilities, the Company is aated as "A1+" (highest possible rating).



Actual Site Photo

BHARATMALA PARIYOJANA

BHARATMALA
ROAD TO PROSPERITY



PHASE-I OF BHARATMALA PARIYOJANA

Components

1 44 Economic corridors
Length-26,200 km
Phase 1: 9,000 km
with Outlay of Rs. 1,20,000 cr

2 66 Inter corridor Routes
Length - 8,400 km
116 Feeder Routes
Length - 7,600 km
Phase 1: 6,000 km
With Outlay of Rs. 80,000 cr

3 National Corridors Efficiency improvements
Phase 1: 5,000 km
with Outlay of Rs. 1,00,000 cr

4 Border & International connectivity roads
Length - 2,000 km
with Outlay of Rs. 25,000 cr

5 Coastal & port connectivity roads
Length - km - 2,000
with Outlay of Rs . 20,000 cr

6 Expressways
Length - 800 km
with Outlay of Rs. 40,000 cr

Source: MoRTH India

DIRECTORS' REPORT

To,
The Members,

Welspun Enterprises Limited

The directors have pleasure in presenting the 24th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2018.

1. FINANCIAL RESULTS:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Revenue from operations	99,720	29,163	106,713	30,544
Other Income	9,556	9,773	11,482	10,096
Total Income	**109,276**	**38,936**	**118,195**	**40,640**
Total Expenditure	**95,427**	**34,668**	**104,375**	**36,628**
Share of profit/ (loss) from associate and joint venture	-	-	(285)	(202)
Profit Before Tax	**13,849**	**4,268**	**13,536**	**3,810**
Exceptional Items	1,417	1,068	(1,961)	(2,300)
Tax expenses/ (credit)	4,292	1,009	4,631	1,014
Profit for the year	10,974	4,327	6,944	496
Other Comprehensive Income	(88)	(5)	(93)	(4)
Total Comprehensive Income	**10,886**	**4,322**	**6,851**	**492**
Earnings Per Share				
Basic (Rs)	7.44	2.49	4.71	0.29
Diluted (Rs)	7.37	2.48	4.66	0.28

The financial statements have been prepared in accordance with the applicable accounting standards.

2. PERFORMANCE HIGHLIGHTS:

Performance highlights for the year under report are as under:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Contract Receipts & Other Operating Income	96,741	26,365	102,695	26,847
Toll Collection	2,979	2,798	4,018	3,697

3. DIVIDEND & TRANSFER TO RESERVES:

The Board is pleased to recommend a dividend @ 15% for the year ended March 31, 2018, i.e., Rs. 1.50 per equity share of Rs. 10/- each fully paid up out of the net profits. In respect of profit declared during the previous year, Rs. 3.85 lakhs remained unclaimed as on March 31, 2018.

As per the Dividend Distribution Policy of the Company, the Board will endeavor to achieve distribution of an amount of profit subject to maximum of 25% of Profit after Tax for a financial year, on consolidated basis or standalone basis, whichever is higher. The amount of dividend together with the Dividend Distribution Tax for the year ended March 31, 2018 works out to 24.31% of Profit After Tax on standalone basis. The Policy is available on the Company's website at:

http://www.welspunenterprises.com/userfiles/file/WEL%20Dividend%20Distribution%20Policy%20%20(1).pdf

4. INTERNAL CONTROLS:

The Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. The 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 the Company's operation.

5. SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES:

A report on the performance and financial position of each of the subsidiaries / joint venture / associate companies included in the consolidated financial statements, is presented in Form AOC-1, annexed to this Report as **Annexure - 1**.

The Company's policy on Material Subsidiary as approved by the Board is uploaded on the Company's website www.welspunenterprises.com and a web link thereto is:

http://www.welspunenterprises.com/userfiles/file/Policy%20for%20governance%20of%20Material%20and%20other%20Subsidiaries.pdf

6. AUDITORS AND AUDITORS' REPORT:

a) Statutory Auditors

The Company's Auditors, M/s. MGB & Co. LLP, Chartered Accountants, who have been appointed up to the conclusion of the 26th 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. M/s. MGB & Co. LLP, Chartered Accountants is holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Members are requested to ratify their 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.

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

b) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta and Co., Cost Accountants (Firm Registration Number 000025) as the Cost Auditors of the Company for the financial year 2018-19. Members are requested to ratify their remuneration by passing an ordinary resolution.

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18. The Cost Audit Report for the year 2016-17 was e-filed on September 6, 2017. The Cost Audit for the financial year 2017-18 is in progress and the report will be e-filed to Ministry of Corporate Affairs, Government of India, in due course.

c) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. S. S. Risbud & Co., Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2017-18.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed with the report as **Annexure – 2**. There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in the Secretarial Audit Report.

The Board of Directors has appointed M/s. Mihen Halani & Associates, Company Secretaries as the Secretarial Auditors of the Company for the financial year 2018-19.

d) Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

7. SHARE CAPITAL & LISTING:

a) Issue of equity shares with differential rights

The Company does not have any equity shares with differential rights.

b) Issue of sweat equity shares

During the year under report, the Company has not issued any sweat equity share.

c) Issue of employee stock options

During the financial year 2017- 18, 2,40,000 equity shares were allotted to the Managing Director in terms of "Welspun Managing Director Stock Option Plan - 2014" ("MDESOP-2014").

The Board of Directors at its meeting held on August 11, 2017 approved the "Welspun Enterprises Limited Employees Stock Option Plan 2017" ("WEL ESOP Scheme - 2017"), which was then approved by the members at the Annual General Meeting held on September 28, 2017. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The applicable disclosures as stipulated under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 with regard to WEL ESOP Scheme -2017 are available on the website of your Company at www.welspunenterprises.com and weblink thereto is:

http://welspunenterprises.com/userfiles/file/ESOP_disclosure-Reg%2014.pdf

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

Sr. No.	Particulars		MD ESOP-2014	WEL ESOP Scheme -2017
a	Options granted during FY 2017-18		Nil	30,00,000
b	Options vested during FY 2017-18		2,40,000	Nil
c	Options exercised during FY 2017-18		2,40,000	Nil
d	Total number of shares arising as a result of exercise of Options		2,40,000	Nil
e	Options lapsed		Nil	Nil
f	Exercise Price		Nil	Nil
g	Variation of terms of options		N.A.	N.A.
h	Money realized by exercise of options		Nil	Nil
i	Total number of options in force		Nil	Nil
j	Employee wise details of options granted to	Key Managerial Personnel	Nil	20,00,000
		Other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil	7,50,000
		Employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil
k	Diluted Earnings Per Share		Rs. 7.37	Rs. 7.37
l	Weighted-average exercise price (Rs.)		Nil	Nil
m	Weighted-average fair values of options (Rs.) - as per Black Scholes Valuation Model		Rs. 53.23	Rs. 139.30

d) Difference in employee compensation cost based on intrinsic value method and fair value

The Company has expensed out cost of issuance of ESOPs by using the fair value method for valuation and accounting of the aforesaid stock options as per SEBI (Share Based Employee Benefits) Regulations, 2014.

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

f) 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).

Annual listing fees for the year 2018-19 have been paid to BSE and NSE.

g) Disclosure with respect to shares held in unclaimed suspense account.
The details of unclaimed shares account as required to be disclosed pursuant to Point F to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Aggregate number of shareholders and the outstanding shares in the unclaimed shares account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from unclaimed shares account during the year		Number of shareholders to whom shares were transferred from unclaimed shares account during the year		Aggregate number of shareholders and the outstanding shares in the unclaimed shares account lying at the end of the year	
No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders
31,800	212	576	3	576	3	31,224	209

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

8. FINANCE:

a) Credit Rating
The Company has been assigned credit rating of "CARE AA-" (Double A Minus) in respect of long term bank facilities and "CARE A1+" in respect of short term bank facilities, by CARE Ratings Limited ("CARE").

b) Deposits
The Company has not accepted any deposit within the meaning of 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.

9. EXTRACT OF THE ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the annual return in Form MGT-9 is attached to this Report as **Annexure - 3.**

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Energy conservation -

In the area of alternate energy, the Company has taken initiatives beyond its normal scope of works. At our Delhi Meerut Expressway Package-I project, an entire solar power plant of capacity 1050 kW, at an investment of Rs 7.5 crore, is being installed. This power plant, installed on the Yamuna bridge, will generate green energy to meet the requirements of the complete 8.716 km stretch, thereby reducing the intake from the power grid.

Another initiative to reduce our carbon footprint is the installation of LED light bulbs at our Delhi Meerut Expressway Package-I project, reducing our power consumption.

Technology absorption -

a) The monitoring of the integrity of various road layers during construction is key to ensuring the best pavement quality. In this regard, intelligent Compaction Monitoring Systems are being utilized at all our road projects. This system analyses several parameters related to road quality and facilitates real-time compaction monitoring.

b) At our Delhi Meerut Expressway Package-I project, vertical green walls have been installed along both sides of the Yamuna bridge with drip irrigation technology. This

helps in reducing pollution along with better aesthetics.

c) The Company has utilized new building techniques in its projects – it is one of the few companies in India to have used pile foundations in constructing a river bridge.

d) SAP PS-Module is used to monitor the physical and financial progress on all our projects.

Details of Foreign exchange earnings and outgo are as under-

Foreign exchange earnings	:	Nil
Foreign exchange outgo	:	Rs. 7.71 lakhs

11. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In view of the absence of average net profits during the three immediately preceding financial years, the Company was not required to contribute any amount for CSR activities as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

The CSR Policy is hosted on the Company's website www.welspunenterprises.com and a web link thereto is:

http://www.welspunenterprises.com/userfiles/file/CSR%20Policy%20-.pdf

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

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy. The details of the directors and their meetings held during the year have been given in the Corporate Governance Report, which forms part of the Annual Report.

a) Changes in Directors and Key Managerial Personnel

During the period under review, Insight Solutions Limited and Granele Limited, ceased to be investors of the Company and hence, withdrew the directorship of Mr. Mintoo Bhandari and Mr. Utsav Baijal (Alternate Director to Mr. Mintoo Bhandari) from the Board of Directors of the Company. As a result, Mr. Mintoo Bhandari and Mr. Utsav Baijal ceased to be directors of the Company w.e.f. November 22, 2017.

Ms. Indu Daryani resigned from the position of Company Secretary w.e.f. February 28, 2018.

Ms. Priya Pakhare was appointed as Company Secretary w.e.f. May 10, 2018.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Balkrishan Goenka (DIN:00270175) and Mr. Rajesh R. Mandawewala (DIN:00007179) are retiring by rotation at the forthcoming Annual General Meeting. The Board of Directors has recommended Mr. Goenka's appointment as a director not liable to retire by rotation whereas, Mr. Mandawewala, being eligible, has been recommended for re-appointment as a director liable to retire by rotation by the Board.

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

b) Declaration by Independent Director(s)

The independent directors on the Board of the Company have given declaration that they meet the criteria of independence as provided under 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 of challenging situations, performing of 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 2017-18, 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) Familiarization program for Independent Directors

The familiarization program aims to provide the Independent Directors with the scenario of the infrastructure industry, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization program also seeks to update the directors on their roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization program for independent directors is hosted on the Company's website www.welspunenterprises.com and a web link thereto is:

http://welspunenterprises.com/userfiles/file/Familiarisation%20program%20WEL(LODR).PDF

e) Policy on directors' appointment, remuneration and other details

The salient features of the Company's "Nomination and Remuneration Policy" on directors' appointment, remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in Point No. "V. NOMINATION AND REMUNERATION COMMITTEE" of the Corporate Governance Report which forms part of the Annual Report.

f) Number of meetings of the Board

The Board met 9 times during the financial year 2017-18, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g) Committee of the Board of Directors

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

13. VIGIL MECHANISM:

The Company has adopted Whistle Blower Policy and Vigil Mechanism for its directors and employees in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and no personnel have been denied access to the Audit Committee. Protected Disclosures and other communication can be made in writing by an email addressed to the Chairman of the Audit Committee.

The policy on Whistle Blower Policy and Vigil Mechanism is disclosed on the Company's website and a web link thereto is as under:

http://www.welspunenterprises.com/userfiles/file/Whistle%20Blower%20Policy%20and%20Vigil%20Mechanism.pdf

14. LOANS, GUARANTEES AND INVESTMENTS:

Pursuant to Section 186(11)(a) of the Companies Act, 2013, the Company being engaged in the business of providing infrastructural facilities is exempt from the requirement of providing the particulars of loans made, guarantees given or securities provided.

For particulars of the investments made by the Company for the period under report, refer Note 6 and 11 of Notes to Accounts to the standalone financial statements.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into by the Company during the year under report were on an arm's length basis and were in the ordinary course of business, to serve the mutual needs and the mutual interest. The approval of the shareholders was obtained on March 5, 2018, by way of postal ballot for all the material related party transactions entered into/ to be entered into by the Company during F.Y. 2017-18 and F.Y. 2018-19 in the ordinary course of business and on arm's length basis with related party/ies within the meaning of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the details of the related party transactions, please refer Note No. 47 of Notes to Accounts to the standalone financial statements.

The Audit Committee has given its omnibus approval for the transactions which could be envisaged and the same is valid for one financial year.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of LODR is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:

http://www.welspunenterprises.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf

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

16. MANAGERIAL REMUNERATION:

a) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

i. The ratio of remuneration of Mr. Balkrishan Goenka, Chairman (Executive) and Mr. Sandeep Garg, Managing Director, to the median remuneration of the employees of the Company was 1:237 and 1:387 (including the value of ESOPs and remuneration from associate company) respectively.

ii. The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year : Managing Director was 22% Chief Financial Officer : 10% and Company Secretary : 7%.

iii. The percentage increase in the median remuneration of employees in the financial year 2017-18 was 7%.

iv. 448 permanent employees were on the rolls of the Company as on March 31, 2018.

v. Market Capitalization of the Company as on March 31, 2018 was Rs. 208,538 lakhs and as on March 31, 2017, it was Rs. 123,137 lakhs.

vi. The share price increased to Rs. 141.35/- (NSE closing Price) as on March 31, 2018 in comparison to Rs. 30 (the rate at which the Company came out with the public issue in the year 2004).

vii. Average percentile increase in the salaries of employees (other than the managerial personnel), and of the managerial personnel, in the FY 2017-18 was ~8% and 13% respectively. Higher percentile rise in managerial remuneration viz-a-viz percentile rise in remuneration to the other employees, was to appropriately compensate the managerial personnel for handling key managerial responsibilities in increasingly competitive and challenging business environment.

viii. The Profit before Tax (before exceptional items) of the Company for F.Y. 2017-18 was Rs. 13,849/- lakhs whereas Managing Director's, the Chief Financial Officer's, and the Company Secretary's, remuneration were Rs. 336.85 lakhs (includes Rs. 120 lakhs paid from associate company); Rs. 78.24 lakhs and Rs. 14.72 lakhs respectively.

ix. We affirm that the remuneration is as per the remuneration policy of the Company.

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

Name	Designation	Age (yrs)	DOJ	Current CTC (Rs. in lakhs)	Qualification & Experience	Previous Company	Nature of Employment (whether contractual or permanent)	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the company	DOL/ Transfer
Sandeep Garg	Managing Director	58	16.07.2012	660.06#	BE, 37 years	ILFS	Permanent	0.81	No	-
Shriniwas Kargutkar	Chief Financial Officer	60	01.08.2014	83.00	CA, 34 years	Raymond Ltd.	Permanent	0.00	No	-
Akhil Jindal	Director*	48	01.07.2015	368.18	BE & MBA, 24 years	S. Kumar Group	Permanent	Nil	No	-
Deepak Chauhan	Director*	46	01.09.2017	202.38	B Com/ LLB/ LLM, 22 years	GVK Power & Infrastructure Ltd.	Permanent	Nil	No	-
Banwari Lal Biyani	Director*	58	01.08.2014	158.87	AICWA, 40 years	Ispat Industrial Ltd.	Permanent	Nil	No	-
Asim Chakraborty	Director*	57	01.07.2016	143.18	BE, 37 years	Gherzi Eastern Ltd.	Permanent	0.01	No	-
Narendra Kumar Bhandari	President	56	01.11.2014	74.08	CA, 32 years	Fata Tanning Ltd.	Permanent	Nil	No	-
Lalit Jain	Senior Vice President	48	23.04.2012	82.87	CA and ICWA, 23 years	Essar Projects India Ltd.	Permanent	Nil	No	-
V. Ramabalakrishnan	Senior Vice President	51	04.03.2016	104.67	BE and MBA, 29 years	Reliance Infrastructure Ltd.	Permanent	Nil	No	-
Prateek Rungta	Vice President	49	01.08.2014	63.90	BE, 27 years	Welspun India Ltd.	Permanent	Nil	No	-

Include Rs. 120 lakhs paid from associate company

* Not on the Board of the Company

Particulars of the remuneration payable to the executive directors of the Company for the year under report is as under:

(₹ in lakhs)

Particulars	Mr. Balkrishan Goenka- Chairman (Executive)	Mr. Sandeep Garg –Managing Director
Salary & Allowance	405	336.85*
Perquisites	Nil	323.20
Commission	2%	Nil
Details of fixed component	Nil	Nil
Service Contract/Term of appointment	5 years from May 29, 2015 to May 28, 2020	5 years from July 16, 2017 to July 15, 2022
Notice Period (as per Company policy)	3 months	3 months
Severance Fees	Nil	Nil
Stock Options	Nil	**WEL MD ESOP – 2014**

No. of ESOPs	Date of Grant	Date of Vesting	Date of Exercise
7,20,000	16.02.2015	16.02.2016	17.02.2016
2,40,000	14.07.2015	14.07.2016	18.07.2016
2,40,000	14.07.2016	14.07.2017	01.08.2017

WEL ESOP – 2017

No. of ESOPs	Date of Grant	Date of Vesting	Date of Exercise
20,00,000	10.10.2017	At every anniversary of the date of Grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the Grant Date	Upto 3rd anniversary from the date of Vesting of ESOPs

*includes Rs. 120 Lakhs paid from associate company.

c) No remuneration or perquisite was paid to, and no service contract was entered into with, the non-executive directors (including independent directors) of the Company except for the payment of the following sitting fees for attending meetings of Board / Committees of the Board/general meetings for the FY 2017-18.

Sr. No.	Name of the Director	Sitting Fees (Rs.)
1	Mohan Tandon	547,000
2	Ram Gopal Sharma	553,000
3	Mala Todarwal	316,000
4	Utsav Baijal	48,000
5	Yogesh Agarwal	295,000
6	Dhruv Kaji	457,000

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

d) Mr. Sandeep Garg, Managing Director of the Company was neither in receipt of any commission from the Company nor remuneration or commission from the subsidiary companies.

e) Mr. Balkrishan Goenka, Chairman (Executive) of the Company, who was in receipt of remuneration of Rs. 405 lakhs from the Company and was eligible for commission of 2% of the annual profit (excluding profit/loss from capital receipts and assets disposition) of the Company on consolidated basis, was not in receipt of any remuneration or commission from the subsidiary companies.

f) Apart from Sitting Fees for meetings, there is no pecuniary transaction entered into by the non-executive directors with the Company.

17. SHAREHOLDING OF THE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2018:

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 in the Company.

18. CORPORATE GOVERNANCE CERTIFICATE:

The compliance certificate obtained from M/s. S. S. Risbud & Co., Company Secretaries, regarding compliance of conditions of corporate governance as stipulated under Part E of Schedule V of 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 the volume of businesses in the highly competitive & challenging scenario, the Company is exposed to plethora of risks which may adversely impact growth and profitability. The Company recognizes that risk management is of concern to all levels of the businesses and requires a structured risk management policy and process involving all personnel. With this objective, the Company had formulated structured Risk Management Policy thereby to effectively address such risks namely strategic, business, regulatory and operational risks especially BOT projects.

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

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

20. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

b. the directors 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 have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

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

21. MISCELLANEOUS:

- During the year under Report, there was no change in the general nature of business of the Company.
- No material change or commitment has occurred which would have affected the financial position of the Company between the end of the financial year 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 the Company's operations in future.
- Further, during the year under review, no case of sexual harassment was reported to the Internal Complaints Committee formed under the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. ACKNOWLEDGEMENTS:

The 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 partner in the 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 10, 2018

Form AOC-1

(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

(₹ in lakhs)

	Sr. No.	1	2	3	4	5	6	7
Sr. No.	**Name of the subsidiary**	**MSK Projects (Himmatnagar Bypass) Private Limited**	**MSK Projects (Kim Mandvi Corridor) Private Limited**	**Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)**	**Welspun Build-Tech Private Limited (Formerly Known as Welspun Construction Private Limited)**	**Welspun Natural Resources Private Limited**	**Welspun Delhi Meerut Expressway Private Limited**	**ARSS Bus Terminal Private Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
3.	Share capital	24	673	1	1	3,188	500	1,863
4.	Instruments entirely equity in nature	-	-	-	1,712	14,424	10,055	-
5.	Reserves and Surplus / Other Equity	666	50	(30)	(4)	(6,892)	(116)	(963)
6.	Total assets	761	3,205	7,134	1,711	24,533	60,936	913
7.	Total Liabilities	71	2,482	7,163	2	13,813	50,497	13
8.	Investments	-	-	-	-	18,778	-	211
9.	Turnover	532	505	69	-	-	70,133	-
10.	Profit before taxation	338	(1,450)	(22)	(0)	(1,549)	33	(944)
11.	Provision for taxation	57	-	-	-	57	224	-
12.	Profit after taxation	281	(1,450)	(22)	(0)	(1,606)	(191)	(944)
13.	Proposed Dividend	-	-	-	-	-	-	-
14.	% of shareholding	100%	100%	100%	100%	100%	100%	100%

"0" denotes less than Rs 50,000/-

Notes:

1. Names of subsidiaries which are yet to commence operations: N.A.
2. Names of subsidiaries which have been liquidated or sold during the year: During the year, the Company subscribed to 60% equity share capital of Welspun Financial Services Limited ("WFSL") whereby it became a subsidiary of the Company and the same stake was sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Sr. No.	Name of Associate/joint venture	Welspun Aunta-Simaria Project Private Limited *	Corbello Trading Private Limited***	Chikhali - Tarsod Highways Private Limited***	RGY Roads Private Limited**	MBL (GSY) Road Limited**	MBL (CGRG) Road Limited**	Adani Welspun Exploration Limited
1.	Latest audited Balance Sheet Date	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2018
		Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate
2.	Shares of Associate/ Joint Venture held by the company on the year end							
	No. of Shares	7,400	4,900	4,900	4,900	24,500	24,500	4,654,997
	Amount of Investment in Associates/Joint Venture^	1	785	0	2,300	2	2	2,683
	Extend of Holding %	74%	49%	49%##	49%	49%#	49%#	35%
3.	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	The Company through its wholly owned subsidiary Welspun Natural Resources Private Limited holds more than 20% voting power of Adani Welspun Exploration Limited.
4.	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet ^^	(11)	0	(150)	2	(29)	(13)	30,126
6.	Profit / Loss for the year							
	i. Considered in Consolidation	(9)	(0)	(112)	1	(25)	(13)	(126)
	ii. Not Considered in Consolidation	-	-	-	-	-	-	-

^ Excluding compulsorily convertible debentures and optionally convertible debentures

** Became Joint venture w.e.f. January 19, 2018

^^ Including compulsorily convertible debentures

In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

*** Became Joint venture w.e.f. January 30, 2018

* Became Joint venture w.e.f. October 13, 2017 as per Indian Accounting Standard whereas falls under definition of "subsidiary" as defined under Companies Act, 2013.

In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited

Notes:

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 of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Sandeep Garg
Managing Director
DIN: 00036419

Date: May 10, 2018
Place: Mumbai

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary
FCS - 7805

Annexure – 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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 Enterprises Limited
Welspun City , Village Versamedi , Anjar,
Gujarat – 370110.
CIN- L45201GJ1994PLC023920
BSE Scrip Code-532553
NSE Scrip Code-WELENT Series EQ

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Welspun Enterprises 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018 according to the provisions of:

(i) The Companies Act, 1956 / The Companies Act, 2013 the ("the Act") and the rules made thereunder;

(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) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable;

(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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

(e) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;

(g) The Securities Contract Regulation Act, 1956 and the rules made under that act with regards to maintenance of minimum public shareholding.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

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

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of 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 in compliance to the Act 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 not undertaken any event /action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For S.S. RISBUD & CO.
Company Secretaries

Sanjay S. Risbud
Proprietor
Membership No. 13774
C.P. No.: 5117

Date: May 10, 2018
Place: Mumbai

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

Annexure – A

To,
The Members,
Welspun Enterprises 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 as 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 S.S. RISBUD & CO.
Company Secretaries

Sanjay S. Risbud
Proprietor
Membership No. 13774
C.P. No.: 5117

Date: May 10, 2018
Place: Mumbai

Annexure – 3

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018

[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:	L45201GJ1994PLC023920
(ii)	Registration Date:	December 20, 1994
(iii)	Name of the Company:	Welspun Enterprises 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, District Kutch, Gujarat-370110. Contact: The Company Secretary, Tel: 02836-662222; Email: companysecretary_wel@welspun.com
(vi)	Whether listed company:	Yes, equity shares listed on: · National Stock Exchange of India Limited (NSE) · The BSE Limited (BSE)
(vii)	Name, address and contact details of Registrar and Transfer Agent:	Link Intime India Private Limited Unit : Welspun Enterprises Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Email - rnt.helpdesk@linkintime.co.in Tel. No.: +91-22-49186270 Fax No.: +91-22–49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company are stated as under:-

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Construction and maintenance of roads / utilities etc.	42101	99.58%

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.	MSK Projects (Himmatnagar Bypass) Private Limited 707-708, Sterling Center, R C Dutt Road, Alkapuri, Vadodara, Gujarat - 390005	U45200GJ2005PTC045753	Subsidiary	100.00	2(87)(ii)
2.	MSK Projects (Kim Mandvi Corridor) Private Limited 707-708, Sterling Center, R C Dutt Road, Alkapuri, Vadodara, Gujarat - 390005	U45203GJ2005PTC047076	Subsidiary	100.00	2(87)(ii)
3.	Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited and also known as Welspun Road Projects Private Limited) Welspun House, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra – 400013	U74110MH2010PTC208924	Subsidiary	100.00	2(87)(ii)
4.	Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited) Welspun House, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra – 400013	U45200MH2008PTC178766	Subsidiary	100.00	2(87)(ii)
5.	Welspun Natural Resources Private Limited Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370110	U11201GJ2006PTC064142	Subsidiary	100.00	2(87)(ii)
6.	ARSS Bus Terminal Private Limited 73, HIG, BDA Housing Complex, Ekamara Collage Square, Kapil Prasad, Bhubaneswar, Orissa – 751002	U63031OR2010PTC012372	Subsidiary	100.00	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7.	Welspun Delhi Meerut Expressway Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi 110070	U45203DL2016PTC291178	Subsidiary	100.00	2(87)(ii)
8.	Welspun Aunta-Simaria Project Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Dellhi 110070	U45309DL2017PTC324923	Subsidiary	100.00	2(87)(ii)
9.	Adani Welspun Exploration Limited Adani House, Nr Mithakhalisix Roads, Narangpura, Ahmedabad – 380009	U40100GJ2005PLC046554	Associate	35.00	2(6)
10.	MBL (CGRG) Road Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi 110070	U45201DL2016PLC299200	Joint Venture	49.00	2(6)
11.	MBL (GSY) Road Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi 110070	U45202DL2016PLC299464	Joint Venture	49.00	2(6)
12.	RGY Roads Private Limited T-11, 3rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi 110070	U45309DL2017PTC318149	Joint Venture	49.00	2(6)
13.	Corbello Trading Private Limited 7th Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai Mumbai, MH - 400013	U51909MH2017PTC297588	Joint Venture	49.00	2(6)
14.	Chikhali-Tarsod Highways Private Limited 7th Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai, MH - 400013	U45201MH2016PTC288203	Joint Venture	49.00	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital break-up as percentage of Total Equity)

i. Category-wise shareholding:

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	204	-	204	0.00	1,550,264	-	1,550,264	1.05	1.05
(b)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	62,815,811	-	62,815,811	42.65	61,315,751	-	61,315,751	41.56	(1.09)
	Sub Total (A)(1)	**62,816,015**	**-**	**62,816,015**	**42.65**	**62,866,015**	**-**	**62,866,015**	**42.61**	**(0.04)**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	Bodies Corporate	2,925,066	-	2,925,066	1.99	2,925,066	-	2,925,066	1.98	0.00
	Sub Total (A)(2)	**2,925,066**	**-**	**2,925,066**	**1.99**	**2,925,066**	**-**	**2,925,066**	**1.98**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**65,741,081**	**-**	**65,741,081**	**44.63**	**65,791,081**	**-**	**65,791,081**	**44.59**	**(0.04)**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	855,134	-	855,134	0.58	686,000	-	686,000	0.46	(0.12)
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	-	-	-	0.00	1,067,880	-	1,067,880	0.72	0.72
(d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	11,338,825	-	11,338,825	7.70	4,082,771	-	4,082,771	2.77	(4.93)
(f)	Financial Institutions / Banks	10,664,231	-	10,664,231	7.24	6,251,467	-	6,251,467	4.24	(3.00)
(g)	Insurance Companies	162,000	-	162,000	0.11	162,000	-	162,000	0.11	0.00
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)								0.00	
	Sub Total (B)(1)	**23,020,190**	**-**	**23,020,190**	**15.63**	**12,250,118**	**-**	**12,250,118**	**8.30**	**(7.33)**
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	-	-	-	0.00	31,176	-	31,176	0.02	0.02
	Sub Total (B)(2)	-	-	-	0.00	31,176	-	31,176	0.02	0.02
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	11,843,927	221,188	12,065,115	8.19	15,689,989	215,859	15,905,848	10.78	2.59
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	21,830,112	-	21,830,112	14.82	29,810,782	-	29,810,782	20.21	5.39
(b)	NBFCs registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Employee Trusts	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	Trusts	-	-	-	0.00	1,000	-	1,000	0.00	0.00
	Hindu Undivided Family	1,095,307	-	1,095,307	0.74	2,644,179	-	2,644,179	1.79	1.05
	Foreign Companies	8,714,027	-	8,714,027	5.92	-	-	-	0.00	(5.92)
	Non Resident Indians (Non Repat)	187,728	-	187,728	0.13	419,626	-	419,626	0.28	0.16
	Non Resident Indians (Repat)	729,684	32,352	762,036	0.52	867,345	32,352	899,697	0.61	0.09
	Unclaimed Shares	31,800	-	31,800	0.02	31,224	-	31,224	0.02	0.00
	Clearing Member	2,232,532	-	2,232,532	1.52	1,786,870	-	1,786,870	1.21	(0.30)
	Bodies Corporate	11,607,004	6,124	11,613,128	7.88	17,955,875	5,580	17,961,455	12.17	4.29
	Sub Total (B)(3)	**58,272,121**	**259,664**	**58,531,785**	**39.74**	**69,206,890**	**253,791**	**69,460,681**	**47.08**	**7.34**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**81,292,311**	**259,664**	**81,551,975**	**55.37**	**81,488,184**	**253,791**	**81,741,975**	**55.41**	**0.04**
	Total (A)+(B)	**147,033,392**	**259,664**	**147,293,056**	**100**	**147,279,265**	**253,791**	**147,533,056**	**100.00**	
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	0.00	-	-	-	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0.00	-	-	-	0.00	0.00
	Total (A)+(B)+(C)	**147,033,392**	**259,664**	**147,293,056**	**100.00**	**147,279,265**	**253,791**	**147,533,056**	**100.00**	

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in shareholding during the year
		No. of Shares held	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares held	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Anjar Road Private Limited	58,175,951	39.50	Nil	58,175,951	39.43	Nil	(0.06)
2	Balkrishan Gopiram Goenka	84	0.00	Nil	84	0.00	Nil	0.00
3	Balkrishan Gopiram Goenka as Trustee of Welspun Group Master Trust	-	-	Nil	1,550,060	1.05	Nil	1.05
4	MGN Agro Properties Private Limited	1,500,000	1.02	Nil	-	0.00	Nil	(1.02)
5	Rajesh R Mandawewala	120	0.00	Nil	120	0.00	Nil	0.00
6	Welspun Investments And Commercials Limited	3,139,800	2.13	Nil	3,139,800	2.13	Nil	0.00
7	Welspun Zucchi Textiles Limited	60	0.00	Nil	-	0.00	Nil	0.00
	Total of Co-Promoters (A)	**62,816,015**	**42.65**	**Nil**	**62,866,015**	**42.61**	**Nil**	**(0.04)**
8	Intech Metals S. A.	2,925,066	1.99	Nil	2,925,066	1.98	Nil	0.00
	Total of Co-Promoters (B)	**2,925,066**	**1.99**	**Nil**	**2,925,066**	**1.98**	**Nil**	**0.00**
	Total of Promoters (A) + (B)	**65,741,081**	**44.63**	**Nil**	**65,791,081**	**44.59**	**Nil**	

Note: Your Company's paid up share capital increased by 240,000 equity shares on account of issue of Equity shares to the Managing Director under the MD -ESOP Plan. With the change in paid up capital, the % ages referred to above are not exactly comparable for the purposes of arriving at the differences.

iii. Change in Promoter Groups' Shareholding:

Particulars	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	65,741,081	46.00		
Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	23.02.2018 - Inter se Transfer of 60 Shares from Welspun Zucchi Textiles Limited to Balkrishan Goenka, Trustee of Welspun Group Master Trust.	0.00% of then paid up share capital of the Company	65,791,081	44.59
	23.03.2018 – MGN Agro Properties Private Limited sold 1,500,000 shares in open market.	1.02% of then paid up share capital of the Company		
	23.03.2018 - Balkrishan Goenka, Trustee of Welspun Group Master Trust acquired 50,000 shares from open market.	0.03% of then paid up share capital of the Company		
	26.03.2018 - Balkrishan Goenka, Trustee of Welspun Group Master Trust acquired 1,500,000 shares from open market.	1.02% of then paid up share capital of the Company		
At the end of the year.			**65,791,081**	**44.59**

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 - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	10,098,804	6.85			10,098,804	6.85
	Sale			03 Nov 2017	(911,335)	9,187,469	6.23
	Sale			10 Nov 2017	(772,225)	8,415,244	5.70
	Sale			17 Nov 2017	(527,378)	7,887,866	5.35
	Sale			24 Nov 2017	(606,489)	7,281,377	4.94
	Sale			01 Dec 2017	(456,986)	6,824,391	4.63
	Sale			15 Dec 2017	(200,000)	6,624,391	4.49
	Sale			22 Dec 2017	(310,000)	6,314,391	4.28
	Sale			29 Dec 2017	(128,116)	6,186,275	4.19
	Sale			05 Jan 2018	(120,000)	6,066,275	4.11
	Sale			12 Jan 2018	(82,357)	5,983,918	4.06
	Sale			31 Mar 2018	(100,000)	5,883,918	3.99
	AT THE END OF THE YEAR					5,883,918	3.99
2	INSIGHT SOLUTIONS LTD	8,714,027	5.91			8,714,027	5.91
	Sale			16 Jun 2017	(4,300,000)	4,414,027	2.99
	Sale			15 Sep 2017	(3,536,598)	877,429	0.59
	Sale			22 Sep 2017	(877,429)	-	0.00
	AT THE END OF THE YEAR					-	0.00
3	MERRILL LYNCH MARKETS SINGAPORE PTE. LTD.	8,294,926	5.62			8,294,926	5.62
	Sale			07 Apr 2017	(110,423)	8,184,503	5.55
	Sale			14 Apr 2017	(466,945)	7,717,558	5.23
	Sale			21 Apr 2017	(1,444,000)	6,273,558	4.25
	Sale			28 Apr 2017	(813,956)	5,459,602	3.70
	Sale			05 May 2017	(254,000)	5,205,602	3.53
	Sale			12 May 2017	(163,631)	5,041,971	3.42
	Sale			19 May 2017	(59,092)	4,982,879	3.38
	Sale			26 May 2017	(177,819)	4,805,060	3.26
	Sale			02 Jun 2017	(551,845)	4,253,215	2.88
	Sale			09 Jun 2017	(448,624)	3,804,591	2.58
	Sale			16 Jun 2017	(1,614,128)	2,190,463	1.48
	Sale			23 Jun 2017	(170,352)	2,020,111	1.37
	Sale			14 Jul 2017	(37,812)	1,982,299	1.34
	Sale			21 Jul 2017	(143,793)	1,838,506	1.25
	Sale			04 Aug 2017	(36,129)	1,802,377	1.22
	Sale			11 Aug 2017	(27,745)	1,774,632	1.20
	Sale			29 Dec 2017	(380,072)	1,394,560	0.95
	Sale			05 Jan 2018	(182,900)	1,211,660	0.82
	Sale			02 Feb 2018	(34,223)	1,177,437	0.80
	Sale			09 Feb 2018	(710,213)	467,224	0.32
	Sale			16 Feb 2018	(335,900)	131,324	0.09
	AT THE END OF THE YEAR					131,324	0.09
4	DILIPKUMAR LAKHI	7,248,498	4.91			7,248,498	4.91
	Sale			07 Apr 2017	(70,000)	7,178,498	4.87
	Sale			14 Apr 2017	(190,000)	6,988,498	4.74
	Sale			21 Apr 2017	(30,000)	6,958,498	4.72
	Sale			19 May 2017	(636)	6,957,862	4.72
	Sale			21 Jul 2017	(43,321)	6,914,541	4.69
	Sale			28 Jul 2017	(50,000)	6,864,541	4.65
	Sale			27 Oct 2017	(4,298)	6,860,243	4.65
	AT THE END OF THE YEAR					6,860,243	4.65
5	MENTOR CAPITAL LIMITED	4,080,802	2.77			4,080,802	2.77
	Purchase			04 Aug 2017	10,000	4,090,802	2.77
	Purchase			27 Oct 2017	450	4,091,252	2.77
	Purchase			12 Jan 2018	55,556	4,146,808	2.81
	Purchase			19 Jan 2018	11,460	4,158,268	2.82
	Purchase			26 Jan 2018	25,000	4,183,268	2.84
	AT THE END OF THE YEAR					4,183,268	2.84

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of Total Shares of the Company
6	CHIRAG DILIPKUMAR LAKHI	2,847,034	1.93			2,847,034	1.93
	AT THE END OF THE YEAR					2,847,034	1.93
7	POLUS GLOBAL FUND	1,134,000	0.77			1,134,000	0.77
	Sale			14 Jul 2017	(50,000)	1,084,000	0.73
	Sale			28 Jul 2017	(20,649)	1,063,351	0.72
	Sale			04 Aug 2017	(13,351)	1,050,000	0.71
	Sale			15 Sep 2017	(25,000)	1,025,000	0.69
	Sale			22 Sep 2017	(25,000)	1,000,000	0.68
	AT THE END OF THE YEAR					1,000,000	0.68
8	BAKULESH TRAMBAKLAL SHAH	935,000	0.63			935,000	0.63
	Sale			14 Apr 2017	(7,000)	928,000	0.63
	Sale			19 May 2017	(20,000)	908,000	0.62
	Sale			07 Jul 2017	(110,000)	798,000	0.54
	Sale			18 Aug 2017	(36,000)	762,000	0.52
	Sale			29 Sep 2017	(200,000)	562,000	0.38
	Purchase			13 Oct 2017	200,000	762,000	0.52
	Sale			17 Nov 2017	(41,000)	721,000	0.49
	AT THE END OF THE YEAR					721,000	0.49
9	DIMENSIONAL EMERGING MARKETS VALUE FUND	861,475	0.58			861,475	0.58
	Sale			09 Feb 2018	(42,692)	818,783	0.56
	Sale			16 Feb 2018	(23,044)	795,739	0.54
	Sale			02 Mar 2018	(30,595)	765,144	0.52
	Sale			31 Mar 2018	(3,421)	761,723	0.52
	AT THE END OF THE YEAR					761,723	0.52
10	PANNA LAL C KOTHARI HUF	-	0.00			-	0.00
	Purchase			16 Jun 2017	800,000	800,000	0.54
	Purchase			22 Sep 2017	500,000	1,300,000	0.88
	AT THE END OF THE YEAR					1,300,000	0.88

* The information is an on the date of weekly BENPOS received from the Registrar and Share Transfer Agent. Exact dates of transaction is not available.

v. Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.		Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason for Increase/ (Decrease)	No. of shares	% of total shares of the Company
	DIRECTORS							
1	**Mr. Rajesh R. Mandawewala**							
	At the beginning of the year	120	0.00	-	-	-	120	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	120	0.00
2	**Mr. Mohan Tandon**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
3	**Mr. Ram Gopal Sharma**							
	At the beginning of the year	1	0.00	-	-	-	1	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	1	0.00

Sr. No.		Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason for Increase/ (Decrease)	No. of shares	% of total shares of the Company
4	**Mr. Mintoo Bhandari #**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
5	**Mr. Utsav Baijal #**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
6	**Mr. Yogesh Agarwal**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
7	**Ms. Mala Todarwal**							
	At the beginning of the year	800	0.00	-	-	-	800	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	800	0.00
8	**Mr. Dhruv Kaji**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
	KEY MANAGERIAL PERSONNEL							
9	**Mr. Balkrishan Goenka - Chairman (Executive)**							
	At the beginning of the year	84	0.00	-	-	-	84	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	-
	At the end of the year	-	-	-	-	-	84	0.00
10	**Mr. Sandeep Garg - Managing Director**							
	At the beginning of the year	9,60,000	0.65	-	-	-	9,60,000	0.65
	Increase /(Decrease) in shareholding during the year	-	-	August 1, 2017	2,40,000	ESOP allotment	12,00,000	0.81
	At the end of the year	-	-	-	-	-	12,00,000	0.81
11	**Mr. Shriniwas Kargutkar - Chief Financial Officer**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	300	0.00
	At the end of the year	-	-	-	-	-	300	0.00
12	**Ms. Indu Daryani* - Company Secretary**							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00

Resigned w.e.f. November 22, 2017
* Resigned w.e.f. February 28, 2018

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,584	-	-	5,584
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29	-	-	29
Total [(i)+(ii)+(iii)]	**5,613**	-	-	**5,613**
Change in indebtedness during the financial year				
- Addition	632	-	-	632
- Reduction	1,036	-	-	1,036
Net Change	**404**	-	-	**404**
Indebtedness at the end of the financial year				
i) Principal Amount	5,181	-	-	5,181
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28	-	-	28
Total [(i)+(ii)+(iii)]	**5,209**			**5,209**

The above numbers of indebtedness do not include short term borrowings disclosed under current liabilities-borrowings in the financial statement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Balkrishan Goenka- Chairman (Executive)	Mr. Sandeep Garg- Managing Director	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	405.00	200.08	605.08
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NIL	323.21	323.21
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	*Stock Options	-	-	-
3.	Sweat equity	-	-	
4.	Commission - As % of profit - Others, specify.....	-	-	-
5.	Others, please specify	-		-
	Total (A)	**405.00**	**523.29**	**928.29**
	Ceiling as per the Act	Within the limits prescribed under the Companies Act, 2013		

* Included in the value of perquisites u/s 17(2) Income Tax Act, 1961

B. Remuneration to other directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total amount
		Mr. Mohan Tandon	Mr. Ram Gopal Sharma	Ms. Mala Todarwal	Mr. Mintoo Bhandari #	Mr. Utsav Baijal #	Mr. Yogesh Agarwal	Mr. Dhruv Kaji	
1.	**Independent Directors**								
	• Fee for attending board/ committee meetings	5.47	5.53	3.16	-	-	2.95	4.57	21.68
	• Commission	-	-		-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**5.47**	**5.53**	**3.16**	**-**	**-**	**2.95**	**4.57**	**21.68**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total amount
		Mr. Mohan Tandon	Mr. Ram Gopal Sharma	Ms. Mala Todarwal	Mr. Mintoo Bhandari #	Mr. Utsav Baijal #	Mr. Yogesh Agarwal	Mr. Dhruv Kaji	
2.	**Other Non-Executive Directors**								
	• Fee for attending board/ committee meetings	-	-	-	-	0.48	-	-	0.48
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-			
	Total (B) = (1 + 2)	**5.47**	**5.53**	**3.16**	**-**	**0.48**	**2.95**	**4.57**	**22.16**
	Total Managerial Remuneration	-	-	-	-	-	-	-	-
	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 Rs. one lakh per meeting of the Board or committee thereof.)							

Resigned w.e.f. November 22, 2017

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

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Shriniwas Kargutkar, Chief Financial Officer	Ms. Indu Daryani*, Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	74.48	14.22	88.70
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	**74.48**	**14.22**	**88.70**
	Ceiling as per the Act	Within the limits prescribed under the Companies Act, 2013		

* Resigned w.e.f. February 28, 2018

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of penalty /punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

   These 3E's are implemented through:

   - The programs organized by a trust, Welspun Foundation for Health and Knowledge created by the group;
   - Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
   - Facilitating Government initiatives.

   The Company's CSR Policy is disclosed on the website of the Company www.welspunenterprises.com , a web-link of which is as under: http://www.welspunenterprises.com/userfiles/file/CSR%20Policy%20-.pdf

2. **The Composition of the CSR Committee**
   The Committee comprises of the following three directors as on date of this Report:

   1) Mr. Ram Gopal Sharma – an Independent Director as the Chairman; 2) Mr. Rajesh Mandawewala -Member; and 3) Mr. Sandeep Garg -Member, Ms. Indu Daryani-Company Secretary acted as the Secretary to the Committee till February 28, 2018.

3. **Average net profit / (loss) of the Company for last three financial years: Rs. (6,187).**

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:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 (Rs.)	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure. up to the date of reporting period	Amount spent : Direct or through implementing agency
Nil							

6. **Owing to average net loss of Rs. (6,187) during the preceding three financial years, the Company could not spend any amount on CSR.**
7. **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

Sandeep Garg
Managing Director
DIN: 00036419

Ram Gopal Sharma
Chairman - CSR Committee
DIN : 00026514

Place: Mumbai
Date: May 10, 2018

Annexure – 5

Form No. AOC-2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of Contract	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:
1) Welspun Delhi Meerut Expressway Private Limited – Subsidiary EPC Contract between Welspun Delhi Meerut Expressway Private Limited and the Company is for undertaking the execution of design,Engineering, procurements of Materials, Construction including Projects Facilities on section of NH-24 of Km 0.000 to existing 8.360 (approx..8,716)	EPC Contract	30 months	EPC contract between Company and Welspun Delhi Meerut Expressway Private Limited for Rs.772 Crores	N.A.	10% Mobilisation Advance
2) MBL (GSY) Road Limited – Joint venture EPC Contract between MBL (GSY) Road Limited and the Company is for undertaking the execution of design, Engineering, procurements of Materials Construction including Projects Facilities on section of NH-73 of Km 33+000 to Km 74.640	EPC Contract	24 months	EPC contract between Company and MBL (GSY) Road Limited for Rs.1,126 Crores	N.A.	Nil
3) MBL (CGRG) Road Limited – Joint venture EPC Contract between MBL (CGRG) Road Limited and the company is for undertaking the execution of design, Engineering, procurements of Materials Construction including Projects Facilities on section of NH-72A & NH-73 from km 0.000 to km 16.000 and on section of NH-59 from km 0.000 to km 33.000	EPC Contract	24 months	EPC contract between Company and MBL (CGRG) Road Limited for Rs.897 Crores	N.A.	Nil
4) Welspun Aunta-Simaria Project Private Limited - Subsidiary EPC Contract between Welspun Aunta – Simaria Project Private Limited and the Company is for undertaking the execution of design, Engineering, procurements of Materials Construction including Projects Facilities of Ganga Bridge with approach road on section of NH-31 from km 197.900 to km 206.050	EPC Contract	43 months	EPC contract between Company and Welspun Aunta-Simaria Project Private Limited for Rs.1,025 Crores	N.A.	Nil
5) Chikhali – Tarsod Highways Private Limited – Joint venture EPC Contract between Chikhali –Tarsod Highways Private Limited and the Company is for undertaking the execution of design, Engineering, procurements of Materials Construction including Projects Facilities on section of NH-6 from km 360.0 to km 422.70	EPC Contract	30 months	EPC contract between Company and Chikhali – Tarsod Highways Private Limited for Rs.930 Crores	N.A.	Nil

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN : 00270175

Place: Mumbai
Date: May 10, 2018

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors of the Company acts as 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, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

The Company's Board comprises of a mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, general management and business strategy. Except 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:

Sr. No.	Name of the Director	Category	Board Meetings attended during F.Y. 2017-18	Atten-dance at the 23rd AGM	Directorship on the Board of other Companies			Membership/ Chairpersonship in No. of Board /Committees including other Companies (as last declared to the Company)@	No. of equity shares held in the Company
					Public	Private	Other Body Corporate		
1)	Mr. Balkrishan Goenka-Chairman	C, P, E	9/9	No	7	0	9	2M	84
2)	Mr. Dhruv Subodh Kaji$	I	8/8	No	5	2	-	1C, 4M	-
3)	Ms. Mala Todarwal	I	7/9	No	7	-	-	4C,4M	800
4)	Mr. Mintoo Bhandari* %	NE	4/6	No	-	-	-	-	-
5)	Mr. Mohan Tandon	I	9/9	Yes	1	-	-	1C,2M	-
6)	Mr. Rajesh R. Mandawewala	P, NE	7/9	No	7	3	6	4M	120
7)	Mr. Ram Gopal Sharma	I	9/9	Yes	7	1	-	4C, 5M	1
8)	Mr. Utsav Baijal* (Alternate Director to Mr. Mintoo Bhandari)	NE	0/6	No	-	-	-	-	-
9)	Mr. Yogesh Agarwal	I	7/9	No	2	-	-	1C,2M	-
10)	Mr. Sandeep Garg – Managing Director	E	9/9	No	7	1	-	1M	12,00,000

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

* Resigned w.e.f. November 22, 2017

$ Appointed with effect from May 30, 2017

% 4 meetings were attended by Observer appointed by the Nominee Director

Abbreviations:

P = Promoter/Promoter Group; E = Executive Director; NE = Non-Executive Director; I = Independent Non-Executive; C=Chairman; and M= Member.

9 meetings of the Board of Directors were held during the financial year 2017-18 on the following dates: April 14, 2017, May 30, 2017, July 17, 2017, July 24, 2017, August 11, 2017, October 31, 2017, December 19, 2017, January 30, 2018 and February 14, 2018.

In addition to the above, a meeting of the Independent Directors was held on March 28, 2018 in compliance with Section 149(8) read with Schedule IV 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 all the Independent Directors of the Company.

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

The policy on Company's familiarization program (for independent directors) is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is:
http://welspunenterprises.com/userfiles/file/Familiarisation%20program%20WEL(LODR).PDF

III. AUDIT COMMITTEE

The Committee comprises of 3 non-executive directors having accounts and finance background. All the members of the Committee are independent directors.

The composition of the Committee as on the date of this report and attendance of members for meetings held during the financial year 2017-18 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Ram Gopal Sharma	Chairman	5/5
Mr. Dhruv Kaji[$]	Member	4/4
Mr. Mohan Tandon	Member	5/5
Ms. Mala Todarwal[#]	Member	1/1
Mr. Mintoo Bhandari[*!]	Member	1/3
Mr. Utsav Baijal[%*]	Member	0/3

$ Appointed as Member w.e.f. July 17, 2017
! 1 meeting was attended by the Observer appointed by the Nominee Director
* Resigned w.e.f. November 22, 2017
# Ceased to be Member of the Committee w.e.f. July 17, 2017
% Alternate director to Mr. Mintoo Bhandari

Ms. Indu Daryani acted as the Secretary to the Committee till February 28, 2018.

5 meetings of the Audit Committee were held during the financial year 2017-18 on the following dates: May 30, 2017, August 11, 2017, October 31, 2017, December 19, 2017 and February 14, 2018.

None of the 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 MECHANSIM FOR DIRECTORS AND EMPLOYEES.

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

V. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee consisting of executive and non-executive directors, majority of which are independent directors. During the year under review, 3 meetings of the Committee were held on May 30, 2017, August 11, 2017 and October 31, 2017.

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

Composition of Committee:

The composition of the Committee as on the date of this report and attendance of the members for meetings held during the financial year 2017-18 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Mohan Tandon	Chairman	3/3
Mr. Balkrishan Goenka	Member	2/3
Mr. Dhruv Kaji[$]	Member	2/2
Mr. Ram Gopal Sharma	Member	3/3
Ms. Mala Todarwal[#]	Member	1/1
Mr. Mintoo Bhandari[*!]	Member	1/3
Mr. Utsav Baijal[%*]	Member	0/3

$ Appointed as Member w.e.f. July 17, 2017
! 1 meeting was attended by the Observer appointed by the Nominee Director
* Resigned w.e.f. November 22, 2017
# Ceased to be Member of the Committee w.e.f. July 17, 2017
% Alternate director to Mr. Mintoo Bhandari

Remuneration Policy

The Company follows the Nomination and Remuneration Policy for appointment of, payment of remuneration to, and performance evaluation of directors, key managerial personnel and senior management personnel which, inter alia, sets out the criteria for performance evaluation of independent directors. The salient features of the policy are as under:

- The Nomination and Remuneration (NRC) Committee shall be constituted from amongst the directors serving on the Board of Directors of the Company to recommend appointment of, payment of remuneration to and performance evaluation of directors, Key Managerial Personnel and Senior Management officials, to the Board of Directors.
- While appointing any person as director, important aspects like business of the Company; strength, weakness, opportunity and threats to Company's business; existing composition of the board of directors; diversity in background of existing directors; background; skills; expertise and qualification possessed by persons being considered and specific requirements under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board shall be taken into consideration.
- While identifying persons who may be appointed as independent directors, their qualifications and suitability shall be reviewed to ensure that such candidates will be able to function as directors 'Independently' and avoid any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.
- While recommending appointment of any candidate as Key Managerial Personnel or as a part of senior management, factors such as expectations of the role of the position being considered, qualification, skill, expertise, background, human qualities such as abilities to perform as a part of a team, emotional quotient, etc. shall be taken into consideration.
- The NRC Committee shall recommend remuneration payable to directors, Key Managerial Personnel and senior management personnel taking into consideration 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 NRC Committee shall further co-ordinate the process of evaluation of performance of directors (including Independent Directors), various committees of the Board and the Board as required under section 178 of the Companies Act, 2013.

The Company's Nomination and Remuneration Policy as required under Section 178(3) of the Companies Act, 2013 is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:

http://welspunenterprises.com/userfiles/file/Nomination%20and%20Remuneration%20Policy.pdf

VI. REMUNERATION OF DIRECTORS

Refer point no. 16 of the Directors' Report.

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

The Share Transfer, Investor's Grievance and Stakeholder's 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 investor's complaints and to review the functioning of the investors grievance redressal system.

The Chairman of the Committee is a Non – Executive & Independent Director. The composition of the Committee is given hereunder:

Name of the Member	Member / Chairman
Mr. Mohan Tandon	Chairman
Ms. Mala Todarwal#	Member
Mr. Sandeep Garg	Member
Mr. Mintoo Bhandari*	Member
Mr. Utsav Baijal %*	Member
Mr. Dhruv Kaji$	Member

% Alternate director to Mr. Mintoo Bhandari
* Resigned w.e.f. November 22, 2017
# Ceased to be member of the Committee w.e.f. July 17, 2017
$ Appointed as Member w.e.f. July 17, 2017

Ms. Indu Daryani acted as the Compliance Officer of the Committee upto February 28, 2018.

During the year under review, 8 complaints were received from various shareholders. Break-up and number of complaints received under different category is given hereunder:

Sr. No.	Nature of Complaint	No. of requests received and processed
1.	Non-receipt of share certificate(s) – Transfer	1
2.	Non-receipt of dividend	2
3.	Non-receipt of annual report	4
4.	Others	1
	Total	**8**

All the complaints received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders and no complaint was pending as on March 31, 2018.

VIII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition and the terms of reference of the Corporate Social Responsibility Committee is as required under Section 135 of the Companies Act, 2013 and the rules made thereunder.

The composition of the Committee is given hereunder:

Name of the Member	Member / Chairman
Mr. Ram Gopal Sharma	Chairman
Mr. Rajesh Mandawewala	Member
Mr. Sandeep Garg	Member

IX. GENERAL BODY MEETINGS

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

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
23rd Annual General Meeting	Thursday, September 28, 2017	11:30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Appointment of Mr. Dhruv Kaji as Independent Director. • Re-appointment of Mr. Sandeep Garg as Managing Director of the Company. • Increase in remuneration of Mr. Balkrishan Goenka. • Approval of Employee Stock Option Plan 2017. • Alteration of Articles of Association by way of deletion of Article 241 relating to Investor's rights.
22nd Annual General Meeting	Thursday, September 29,2016	11:30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Re-appointment of Ms. Mala Todarwal as an Independent Director.
21st Annual General Meeting	Tuesday, September 29, 2015	11:30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110.	• Appointment of Mr. Balkrishan Goenka as Chairman (Executive) and fixation of remuneration payable to him. • Alteration of Articles of Association of the Company for inclusion of certain rights pertaining to PE investors.

- During the year under Report, resolutions which were passed through postal ballot are as follows:

Procedure for postal ballot:
Procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 was followed. The postal ballot and all other papers relating to postal ballot including voting by electronic means, remained under the safe custody of the scrutinizer till the Chairman considered, approved and signed the minutes and thereafter, the scrutinizer returned the ballot papers and other related papers and register to the Company for preservation. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company.

Since the last report, 2 (two) postal ballots were conducted and the resolutions u/s 4, 13, 180(1)(a), 180(1)(c), 186 and 188 of the Companies Act, 2013 were passed. Details of voting pattern on those resolutions, the person who conducted postal ballot exercise, the nature of resolution and the procedure for postal ballot were as under:

i. Postal Ballot Notice dated December 19, 2017

Resolution	Whether Special/ Ordinary Resolution	% of votes polled on outstanding shares	% of vote in favor of total votes polled	% of votes against of total votes polled	Who conducted the postal ballot exercise
Ratification/ Approval of material related party transactions for EPC Contracts entered / to be entered into between the Company and the Project SPVs during F.Y. 2017-18 and F.Y. 2018-19	Ordinary	5.41	99.64	0.36	CS Sanjay Risbud Proprietor of M/s. S.S. Risbud & Co

ii. Postal Ballot Notice dated July 25, 2017

Resolution	Whether Special/ Ordinary Resolution	% of votes polled on outstanding shares	% of vote in favor of total votes polled	% of votes against of total votes polled	Who conducted the postal ballot exercise
Alteration of object clause of the Memorandum of Association.	Special	46.75	99.99	0.01	CS Sanjay Risbud Proprietor of M/s. S.S. Risbud & Co
Authority to mortgage / hypothecate, pledge and/or charge or create any security interest of the Company to secure borrowings.	Special	46.75	99.99	0.01	
Authority to borrow amount not exceeding Rs. 2,500 crore.	Special	46.75	99.99	0.01	
Authority to acquire by way of subscription, purchase or otherwise the securities of any other body corporate not exceeding Rs. 2,500 crore.	Special	43.98	97.16	2.84	

X. MEANS OF COMMUNICATION

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

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

XI. GENERAL SHAREHOLDER INFORMATION

a) **Annual General Meeting** shall be held on Tuesday, August 14, 2018 at 12.30 a.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

b) **Financial Year of the Company**: 1st April to 31st March.

c) **Date of Book Closure:** Wednesday, June 27, 2018 to Friday, June 29, 2018 (both days inclusive).

d) **Dividend payment date:** From Tuesday, August 14, 2018 onwards.

e) **Listing on Stock Exchanges:** At present, the equity shares of your Company are listed on :

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock code/ symbol for equity shares	Whether Annual Listing Fee paid for FY 2018-19	Whether share suspended from trading during FY 2017-18
1.	National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	WELENT; Series: EQ	Yes	No
2.	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	532553	Yes	No

Note: ISIN No. (For dematerialized shares) : INE625G01013

f) **Stock Market price data, high and low price of equity shares during each month in FY 2017-18 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:**

	BSE		NSE	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2017	101.60	82.20	101.15	82.50
May, 2017	97.50	84.00	100.50	84.35
June, 2017	122.25	89.50	122.50	89.40
July, 2017	149.50	106.95	149.50	107.05
August, 2017	138.15	106.20	138.40	106.55
September, 2017	153.00	132.50	153.40	132.50
October, 2017	172.95	139.95	172.50	140.10
November, 2017	168.60	142.00	168.40	142.00
December, 2017	184.80	138.00	185.20	137.30
January, 2018	198.00	167.60	197.65	167.55
February, 2018	184.90	148.00	179.45	146.70
March, 2018	170.40	140.05	170.50	140.00

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

Month	BSE Index (Sensex)	Closing price of Share (Rs.)	NSE (S&P Nifty)	Closing price of Share (Rs.)
April, 2017	29,918.40	93.00	9,304.05	93.20
May, 2017	31,145.80	92.15	9,621.25	92.40
June, 2017	30,921.61	110.70	9,520.90	110.35
July, 2017	32,514.94	135.75	10,077.10	136.00
August, 2017	31,730.49	136.15	9,917.90	135.85
September, 2017	31,283.72	142.95	9,788.60	143.10
October, 2017	33,213.13	163.70	10,335.30	163.50
November, 2017	33,149.35	152.65	10,226.55	152.65
December, 2017	34,056.83	175.30	10,530.70	176.00
January, 2018	35,965.02	174.70	11,027.70	174.60
February, 2018	34,184.04	165.00	10,492.85	165.35
March, 2018	32,968.68	141.30	10,113.70	141.35

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

Link Intime India Private Limited
Unit : Welspun Enterprises Limited
C-101, 247 Park, L.B. S. Marg,
Vikhroli (West), Mumbai – 400 083.
Email - rnt.helpdesk@linkintime.co.in
Tel. No.: +91-22-249186270
Fax No.: +91-22–249186060

i) Share 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. Shares under objection are returned within two weeks.

j) Distribution of Shareholding:
Shareholding Pattern as on March 31, 2018:

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	49,369	86.79	5,421,986	3.68
501-1,000	3,327	5.85	2,573,942	1.74
1,001-2,000	1,715	3.02	2,596,134	1.76
2,001-3,000	728	1.28	1,881,919	1.28
3,001-4,000	315	0.55	1,126,490	0.76
4,001-5,000	322	0.57	1,524,254	1.03
5,001-10,000	493	0.87	3,576,618	2.42
10,001 and above	608	1.07	128,831,713	87.32
Total	**56,877**	**100**	**147,533,056**	**100**

k) De-materialization of shares and liquidity: As on March 31, 2018, 99.83% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

l) Outstanding Employee Stock Options, Conversion date and likely impact on equity share capital is as under:

Outstanding as on 31.03.2018	Conversion Date	Likely impact on equity share capital
30,00,000 Stock Options carrying right to subscribe for equal number of equity shares in the Company	At every anniversary of the date of grant in the quantum of 20% of the total ESOP granted, over the period of 5 years from the date of grant.	Increase in equity capital by 30,00,000 equity shares of Rs. 10/- each.

m) Project locations of the Company and its subsidiaries:

Sr. No.	Company	Location	State	Nature of Business	Remark
1	Welspun Enterprises Limited	Dewas	Madhya Pradesh	Project- BOT	From March 31, 2018 onwards transferred to Dewas Waterprojects Works Private Limited
2	Dewas Waterprojects Works Private Limited	Dewas	Madhya Pradesh	Project- BOT	-

Sr. No.	Company	Location	State	Nature of Business	Remark
3	Welspun Enterprises Limited	Hoshangabad	Madhya Pradesh	Project- BOT	Handed over to Madhya Pradesh Road Development Corporation (MPRDC) on February 12, 2018
4	Welspun Enterprises Limited	Raisen - Gairatganj -Rahatgarh	Madhya Pradesh	Project- BOT	-
5	Welspun Enterprises Limited	Mohali	Punjab	Project- EPC	-
6	Welspun Enterprises Limited	Delhi	Delhi	Project- EPC (2nd Project)	-
7	Welspun Enterprises Limited	Bharuch	Gujarat	Operations & Maintenance	Handed over to Gujarat State Road Development corporation (GSRDC) - on May 31, 2017
8	MSK Projects (Himmatnagar Bypass) Private Limited	Himmatnagar	Gujarat	Project- BOT	-
9	MSK Projects (Kim Mandvi Corridor) Private Limited	Kim Mandvi	Gujarat	Project- BOT	-
10	Welspun Delhi Meerut Expressway Private Limited	Delhi	Delhi	Project- Hybrid Annuity	-
11	Welspun Enterprises Limited	Aunta-Simaria	Bihar	Project- EPC	-
12	Welspun Enterprises Limited	Chutmalpur-Ganeshpur and Rorkee-Chutmalpur-Gagalheri	Uttar Pradesh & Uttarakhand	Project- EPC	-
13	Welspun Enterprises Limited	Gagalheri-Sahranpur-Yamunanagar	Uttar Pradesh	Project- EPC	-
14	Welspun Enterprises Limited	Chikhali – Tarsod	Maharashtra	Project- EPC	-
15	Welspun Aunta - Simaria Project Private Ltd	Aunta - Simaria	Bihar	Project- Hybrid Annuity	-

n) Disclosure of shares held in suspense account under Clasue F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
Refer to point No. 7(e) to the Directors' Report.

o) Address for correspondence
The Company Secretary,
Welspun Enterprises Limited
Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Tel: +91-22-66136000; +91-22-24908000, Fax: +91-22-24908020/21
e-mail: companysecretary_wel@welspun.com

XII. OTHER DISCLOSURES:

a) Related Party Transactions
For materially significant related party transactions, refer Note No. 47 of Notes to Accounts annexed to the Standalone Financial Statement and Annexure 5 to the Directors' Report.

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

http://welspunenterprises.com/userfiles/file/Related%20Party%20Transaction%20Policy.pdf

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

For disclosures pursuant to Regulation 34(3), refer Note No. 51 of Notes to Accounts annexed to the Standalone Financial Statement.

c) Non-Compliance

There was no non-compliance by your Company and hence no penalty or stricture was imposed / passed 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on your Company's website www.welspunenterprises.com and a web link thereto is as under:

http://welspunenterprises.com/userfiles/file/Policy%20for%20governance%20of%20Material%20and%20other%20Subsidiaries.pdf

e) Details of compliance with Corporate Governance Requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

The Company is in compliance with mandatory requirements mentioned under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable and in addition the Company adopted non-mandatory requirement mentioned at (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

The Company enters into contracts with clients with provision for contract price escalation based on CPI and WPI movements. We enter into subcontracts on the same terms on price escalation with our subcontractor(s). Any actual escalation beyond the agreed terms is undertaken by the subcontractor(s). Thus, the Company is insulated from the risk of the commodity price fluctuation.

Please refer para on "Key Risks" the Management Discussion and Analysis for other risks.

g) Code of Conduct for Board and Senior Management

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

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2017-18."

Sd/-
Sandeep Garg
Managing Director
DIN: 00036419

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To
The Members,
Welspun Enterprises Limited

I have examined the compliance of conditions of Corporate Governance by Welspun Enterprises Limited for the year ended on March 31, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

I state that in respect of investor grievances received during the year ended March 31, 2018 the Registrars of the Company have certified that as at March 31, 2018, there was no investor grievance remaining unattended/ pending to the satisfaction of the investor.

For S. S. Risbud & Co.
Company Secretaries

Sanjay S. Risbud
Membership No. 13774
C.P. No. 5117

Mumbai
May 10, 2018

Independent Auditor's Report

To
The Members of
Welspun Enterprises Limited

1. Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **Welspun Enterprises Limited** (the "Company"), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. Management's responsibility for the standalone Ind AS financial statements

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 that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

3. Auditor's responsibility

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's 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.

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.

4. Opinion

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 31 March 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Report on other Legal and Regulatory requirements

I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) 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 A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

II. As required by Section143 (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 statement of cash flows 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 B"; and

g) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts; and

iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 10 May 2018

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 5(I) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of a Freehold Land of Rs. 36 lakhs whose title is not yet transferred in the name of the Company.

ii. The physical verification of inventory has been conducted by the Management at reasonable intervals during the year. As informed to us, no discrepancies were noticed on such verification.

iii. The Company has granted loan to a Company covered in the register maintained under Section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to a Company listed on the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a Company listed in the register maintained under section 189 of the Act.

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 Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. According to the records of the Company, examined by us and information and explanations given to us:

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases and also the company has not paid professional tax of Rs. 9,785 on account of pending registration process and Works Contract Tax amounting to Rs. 69,462. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2018 for a period of more than six months from the date they became payable except Works Contract Tax amounting to Rs. 219,334.

b) There are no dues of duty of customs, sales tax and duty of excise which have not been deposited on account of any dispute. The disputed dues of income tax, service tax and value added tax which have not been deposited are as under:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs) **	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Penalty	1	FY 2007-2008	Assistant Commissioner of Income Tax
The Central Excise Act, 1944	Service tax	70	FY 2008-2009 to FY 2010-2011	Additional Commissioner-Central Excise and Service Tax
		96	FY 2007-2008 to FY 2009-2010	Central Excise Service Tax Appellate Tribunal
Haryana Value Added Tax Act, 2003	Value Added Tax	171	FY 2009-2010	Deputy Excise and Taxation Commissioner
Gujarat value Added Tax Act, 2003	Value Added Tax	4	FY 2011-12	Deputy Commissioner of Commercial Tax

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company has not taken any loans from Government and has not issued any debentures.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

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 been informed of any such case by the Management.

xi. According to the records of the Company examined by us, and information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 10 May 2018

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 5(II)(f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018

We have audited the internal financial controls over financial reporting of Welspun Enterprises Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 (the "Guidance Note") 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.

Auditor's Responsibility

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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. 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.

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

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

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

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

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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 10 May 2018

Balance Sheet as at 31 March 2018

(₹ in lakhs)

	Notes	As At 31 March 2018	As At 31 March 2017
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	504	338
(b) Intangible assets	5	329	2,178
(c) Financial assets			
(i) Investments	6	65,054	37,464
(ii) Loans	7	2,346	1,954
(d) Deferred tax assets (net)	36	668	-
(e) Non-current tax assets	8	1,283	1,879
(f) Other non-current assets	9	997	1,438
Total non-current assets		**71,181**	**45,251**
2. Current assets			
(a) Inventories	10	71	296
(b) Financial assets			
(i) Investments	11	69,923	74,977
(ii) Trade receivables	12	11,398	1,919
(iii) Cash and cash equivalents	13	501	24,884
(iv) Bank balances other than (iii) above	14	3,876	4,549
(v) Loans	15	11,781	5,283
(vi) Other financial assets	16	21,828	2,040
(c) Other current assets	17	843	1,108
Total current assets		**120,221**	**115,057**
Assets held-for-sale	18	36	5,662
		120,257	**120,719**
Total Assets		**191,438**	**165,970**
Equity and liabilities			
EQUITY			
(a) Equity share capital	19(a)	14,753	14,729
(b) Other equity	19(b)	130,981	120,510
Total equity		**145,734**	**135,239**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
Borrowings	20	4,605	5,181
(b) Provisions	21	3,031	2,868
(c) Deferred tax liabilities (net)	36	-	280
Total non-current liabilities		**7,636**	**8,329**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	1,429	2,400
(ii) Trade payables	23	20,134	6,544
(iii) Other financial liabilities	24	9,268	3,547
(b) Provisions	25	73	14
(c) Other current liabilities	26	6,519	9,897
(d) Current tax liabilities	27	645	-
Total current liabilities		**38,068**	**22,402**
Total equity and liabilities		**191,438**	**165,970**

Notes forming part of the standalone financial statements **1 to 56**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

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

(₹ in lakhs)

		Notes	Year ended 31 March 2018	Year ended 31 March 2017
I.	**INCOME**			
	Revenue from operations	28	99,720	29,163
	Other income	29	9,556	9,773
	Total Income		**109,276**	**38,936**
II.	**EXPENSES**			
	Cost of materials consumed	30	1,415	1,297
	Purchases of stock-in-trade	31	-	5,662
	Subcontracting, civil and repair work		79,732	17,006
	Employee benefits expense	32	4,951	2,888
	Finance costs	33	784	778
	Depreciation and amortisation expense	34	1,962	1,731
	Other expenses	35	6,583	5,306
	Total expenses		**95,427**	**34,668**
III.	**Profit before exceptional items and tax (I - II)**		**13,849**	**4,268**
IV.	Exceptional items (net)	45	1,417	1,068
V.	**Profit before tax (III + IV)**		**15,266**	**5,336**
VI.	**Tax expense**	36		
	- Current tax		5,193	607
	- Deferred tax (credit)/ charge		(901)	402
	Total tax expense		**4,292**	**1,009**
VII.	**Profit for the year (V - VI)**		**10,974**	**4,327**
VIII.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement gains/(losses) on defined benefit plan	46	(135)	(8)
	Income tax effect on above		47	3
	Other comprehensive income for the year (net of tax)		**(88)**	**(5)**
IX.	**Total comprehensive income for the year (VII + VIII)**		**10,886**	**4,322**
	Earnings per equity share of Rs.10 each fully paid up	40		
	Basic (Rs)		7.44	2.49
	Diluted (Rs)		7.37	2.48

Notes forming part of the standalone financial statements **1 to 56**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner

Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

Statement of cash flows for the year ended 31 March 2018

(₹ in lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash flow from operating activities**		
	Profit before tax	15,266	5,336
	Adjustments for		
	Depreciation and amortisation expense	1,962	2,853
	(Gain) / loss on sale/discard of property, plant and equipment (net)	(1,344)	(74)
	Bad debts	-	460
	Interest income	(5,451)	(4,962)
	Interest expense	662	666
	Gain on sale of current investments (net)	(125)	(387)
	Gain on sale of non-current investments	(1,380)	(729)
	Provision for leave encashment and gratuity	106	48
	Sundry balances written off	9	-
	Impairment of investment in subsidiary	1,368	-
	Net gain on financial assets mandatorily measured at FVTPL	(3,387)	(3,322)
	Amount receivable on stake sale of earlier years written off	-	348
	Reversal of provision for Welspun Maxsteel Limited (WMSL) obligations	-	(882)
	Realisation of contingent asset on account of income tax refund from WMSL	(43)	(927)
	Claim revenue (BOT)	-	(766)
	Reversal of provision no longer required	(355)	-
	Unwinding of discount on security deposits	0	4
	Expected credit loss	1,528	1,256
	Share based payments to employees	941	121
	Dividend income	(25)	(26)
	Operating profit before working capital changes	**9,732**	**(983)**
	Adjustments for		
	(Increase) / decrease in trade and other receivables	(22,164)	1,973
	Increase / (decrease) in trade and other payables	16,077	13,063
	(Increase) / decrease in inventories	225	1
	Cash generated/ (used) in operating activities	**3,870**	**14,054**
	Direct taxes paid	(3,952)	(754)
	Net cash generated/ (used) in operating activities (A)	**(82)**	**13,300**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	(305)	(36)
	Sale of property, plant and equipment	34	244
	Gain on sale of current investments (net)	870	1,781
	Investment in wholly owned subsidiary	(135)	(10,555)
	Investment in joint venture companies	(28,443)	-
	Investment in other entities	(13)	(2,013)
	Advance towards purchase of investment	(500)	-
	Loans given to subsidiaries	(2,393)	(2,083)
	Loans given to joint venture companies	(8,899)	-
	Loans given to associate	(44)	-
	Loans given to others	(2,267)	-
	Loans given to subsidiaries repaid	1,329	412

Statement of cash flows for the year ended 31 March 2018

(₹ in lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
	Loans given to associate repaid	45	66
	Application money for optionally convertible debentures refunded	92	-
	Redemption of investment in optionally convertible debentures	358	-
	Proceeds from sale of investment in wholly owned subsidiary	135	-
	Proceeds from sale of investment in other entity	1,394	28,580
	Realisation of contingent asset on account of income tax refund from WMSL	43	927
	Application money for optionally convertible debentures	-	(632)
	Increase in other bank balances	673	(3,027)
	Inter-corporate deposits given	(5,000)	(3,500)
	Inter-corporate deposits given repaid	10,020	4,550
	Dividend received	25	26
	Interest received	7,134	5,772
	Net cash generated from / (used in) investing activities (B)	**(25,847)**	**20,512**
C	**Cash flow from financing activities**		
	Buy back of equity shares	-	(16,732)
	Share issue expenses	-	(137)
	Repayment of long-term borrowings	(403)	(177)
	Increase/ (decrease) in short-term borrowings (net)	(546)	1,139
	Interest paid	(640)	(617)
	Dividend paid including dividend distribution tax	(1,332)	-
	Net cash used in financing activities (C)	**(2,921)**	**(16,524)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(28,850)**	**17,288**
	Cash and cash equivalents at the beginning of the year	95,770	78,482
	Cash and cash equivalents at the end of the year	**66,920**	**95,770**

Notes:

1. Break up of cash and cash equivalents as follows	Year ended 31 March 2018	Year ended 31 March 2017
Current investments	66,419	70,886
Cash and cash equivalents	501	24,884
	66,920	**95,770**

2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 55

3. The impact of non - cash transaction have not been given in the above cash flows statement details of which are given in Note 55.

4. Previous year figures are regrouped/ reclassified wherever considered necessary.

Notes forming part of the standalone financial statements **1 to 56**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

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

A. Equity share capital

(₹ in lakhs)

	Note	Amount
Balances as at 01 April 2016	19 (a)	**17,404**
Changes in equity share capital		(2,675)
Balances as at 31 March 2017	19 (a)	**14,729**
Changes in equity share capital		24
Balances as at 31 March 2018	19 (a)	**14,753**

B. Other equity

(₹ in lakhs)

Particulars	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium reserve	Share options outstanding account	Amalgamation reserve	General reserve	Retained earnings	
Balance as at 01 April 2016 (A)		22,355	106,123	76	521	322	863	130,260
Profit for the year		-	-	-	-	-	4,327	4,327
Other comprehensive income for the year		-	-	-	-	-	(5)	(5)
Total comprehensive income for the year (B)		-	-	-	-	-	4,322	4,322
Compensation options granted	42 & 19 b	-	-	121	-	-	-	121
Exercise of share options	42 & 19 b	-	82	(106)	-	-	-	(24)
Buy back of shares		-	(14,033)	-	-	-	-	(14,033)
Expenses related to buy back of shares		-	(136)	-	-	-	-	(136)
Total (C)		-	**(14,087)**	**15**	**-**	**-**	**-**	**(14,072)**
Balance as at 31 March 2017 (D=A+B+C))		**22,355**	**92,036**	**91**	**521**	**322**	**5,185**	**120,510**
Profit for the year		-	-	-	-	-	10,974	10,974
Other comprehensive income for the year		-	-	-	-	-	(88)	(88)
Total comprehensive income for the year (E)		-	-	-	-	-	**10,886**	**10,886**
Compensation options granted	42 & 19 b	-	-	941	-	-	-	941
Exercise of share options	42 & 19 b	-	104	(128)	-	-	-	(24)
Dividend paid	53	-	-	-	-	-	(1,107)	(1,107)
Dividend distribution tax paid	53	-	-	-	-	-	(225)	(225)
Total (F)		-	**104**	**813**	**-**	**-**	**(1,332)**	**(415)**
Balance as at 31 March 2018 (G = D+E+F)		**22,355**	**92,140**	**904**	**521**	**322**	**14,739**	**130,981**

'0' denotes less than Rs 50,000

Notes forming part of the standalone financial statements **1 to 56**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

Notes forming part of the standalone financial statements

1 Corporate information

Welspun Enterprises Limited ('WEL' or 'the Company') is a public limited company incorporated in India. Its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis) and trading activities. It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the financial year 2017-18 were authorised for issue in accordance with a resolution of board of directors on 10 May 2018.

2 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards Rules, 2015 (As amended) and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

The financial statements have been prepared under the historical cost convention and on accrual basis, except for the following:

a) Certain financial assets and liabilities which have been measured at fair value (Refer accounting policy regarding financial instruments).
b) Assets held for sale -measured at fair value less cost to sell
c) Defined benefit plan assets and liabilities
d) Share based payments

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

3(A) Significant accounting policies

i) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue recognition

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

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects value added tax/ central sales tax (upto 30 June 2017) and goods and service tax (w.e.f 01 July 2017) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Notes forming part of the standalone financial statements

b) Toll collection

Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll.

c) Revenue from construction contracts

Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contact cannot be ascertained reliably and at reliasable value thereafter.

Amount due in respect of the price escalation claim and/or variation in contract work approved by the customers are recognized as revenue only when there are conditions stipulated in the contracts for such claims or variations and/or the same are evidenced inter-alia by way of confirmation or the same are accepted by the customers.

Advances received from customers in respect of contracts are treated as liability. Unbilled cost are carried as construction work-in-progress which is valued considering the stage of completion and foreseeable losses in accordance with the Ind-AS 11.

d) Revenue from services

Revenues from service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

e) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown under other income.

f) Dividend income

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

iii) Exceptional items

On certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

iv) Service concession arrangement

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset

Notes forming part of the standalone financial statements

from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include toll road project and water supply project. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identifiation of the receivable which is measured at fair value. Based on business model assessment, the Company measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL").

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Amortisation

Intangible assets i.e. BOT cost (Toll collection right) existing on transition date, viz., 1 April 2015 are amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

v) Property, plant and equipment

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Notes forming part of the standalone financial statements

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

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

vi) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

vii) Impairment of non-financial assets

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

Notes forming part of the standalone financial statements

profit and loss if there has been a change in the estimate of recoverable amount.

viii) Valuation of Inventories

Raw materials and components are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Traded goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

ix) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

x) Non-current assets held-for-sale

The Company classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

xi) Employee benefits

a) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

b) Defined benefit plans

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur. "

c) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund."

xii) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions).

Employee stock options

The fair value of the options granted under the Welspun Enterprises Limited Emplyees Stock Option Plan 2017 and Welspun Managing Director Stock Option Plan 2014 is recognised as an employee benefits

Notes forming part of the standalone financial statements

expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

xiii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xiv) Taxes on income

a) Current tax

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

b) Deferred tax

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

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

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

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

Notes forming part of the standalone financial statements

end, to recover or settle the carrying amount of its assets and liabilities.

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

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

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xv) Foreign Currency transactions

The Company's financial statements are presented in INR rupees in lakhs, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvi) Leases

a) Operating lease

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

b) Finance lease

Assets acquired under leases where Company has substantially all the risks and rewards of ownership are classified as finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

xvii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less

Notes forming part of the standalone financial statements

that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xviii) Earnings per share

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

xix) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

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

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

xx) Investment in associates, joint venture companies and subsidiaries

The Company has accounted for its investment in associate, joint venture companies and subsidiaries at cost.

xxi) 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.

Notes forming part of the standalone financial statements

A. Financial assets

a) Initial recognition and measurement

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

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments measured at amortised cost

ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments measured at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

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

i) Debt instruments measured at amortised cost

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

ii) Debt instruments measured at FVTOCI

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

iii) Debt instruments measured at FVTPL

Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity instruments (other than investment in associates, joint venture and subsidiaries - Refer note "xx" above)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on

Notes forming part of the standalone financial statements

an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

B. Derecognition of financial assets

A financial asset is derecognised only when

i) The Company has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

C. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

i) Financial assets measured at amortised cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or

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

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

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions

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

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

i) Financial liabilities measured at amortised cost

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

i) Financial liabilities measured at amortised cost

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

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

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

c) Derecognition

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

xxii)Business combinations

In accordance with Ind AS 101, provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combination prospectively from 1 April 2015. Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

xxiii)Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

Notes forming part of the standalone financial statements

orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

3(B) Significant estimates, judgements and assumptions

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

a) Contract estimates

The Company prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to complexities involved in the budgeting process, contract estimates are sensitive to changes in these assumptions. Budgeted costs are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 46.

c) Contingencies and commitments

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

d) Impairment testing

i) Impairment of non-financial assets

Impairment exists when the carrying

Notes forming part of the standalone financial statements

value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits."

f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 37).

g) Share based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 42.

3 (C) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. In March 2018, the Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Indian Accounting Standard (Ind AS) 115 "Revenue from Contracts with Customers" and notifying amendments to Ind AS 12 "Income Taxes" .Ind AS 115 and amendments to the Ind AS 12 are applicable to the Company w.e.f. 1 April 2018.

Notes forming part of the standalone financial statements

a) Ind AS 115 "Revenue from Contracts with Customers"

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further this standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

b) Ind AS 12 "Income Taxes"

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

The Company is evaluating the disclosure requirements of these amendments and its effect on the financial statements.

Notes forming part of the standalone financial statements

4 Property, plant and equipment

(₹ in lakhs)

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Vehicles	Computers	Office and other Equipments	Furniture and Fixtures	Total
Gross carrying amount									
Balance as at 01 April 2016	88*	6	377	64	141	3	18	6	**703**
Additions	-	-	1	-	9	5	20	1	**36**
Disposals	-	-	100	-	14	-	-	-	**113**
Balance as at 31 March 2017	88	6	278	64	136	8	38	8	**626**
Additions	-	-	2	-	207	14	46	36	**305**
Disposals	-	-	79	-	5	-	-	-	**84**
Balance as at 31 March 2018	88	6	201	64	338	22	84	44	**847**

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Vehicles	Computers	Office and other Equipments	Furniture and Fixtures	Total
Accumulated depreciation									
Upto 01 April 2016	-	2	95	64	32	1	10	3	**207**
Additions	-	0	54	-	32	2	8	1	**97**
Disposals	-	-	12	-	4	-	-	-	**16**
Upto 31 March 2017	-	2	137	64	61	3	18	4	**288**
Additions	-	0	28	-	54	6	21	5	**114**
Disposals	-	-	56	-	3	-	-	-	**59**
Upto 31 March 2018	-	2	109	64	111	9	39	9	**343**
Net carrying amount									
Balance as at 31 March 2018	88	4	92	-	227	13	45	35	**504**
Balance as at 31 March 2017	88	4	141	-	76	5	20	4	**338**

'0' denotes less than Rs 50,000

Note

* Includes value of land Rs Nil (Original value of Rs 36 lakhs) at Pune for which the legal documents are yet to be executed.

For details of property, plant and equipment pledged as security, refer note 52

5 Intangible assets (BOT Toll Collection Right)

(₹ in lakhs)

	Hoshanagabad-Harda- Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Total
Gross carrying amount					
Balance as at 01 April 2016	2,396	2,749	240	11,226	**16,611**
Additions	765	-	-	-	**765**
Reclassification as held for sale	-	-	-	11,226	**11,226**
Balance as at 31 March 2017	**3,161**	**2,749**	**240**	**-**	**6,150**
Additions	-	-	-	-	**-**
Balance as at 31 March 2018	**3,161**	**2,749**	**240**	**-**	**6,150**

Notes forming part of the standalone financial statements

	Hoshanagabad-Harda- Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Total
Accumulated depreciation					
Upto 01 April 2016	**1,055**	**1,045**	**240**	**4,490**	**6,830**
Additions	993	640	-	1,123	**2,756**
Reclassification as held for sale	-	-	-	5,613	**5,613**
Upto 31 March 2017	**2,048**	**1,685**	**240**	**-**	**3,973**
Additions	1,113	735	-	-	**1,848**
Upto 31 March 2018	**3,161**	**2,420**	**240**	**-**	**5,821**
Net carrying amount					
Balance as at 31 March 2018	-	329	-	-	**329**
Balance as at 31 March 2017	**1,113**	**1,064**	**-**	**-**	**2,178**

Note :
For details of intangible assets pledged as security, refer note 52

6 Non-current investments

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Unquoted		
Investments in wholly owned subsidiaries - (at cost)		
MSK Projects(Himmatnagar Bypass) Private Limited	233	233
242,000 (31 March 2017 : 242,000) equity shares of Rs. 10/- each fully paid up		
MSK Projects (Kim Mandvi Corridor) Private Limited		
6,730,000 (31 March 2017 :6,730,000) equity shares of Rs. 10/- each fully paid up	673	673
1,001,784 (31 March 2017 :1,001,784) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	1,002	1,002
Welspun Natural Resources Private Limited		
31,875,000 (31 March 2017 :31,875,000) equity shares of Rs 10 each fully paid up @	4,036	3,715
14,424,022 (31 March 2017 :14,424,022) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	14,424	14,424
Dewas Waterprojects Works Private Limited	1	1
(Formerly known as Anjar Water Solutions Private Limited)		
10,000 (31 March 2017 :10,000) equity shares of Rs 10 each fully paid up		
Welspun Build-Tech Private Limited		
(Formerly known as Welspun Construction Private Limited)		
10,000 (31 March 2017 :10,000) equity shares of Rs 10 each fully paid up	1	1
1,711,775 (31 March 2017 :1,711,775) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	1,712	1,712
ARSS Bus Terminal Private Limited		
18,627,451 (31 March 2017 :18,627,451) equity shares of Rs 10 each fully paid up	3,101	3,101
Welspun Delhi Meerut Expressway Private Limited		
5,000,000 (31 March 2017 :5,000,000) equity shares of Rs 10 each fully paid up ^^	500	500
10,055,000 (31 March 2017 : 10,055,000) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	10,055	10,055
Welspun Financial Services Limited		
Nil (31 March 2017 :Nil) equity shares of Rs 10 each fully paid up *	-	-
Investment in joint venture companies (at cost unless otherwise stated)		
Welspun Aunta-Simaria Project Private Limited		
7,400 (31 March 2017 :Nil) equity shares of Rs 10 each fully paid up ** ^^	1	-
3,482,260 (31 March 2017 : Nil) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	3,482	-

Notes forming part of the standalone financial statements

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
1,867,740 (31 March 2017 :Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) ##	1,868	-
RGY Roads Private Limited		
4,900 (31 March 2017:Nil) equity shares of Rs 10 each fully paid up *** ^^	2,300	-
MBL (GSY) Road Limited		
24,500 (31 March 2017 : Nil) equity shares of Rs 10 each fully paid up *** ^^	2	-
3,549,550 (31 March 2017 : Nil) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	3,550	-
7,103,995 (31 March 2017 :Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) ##	7,104	-
MBL (CGRG) Road Limited		
24,500 (31 March 2017 :Nil) equity shares of Rs 10 each fully paid up *** ^^	2	-
2,823,550 (31 March 2017 : Nil) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	2,824	-
5,651,995 (31 March 2017 :Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (at fair value) ##	5,652	-
Corbello Trading Private Limited		
4,900 (31 March 2017 : Nil) equity shares of Rs 10/- each fully paid up **** ^^	785	-
Chikhali - Tarsod Highways Private Limited		
4,900 (31 March 2017 : Nil) equity shares of Rs 10/- each fully paid up **** ^^	0	-
873,500 (31 March 2017 :Nil) 0% unsecured compulsorily convertible debentures of Rs 100 each fully paid up #	874	-
Investment at fair value through profit and loss		
Other Investments - Quoted		
Corporation Bank Limited		
8,000 (31 March 2017 : 8,000) equity Shares of Rs. 2/- each fully paid up	2	4
Other Investments - Unquoted		
Welspun Energy Thermal Private Limited		
(Formerly known as Solarsys Infra Projects Private Limited)		
1,549 (31 March 2017:1,549) equity shares of Rs 10 each fully paid up	0	0
20,264,500 (31 March 2017 :20,130,000) 0% unsecured compulsorily convertible debentures of Rs 10 each fully paid up $	2,026	2,013
Welspun Steel Limited		
1,820,000 (31 March 2017 :Nil) 0% unsecured optionally convertible debentures of Rs 10 each fully paid up	182	-
Investment in Government Securities		
Indira Vikash Patra	0	0
Sardar Sarovar Narmada Nigam Limited		
3 (31 March 2017 : 3) bonds of Rs. 1,000,000/- each fully paid up	30	30
	66,422	**37,464**
Less : Provision for impairment	(1,368)	-
Total	**65,054**	**37,464**
'0' denotes less than Rs 50,000		
Aggregate book value of quoted investments	2	4
Aggregate book value of unquoted investments	65,052	37,460
Aggregate market value of quoted investments	2	4
Aggregate amount of impairment in value of investments	1,368	-

Notes forming part of the standalone financial statements

Each debenture having face value of Rs 100 each shall be compulsorily convertible into 10 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

Each debenture having face value of Rs 100 each shall be convertible, at the option of the holder or the Company into 10 equity shares of Rs 10 each of the Company at any time after the expiry of 5 years and such conversion option shall be available till the expiry of the tenure (10 years from date of allotment) unless redeemed earlier. Besides, the Debenture holder as well as the Company has the right to seek redemption or do redemption, as the case may be, any time after the allotment of debentures. If the debentures are not converted into equity or redeemed until the expiry of the tenure, the debentures shall be redeemed at the expiry of the tenure.

$ Each debenture having face value of Rs 10 each shall be compulsorily convertible into 1 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

^^ The Company has pledged below mentioned shares :-

Entities	No of shares
Welspun Delhi Meerut Expressway Private Limited	2,550,000
Welspun Aunta-Simaria Project Private Limited	5,100
RGY Roads Private Limited	4,900
MBL (GSY) Road Limited	24,495
MBL (CGRG) Road Limited	24,495
Corbello Trading Private Limited	4,896
Chikhali - Tarsod Highways Private Limited	4,896

* Became subsidiary on 27July 2017 and ceased to be subsidiary w.e.f. 19 December 2017
** Became joint venture w.e.f 13 October 2017
*** Became joint venture w.e.f. 19 January 2018
**** Became joint venture w.e.f. 30 January 2018
@ Investment as at 31 March 2018 includes adjustment for fair value of interest free loan Rs 1,036 lakhs (31 March 2017:Rs 715 lakhs).

7 Non-current financial assets - Loans

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 47)	224	215
- Others	384	390
	608	**605**
Loans to related parties (Refer note 47)		
Considered good	1,738	1,349
Considered doubtful	12,072	10,545
	13,810	11,894
Less : Expected credit loss	12,072	10,545
	1,738	**1,349**
Total	**2,346**	**1,954**

Loans are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

Notes forming part of the standalone financial statements

8 Non-current tax assets

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Balance with government authorities		
- Direct tax (net of provision for taxation)	1,283	1,879
Total	**1,283**	**1,879**

9 Other non-current assets

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Balances with government authorities - indirect taxes	957	1,377
Deferred revenue	30	61
Prepaid expenses	10	-
Total	**997**	**1,438**

10 Inventories

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Raw materials	71	296
Total	**71**	**296**

11 Current investments

(₹ in lakhs)

		As At 31 March 2018	As At 31 March 2017
	Investments at fair value through profit and loss		
I.	**Quoted**		
	a) Investment in bonds	65,064	67,901
	b) Investment in mutual funds	1,790	3,993
	c) Investment in equity shares		
	National Mineral Development Corporation	119	133
	100,000 (31 March 2017 : 100,000) shares of face value of Rs 1/- each fully paid up		
II	**Unquoted**		
	Investment in equity shares		
	Dewas Bhopal Corridor Private Limited	2,950	2,950
	13,000 (31 March 2017 : 13,000) equity shares of Rs 10/- each fully paid up.		
	Total	**69,923**	**74,977**
	Aggregate book value of quoted investments	66,973	72,027
	Aggregate book value of unquoted investments	2,950	2,950
	Aggregate market value of quoted investments	66,973	72,027

Notes forming part of the standalone financial statements

12 Trade receivables

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Unsecured		
Considered good		
- Related parties (Refer note 47)	8,112	30
- Others	3,286	1,889
Total	**11,398**	**1,919**

Trade receivables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

13 Cash and cash equivalents

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Balances with banks in current accounts	492	24,859
Cash on hand	9	25
Total	**501**	**24,884**

14 Bank balances (other than 13 above)

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Balances with banks		
- Deposits with bank having original maturity of more than three months but less than twelve months *	3,579	4,266
- Held as margin money or security against guarantees and other commitments (with various government authorities and banks) *	297	283
Total	**3,876**	**4,549**

Note:

* Deposits with banks earns interest at prevailing bank deposit rates.

15 Current financial assets - loans

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
A. Secured, considered good		
Inter corporate deposits		
- Related parties (Refer note 47)	-	515
- Others	-	4,506
B. Unsecured, considered good		
Inter corporate deposits - Others	150	150
Loans and advances		
- Related parties (Refer note 47)	9,364	112
- Others	2,267	-
Total	**11,781**	**5,283**

Notes forming part of the standalone financial statements

16 Other current financial assets

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
(Unsecured)		
Advances recoverable		
- Considered good	426	8
- Doubtful	-	145
	426	**153**
Less : Allowance for doubtful advances	-	145
	426	**8**
Application money for optionally convertible debentures	-	632
Advance towards purchase of investment	500	-
Amount receivable from related party (Refer note 47)	6,961	-
Unbilled work-in-progress		
- Related parties (Refer note 47)	13,529	-
- Others	412	1,400
Total	**21,828**	**2,040**

17 Other current assets

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Advance against goods and services		
- Considered good	563	654
Prepaid expenses	280	454
Total	**843**	**1,108**

18 Assets held-for-sale

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
Assets held-for-sale (Refer note 54(b))	36	5,662
Total	**36**	**5,662**

19 Equity

(₹ in lakhs)

	As At 31 March 2018	As At 31 March 2017
19(a) - Equity share capital		
Authorised		
180,000,000 (31 March 2017: 180,000,000) equity shares of Rs. 10/- each	18,000	18,000
	18,000	**18,000**
Issued, subscribed and paid up		
147,533,056 (31 March 2017: 147,293,056) equity shares of Rs. 10/- each fully paid up	14,753	14,729
	14,753	**14,729**

Notes forming part of the standalone financial statements

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

	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	(Rs in lakhs)	Number of equity shares	(Rs in lakhs)
At the beginning of the year	147,293,056	14,729	174,040,535	17,404
Add : Pursuant to exercise of stock options (Refer note 42)	240,000	24	240,000	24
Less : Equity shares bought back during the year	-	-	(26,987,479)	(2,699)
Outstanding at the end of the year	147,533,056	14,753	147,293,056	14,729

(ii) Rights, preference and restriction on shares

The Company has only one class of equity having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend.

In the event of liquidation of the Company, the holders of the equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Anjar Road Private Limited	58,175,951	39.43%	58,175,951	39.50%
Life Insurance Corporation of India and its funds	5,883,918	3.99%	8,752,524	5.94%
Merrill Lynch Markets Singapore PTE. Limited	131,324	0.09%	8,294,926	5.63%
Insight Solutions Limited	-	0.00%	8,714,027	5.92%

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

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a) Equity shares allotted as fully paid up for consideration other than cash		
Pursuant to exercise of stock options (Refer note 42)	240,000	240,000
b) Equity shares bought back during the year	-	(26,987,479)

(v) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the company, please refer note 42

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
19(b) - Other equity		
Capital reserve	22,355	22,355
Securities premium reserve	92,140	92,036
Share options outstanding account	904	91
Amalgamation reserve	521	521
General reserve	322	322
Retained earnings	14,739	5,185
Total	**130,981**	**120,510**

Notes forming part of the standalone financial statements

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
(i) Capital reserve		
As per last balance sheet	22,355	22,355
	-	-
(ii) Securities premium reserve		
As per last balance sheet	92,036	106,124
Exercise of share options	104	82
Buy back of shares	-	(14,033)
Transaction costs - share issue expenses	-	(137)
	92,140	**92,036**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	91	76
Compensation options granted during the year	941	121
Share options exercised during the year	(128)	(106)
	904	**91**
	-	-
(b) Amalgamation reserve		
As per last balance sheet	521	521
(c) General reserve		
As per last balance sheet	322	322
(d) Retained earnings		
As per last balance sheet	5,185	863
Total comprehensive income for the year	10,886	4,322
Dividends paid	(1,107)	-
Dividends distribution tax paid	(225)	-
	14,739	**5,185**
Total	**130,981**	**120,510**

Nature and purpose of reserves

a) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

b) Securities premium reserve

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) Share options outstanding account

The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 42 for further details of this plan.

d) Amalgamation reserve

It represents reserve arising out of amalgamation of two subsidiaries with the Company.

e) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from profits.

Notes forming part of the standalone financial statements

20 Non-current borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Secured		
Term loans from banks	5,208	5,613
Less : Current maturities disclosed under other current financial liabilites (Refer note 24)	(603)	(432)
Total	**4,605**	**5,181**

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Term loans from banks		
Industrial Development Finance Corporation Limited ('IDFC')	5,208	5,613
Total	**5,208**	**5,613**

Nature of security and terms of repayments for long term borrowings

i) Industrial Development Finance Corporation Limited ('IDFC')

Secured by way of mortgage in favour of IDFC of all movable properties pertaining to the Dewas Water Supply Projects, present and future. A first charge by way of hypothecation of all the movable assets including movable plant and machinery, machinery spares, tools & accessories, furniture and fixtures, vehicles and all other movable assets pertaining to the project, present and future. First charge of all book debts, operating cash flows, revenues and receivables of the Company pertaining to the project, present and future. First charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. Assignment of all rights, title, interest, benifits, claims and demands of the Company in respect of all the assets of the projects agreement and contracts including concession agreement. First charge over the escrow account, debt service reserve account and other reserve and any other bank account the Company wherever maintained.

Repayment terms : Repayment in monthly installments w.e.f.16 April 2016 i.e- FY 17-3%; FY18-7%; FY19-10%; FY20-20%; FY21-22%; FY22-33%; FY23-5%.

Rate of Interest : 11.25% p.a.

21 Non-current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits	443	280
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	**3,031**	**2,868**

* Represents certain obligations related to stamp duty etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier period. There is no movement during the year.

Notes forming part of the standalone financial statements

22 Current financial liabilities - borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Secured		
Loans repayable on demand from banks	1,429	1,975
Unsecured		
Loans repayable on demand from related parties	-	425
Total	**1,429**	**2,400**

Nature of security and terms of repayment for secured borrowings
Loan from bank is secured by hypothecation of inventories and book debts of the Company.
Rate of interest: MCLR +1.45% pa

23 Trade payables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Acceptances	-	101
Others (for Micro, Small and Medium Enterprises - Refer note 49)	20,134	6,443
Total	**20,134**	**6,544**

Terms and conditions of the above financial liabilities:
Acceptances are interest bearing and are normally settled on 90-days terms.
Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

24 Current financial liabilities - others

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (Refer Note 20) *	603	432
Creditors for expenses	457	1,607
Security deposits/ retention money payable	8,104	1,492
Payable to employees	84	16
Other payables	20	-
Total	**9,268**	**3,547**

* Includes interest accrued but not due Rs 27 lakhs (31 March 2017 Rs 29 lakhs)

25 Current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits	73	14
Total	**73**	**14**

26 Other current liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Trade advances	18	205
Mobilisation advance payable - Related party (Refer note 47)	-	6,507
Unearned revenue	4,527	1,885
Statutory dues	1974	1300
Total	**6,519**	**9,897**

Notes forming part of the standalone financial statements

27 Current tax liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for tax (net of advance tax)	645	-
Total	**645**	**-**

28 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from		
- Engineering, Procurement and Construction (EPC)	96,378	20,242
- Build Operate Transfer (BOT) Business	2,979	2,798
- Advisory and consultancy income	65	-
- Sale of traded goods (cotton products)	-	5,677
Other operating revenues		
- Scrap sales	-	10
- Other material sales	298	428
- Renting of machines	-	8
Total	**99,720**	**29,163**

29 Other income

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial assets at amortised cost		
- On bank deposits	198	437
- On inter corporate deposits	786	994
- On loans and advances	1,528	1,256
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	2,940	2,275
- Others *	68	11
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	25	26
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	3,387	3,322
Net gain on sale of current investments	125	387
Reversal of provision no longer required	355	-
Insurance claim	114	181
Unwinding of discount on interest free deposits	30	28
Gain on sale of property, plant and equipment (net)	-	74
Claim revenue	-	766
Discount received	-	16
Miscellaneous income	-	0
Total	**9,556**	**9,773**

* Others includes interest income on income tax refund etc.
'0' denotes less than Rs 50,000

Notes forming part of the standalone financial statements

30 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the beginning of the year	296	298
Add: Purchases	1,190	1,295
	1,486	**1,593**
Less: Inventories at the end of the year	(71)	(296)
Total	**1,415**	**1,297**

31 Purchases of stock-in-trade

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of traded goods (cotton products)	-	5,662
Total	**-**	**5,662**

32 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	3,615	2,490
Contribution to provident and other funds	278	203
Share based payments to employees (Refer note 42)	941	121
Staff welfare expenses	117	74
Total	**4,951**	**2,888**

33 Finance costs

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on financial liabilities at amortised cost		
- Term loans	605	642
- Working capital	33	7
Net interest on net defined benefit liability	24	18
Other interest costs	62	17
	724	**684**
Bank charges and other finance costs	30	63
Unwinding of discount on interest free deposits	30	31
Total	**784**	**778**

34 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	114	97
Amortisation of intangible assets	1,848	1,634
Total	**1,962**	**1,731**

Notes forming part of the standalone financial statements

35 Other expenses

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Site expenses	383	364
Hire charges	94	85
Power, fuel and water charges	362	390
Repairs and maintenance :-		
- Property, plant and equipment	11	21
- Others	544	366
Project monitoring and maintenance fees	64	66
Rent	416	271
Rates and taxes	1,006	431
Insurance	102	79
Travelling and conveyance expense	390	331
Communication expenses	29	26
Legal and professional fees	783	846
Freight	14	21
Business promotion and advertisement	151	91
Printing and stationary	21	41
Directors sitting fees	23	18
Payment to Auditor :-		
- Audit fees (including fees for limited review)	30	26
- Certifications	2	2
- Reimbursement of expenses	1	1
Bad debts	-	460
Donation	162	0
Loss on sale of property, plant and equipment (net)	4	-
Expected credit loss	1,528	1,256
Miscellaneous expenses	463	114
Total	**6,583**	**5,306**

'0' denotes less than Rs 50,000

Notes forming part of the standalone financial statements

36 Income tax

a) The major components of income tax for the year ended 31 March 2018 are as under:

i) Income tax related to items recognised in Statement of profit and loss during the year

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current tax on taxable income for the year	**5,193**	**607**
Deferred tax		
Relating to origination and reversal of temporary differences	(901)	402
Total deferred tax (credit)/ charge	**(901)**	**402**
Income tax expense reported in the statement of profit and loss	**4,292**	**1,009**
ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year		
Deferred tax on remeasurement (gains)/losses on defined benefit plan	47	3
Deferred tax charged to other comprehensive income	**47**	**3**
b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Accounting profit before tax	**15,266**	**5,336**
Income tax @ 34.608%	5,283	1,847
Non-deductible expenses for tax purpose		
- Expected credit loss on loans	529	435
- Depreciation on grant exempted from tax	212	248
- Bad debts written off - capital nature		120
- Other non deductible expenses	534	60
Other allowances for tax purpose	(535)	(233)
Utilisation of previously unrecognised tax losses	(1,731)	(1,469)
Income tax expense charged to the statement of profit and loss	**4,292**	**1,009**

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance Sheet		Recognized in Statement of Profit & Loss		Recognized in OCI	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
a) Taxable temporary differences						
Depreciation on property, plant and equipment and intangible assets	(8)	1,280	(1,288)	(18)	-	-
Fair valuation of financial instruments	696	719	(22)	(95)	-	-
Total (a)	**688**	**1,999**	**(1,310)**	**(113)**	-	-
b) Deductible temporary differences						
Allowance for doubtful debts	-		-	206	-	-
Employee benefits / expenses allowable on payment basis	180	136	2	(59)	(47)	3
Unused tax losses and unabsorbed depreciation	687	1,094	407	368	-	-
Total (b)	**867**	**1,230**	**409**	**515**	**(47)**	**3**
Less: MAT credit entitlement (c)	489	489	-	-	-	-
Net deferred tax (assets)/liabilities (a-b-c)	**(668)**	**280**				
Deferred tax charge/(credit) (a+b)			**(901)**	**402**	**(47)**	**3**

Notes forming part of the standalone financial statements

d) Unrecognised deferred tax assets on unused tax losses

The Company has brought forward long term capital losses of Rs.84,128 lakhs (31 March 2017 Rs.85,565 lakhs) (majority of which is expiring in 31 March 2023) and short term capital losses of Rs. 7,667 lakhs (31 March 2017 Rs. 11,648 Lakhs) (majority of which is expiring in 31 March 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of Rs.19,598 lakhs (31 March 2017 Rs. 19,933 Lakhs) have not been recognized in respect of long term capital losses in view of uncertainty of future taxable capital gains and deferred tax assets of Rs. 1,340 lakhs (31 March 2017 Rs. 2,035 lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable short term capital gains.

37 Fair value measurements

(₹ in lakhs)

Financial instruments by category	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in subsidiaries, associates and joint venture companies at cost)				
Non-current assets				
Investments	16,865	-	2,047	-
Loans	-	2,346	-	1,954
Current assets				
Investments	69,922	-	74,977	-
Trade receivables	-	11,398	-	1,919
Cash and cash equivalents	-	501	-	24,884
Other bank balances	-	3,876	-	4,549
Loans	-	11,781	-	5,283
Other financial assets	-	21,828	-	2,040
Total financial assets	**86,787**	**51,730**	**77,024**	**40,629**
Non-current liabilities				
Borrowings	-	4,605	-	5,181
Current liabilities				
Borrowings	-	1,429	-	2,400
Trade and other payables	-	20,134	-	6,544
Other financial liabilities	-	9,268	-	3,547
Total financial liabilities	**-**	**35,436**	**-**	**17,672**

Fair value hierarchy

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

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

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

2 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Notes forming part of the standalone financial statements

(₹ in lakhs)

	As at 31 March 2018				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	16,865	16,865	2	30	16,832
Current investments	69,922	69,922	1,909	68,014	-
Total	**86,787**	**86,787**	**1,911**	**68,044**	**16,832**

	As at 31 March 2017				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	2,047	2,047	4	30	2,013
Current investments	74,977	74,977	4,126	70,851	-
Total	**77,024**	**77,024**	**4,130**	**70,881**	**2,013**

Valuation technique used to determine fair value

a) Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note : All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

The carrying amounts of loans, trade receivables, cash and cash equivalents, Other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities

38 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

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

Notes forming part of the standalone financial statements

a) Interest rate risk

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

(i) Interest rate risk exposure

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Variable rate borrowings	6,637	7,588

(ii) Interest rate sensitivity

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

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest rates : (Increase) by 50 basis points	(34)	(38)
Interest rates : Decrease by 50 basis points	34	38

b) Foreign currency risk

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

B Credit risk

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

a) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

Notes forming part of the standalone financial statements

c) The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due.

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Up to 3 months	8,148	427
3 to 6 months	4	55
More than 6 months *	3,246	1,437
Total	**11,398**	**1,919**

* Includes mainly retention money

No significant changes in estmation techniques or assumption were made during the reporting period.

C Liquidity risk

a) Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forcasts on the basis of expected cash flows.

b) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

(₹ in lakhs)

As at 31 March 2018	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	4,605	-	4,605	-
Short term borrowings	1,429	1,429	-	-
Trade payables	20,134	20,134	-	-
Other financial liabilities	9,268	9,268	-	-

(₹ in lakhs)

As at 31 March 2017	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	5,181	-	4,893	288
Short term borrowings	2,400	2,400	-	-
Trade payables	6,544	6,544	-	-
Other financial liabilities	3,547	3,547	-	-

39 Capital Management

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

Notes forming part of the standalone financial statements

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

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Gross debts		
Borrowings (Non-current and current)	6,637	8,013
Trade payables	20,134	6,544
Other payables	15,182	13,013
Less : Cash and cash equivalents (including other bank balances) *	(4,080)	(29,150)
Less : Current investments	(66,973)	(72,027)
Less : Inter-corporate deposits	(150)	(5,171)
Net debts	**(29,249)**	**(78,779)**
Equity	14,753	14,729
Other equity	130,981	120,510
Total capital	**145,734**	**135,239**
Capital and net debt	116,486	56,460
Gearing ratio	**-25%**	**-140%**

* excludes balances with banks held as margin money or security against guarantees and other commitments.

40 Earnings per share (EPS)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Profit for the year (Rs in lakhs)	10,974	4,327
Weighted average number of equity shares for Basic EPS (Number of shares)	147,505,129	174,064,275
Weighted average number of equity shares for Diluted EPS (Number of shares)	148,918,827	174,255,698
Nominal value of equity shares (Rs)	10	10
Basic EPS (Rs)	7.44	2.49
Diluted EPS (Rs)	7.37	2.48

41 Contingencies and Commitments

(a) Leases

Operating lease commitments — Company as lessee

The Company has taken office premises and residential facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease varies from six months to thirty six months. Lease rental charges for 31 March 2018 is Rs 416 lakhs (31 March 2017 : Rs 271 Lakhs)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Not later than one year	200	201
Later than one year but not later than five years	-	200
Later than five years	-	-
	200	**401**

Notes forming part of the standalone financial statements

(b) Contingent liabilities (to the extent not provided for)

i) Claims against the Company not acknowledged as debts

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Disputed labour cess demand (net of provision)	229	229
Stamp duty payable on concession agreement disputed in respect of BOT Projects	542	542
Disputed income tax liability	1,118	1,073
Disputed service tax liabilty	174	174
Disputed value added tax liability	175	175
Other claims against the Company	283	284
	2,521	**2,477**

ii) Guarantees excluding financial guarantees

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Bank guarantees issued	6,927	7,986
	6,927	**7,986**

iii) Financial guarantees

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Guarantee given to the bankers for the facilities granted	2,102	2,258
"Loan outstanding is Rs 2,102 lakhs (31 March 2017 Rs 2,258 lakhs) against guarantees provided of Rs 3,720 lakhs (31 March 2017 Rs 3,720 lakhs)"	-	555
- Associate and joint venture companies		
Loan outstanding is Rs Nil (31 March 2017 Rs 555 lakhs) against guarantees provided of Rs 205,510 lakhs (31 March 2017 Rs 2,360 lakhs)		
	2,102	**2,813**

(c) Commitments

i) The Company has an outstanding commitments of Rs 26,653 lakhs (31 March 2017 Rs Nil) and Rs 3,873 lakhs (31 March 2017 Rs Nil) towards equity contribution in joint venture entities and its subsidiary respectively under the financing arrangement tied up with bankers.

ii) Pursuant to the understanding with MBL Projects Private Limited, with respect to investment in RGY Roads Private Limited ('RGY'), paid against option for acquisition of balance 51% shares in RGY equivalent to Rs 1,450 lakhs (31 March 2017 Rs Nil) on 22 February 2018. The balance amount is Rs.122 lakhs (31 March 2017 Rs Nil).

iii) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), Rs 1.63 lakhs (31 March 2017 Rs Nil) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is Rs. 0.13 lakhs (31 March 2017 Rs Nil).

iv) Pursuant to the understanding with Vishvaraj Environment Private Limited, with respect to investment in Corbello Trading Private Limited ('CTPL') paid against option for acquisition of balance 51% shares in CTPL equivalent to Rs 745 lakhs (31 March 2017 Rs Nil) . The balance amount is Rs 72 lakhs (31 March 2017 Rs Nil).

v) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') Rs. 0.48 lakhs (31 March 2017 Rs Nil) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is Rs. 0.03 lakhs (31 March 2017 Rs Nil).

Notes forming part of the standalone financial statements

42 Share based payments

a) In accordance with the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" the company has granted 3,000,000 equity shares (maximum 2,000,000 equity shares to the "Managing Director") at zero cost on 10 October 2017. The fair value of the above stock option of Rs 4,179 lakhs is calculated at the average rate of Rs 139.30 per share is amortised on the straight line basis over the vesting period in accordance with the Ind AS 102 "Share-based payment". Accordingly proportionate amount of Rs 904 lakhs (31 March 2017 - Nil) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 32).

b) In accordance with the "Welspun Managing Director Stock Option Plan 2014" the Company has granted 240,000 equity shares to the "Managing Director" of the Company at zero Cost on 14 July 2016. The fair value of the above Stock Options of Rs. 128 Lakhs as on 14 July 2016 is calculated at the average rate of Rs. 53.23/- per share is amortized on the straight line basis over the vesting period of one year in accordance with the Ind AS 102 "Share-based payment". Accordingly proportionate amount of Rs.37 Lakhs (31 March 2017 - Rs 121 Lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 32).

The salient features of the Scheme are as under:

(i) **Vesting:** Options to vest shall happen at every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the date of grant. However vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP	Date of Grant	Date of Vesting
600,000	10-Oct-17	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-Oct-21
600,000	10-Oct-17	9-Oct-22

(ii) **Exercise:** Options granted shall be capable of being exercised in one or more tranches in multiples of 5,000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	10-Oct-17	14-Jul-16	14-Jul-15	16-Feb-15
Number of Options Granted	3,000,000	240,000	240,000	720,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil

Notes forming part of the standalone financial statements

	31 March 2018		31 March 2017	
	No. of Stock Options	Weighted Average Exercise Price (Rs.)	No. of Stock Options	Weighted Average Exercise Price (Rs.)
Options outstanding at the beginning of the year	240,000	Nil	240,000	Nil
Options granted during the year	3,000,000	Nil	240,000	Nil
Options exercised during the year	240,000	Nil	240,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year	3,000,000	Nil	240,000	Nil
Options vested but not exercised at the end of the year	Nil	Nil	Nil	Nil

(iii) Information in respect of options outstanding as at 31 March 2018

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
3,000,000	54	Nil

Information in respect of options outstanding as at 31 March 2017

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
240,000	33	Nil

(iv) The fair value of each option granted is estimated on the date of grant using the Black Scholes valuation model with the following assumptions :

No of Stock Options	Grant Date	Vesting Date	Maturity Date	Time to Maturity
600,000	10-Oct-17	9-Oct-18	9-Oct-19	2
600,000	10-Oct-17	9-Oct-19	9-Oct-20	3
600,000	10-Oct-17	9-Oct-20	9-Oct-21	4
600,000	10-Oct-17	9-Oct-21	9-Oct-22	5
600,000	10-Oct-17	9-Oct-22	9-Oct-23	6

Variables :-	
Stock price	139.30
Volatility	45.14%
Risk free rate (on the basis of tenure)	6.43% to 6.69%
Exercise price	Nil
Time to maturity	2 to 6
Dividend yield	0%
Option fair value	139.30

Notes forming part of the standalone financial statements

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(v) Effect of share- based payment plan on the Balance sheet and Statement of profit and loss:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Share options outstanding account (Refer note 19(b))	904	91
Share based payments to employees (Refer note 32)	941	121

43 Segment Information

The financial statements of the Company contains both the consolidated financial statements as well as the standalone financial statements of the Company. Hence, the Company has presented segment information based on the consolidated financial statements as permitted by Ind AS - 108 "Operating segments".

44 Disclosure in accordance with Ind AS - 11 Construction contracts

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Contract revenue for the year	96,378	20,242
Contract cost incurred including recognised profits/ (losses) upto	141,355	44,977
Advances received as at	-	6,507
Retention money as at	1,299	1,353
Gross amount due from customers for contract work as at	13,941	1,400
Gross amount due to customers for contract work as at	4,527	1,885

45 Exceptional items (net)

(₹ in lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
a)	Realisation of contingent asset on account of income tax refund from Welspun Maxsteel Limited (now renamed as JSW Steel (Salav) Limited).	43	927
b)	Reversal of 'provision for Welspun Maxsteel Limited (WMSL) obligations' (arising out of sale of WMSL)	-	882
c)	Gain on sale of stake in Welspun Energy Private Limited	1,394	730
d)	Gain on sale of 'Assets held-for-sale' - Refer note 54 (b)	1,348	-
e)	Impairment of investment in MSK Projects (Kim Mandvi Corridor) Private Limited	(1,368)	-
f)	Amount receivable on stake sale of earlier years written off	-	(348)
g)	Additional amortisation charge on account of reassessment of useful life of water pipe line project (on public-private partnership basis) due to economic and policy developments and revised the remaining useful life to 2.5 years in respect of the said asset w.e.f 1 April 2015."	-	(1,123)
TOTAL		**1,417**	**1,068**

Notes forming part of the standalone financial statements

46 Gratuity and other post employment benefits plans

The disclosures of employee benefit as defined in the Ind AS 19 - " Employee Benefits" are given below :

a. The Company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Net expenses recognised during the year in the statement of profit and loss :-

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	58	49
Interest cost (net)	11	6
Net expenses recognised in statement of profit and loss	**69**	**55**

ii. Net expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	2	(101)
Actuarial (gains) / losses arising from changes in experience assumptions	124	103
Expected return on plan assets excluding interest	9	5
Net expenses recognised in other comprehensive income	**135**	**8**

iii. Net liability recognised in the balance sheet

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets	122	121
Present value of obligation	414	262
Net liability recognized in balance sheet	**292**	**141**

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation as at the beginning of the year	262	204
Current service cost	58	49
Interest cost	20	16
Actuarial (gain) / loss on obligation	126	2
Liability transferred in/ (paid)	(52)	(9)
Defined benefit obligation at the end of the year	**414**	**262**

Notes forming part of the standalone financial statements

v. Reconciliation of opening and closing balance of fair value of plan assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Fair values of plan assets at the beginning of the year	121	122
Return of plan assets excluding interest income	0	4
Recoverable form LIC	21	-
Benefits paid	(20)	(5)
Fair value of plan assets at year end	**122**	**121**

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Net defined benefit obligation as at the beginning of the year	141	82
Current service cost	58	49
Interest cost (net)	20	16
Actuarial (gain) / loss on obligation	126	2
Liability transferred in/ (paid)	(52)	(9)
Return on plan assets, excluding interest income	0	(4)
Recoverable from LIC	(21)	-
Benefits paid	20	5
Net defined benefit obligation at the end of the year	**292**	**141**

vii. Investment details

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Insurer Managed Funds	122	121
	122	**121**

viii. Actuarial assumptions

	As at 31 March 2018	As at 31 March 2017
Mortality Table	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Discount rate (per annum)	7.72%	7.55%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	3% up to age 30, 2% from age 30 to 44 and 1% thereafter	3% up to age 35, 2% up to age 45 and 1% thereafter

Notes forming part of the standalone financial statements

ix. Quantitative sensitivity analysis

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Impact of change in discount rate		
Present value obligation at the end of the period	413	261
Impact due to increase of 0.50%	(2)	(2)
Impact due to decrease of 0.50%	2	1
Impact of change in salary increase		
Present value obligation at the end of the period	413	261
Impact due to increase of 0.50%	1	1
Impact due to decrease of 0.50%	(1)	(1)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

x. Maturity analysis of projected benefit obligation: from the fund

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Year ended		
31-Mar-17	-	13
31-Mar-18	-	9
31-Mar-19	88	35
31-Mar-20	118	77
31-Mar-21	83	23
31-Mar-22	101	-
31-Mar-23	94	-

The average duration of defined benefit obligation is 37.27 years (2017 - 33.63 Years)

Notes

1. Amounts recognized as an expense and included in the Note 32 "Employee benefits expense" are gratuity Rs 58 lakhs (31 March 2017 Rs 49 lakhs) and leave encashment Rs 48 lakhs (31 March 2017 Rs 49 lakhs). Net interest cost on defined benefit obligation recognised in Note 33 under "Finance costs" is Rs 24 lakhs (31 March 2017 Rs 18 lakhs)"

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3. Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 32 of the financial statements.

'0' denotes less than Rs 50,000

Notes forming part of the standalone financial statements

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

a) Particulars of subsidiaries

Direct subsidiaries	Principal activities	Proportion of interest (including beneficial interest) / voting power		Principal place of business
		As at 31 March 2018	As at 31 March 2017	
MSK Projects (Himmatnagar Bypass) Private Limited	Infrastructure	100%	100%	India
MSK Projects (Kim Mandvi Corridor) Private Limited	Infrastructure	100%	100%	India
Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)	Infrastructure	100%	100%	India
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited)	Infrastructure	100%	100%	India
Welspun Natural Resources Private Limited	Oil and Gas exploration	100%	100%	India
Welspun Delhi Meerut Expressway Private Limited	Infrastructure	100%	100%	India
Welspun Financial Services Limited *	Financial Services	—	—	India
ARSS Bus Terminal Private Limited	Infrastructure	100%	100%	India

* Became subsidiary on 27July 2017 and ceased to be subsidiary w.e.f. 19 December 2017

b) Joint Venture Companies

Name of the Entities	Extent of holding		Principal place of business
	As at 31 March 2018	As at 31 March 2017	
Welspun Aunta-Simaria Project Private Limited *	74%	-	India
RGY Roads Private Limited **	49%	-	India
MBL (GSY) Road Limited ** #	49%	-	India
MBL (CGRG) Road Limited ** #	49%	-	India
Corbello Trading Private Limited ***	49%	-	India
Chikhali - Tarsod Highways Private Limited *** ##	49%	-	India

* Became Joint venture w.e.f 13 October 2017
** Became Joint venture w.e.f. 19 January 2018
*** Became Joint venture w.e.f. 30 January 2018
\# In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

c) Associate

Name of the Entities	Extent of holding		Principal place of business
	As at 31 March 2018	As at 31 March 2017	
Adani Welspun Exploration Limited	35%	35%	India
(Held through Welspun Natural Resources Private Limited – Wholly owned subsidiary)			

Notes forming part of the standalone financial statements

d) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive chairman
Mr. Sandeep Garg	Managing Director

e) Other related parties with whom transactions have taken place or balances outstanding at the year end : Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited, Welspun Global Brands Limited, Welspun Energy Private Limited #, Welspun Orissa Steel Private Limited, Rank Marketing LLP, Welspun Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited), Welshop Trading Private Limited @, Diameter Trading Private Limited

\# Welspun Energy Private Limited ('WEPL') merged with Welspun Steel Limited ('WSL') w.e.f 21 August 2017

@ Welshop Trading Private Limited merged with Welspun Steel Limited ('WSL') w.e.f 19 August 2017

f) Transactions with related parties

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Construction contract revenue (including unbilled work-in-progress)	**94,600**	**19,584**
Subsidiaries		
MSK Projects (Himmatnagar Bypass) Private Limited	-	330
Welspun Delhi Meerut Expressway Private Limited	64,181	18,909
Joint Venture Companies		
Welspun Aunta-Simaria Projects Private Limited	349	-
MBL (CGRG) Road Limited	10,194	-
MBL (GSY) Road Limited	19,876	-
Other Related Parties		
Welspun India Limited	-	345
Rent expenses	**202**	**202**
Other Related Parties		
Welspun Corp Limited	2	2
Welspun Realty Private Limited	200	200
Provision for impairment of investment	**1,368**	**-**
Subsidiary		
MSK Projects (Kim Mandvi Corridor) Private Limited	1,368	-
Business promotion expenses	**23**	**29**
Other Related Party		
Welspun Global Brands Limited	23	29
Donation	**138**	**-**
Other Related Party		
Welspun Foundation for Health and Knowledge	138	-
Interest income	**62**	**139**
Other Related Party		
Welspun Steel Limited	62	139
Advisory and consultancy income	**65**	**-**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	65	-
Rent income from machines	**-**	**8**
Other Related Party		
Welspun India Limited	-	8
Sale of materials	**29**	**15**
Other Related Party		
Welspun India Limited	29	15

Notes forming part of the standalone financial statements

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Sale of 'Asset held-for-sale' (Refer note - 54 (b))	**6,961**	**-**
Subsidiary		
Dewas Waterprojects Works Private Limited	6,961	-
(Formerly known as Anjar Water Solutions Private Limited)		
Loans/ advances received	**4,868**	**812**
Subsidiaries		
MSK Projects (Himmatnagar Bypass) Private Limited	85	346
Welspun Delhi Meerut Expressway Private Limited	-	464
Joint Venture Company		
Welspun Aunta-Simaria Project Private Limited	4,766	-
Other Related Parties		
Welspun India Limited	17	-
Welspun Corp Limited	-	2
Loans/ advances received repaid / adjusted	**708**	**383**
Subsidiaries		
MSK Projects (Himmatnagar Bypass) Private Limited	267	343
Welspun Delhi Meerut Expressway Private Limited	425	39
Other Related Parties		
Welspun India Limited	16	-
Welspun Corp Limited	-	1
Retention money released / adjusted	**36**	**-**
Other Related Party		
Welspun India Limited	36	-
Loans/ deposits/ advances given	**10,541**	**2,590**
Subsidiaries		
ARSS Bus Terminal Private Limited	5	4
Dewas Waterprojects Works Private Limited	222	1
(Formerly known as Anjar Water Solutions Private Limited)		
MSK Projects (Himmatnagar Bypass) Private Limited	318	51
MSK Projects (Kim Mandvi Corridor) Private Limited	210	159
Welspun Build-Tech Private Limited	1	2
Welspun Natural Resources Private Limited	815	1,875
Welspun Delhi Meerut Expressway Private Limited	-	495
Welspun Financial Services Limited	28	-
Associate		
Adani Welspun Exploration Limited	44	1
Joint Venture Companies		
RGY Roads Private Limited	0	-
MBL (GSY) Road Limited	6,016	-
MBL (CGRG) Road Limited	2,797	-
Welspun Aunta-Simaria Project Private Limited	21	-
Corbello Trading Private Limited	2	-
Chikhali - Tarsod Highways Private Limited	62	-
Repayments of loans/ advances given	**595**	**412**
Subsidiaries		
ARSS Bus Terminal Private Limited	-	1
Dewas Waterprojects Works Private Limited	91	1
(Formerly known as Anjar Water Solutions Private Limited)		
MSK Projects (Himmatnagar Bypass) Private Limited	318	51
MSK Projects (Kim Mandvi Corridor) Private Limited	-	64
Welspun Build-Tech Private Limited	-	1

Notes forming part of the standalone financial statements

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Welspun Natural Resources Private Limited	105	294
Welspun Financial Services Limited	28	-
Associate		
Adani Welspun Exploration Limited	45	-
Other Related Party		
Welspun Foundation for Health and Knowledge	8	-
Security deposit given refunded	**21**	**21**
Other Related Party		
Welspun Realty Private Limited	21	21
Mobilisation advance received	**-**	**7,720**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	7,720
Mobilisation advance repaid/ adjusted	**6,507**	**1,213**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	6,507	1,213
Application money for optionally convertible debentures	-	**632**
Other Related Party		
Welspun Steel Limited	-	632
Application money for optionally convertible debentures refunded	**92**	**-**
Other Related Party		
Welspun Steel Limited	92	-
Redemption of Investment in optionally convertible debentures	**358**	**-**
Other Related Party		
Welspun Steel Limited	358	-
Advance for material	**-**	**84**
Other Related Party		
Welspun Orissa Steel Private Limited	-	84
Advance for material adjusted/ repaid	**-**	**84**
Other Related Party		
Welspun Orissa Steel Private Limited	-	84
Sale consideration for equity shares of Welspun Energy Private Limited	**1,394**	**28,580**
Other Related Party		
Welspun Steel Limited	1,394	28,580
Purchase of equity shares of Welspun Energy Thermal Private Limited	**-**	**0**
Other Related Party		
Rank Marketing LLP	-	0
Inter-corporate deposit given	**5,000**	**2,500**
Other Related Party		
Welspun Steel Limited	5,000	2,500
Inter-corporate deposit given repaid	**5,515**	**2,500**
Other Related Party		
Welspun Steel Limited	5,515	2,500
Conversion of loan/ advance to equity shares	**-**	**495**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	495
Investment in equity shares	**3,090**	**4**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	4
Joint Venture Companies		
RGY Roads Private Limited	2,300	-

Notes forming part of the standalone financial statements

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
MBL (GSY) Road Limited	2	-
MBL (CGRG) Road Limited	2	-
Welspun Aunta-Simaria Project Private Limited	1	-
Corbello Trading Private Limited	785	-
Chikhali - Tarsod Highways Private Limited	0	-
Other Related Party		
Welspun Energy Thermal Private Limited	-	0
(Formerly known as Solarsys Infra Projects Private Limited)		
Purchase of equity shares of Welspun Financial Services Limited	**135**	**-**
Other Related Party		
Diameter Trading Private Limited	135	-
Sale of equity shares of Welspun Financial Services Limited	**135**	-
Other Related Party		
Diameter Trading Private Limited	135	-
Advance given for right issue of compulsorily convertible debentures	**-**	**10,055**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	10,055
Investment in compulsorily convertible debentures	**10,743**	**12,068**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	10,055
Joint Venture Companies		
MBL (GSY) Road Limited	3,550	-
MBL (CGRG) Road Limited	2,824	-
Welspun Aunta-Simaria Project Private Limited	3,482	-
Chikhali - Tarsod Highways Private Limited	874	-
Other Related Parties		
Welspun Energy Thermal Private Limited	13	2,013
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in optionally convertible debentures	**15,164**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	7,104	-
MBL (CGRG) Road Limited	5,652	-
Welspun Aunta-Simaria Project Private Limited	1,868	-
Other Related Party		
Welspun Steel Limited	540	-
Remuneration paid/ provided	**928**	**401**
Key Management Personnel^	928	401

^ Excludes retirement benefits (Employer PF contribution, gratuity, leave encashment etc)

*** Closing balances as at**

	As at 31 March 2018	As at 31 March 2017
Loans, advances and deposits given	**23,397**	**13,367**
Subsidiaries		
Welspun Natural Resources Private Limited	13,810	11,894
Dewas Waterprojects Works Private Limited	139	8
(Formerly known as Anjar Water Solutions Private Limited)		
MSK Projects (Kim Mandvi Corridor) Private Limited	306	96
ARSS Bus Terminal Private Limited	12	6
Welspun Delhi Meerut Expressway Private Limited	6	-
Welspun Build-Tech Private Limited	2	1

Notes forming part of the standalone financial statements

	As at 31 March 2018	As at 31 March 2017
Associate		
Adani Welspun Exploration Limited	0	1
Joint Ventur Companies		
RGY Roads Private Limited	0	-
MBL (GSY) Road Limited	6,016	-
MBL (CGRG) Road Limited	2,797	-
Welspun Aunta-Simaria Project Private Limited	21	-
Corbello Trading Private Limited	2	-
Chikhali - Tarsod Highways Private Limited	62	-
Other related parties		
Welspun Realty Private Limited	224	215
Welspun Steel Limited	-	1,147
Trade and other receivables	**28,601**	**102**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	12,256	30
Dewas Waterprojects Works Private Limited	6,993	-
(Formerly known as Anjar Water Solutions Private Limited)		
Joint Ventur Companies		
MBL (GSY) Road Limited	6,136	-
MBL (CGRG) Road Limited	3,186	-
Other related parties		
Welspun India Limited	30	64
Welspun Foundation for Health and Knowledge	-	8
Payable at the end of the year		
Trade advances, deposits received and other payable	**12**	**9,011**
Subsidiaries		
MSK Projects (Himmatnagar Bypass) Private Limited	-	182
Welspun Delhi Meerut Expressway Private Limited	-	8,817
Other related party		
Welspun Global Brands Limited	12	12
Expected credit loss	12,072	10,545
Subsidiary		
Welspun Natural Resources Private Limited	12,072	10,545
Unearned revenue	**4,417**	**1,885**
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	1,885
Joint Venture Company		
Welspun Aunta-Simaria Projects Private Limited	4,417	-
Provision for impairment of investment	**1,368**	**-**
Subsidiary		
MSK Projects (Kim Mandvi Corridor) Private Limited	1,368	-
Investment in equity shares	**11,635**	**8,225**
Subsidiaries		
Welspun Natural Resources Private Limited	4,036	3,715
ARSS Bus Terminal Private Limited	3,101	3,101
Welspun Build-Tech Private Limited	1	1
MSK Projects(Himmatnagar Bypass) Private Limited	233	233
MSK Projects (Kim Mandvi Corridor) Private Limited	673	673
Dewas Waterprojects Works Private Limited	1	1
(Formerly known as Anjar Water Solutions Private Limited)		
Welspun Delhi Meerut Expressway Private Limited	500	500

Notes forming part of the standalone financial statements

	As at 31 March 2018	As at 31 March 2017
Joint Venture Companies		
RGY Roads Private Limited	2,300	-
MBL (GSY) Road Limited	2	-
MBL (CGRG) Road Limited	2	-
Welspun Aunta-Simaria Project Private Limited	1	-
Corbello Trading Private Limited	785	-
Chikhali - Tarsod Highways Private Limited	0	-
Other related party		
Welspun Energy Thermal Private Limited	0	0
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in compulsorily convertible debentures	**39,949**	**29,206**
Subsidiaries		
Welspun Natural Resources Private Limited	14,424	14,424
Welspun Build-Tech Private Limited	1,712	1,712
MSK Projects (Kim Mandvi Corridor) Private Limited	1,002	1,002
Welspun Delhi Meerut Expressway Private Limited	10,055	10,055
Joint Venture Companies		
MBL (GSY) Road Limited	3,550	-
MBL (CGRG) Road Limited	2,824	-
Welspun Aunta-Simaria Project Private Limited	3,482	-
Chikhali - Tarsod Highways Private Limited	874	-
Other related party		
Welspun Energy Thermal Private Limited	2,026	2,013
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in optionally convertible debentures	**14,806**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	7,104	-
MBL (CGRG) Road Limited	5,652	-
Welspun Aunta-Simaria Project Private Limited	1,868	-
Other related party		
Welspun Steel Limited	182	-
Bank guarantee outstanding	**13,381**	**609**
Subsidiaries		
MSK Projects (Kim Mandvi Corridor) Private Limited	21	21
MSK Projects (Himmatnagar Bypass) Private Limited	10	10
Dewas Waterprojects Works Private Limited	361	-
(Formerly known as Anjar Water Solutions Private Limited)		
Associate		
Adani Welspun Exploration Limited	1,943	578
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	5,805	-
Chikhali - Tarsod Highways Private Limited	5,241	-
Corporate guarantee outstanding for financial assistance	**193,359**	**10,533**
Subsidiaries		
Welspun Delhi Meerut Expressway Private Limited	-	7,720
MSK Projects (Kim Mandvi Corridor) Private Limited	3,720	2,258
Dewas Waterprojects Works Private Limited	10,759	-
(Formerly known as Anjar Water Solutions Private Limited)		
Associate		
Adani Welspun Exploration Limited	-	555

Notes forming part of the standalone financial statements

	As at 31 March 2018	As at 31 March 2017
Joint Venture Companies		
MBL (GSY) Road Limited	66,940	-
MBL (CGRG) Road Limited	53,380	-
Chikhali - Tarsod Highways Private Limited	58,560	-
Corporate guarantee outstanding for performance security	15,871	4,323
Subsidiary		
Welspun Delhi Meerut Expressway Private Limited	-	4,323
Joint Venture Companies		
MBL (GSY) Road Limited	5,920	-
MBL (CGRG) Road Limited	4,710	-
Chikhali - Tarsod Highways Private Limited	5,241	-

* Closing balances are considered after considering the Ind AS adjustments to make comparable with financial statements for reporting purpose.

Notes :

a) All transactions with related parties are made on arm's length basis in the ordinary course of business.
b) "0" denotes less than Rs 50,000

48 Concession arrangements - main features

(₹ in lakhs)

a)	(i) Name of the concession	BOT Project at Khandwa Hoshangabad With Madhya Pradesh Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 185.6 km length & 5.5 meter width + 4.5 meter unpaved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 14 Years a) Remuneration: Toll Collection b) Investment grant from concession grantor: Yes c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
b)	(i) Name of the concession	BOT Project at Raisen & Rahatgarh With Madhya Pradesh Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 101.1 km length & 7 meter width + 4 meter unpaved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 13 Years a) Remuneration: Toll Collection b) Investment grant from concession grantor: Yes c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
c)	(i) Name of the concession	BOT Project at Dewas With Madhya Pradesh State Industrial Development Corporation Limited
	(ii) Description of arrangements	122 km Transmission line &7 km Gravity line (from MBR)
	(iii) Significant terms of arrangements	Period of Concession: 29 Years a) Remuneration: Water supply revenue b) Investment grant from concession grantor: Yes c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible

49 On the basis of the information available with the Company and intimations received from suppliers (Trade Payable and Other Payables), there are no dues payable as on 31 March 2018 (31 March 2017 : Nil) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprise Development Act, 2006

Notes forming part of the standalone financial statements

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

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

b) There are no investments other than as disclosed in Note 6 and 11 forming part of the financial statements.

51 Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(₹ in lakhs)

	Balance as at 31 March 2018 @	Maximum amount outstanding during the year ended 31 March 2018	Balance as at 31 March 2017 @	Maximum amount outstanding during the year ended 31 March 2017
i. Loans and advances in the nature of loans to subsidiaries				
Welspun Natural Resources Private Limited @@	13,810	18,102	11,894	17,392
MSK Projects (Kim Mandvi Corridor) Private Limited	306	306	96	111
ARSS Bus Terminal Private Limited	12	14	6	7
Dewas Waterprojects Works Private Limited	139	191	8	9
(Formerly known as Anjar Water Solutions Private Limited)				
Welspun Delhi Meerut Expressway Private Limited	6	150	-	5,470
Welspun Build-Tech Private Limited (Formerly know as Welspun Construction Private Limited)	2	2	1	7
ii. Loans and advances in the nature of loans to Associate				
Adani Welspun Exploration Limited	0	70	1	74
iii. Loans and advances in the nature of loans to Joint venture companies				
Welspun Aunta-Simaria Project Private Limited *	21	21	-	-
RGY Roads Private Limited **	0	0	-	-
MBL (GSY) Road Limited **	6,016	6,016	-	-
MBL (CGRG) Road Limited **	2,797	2,797	-	-
Corbello Trading Private Limited ***	2	2	-	-
Chikhali - Tarsod Highways Private Limited ***	62	62	-	-
iv. Loans and advances in the nature of loans to firms/ companies in which directors are interested				
Welspun Steel Limited	-	5,500	515	2,315
v. Investment by the loanee in the shares of the Company as at 31 March 2018	**Nil**	**Nil**	**Nil**	**Nil**

@ Closing balances are considered after considering the Ind AS adjustments to make comparable with financial statements for reporting purpose.

@@ After considering expected credit loss of Rs 12,073 Lakhs (31 March 2017 : Rs 10,545 Lakhs)

* Became Joint venture w.e.f 13 October 2017

** Became Joint venture w.e.f. 19 January 2018

*** Became Joint venture w.e.f. 30 January 2018

52 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2018: Rs 6,609 lakhs (31 March 2017 : Rs 5,633 lakhs)) and (Non-fund based - 31 March 2018 : Rs 24,789 lakhs (31 March 2017 Rs 164 lakhs)) of the Company are as under:

Notes forming part of the standalone financial statements

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Property, plant and equipments	504	338
Intangible assets	329	2,178
Inventories	71	296
Other current and non-current assets excluding investments and tax	53,106	48,837
Total assets pledged	**54,010**	**51,649**

53 Proposed dividends on equity shares

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Dividend proposed for 31 March 2018 Rs 1.50 per share (31 March 2017 Rs 0.75 per share)	2,213	1,105
Dividend distribution tax on above	455	225

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax theron) as at reporting date.

54 Assets classified as held-for-sale

a) Construction equipments :

The Company intends to dispose off the construction equipments as it is not intended to be utilized for business purpose in future. These equipments have been depreciated till 31 March 2015 and thereafter classified as Assets included in disposal group classified as held for sale amounting to Rs 8 lakhs as at 01 April 2015 and Rs 113 lakhs as at 31 March 2016 with no depreciation charged from 01 April 2015. Buyer for these assets has been identified with the terms of sale being under negotiation. During the year ended 31 March 2018, the Company sold assets amounting to Rs 13 Lakhs (31 March 2017 : Rs 72 lakhs). As at 31 March 2018, the Company believes that the fair value of these assets exceeds the carrying amount.

b) Intangible assets :

The Company has reclassified Dewas Water Supply Project ('BOT asset') under the head "Non Current Assets held-for-Sale" as per Ind-AS 105 as the carrying amount is expected to be recovered principally by sale transaction rather than its continuing use. During the year the Company has sold the project to its 100% owned subsidiary Dewas Waterprojects Works Private Limited ('DWWPL') for Rs 6,961 lakhs as per concession agreement signed between Madhya Pradesh State Industrial Development Corporation Limited ('MPSIDC') and DWWPL against book value of Rs 5,613 lakhs resulting in profit of Rs 1,348 lakhs disclosed as exceptional items.

55 (a) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	Long term borrowings (Including current maturities)	Short term borrowings - Bank	Short term borrowings - Related Party
As at 31 March 2017	5,613	1,975	425
Cash inflow	-	-	-
Cash outflow	(405)	(546)	-
Non Cash Changes - other changes		-	(425)
As at 31 March 2018	**5,208**	**1,429**	**-**

Notes forming part of the standalone financial statements

(b) Non- cash investing and financing activities for the current year

i) Disposal of asset held-for-sale - Rs 6,961 lakhs (Refer note 54 (b))

ii) Conversion of application money into OCD of Welspun Steel Limited - Rs 182 lakhs

iii) Adjustment of loan against receivable - Rs 425 lakhs

iv) Equity shares alloted pursuant to exercise of stock option - Rs 24 lakhs

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

As per our report of even date
For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 10 May 2018

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

Independent Auditor's Report

To
The Members of
Welspun Enterprises Limited

1. Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Welspun Enterprises Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), its associate and joint venture companies which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's responsibility for the consolidated Ind AS financial statements

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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint venture companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture companies 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 associate and joint venture companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

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

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, 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.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 5 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.

4. Opinion

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 including the Ind AS, of the consolidated state of affairs of the Group, its associate and joint venture companies as at 31 March 2018 and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

5. Other Matters

a) We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of Rs.31,123 lakhs as at 31 March 2018, total revenues of Rs.2,226 lakhs, total net loss after tax of Rs.3,720 lakhs, total comprehensive loss of Rs.3,725 lakhs and total cash inflows of Rs.363 lakhs 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 after tax of Rs.576 lakhs and total comprehensive loss of Rs. 576 lakhs for the year ended 31 March 2018, in respect of an associate and five joint venture companies, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture companies and our report in terms of Section 143(3) of the Act, in so far as it relates to these subsidiaries, associate and joint venture companies, is based solely on the reports of the other auditors.

b) The consolidated Ind AS financial statements include revenue of Rs. 6 lakhs and total assets of Rs. 225 lakhs in respect of a subsidiary divested during the year whose financial statements have not been audited by us. These financial statements are unaudited and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, these financial statements are not material to the Group.

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.

6. Report on other Legal and Regulatory requirements

I. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of subsidiaries, associate and joint venture companies, referred in the Other Matter paragraph above 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 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;

c) The consolidated Ind AS balance sheet, the consolidated Ind AS statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associate and joint venture companies, none of the directors of the Group, its associate and joint venture companies is disqualified as on 31 March 2018 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" which is based on the auditor's reports of the holding company, subsidiaries, associate and joint venture companies; and

g) With respect to the other matters to be included in the Auditor's 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 on the consolidated financial position of the Group, its associate and joint venture companies;

ii. The Group, its associate and joint venture companies did not have any long term contracts including derivative contracts having any material foreseeable losses; and

iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, associate and joint venture companies during the year.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 10 May 2018

Annexure 'A' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(1) (f) under 'Report on other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of the Company on the consolidated Ind AS financial statements for the year ended 31 March 2018.

We have audited the internal financial controls over financial reporting of Welspun Enterprises Limited ("the Holding Company") and its subsidiaries, associate and joint venture companies as at 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries, associate and joint venture companies, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and joint venture companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiaries, associate and joint venture companies 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of the subsidiary companies, associate and joint venture companies, in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries, associate and joint venture companies.

Meaning of Internal Financial Controls over Financial Reporting

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

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

In our opinion, the Holding Company, its subsidiary companies, associate and joint venture companies 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 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, associate and joint venture companies considering the essential components of Internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiaries, associate and joint venture companies is based on corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 10 May 2018

Consolidated Balance Sheet as at 31 March 2018

(₹ in lakhs)

	Notes	As At 31 March 2018	As At 31 March 2017
Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	2,224	2,081
(b) Capital work-in-progress	4	6,381	6,381
(c) Intangible assets	5	464	8,930
(d) Investments in an associate and joint venture	50	39,646	3,109
(e) Financial assets			
i. Investments	6	2,240	2,047
ii. Service concession receivables	7	45,050	12,923
iii. Loans	8	694	6,788
(f) Deferred tax assets (net)	38	908	242
(g) Non-current tax assets	9	2,026	2,134
(h) Other non-current assets	10	999	1,440
Total non-current assets		**100,632**	**46,075**
2. Current assets			
(a) Inventories	11	71	296
(b) Financial assets			
i. Investments	12	69,923	74,977
ii. Service concession receivables	13	12,284	-
iii. Trade receivables	14	3,400	1,918
iv. Cash and cash equivalents	15	3,252	25,776
v. Bank balances other than (iii) above	16	4,511	4,876
vi. Loans	17	11,343	5,172
vii. Other financial assets	18	10,766	2,043
(c) Other current assets	19	1,084	1,120
Total current assets		**116,634**	**116,178**
Assets held-for-sale	20	2,863	49
		119,497	**116,227**
Total assets		**220,129**	**162,302**
Equity and liabilities			
EQUITY			
(a) Equity share capital	21(a)	14,753	14,729
(b) Other equity	21(b)	119,115	111,112
Total equity		**133,868**	**125,841**
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
Borrowings	22	41,515	12,453
(b) Provisions	23	3,054	2,880
(c) Deferred tax liabilities (net)	38	202	280
Total non-current liabilities		**44,771**	**15,613**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	1,429	1,974
(ii) Trade payables	25	20,828	6,562
(iii) Other financial liabilities	26	11,904	10,365
(b) Provisions	27	74	14
(c) Other current liabilities	28	6,602	1,933
(d) Current tax liabilities	29	653	-
Total current liabilities		**41,490**	**20,848**
Total equity and liabilities		**220,129**	**162,302**

Notes forming part of the consolidated financial statements **1 to 58**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

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

(₹ in lakhs)

		Notes	Year ended 31 March 2018	Year ended 31 March 2017
I.	**INCOME**			
	Revenue from operations	30	106,713	30,544
	Other income	31	11,481	10,096
	Total Income		**118,194**	**40,640**
II.	**EXPENSES**			
	Cost of materials consumed	32	1,414	1,297
	Purchases of stock-in-trade	33	-	5,662
	Subcontracting, civil and repair work		83,739	17,060
	Employee benefits expense	34	5,168	2,991
	Finance costs	35	3,317	1,017
	Depreciation and amortisation expense	36	2,359	2,090
	Other expenses	37	8,378	6,511
	Total expenses		**104,375**	**36,628**
III.	**Profit before share of profit/ (loss) of an associate and joint venture and exceptional items (I - II)**		**13,819**	**4,012**
IV.	Share of profit/ (loss) from an associate and joint venture - Refer note - 50		(285)	(202)
V.	**Profit before exceptional items and tax (III + IV)**		**13,534**	**3,810**
VI.	Exceptional items (net)	46	(1,961)	(2,300)
VII.	**Profit Before Tax (V + VI)**		**11,573**	**1,510**
VIII.	**Tax expense**	38		
	- Current tax		5,297	627
	- Earlier year tax		57	-
	- Deferred tax (credit)/ charge		(724)	387
	Total tax expense		**4,630**	**1,014**
IX.	**Profit for the year (VII - VIII)**		**6,943**	**496**
	Attributable to :			
	Equity holders of the parent		6,943	496
	Non-controlling interest		-	-
X.	**Other comprehensive income (OCI)**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement gains/(losses) on defined benefit plan		(140)	(8)
	Income tax effect on above		48	3
	Share of OCI of associate		0	1
	Other comprehensive income for the year (net of tax)		**(92)**	**(4)**
XI.	**Total comprehensive income for the year (IX + X)**		**6,851**	**492**
	Attributable to :			
	Equity holders of the parent		6,851	492
	Non-controlling interest		-	-
	Earnings per equity share of Rs.10 each fully paid up	42		
	Basic (Rs)		4.71	0.29
	Diluted (Rs)		4.66	0.28

Notes forming part of the consolidated financial statements **1 to 58**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

Consolidated Statement of cash flows for the year ended 31 March 2018

(₹ in lakhs)

		As at 31 March 2018	As at 31 March 2017
A	**Cash flow from operating activities**		
	Profit before tax	11,573	1,510
	Adjustments for		
	Depreciation and amortisation expense	4,604	6,581
	Loss / (Gain) on sale/ discard of property, plant and equipment (net)	4	(74)
	Bad debts	-	460
	Interest income	(6,525)	(5,216)
	Interest expense	2,880	788
	Gain on sale of current investments (net)	(125)	(387)
	Gain on sale of non-current investments	(1,380)	(729)
	Provision for gratuity and leave encashment	235	60
	Sundry balances written off	9	-
	Net gain on financial assets mandatorily measured at FVTPL	(4,193)	(3,357)
	Amount receivable on stake sale of earlier years written off	-	348
	Reversal of provision for Welspun Maxsteel Limited (WMSL) obligations	-	(882)
	Realisation of contingent asset on account of income tax refund from WMSL	(43)	(927)
	Claim revenue (BOT)	-	(766)
	Reversal of provision no longer required	(374)	-
	Unclaimed liability written back	-	(6)
	Unwinding of discount on security deposits	0	4
	Impairment loss	1183	-
	Expected credit loss	1,127	1,264
	Share based payments to employees	941	122
	Dividend income	(25)	(26)
	Exchange difference (net)	(27)	172
	Share of (profit)/ loss from associate and joint venture companies	285	202
	Operating profit before working capital changes	**10,149**	**(860)**
	Adjustments for		
	(Increase)/ decrease in trade and other receivables	(52,811)	(12,646)
	Increase/ (decrease) in trade and other payables	18,300	11,907
	(Increase)/ decrease in inventories	226	1
	Cash generated/(used) from operations	**(24,136)**	**(1,598)**
	Direct taxes paid (net of refund)	(4,594)	(767)
	Net cash generated/ (used) in operating activities (A)	**(28,730)**	**(2,365)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress)	(314)	(61)
	Sale of property, plant and equipment and assets held for sale	33	245
	Gain on sale of current investments (net)	870	1,781
	Investment in Joint venture companies	(28,443)	-
	Investment in other entities	(13)	(2,013)
	Advance towards purchase of investment	(500)	
	Proceeds from sale of investment in other entity	1,394	28,580

Consolidated Statement of cash flows for the year ended 31 March 2018

(₹ in lakhs)

		As at 31 March 2018	As at 31 March 2017
	Loans given to joint venture companies	(8,899)	-
	Loans given to associate	(44)	-
	Loans given to others	(2,273)	-
	Loans given to associate repaid	45	66
	Application money for optionally convertible debentures refunded	92	-
	Redemption of investment in optionally convertible debentures	358	-
	Realisation of contingent asset on account of income tax refund from WMSL	43	927
	Application money for optionally convertible debentures	-	(632)
	Increase in other bank balances	366	(3,658)
	Inter-corporate deposits given	(5,000)	(3,500)
	Inter-corporate deposits given repaid	10,020	4,550
	Dividend received	25	26
	Interest received	7,211	6,396
	Net cash generated from investing activities (B)	**(25,028)**	**32,707**
C	**Cash flow from financing activities**		
	Buy back of equity shares	-	(16,732)
	Share issue expenses	-	(137)
	Proceeds from long-term borrowings	31,807	4,734
	Repayment of long-term borrowings	(591)	(9)
	Increase/ (decrease) in short-term borrowings (net)	(545)	714
	Interest paid	(2,571)	(788)
	Dividend paid including dividend distribution tax	(1,332)	-
	Net cash used in financing activities (C)	**26,768**	**(12,218)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(26,991)**	**18,124**
	Cash and cash equivalents at the beginning of the year	96,662	78,538
	Cash and cash equivalents at the end of the year	**69,671**	**96,662**

Notes:

1. Break up of cash and cash equivalents are as follows	As at 31 March 2018	As at 31 March 2017
Current investments	66,419	70,886
Cash and cash equivalents	3,252	25,776
Total	**69,671**	**96,662**

2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 56

3. The impact of non-cash transactions have not been given in the above cash flow statement details of which are given in note 56

4. The previous year figures are regrouped/ reclassified wherever necessary.

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

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

A. Equity share capital

(₹ in lakhs)

	Note	Amount
Balances as at 01 April 2016	**21(a)**	**17,404**
Changes in equity share capital		(2,675)
Balance as at 31 March 2017	**21(a)**	**14,729**
Changes in equity share capital		24
Balance as at 31 March 2018	**21(a)**	**14,753**

B. Other equity

(₹ in lakhs)

	Notes	Reserves and surplus						Total other equity
		Capital reserve	Securities premium reserve	Share options outstanding account	Amalg-amation reserve	General reserve	Retained earnings	
Balance as at 01 April 2016 (A)		**26,425**	**106,122**	**75**	**521**	**322**	**(8,774)**	**124,692**
Profit for the year		-	-	-	-	-	496	496
Other comprehensive income for the year		-	-	-	-	-	(4)	(4)
Total comprehensive income for the year (B)		-	-	-	-	-	**492**	**492**
Compensation options granted	44 & 21(b)	-	-	122	-	-	-	122
Exercise of share options	44 & 21(b)	-	82	(106)	-	-	-	(24)
Buy back of shares		-	(14,033)	-	-	-	-	(14,033)
Expenses related to buy back of shares		-	(137)	-	-	-	-	(137)
Share of an associate	50	-	-	-	-	-	(0)	(0)
Total (C)		**-**	**(14,088)**	**16**	**-**	**-**	**(0)**	**(14,072)**
Balance as at 31 March 2017 (D = (A + B + C)		**26,425**	**92,034**	**91**	**521**	**322**	**(8,282)**	**111,112**
Profit for the year		-	-	-	-	-	6,943	6,943
Other comprehensive income		-	-	-	-	-	(92)	(92)
Total comprehensive income for the year (E)		-	-	-	-	-	**6,851**	**6,851**
Compensation options granted	44 & 21(b)	-	-	941	-	-	-	941
Exercise of share options	44 & 21(b)	-	104	(128)	-	-	-	(24)
Dividends paid	53	-	-	-	-	-	(1,107)	(1,107)
Dividends distribution tax paid	53	-	-	-	-	-	(225)	(225)
Gain on bargain purchase	50	1,568	-	-	-	-	-	1,568
Share of an associate	50	-	-	-	-	-	0	0
Total (F)		**1,568**	**104**	**813**	**-**	**-**	**(1,332)**	**1,153**
Balance as at 31 March 2018 (G = D+E+F))		**27,993**	**92,138**	**904**	**521**	**322**	**(2,763)**	**119,115**

'0' denotes less than Rs 50,000

Notes forming part of the consolidated financial statements **1 to 58**

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
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Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

Notes forming part of the consolidated financial statements

1. Corporate information

Welspun Enterprises Limited (herein after referred to as 'WEL' or the 'company' or the 'parent company') is a public limited company incorporated in India. Its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company along with its subsidiaries (the 'Group'), an associate and joint venture companies is engaged in infrastructure development (Engineering, Procurement and Construction ('EPC') and Build, Operate and Transfer (BOT) basis), oil and gas exploration activities and trading activities. It is also engaged in carrying out Operation and Maintenance ("O&M") activities for the transportation sector projects.

The Consolidated Financial Statements (hereinafter referred to as "CFS") of the group for the year ended 31 March 2018 were authorised for issue by the Board of Directors at their meeting held on 10 May 2018.

2 Basis of preparation

The CFS have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI)

The CFS have been prepared under the historical cost convention and on accrual basis, except for the following:

a) Certain financial assets and liabilities which have been measured at fair value (Refer accounting policy regarding financial instruments).

b) Assets held for sale -measured at fair value less cost to sell

c) Defined benefit plan assets and liabilities

d) Share based payments

The Consolidated Financial Statements are presented in Rs in lakhs, except when otherwise indicated.

3(A) Principles of Consolidation and equity accounting

i) Subsidiaries

a) The consolidated financial statements incorporate the financial statements of WEL and entities controlled by WEL and its subsidiaries.

b) Subsidiaries are all entities (including structured 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

c) 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 eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2018.

d) 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.

e) Listed below are the subsidiaries considered in the CFS. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date that control ceases.

Notes forming part of the consolidated financial statements

(₹ in lakhs)

Name of the Subsidiaries	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of Incorporation
	31 March 2018	31 March 2017	
MSK Projects (Himmatnagar Bypass) Private Limited	100%	100%	India
MSK Projects (Kim Mandvi Corridor) Private Limited	100%	100%	India
Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)	100%	100%	India
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited)	100%	100%	India
Welspun Natural Resources Private Limited	100%	100%	India
Welspun Delhi Meerut Expressway Private Limited	100%	100%	India
Welspun Financial Services Limited *	-	-	India
ARSS Bus Terminal Private Limited	100%	100%	India

* Became subsidiary on 27July 2017 and ceased to be subsidiary w.e.f. 19 December 2017

ii) Associate and joint venture companies

a) Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

b) Under Ind AS 111 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has interest in joint venture that are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.

c) 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 associates and joint venture 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.

Unrealised gains on transactions between the group, its associate and joint venture companies 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 amount of equity accounted investments are tested for impairment.

Notes forming part of the consolidated financial statements

d) List of investments in associate and joint venture companies accounted for using "Equity method" are as under:

(₹ in lakhs)

Name of the Associate/ joint venture companies	Extent of Holding		Country of Incorporation
	31 March 2018	31 March 2017	
Associate			
Adani Welspun Exploration Limited	35%	35%	India
(Held through Welspun Natural Resources Private Limited – Wholly owned subsidiary)			
Joint venture companies			
Welspun Aunta-Simaria Project Private Limited *	74%	-	India
RGY Roads Private Limited **	49%	-	India
MBL (GSY) Road Limited ** #	49%	-	India
MBL (CGRG) Road Limited ** #	49%	-	India
Corbello Trading Private Limited ***	49%	-	India
Chikhali - Tarsod Highways Private Limited *** ##	49%	-	India

* Became Joint venture w.e.f 13 October 2017
** Became Joint venture w.e.f. 19 January 2018
*** Became Joint venture w.e.f. 30 January 2018
# In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

3(B) Significant accounting policies

i) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue recognition

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

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The group collects value added tax/ central sales tax (upto 30 June 2017) and goods and

Notes forming part of the consolidated financial statements

service tax (w.e.f 01 July 2017) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

b) Toll collection

Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll.

c) Revenue from construction contracts

Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contact cannot be ascertained reliably and at reliasable value thereafter.

Amount due in respect of the price escalation claim and/or variation in contract work approved by the customers are recognized as revenue only when there are conditions stipulated in the contracts for such claims or variations and/or the same are evidenced inter-alia by way of confirmation or the same are accepted by the customers.

Advances received from customers in respect of contracts are treated as liability. Unbilled work are carried as construction work-in-progress which is valued considering the stage of completion and foreseeable losses in accordance with the Ind AS 11.

d) Revenue from services

Revenues from service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The group collects service tax (upto 30 June 2017) and goods and service tax (w.e.f 01 July 2017) on behalf of the government and, therefore, it is not an economic benefit flowing to the group. Hence, it is excluded from revenue.

e) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown under other income.

f) Dividend income

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

iii) Exceptional items

On certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

iv) Service concession arrangement

a) The group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the group receives a right

Notes forming part of the consolidated financial statements

(i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent the group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The group manages concession arrangements which include toll road project, hybrid annuity road project and water supply project. The group maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Financial receivable under the financial asset model is recorded at a fair value of guaranteed value to be received over the concession period. Based on business model assessment, the group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL").

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

b) Amortisation

Intangible assets i.e. BOT cost (Toll collection right) existing on transition date, viz., 1 April 2015 are amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

v) Property, plant and equipment

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are

Notes forming part of the consolidated financial statements

recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

On transition to Ind AS, the group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

vi) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangibles assets are amortised as explained in note iv (b) above

On transition to Ind AS, the group had elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

vii) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If indication exists, an asset is treated as impaired when the carrying amount exceeds its recoverable

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

viii) Valuation of inventories

Raw materials and components are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Traded goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

ix) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

x) Non-current assets held for sale

The group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

xi) Employee benefits

a) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

b) Defined benefit plans

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

c) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund

xii) Share based payments

Employees (including senior executives) of the group receive remuneration also in the form of share based payment transactions,

Notes forming part of the consolidated financial statements

whereby employees render services as consideration for equity instruments (equity settled transactions)

Employee stock options
The fair value of the options granted under the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" and "Welspun Managing Director Stock Option Plan 2014" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions

- excluding the impact of any service and non-market performance vesting conditions, and

- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

xiii) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds.

xiv) Taxes on income

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

b) Deferred tax
Deferred tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the consolidated balance sheet and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit.

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

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

Notes forming part of the consolidated financial statements

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporay differences and it is probable that the 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, 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 at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the group expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

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

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

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the entity will pay normal income tax during the specified period.

xv) Foreign Currency transactions

The consolidated financial statements are presented in Indian rupee (INR), which is Welspun Enterprises Limited's functional and presentation currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date, are translated at the closing rate and are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

xvi) Leases

a) Operating lease

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

b) Finance lease

Assets acquired under leases where group has substantially all the risks

Notes forming part of the consolidated financial statements

and rewards of ownership are classified as finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

xvii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

xviii) Earnings per share

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

xix) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events and whose existence

Notes forming part of the consolidated financial statements

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. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

xx) Financial instruments

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

A. Financial assets

a) Initial recognition and measurement

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

b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments measured at amortised cost

ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments measured at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

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

i) Debt instruments measured at amortised cost

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

ii) Debt instruments measured at FVTOCI

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

iii) Debt instruments measured at FVTPL

Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity instruments (other than investment in an associate and joint venture companies)

All equity investments in scope of Ind

Notes forming part of the consolidated financial statements

AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

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

B. Derecognition of financial assets

A financial asset is derecognised only when

i) The group has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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.

C. Impairment of financial assets

The group assesses impairment based on expected credit losses (ECL) model to the following:

i) Financial assets measured at amortised cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting date) or

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

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

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. The group determines the classification of its financial liability at

Notes forming part of the consolidated financial statements

initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

i) Financial liabilities measured at amortised cost

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

i) Financial liabilities measured at amortised cost

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

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

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

c) Derecognition

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

xxi) Business combinations

In accordance with Ind AS 101, provisions related to first time adoption, the group has elected to apply Ind AS accounting for business combination prospectively from 1 April 2015. Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

xxii) Fair value measurement

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

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

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

Notes forming part of the consolidated financial statements

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

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

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

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

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

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

3 (C) Significant estimates, judgements and assumptions

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

a) Contract estimates

The group prepares budgets in repect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 47.

c) Contingencies and commitments

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

Notes forming part of the consolidated financial statements

d) Impairment testing

i) Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Taxes

The group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

f) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 39).

g) Classifcation of associate and joint arrangement

Please refer note 50 (b) (v) and 50 (c) (v)

h) Share based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 44.

3 (D) Standards issued but not yet effective

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

In March 2018, the Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment

Notes forming part of the consolidated financial statements

Rules, 2018 notifying Indian Accounting Standard (Ind AS) 115 "Revenue from Contracts with Customers" and notifying amendments to Ind AS 12 "Income Taxes". Ind AS 115 and amendments to the Ind AS 12 are applicable to the Company w.e.f. 1 April 2018.

a) Ind AS 115 "Revenue from Contracts with Customers

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further this standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

b) Ind AS 12 "Income Taxes"

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences.

The group is evaluating the disclosure requirements of these amendments and its effect on the financial statements.

4 Property, plant and equipment

(₹ in lakhs)

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Vehicles	Computers	Office and other Equipments	Furniture and Fixtures	Total
Gross carrying amount									
Balance as at 01 April 2016	**1,791 ***	**6**	**397**	**64**	**144**	**5**	**29**	**7**	**2,443**
Additions	24	-	1	-	9	5	20	1	**60**
Disposals	-	-	100	-	13	-	-	-	**113**
Balance as at 31 March 2017	**1,815**	**6**	**298**	**64**	**140**	**10**	**49**	**8**	**2,390**
Additions	-	-	1	-	207	23	46	37	**314**
Disposals	-	-	79	-	5	-	-	-	**84**
Reclassification as held for sale	16	-	2	-	1	11	5	0	**35**
Balance as at 31 March 2018	**1,798**	**6**	**218**	**64**	**341**	**23**	**90**	**45**	**2,585**

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Vehicles	Computers	Office and other Equipments	Furniture and Fixtures	Total
Accumulated depreciation									
Upto 01 April 2016	**-**	**2**	**100**	**64**	**33**	**2**	**16**	**3**	**220**
Additions	-	0	58	-	34	2	10	1	**105**
Disposals	-	-	12	-	4	-	-	0	**16**
Upto 31 March 2017	**-**	**2**	**146**	**64**	**63**	**4**	**26**	**4**	**309**
Additions	-	0	30	-	55	9	22	5	**121**
Disposals	-	-	56	-	3	-	-	-	**59**
Reclassification as held for sale	-	-	1	-	1	5	3	0	**10**
Upto 31 March 2018	**-**	**2**	**119**	**64**	**114**	**8**	**45**	**9**	**361**

Notes forming part of the consolidated financial statements

	Freehold Land	Buildings	Plant and Machinery	Construction Equipments	Vehicles	Computers	Office and other Equipments	Furniture and Fixtures	Total
Net carrying amount									
Upto 31 March 2018	**1,798**	**4**	**99**	**-**	**227**	**15**	**45**	**36**	**2,224**
Upto 31 March 2017	**1,815**	**4**	**152**	**-**	**77**	**6**	**23**	**4**	**2,081**

	As at 31 March 2018	As at 31 March 2017
Net carrying amount		
Property, plant and equipment	2,224	2,081
Capital work-in-progress	6,381	6,381

Note :

* Includes value of land Rs Nil (Original value of Rs 36 lakhs) at Pune for which the legal documents are yet to be executed.

For details of property, plant and equipment pledged as security, refer note 52

5 Intangible assets (BOT Toll Collection Right)

(₹ in lakhs)

	Hoshanagabad-Harda-Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Himmatnagar Bypass Private Limited	Kim Mandvi Corridor Private Limited	Total
Gross carrying amount							
Balance as at 01 April 2016	**2,397**	**2,749**	**240**	**11,225**	**350**	**4,767**	**21,728**
Additions	766	-	-	-	-	-	**766**
Disposals	-	-	-	-	-	-	**-**
Balance as at 31 March 2017	**3,163**	**2,749**	**240**	**11,225**	**350**	**4,767**	**22,494**
Additions	-	-	-	-	-	-	**-**
Reclassification as held for sale	-	-	-	-	-	4,767	**4,767**
Balance as at 31 March 2018	**3,163**	**2,749**	**240**	**11,225**	**350**	**-**	**17,727**

	Hoshanagabad-Harda-Khandwa Projects	Raisen Rahatgarh Projects	Ludhiana Bus Terminal Project	Dewas Water Supply Project	Himmatnagar Bypass Private Limited	Kim Mandvi Corridor Private Limited	Total
Accumulated depreciation							
Upto 1 April 2016	**1,055**	**1,045**	**240**	**4,490**	**45**	**212**	**7,087**
Additions	994	640	-	4,490	81	272	**6,477**
Upto 31 March 2017	**2,049**	**1,685**	**240**	**8,980**	**126**	**484**	**13,564**
Additions	1,114	735	-	2,245	89	300	**4,483**
Reclassification as held for sale	-	-	-	-	-	784	**784**
Upto 31 March 2018	**3,163**	**2,420**	**240**	**11,225**	**215**	**-**	**17,263**
Net carrying amount							
Balance as at 31 March 2018	**-**	**329**	**-**	**-**	**135**	**-**	**464**
Balance as at 31 March 2017	**1,114**	**1,064**	**-**	**2,244**	**224**	**4,283**	**8,930**

Note :

For details of intangible assets pledged as security, refer note 52

Notes forming part of the consolidated financial statements

6 Non-current investments

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Investment at fair value through profit and loss		
Investment - quoted		
Corporation Bank Limited		
8,000 (31 March 2017 : 8,000) equity shares of Rs. 2/- each fully paid up	2	4
Investments - unquoted		
Welspun Energy Thermal Private Limited		
(Formerly known as Solarsys Infra Projects Private Limited)		
1,549 (31 March 2017 :1,549) equity shares of Rs 10 each fully paid up	0	0
20,264,500 (31 March 2017 : 20,130,000) 0% unsecured compulsorily convertible debentures of Rs 10 each fully paid up #	2,026	2,013
Welspun Steel Limited		
1,820,000 (31 March 2017 : Nil) 0% unsecured optionally convertible debentures of Rs 10 each fully paid up	182	-
Investment in Government Securities		
Indira Vikash Patra	0	0
Sardar Sarovar Narmada Nigam Limited		
3 (31 March 2017 : 3) bonds of Rs. 1,000,000/- each fully paid up	30	30
Total	**2,240**	**2,047**
'0' denotes less than Rs 50,000		
Aggregate book value of quoted investments	2	4
Aggregate book value of unquoted investments	2,238	2,043
Aggregate market value of quoted investments	2	4

Each debenture having face value of Rs 10 each shall be compulsorily convertible into 1 equity shares of Rs 10 each fully paid up at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

7 Service concession receivables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Service concession receivables	45,050	12,923
Total	**45,050**	**12,923**

8 Non-current financial assets - Loans

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Unsecured		
Security deposits- considered good		
- Related parties (Refer note 48)	224	215
- Others	470	391
Total	**694**	**606**

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Loans to related parties (Refer note 48)		
Considered good	-	6,182
Considered doubtful	-	9,671
	-	**15,853**
Less : Expected credit loss	-	9,671
	-	**6,182**
Total	**694**	**6,788**

Loans are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income. The carrying value may be affected by changes in the credit risk of the counterparties.

9 Non-current tax assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Balances with government authorities		
- Direct tax (net of provision for taxation)	2,026	2,134
Total	**2,026**	**2,134**

10 Other non-current assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Balances with government authorities - Indirect taxes	960	1,379
Deferred revenue	30	61
Prepaid expenses	9	-
Total	**999**	**1,440**

11 Inventories

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Raw materials	71	296
Total	**71**	**296**

12 Current investments

(₹ in lakhs)

		As at 31 March 2018	As at 31 March 2017
	Investments at fair value through profit and loss		
I.	**Quoted**		
	a) Investment in bonds	65,064	67,901
	b) Investment in mutual funds	1,790	3,993
	c) Investment in equity shares		
	National Mineral Development Corporation	119	133
	100,000 (31 March 2017 : 100,000) shares of face value of Rs 1/- each fully paid up		

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
II Unquoted		
Investment in equity shares		
Dewas Bhopal Corridor Private Limited	2,950	2,950
13,000 (31 March 2017 : 13,000) equity shares of Rs 10/- each fully paid up.		
Total	**69,923**	**74,977**
Aggregate book value of quoted investments	66,973	72,027
Aggregate book value of unquoted investments	2,950	2,950
Aggregate market value of quoted investments	66,973	72,027

13 Service concession receivables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Service concession receivables	12,284	-
Total	**12,284**	**-**

14 Trade receivables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Unsecured		
Considered good		
- Related parties (Refer note 56)	57	-
- Others	3,343	1,918
Total	**3,400**	**1,918**

Trade receivables are non-interest bearing and are normally settled as per payment terms mentoned in the contract.

15 Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Balances with banks in		
- Current accounts	1,523	25,120
- Deposits with banks having original maturity period of less than three months *	1,713	625
Cash on hand	16	31
Total	**3,252**	**25,776**

* Deposits with banks earns interest at prevailing bank deposit rates.

16 Bank balances (other than 15 above)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- Deposits with banks having original maturity period of more than three months but less than twelve months *	4,172	4,550
- Held as margin money or security against guarantees and other commitments (with various government authorities and banks) * #	339	326
Total	**4,511**	**4,876**

* Deposits with banks earns interest at prevailing bank deposit rates.

- includes Rs 42 lakhs (31 March 2017 : Rs 42 lakhs) restricted bank balance due to freezing of account by bank

Notes forming part of the consolidated financial statements

17 Current financial assets - loans

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
A. Secured, considered good		
Inter corporate deposits		
- Related parties (Refer note 48)	-	515
- Others	-	4,506
B. Unsecured, considered good		
Inter corporate deposits - Others	150	150
Security deposits	21	-
Loans and advances		
- Related parties (Refer note 48)	8,905	1
- Others	2,267	-
Total	**11,343**	**5,172**

18 Other current financial assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Unsecured		
Advances recoverable		
- Considered good	460	11
- Doubtful	-	145
	460	156
Less : Allowance for doubtful advances	-	145
	460	11
Application money for optionally convertible debentures	-	632
Advance towards purchase of investment	500	-
Unbilled work-in-progress	9,806	1,400
Total	**10,766**	**2,043**

19 Other current assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Advance against goods and services	570	665
Prepaid expenses	280	455
Advances to employees	1	-
Balance with government authorities - Indirect taxes	233	-
Total	**1,084**	**1,120**

20 Assets held-for-sale

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Assets held-for-sale (Refer note 54)	2,863	49
Total	**2,863**	**49**

Notes forming part of the consolidated financial statements

21 Equity

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
21(a) - Equity share capital		
Authorised		
180,000,000 (31 March 2017: 180,000,000) equity shares of Rs. 10/- each	18,000	18,000
	18,000	**18,000**
Issued, subscribed and paid up		
147,533,056 (31 March 2017: 147,293,056) equity shares of Rs. 10/- each fully paid up	14,753	14,729
	14,753	**14,729**

i) Reconciliation of the number of shares outstanding and the amount of the share capital

	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	147,293,056	14,729	174,040,535	17,404
Add : Pursuant to exercise of stock options (Refer note 44)	240,000	24	240,000	24
Less : Equity shares bought back during the year	-	-	(26,987,479)	(2,699)
Outstanding at the end of the year	**147,533,056**	**14,753**	**147,293,056**	**14,729**

ii) Rights, preference and restriction on shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, in case 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 are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Anjar Road Private Limited	58,175,951	39.43%	58,175,951	39.50%
Life Insurance Corporation of India and its funds	5,883,918	3.99%	8,752,524	5.94%
Merrill Lynch Markets Singapore PTE. Limited	131,324	0.09%	8,294,926	5.63%
Insight Solutions Limited	-	0.00%	8,714,027	5.92%

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

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
a) Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to exercise of stock options (Refer note 44)	240,000	240,000
b) Equity shares bought back during the year	-	(26,987,479)

Notes forming part of the consolidated financial statements

v) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the company, please refer note 44

21(b) - Other equity

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Capital reserve	27,993	26,425
Securities premium reserve	92,138	92,035
Share options outstanding account	904	91
Amalgamation reserves	521	521
General reserve	322	322
Retained earnings	(2,763)	(8,282)
Total	**119,115**	**111,112**

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
(i) Capital reserve		
As per last balance sheet	26,425	26,425
Gain on bargain purchase	1,568	-
	27,993	**26,425**
(ii) Securities premium reserve		
As per last balance sheet	92,035	106,123
Exercise of share options	104	82
Buy back of shares	-	(14,033)
Transaction costs - share issue expenses	-	(137)
	92,138	**92,035**
(iii) Other reserves		
(a) Share options outstanding account		
As per last balance sheet	91	75
Compensation options granted during the year	941	122
Share options exercised during the year	(128)	(106)
	904	**91**
(b) Amalgamation reserves		
As per last balance sheet	**521**	**521**
(c) General reserve		
As per last balance sheet	**322**	**322**
(d) Retained earnings		
As per last balance sheet	(8,282)	(8,774)
Total comprehensive income for the year	6,851	492
Dividend paid	(1,107)	-
Dividend distribution tax paid	(225)	-
Share of an associate	0	(0)
	(2,763)	**(8,282)**
Total	**119,115**	**111,112**

'0' denotes less than Rs 50,000

Nature and purpose of reserves

a) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

Notes forming part of the consolidated financial statements

b) Securities premium reserve
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) Share options outstanding account
The share options outstanding account represents the value of equity settled share based payment provided to employees as part of their remuneration. Refer note 44 for further details of this plan.

d) Amalgamation reserve
It represents reserve arising out of amalgamation of two subsidiaries with the Company.

e) General reserve
The reserve is a distributable reserve maintained by the Company out of transfers made from profits.

22 Non-current borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Secured		
Term loans from banks	44,554	13,056
Less : Current maturities disclosed under other current financial liabilites - Refer note 26	3,039	603
Total	**41,515**	**12,453**

Term loans from banks		
Industrial Development Finance Corporation Limited ('IDFC')	5,208	5,613
State Bank of India	2,102	2,304
Union Bank of India	9,445	2,570
State Bank of India	9,424	2,627
Punjab National Bank	18,376	-
Transaction cost related to debt	-	(58)
Total	**44,555**	**13,056**

Nature of security and terms of repayments for long term borrowings

A In Parent Company

i) Industrial Development Finance Corporation Limited ('IDFC')

Secured by way of mortgage in favour of IDFC of all movable properties pertaining to the Dewas Water Supply Projects, present and future. A first charge by way of hypothecation of all the movable assets including movable plant and machinery, machinery spares, tools & accessories, furniture and fixtures, vehicles and all other movable assets pertaining to the project, present and future. First charge of all book debts, operating cash flows, revenues and receivables of the Company pertaining to the project, present and future. First charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. Assignment of all rights, title, interest, benefits, claims and demands of the Company in respect of all the assets of the projects agreement and contracts including concession agreement. First charge over the escrow account, debt service reserve account and other reserve and any other bank account the Company wherever maintained.

Repayment terms : Repayment in monthly installments w.e.f.16 April 2016 i.e- FY 17-3%; FY18-7%; FY19-10%; FY20-20%; FY21-22%; FY22-33%; FY23-5%.

Rate of Interest : 11.25% p.a.

B In Subsidiaries

ii) State Bank of India

Secured by first charge over on the assignment of project rights/ movable / immovable property/ intangible assets/uncalled capital of the MSK Projects (Kim Mandvi Corridor) Private Limited ('KM') for

Notes forming part of the consolidated financial statements

the respective projects and on assignment of all the receivable / revenue of the projects. First charge on KM's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank. First Charge / Assignment Security Interest on the KM's right under the concession agreement, project documents, contracts and all licences permits, approvals, consents, and insurance policies in respect of the Kim Mandvi Projects). Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders. First charge on all the intangible assets of the KM including but not limited to the Goodwill of the KM pertaining and specific to the Kim Mandvi Projects. Corporate guarantee given by Welspun Enterprises Limited.

Rate of Interest : 5.09% + 3.50% LIBOR

iii) Union Bank of India

Secured by first pari passu charges on all immovable properties including lease hold rights, if any, both present and future. First pari passu charges on all tangible moveable assets including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future. Lien over all accounts of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub accounts and all funds from time to time, deposited therein. First charge in all intangible assets, if any including but not limited to, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets.

Collateral security : Parent company has pledged 51% of the shares of its subsidiary "Welspun Delhi Merrut Expressway Private Limited.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034

Rate of interest : 1 year MCLR plus 0.85% p.a.

iv) State Bank of India

Secured by first pari passu charges on all borrower immovable properties, including lease hold rights if any both present and future. First pari passu charges on all borrower, tangible movable assets including movable plant and machinery, spares, accessories, furniture & fixture, vehicles and all other movable assets, both present and future. Lien over all accounts, of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub-accounts and all funds from time to time, deposited therein. First charge on all intangible assets, of the borrower, if any including but not limited to goodwill, right, undertaking, intellectual property, uncalled capital present and future excluding the project assets.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034

Rate of interest : One year SBI MCLR Rate plus spread of 0.25% p.a. payable monthly installment.

v) Punjab National Bank

Secured by first pari passu charges on all borrower immovable properties, including lease hold rights if any both present and future. First pari passu charges on all borrower, tangible movable assets including movable plant and machinery, spares, accessories, furniture & fixture, vehicles and all other movable assets, both present and future. Lien over all accounts, of the Welspun Delhi Meerut Expressway Private Limited ('DME'), including the escrow accounts and sub-accounts and all funds from time to time, deposited therein. First charge on all intangible assets, of the borrower, if any including but not limited to goodwill, right, undertaking, intellectual property, uncalled capital present and future excluding the project assets.

Repayment terms : Term loan is repayable in half yearly installments starting from 2019 and ending in 2034

Rate of interest : 1 year MCLR plus 0.70% p.a.

Notes forming part of the consolidated financial statements

23 Non-current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits	466	292
Provision for Welspun Maxsteel Limited (WMSL) obligations *	2,588	2,588
Total	**3,054**	**2,880**

* Represents certain obligations related to stamp duty, etc of Welspun Maxsteel Limited, an erstwhile subsidiary disposed off in earlier period. There is no movement during the year.

24 Current financial liabilities - borrowings

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Secured		
Loans repayable on demand from banks	1,429	1,974
Total	**1,429**	**1,974**

Nature of security and terms of repayment for secured borrowings

Loan from bank is secured by hypothecation of inventories and book debts of the group.

Rate of interest: MCLR +1.45% pa

25 Trade payables

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Acceptances	-	101
Others	20,828	6,461
Total	**20,828**	**6,562**

Terms and conditions of the above financial liabilities:

i) Acceptances are interest bearing and are normally settled on 90-days terms.

ii) Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

26 Current financial liabilities - others

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (Refer note 22)	3,039	603
Creditors for expenses	655	1,639
Security deposits/ retention money payable	8,105	7,862
Payable to employees	85	24
Other payables	20	-
Foreign exchange forward contracts	-	237
Total	**11,904**	**10,365**

Notes forming part of the consolidated financial statements

27 Current provisions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits	74	14
Total	**74**	**14**

28 Other current liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Trade advances	18	23
Statutory dues	2,057	1,910
Unearned revenue	4,527	-
Total	**6,602**	**1,933**

29 Current tax liabilities

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for tax (net of advance tax)	653	-
Total	**653**	**-**

30 Revenue from operations

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from		
- Engineering, Procurement and Construction (EPC)	102,397	20,723
- Build Operate Transfer (BOT) Business	4,018	3,697
- Sale of traded goods (cotton products)	-	5,677
Other operating revenues		
- Scrap sales	-	11
- Other material sales	298	428
- Renting of machines	-	8
Total	**106,713**	**30,544**

31 Other income

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on financial assets at amortised cost		
- On bank deposits	275	446
- On inter corporate deposits	786	994
- On loans and advances	1,127	1,264
- On financial assets	1,397	176
Interest income		
- Financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	2,940	2,275
- Others *	68	50

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Dividend income on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	25	26
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	4,193	3,357
Net gain on sale of current investments	125	387
Reversal of provision no longer required	374	-
Unclaimed liabilities written back	0	6
Insurance claim	114	181
Unwinding of discount on interest free deposits	30	28
Gain on sale of property, plant and equipment (net)	-	74
Exchange difference (net)	27	50
Claim revenue	-	766
Discount received	-	16
Miscellaneous income	-	0
		-
Total	**11,481**	**10,096**

* Others includes interest income on income tax refund etc.
'0' denotes less than Rs 50,000

32 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the beginning of the year	296	298
Add: Purchases	1,189	1,295
	1,485	**1,593**
Less: Inventories at the end of the year	(71)	(296)
Total	**1,414**	**1,297**

33 Purchases of stock-in-trade

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of traded goods (cotton products)	-	5,662
Total	**-**	**5,662**

34 Employee benefits expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	3,805	2,580
Contribution to provident and other funds	293	210
Share based payments to employees (Refer note 44)	941	121
Staff welfare expenses	129	80
Total	**5,168**	**2,991**

Notes forming part of the consolidated financial statements

35 Finance costs

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses on financial liabilities at amortised cost		
- Term loans	2,847	781
- Working capital	33	7
Net interest on net defined benefit liability	24	19
Other interest costs	263	74
	3,167	**881**
Bank charges and other finance costs	120	105
Unwinding of discount on interest free deposits	30	31
Total	**3,317**	**1,017**

36 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	121	105
Amortisation of intangible assets	2,238	1,985
Total	**2,359**	**2,090**

37 Other expenses

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Site expenses	401	364
Stores and spares consumed	20	1
Hire charges	109	90
Power, fuel and water charges	419	395
Repairs and maintenance		
- Property, plant and equipment	12	29
- Others	550	373
Project monitoring and maintenance fees	64	70
Rent	422	279
Rates and taxes	2,763	1,090
Insurance	162	131
Travelling and conveyance expenses	394	334
Communication expenses	29	26
Legal and professional fees	1,000	1,012
Freight	14	21
Business promotion and advertisement	151	91
Printing and stationary	21	44
Directors sitting fees	25	21
Payment to Auditor :-		
- Audit fees (including fees for limited review)	30	26
- Certifications	2	2
- Reimbursement of expenses	1	1
Bad debts	-	460
Donation	162	1

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Loss on sale of property, plant and equipment (net)	4	-
Expected credit loss	1,127	1,264
Exchange difference (net)	-	222
Miscellaneous expenses	493	164
Preliminary expenses written off	4	0
Total	**8,378**	**6,511**

'0' denotes less than Rs 50,000

38 Income tax

a) The major components of income tax for the year ended 31 March 2018 are as under:

i) Income tax related to items recognised in the consolidated statement of profit and loss during the year

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
Current tax on taxable income for the year	**5,297**	**627**
Earlier year tax	57	-
Deferred tax		
Relating to origination and reversal of temporary differences	(672)	402
MAT Credit taken	(52)	(15)
Total deferred tax (credit) / charge	**(724)**	**387**
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**4,630**	**1,014**

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax on remeasurement (gains)/losses on defined benefit plan	(48)	(3)
Deferred tax charged/(credited) to Other Comprehensive Income	**(48)**	**(3)**

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit before tax	**11,573**	**1,510**
Income tax @ 34.608%	4,005	523
Non-deductible expenses for tax purpose		
- ECL on loans	529	435
- Depreciation on grant exempted from tax	212	248
- Bad debts written off - capital nature	-	120
- Other non deductible expenses	1,950	1,419
- Impact of fair value adjustment	224	-

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Effect of income that is exempted from tax	(9)	(29)
Taxes paid/ provided for earlier years	57	-
Other allowances for tax purpose	(607)	(233)
Utilisation of previously unrecognised tax losses	(1,731)	(1,469)
Income tax expense/ (credit) reported in the consolidated statement of profit and loss	**4,630**	**1,014**

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss		Recognized in OCI	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
A. Deferred tax assets (net)						
I). Deferred tax assets						
Unused tax losses and unabsorbed depreciation	1,641	954	(687)	1,462	-	-
Allowance for doubtful debts	-	-	-	206	-	-
Employee benefits / expenses allowable on payment basis	185	2	(183)	72	-	-
Total (i)	**1,826**	**956**	**(870)**	**1,740**	**-**	-
Less : Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	729	729	(0)	(1,296)	-	-
Fair valuation of financial instruments	696	-	696	(814)	-	-
Total (ii)	**1,425**	**729**	**696**	**(2,110)**	-	-
Add: MAT credit entitlement of earlier years recognised (iii)	-	-	(28)	-	-	-
Add: MAT credit entitlement (iv)	507	15	(491)	474	-	-
(A) Total (i - ii + iii + iv)	**908**	**242**	**(693)**	**104**	-	-
B. Deferred tax liabilities (net)						
II). Deferred tax liabilities						
Depreciation on property, plant and equipment and intangible assets	-	1,280	(1,280)	1,280	-	-
Fair valuation of financial instruments	224	719	(494)	719	-	-
Total (i)	**224**	**1,999**	**(1,775)**	**1,999**	-	-
Less : Deferred tax assets						
Allowance for doubtful debts	-	-	-	-	-	-
Employee benefits / expenses allowable on payment basis	-	136	183	(133)	(48)	(3)
Unused tax losses and unabsorbed depreciation	-	1,094	1,094	(1,094)	-	-
Total (ii)	**-**	**1,230**	**1,277**	**(1,227)**	**(48)**	**(3)**
Less: MAT credit entitlement (iii)	22	489	467	(489)	-	-
(B) Total (i - ii - iii)	**202**	**280**	**(30)**	**283**	**(48)**	**(3)**
Deferred tax charge/(credit) (A + B)			**(724)**	**387**	**(48)**	**(3)**

d) Unrecognised deferred tax assets on unused tax losses

i) The Group has brought forward long term capital losses of Rs.84,128 lakhs (31st March 2017 Rs.85,565 lakhs) (majority of which is expiring in 31 March 2023) and short term capital losses of Rs. 7,667 lakhs

Notes forming part of the consolidated financial statements

(31 March 2017 Rs. 11,648 Lakhs) (majority of which is expiring in 31 March 2023) that are available for offsetting against future taxable capital gains. Deferred tax assets of Rs.19,598 lakhs (31 March 2017 Rs. 19,933 Lakhs) have not been recognized in respect of long term capital losses in view of uncertainty of future taxable capital gains and deferred tax assets of Rs. 1,340 lakhs (31 March 2017 Rs. 2,035 lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable short term capital gains.

ii) The Group has brought forward business losses of Rs. 66 Lakhs (31 March 2017 Rs. 66 Lakhs) (majority of which is expiring in 31 March 2022) that are available for offsetting future taxable business losses . Deferred tax assets of Rs. 18 Lakhs (31 March 2017 Rs. 18 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.

iii) The Group has brought forward unabsorbed depreciation of Rs. 1,190 Lakhs (31 March 2017 Rs. 930 Lakhs) that are available for offsetting against future taxable income. Deferred tax assets of Rs. 331 Lakhs (31 March 2017 Rs. 259 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits

39 Fair value measurements

(₹ in lakhs)

Financial instruments by category	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in associate and joint venture companies at cost)				
Non-current assets				
Investments	2,240	-	2,047	-
Investments in optionally convertible debentures	14,624	-	-	-
Service concession receivables	45,050	-	12,923*	-
Loans	-	694	-	6,788
Current assets				
Investments	69,923	-	74,977	-
Service concession receivables	12,284	-	-	-
Trade receivables	-	3,400	-	1,918
Cash and cash equivalents	-	3,252	-	25,776
Other bank balances	-	4,511	-	4,876
Loans	-	11,343	-	5,172
Other financial assets	-	10,766	-	2,043
Total financial assets	**144,121**	**33,967**	**89,947**	**46,572**
Non-current liabilities				
Borrowings	-	41,515	-	12,453
Current liabilities				
Borrowings	-	1,429	-	1,974
Trade and other payables	-	20,828	-	6,562
Other financial liabilities	-	11,904	-	10,365
Total financial liabilities	-	**75,676**	-	**31,355**

Fair value hierarchy

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

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

1 The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

Notes forming part of the consolidated financial statements

2 Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, alllowances are taken to account for the expected losses of these receivables.

(₹ in lakhs)

	As at 31 March 2018				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	2,240	2,240	2	30	2,208
Investments in optionally convertible debentures	14,624	14,624	-	-	14,624
Non- current Service concession receivables	45,050	45,050	-	-	45,050
Current Investments	69,923	69,923	1,909	68,014	-
Current Service concession receivables	12,284	12,284	-	-	12,284
Total	**144,121**	**144,121**	**1,911**	**68,043**	**74,167**

	As at 31 March 2017				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Non-current investments	2,047	2,047	4	30	2,013
Non- current Service concession receivables	12,923	12,923	-	-	12,923
Current Investments	74,977	74,977	4,126	70,851	-
Total	**89,947**	**89,947**	**4,130**	**70,881**	**14,936**

*Reclassification of financial asset from amortised cost to fair value through profit and loss during the year and its impact on the statement of profit and loss is Rs (1,193) lakhs

Valuation technique used to determine fair value

a) Investments included in Level 1 of fair value hierarchy are based on prices quoted in stock exchange and/ or NAV declared by the funds.

b) Investments included in Level 2 of fair value hierarchy have been valued based on inputs from banks and other recognised institutions such as FIMMDA/ FEDAI

c) Investments included in Level 3 of fair value hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/ or Discounted Cash Flow Method.

Note: All financial instruments for which fair value is recognised or disclosed are categorised within the Fair Value Hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

40 Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Managing Board. The Group is exposed to market risk - foreign currency and interest rate, credit risk and liquidity risk.

A Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and

Notes forming part of the consolidated financial statements

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

a) Interest rate risk

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

(i) Interest rate risk exposure

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Variable rate borrowings	45,983	15,030

(ii) Interest rate sensitivity

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

(₹ in lakhs)

Effect on Profit before tax	Year ended 31 March 2018	Year ended 31 March 2017
Interest rates : (Increase) by 50 basis points	(145)	(54)
Interest rates : Decrease by 50 basis points	145	54

b) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. The group manges its foreign currency risk, by hedging transaction that are expected or occur within maximum 36 months, period for hedge. The group hedges its exposure to fluctuation on transaction in to INR by holding net borrowing in foreign currency and using foreign currency forward contracts.

i) Foreign currency risk exposure

(₹ in lakhs)

Currency	As at 31 March 2018	As at 31 March 2017
USD	33	35

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the small quantum and short period of such exposure.

Notes forming part of the consolidated financial statements

ii) Sensitivity to foreign currency risk

The impact of increase / decrease in USD by 5% on foreign currency borrowings shall result in gain / loss as given below:

(₹ in lakhs)

Effect on Profit before tax	31 March 2018	31 March 2017
	+/(-) 5%	+/(-) 5%
Effect on profit before tax	(105)/ 105	(9)/ 9
	+/(-) 5%	+/(-) 5%
Effect on Equity	(105)/ 105	(9)/ 9

B Credit risk

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

a) Trade receivables

The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The group has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) Financial instruments and cash deposits

The group considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the group has also availed borrowings.

c) The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Up to 3 months	153	426
3 to 6 months	0	55
More than 6 months *	3,246	1,437
Total	**3,400**	**1,918**

* Includes mainly retention money

'0' denotes less than Rs 50,000

No significant changes in estimation techniques or assumption were made during the reporting period.

C Liquidity risk

a) Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes forming part of the consolidated financial statements

b) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

(₹ in lakhs)

As at 31 March 2018	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	41,515	-	13,857	27,658
Short term borrowings	1,429	1,429	-	-
Trade payables	20,828	20,828	-	-
Other financial liabilities	11,904	11,904	-	-

As at 31 March 2017	Total	Less than 1 Year	1 to 5 years	Beyond 5 years
Long term borrowings	12,453	-	6,539	5,914
Short term borrowings	1,974	1,974	-	-
Trade payables	6,562	6,562	-	-
Other financial liabilities	10,365	10,365	-	-

41 Capital Management

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

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

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Gross debts (inclusive of non-current and current borrowings)	45,983	15,030
Trade payables	20,828	6,562
Other payables	15,467	11,696
Less : Cash and cash equivalents (incl other bank balances) *	(7,424)	(30,326)
Less : Current investments	(66,973)	(72,027)
Less : Inter-corporate deposits	(150)	(5,171)
Net debts	**7,732**	**(74,236)**
Equity	14,753	14,729
Other equity	119,115	111,112
Total capital	**133,868**	**125,841**
Capital and net debt	**141,600**	**51,605**
Gearing ratio	5%	-144%

* excludes balances with banks held as margin money or security against guarantees and other commitments.

42 Earnings per share (EPS)

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year (Rs in Lakhs)	6,943	496
Weighted average number of equity shares for Basic EPS (Number of shares)	147,505,129	174,064,275
Weighted average number of equity shares for Diluted EPS (Number of shares)	148,918,827	174,255,698

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Nominal value of equity shares (Rs)	10	10
Basic EPS (Rs)	4.71	0.29
Diluted EPS (Rs)	4.66	0.28

43 Contingencies and Commitments

(a) Leases

Operating lease commitments — Company as lessee

The Group has taken office premises and residential facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease varies from six months to thirty-six months. Lease rental charges for 31 March 2018 is Rs 422 Lakhs (31 March 2017 : Rs 279 Lakhs).

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Not later than one year	202	202
Later than one year but not later than five years	-	200
Later than five years	-	-
	202	**402**

(b) Contingent liabilities (to the extend not provided for)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
i) Claims against the group not acknowledged as debts		
Disputed labour cess demand (net of provision)	229	229
Stamp duty payable on concession agreement disputed in respect of BOT Projects	542	542
Disputed income tax liability	1,118	1,073
Disputed service tax liabilty	174	174
Disputed value added tax liability	175	175
Claims against the Company not acknowledged as debts	283	284
	2,521	**2,477**

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
ii) Guarantees excluding financial guarantees		
Bank guarantees issued	6,927	7,986
	6,927	**7,986**
iii) Financial guarantees		
Guarantee given to the bankers for the facilities granted	-	555
- Associate and Joint venture companies		
(Loan outstanding is Rs Nil (31 March 2017 Rs 555 lakhs) against guarantees provided of Rs 205,510 lakhs (31 March 2017 Rs 2,360 lakhs)		
	-	**555**

Notes forming part of the consolidated financial statements

(c) Commitments

i) The group has an outstanding commitments of Rs 26,653 lakhs (31 March 2017 Rs Nil) towards equity contribution in joint venture companies under the financing arrangement tied up with bankers .

ii) Pursuant to the understanding with MBL Projects Private Limited, with respect to investment in RGY Roads Private Limited ('RGY'), paid against option for acquisition of balance 51% shares in RGY equivalent to Rs 1,450 lakhs (31 March 2017 Rs Nil) on 22 February 2018. The balance amount is Rs.122 lakhs (31 March 2017 Rs Nil).

iii) With respect to investment in MBL (GSY) Road Limited ('GSY') and MBL (CGRG) Road Limited ('CGRG'), Rs 1.63 lakhs (31 March 2017 Rs Nil) each is paid against option for acquisition of balance 51% shares in GSY & CGRG. The balance amount is Rs. 0.13 lakhs (31 March 2017 Rs Nil).

iv) Pursuant to the understanding with Vishvaraj Environment Private Limited, with respect to investment in Corbello Trading Private Limited ('CTPL') paid against option for acquisition of balance 51% shares in CTPL equivalent to Rs 745 lakhs (31 March 2017 Rs Nil) . The balance amount is Rs 72 lakhs (31 March 2017 Rs Nil).

v) With respect to investment in Chikhali-Tarsod Highways Private Limited ('CTHPL') Rs. 0.48 lakhs (31 March 2017 Rs Nil) is paid against option for acquisition of balance 51% shares in CTHPL. The balance amount is Rs. 0.03 lakhs (31 March 2017 Rs Nil).

44 Share based payments

a) In accordance with the "Welspun Enterprises Limited - Employees Stock Option Plan 2017" the company has granted 3,000,000 equity shares (maximum 2,000,000 equity shares to the "Managing Director") at zero cost on 10 October 2017. The fair value of the above stock option of Rs 4,179 lakhs is calculated at the average rate of Rs 139.30 per share is amortised on the straight line basis over the vesting period in accordance with the Ind AS 102 "Share-based payment".

Accordingly proportionate amount of Rs 904 lakhs (31 March 2017 - Nil) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 34).

b) In accordance with the "Welspun Managing Director Stock Option Plan 2014" the Company has granted 240,000 equity shares to the "Managing Director" of the Company at zero Cost on 14 July 2016. The fair value of the above Stock Options of Rs. 128 Lakhs as on 14 July 2016 is calculated at the average rate of Rs. 53.23/- per share is amortized on the straight line basis over the vesting period of one year in accordance with the Ind AS 102 "Share-based payment".

Accordingly proportionate amount of Rs.37 Lakhs (31 March 2017 - Rs 121 Lakhs) is shown as "Share based payment to employees" in the statement of profit and loss (Refer note 34).

The salient features of the Scheme are as under:

(i) Vesting: Options to vest shall happen at every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the date of grant. However vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP	Date of Grant	Date of Vesting
600,000	10-Oct-17	9-Oct-18
600,000	10-Oct-17	9-Oct-19
600,000	10-Oct-17	9-Oct-20
600,000	10-Oct-17	9-Oct-21
600,000	10-Oct-17	9-Oct-22

Notes forming part of the consolidated financial statements

(ii) Exercise: Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	10-Oct-17	14-Jul-16	14-Jul-15	16-Feb-15
Number of Options Granted	3,000,000	240,000	240,000	720,000
Exercise Period	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options	3 years from date of Vesting of respective Employee Stock Options
Exercise Price	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil

	31 March 2018		31 March 2017	
	No. of Stock Options	**Weighted Average Exercise Price (Rs.)**	**No. of Stock Options**	**Weighted Average Exercise Price (Rs.)**
Options outstanding at the beginning of the period	240,000	Nil	240,000	Nil
Options granted during the year the period	3,000,000	Nil	240,000	Nil
Options exercised during the year	240,000	Nil	240,000	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the period	3,000,000	Nil	240,000	Nil
Options vested but not exercised at the year end	Nil	Nil	Nil	Nil

(iii) Information in respect of options outstanding as at 31 March 2018

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
3,000,000	54	Nil

Information in respect of options outstanding as at 31 March 2017

No. of Stock Options	Remaining life in months	Weighted Average Exercise Price (Rs.)
240,000	33	Nil

(iv) The fair value of each option granted is estimated on the date of grant using the Black Scholes valuation model with the following assumptions :

No of Stock Options	Grant Date	Vesting Date	Maturity Date	Time to Maturity
600,000	10-Oct-17	9-Oct-18	9-Oct-19	2
600,000	10-Oct-17	9-Oct-19	9-Oct-20	3
600,000	10-Oct-17	9-Oct-20	9-Oct-21	4
600,000	10-Oct-17	9-Oct-21	9-Oct-22	5
600,000	10-Oct-17	9-Oct-22	9-Oct-23	6

Notes forming part of the consolidated financial statements

Variables :-	
Stock price	139.30
Volatility	45.14%
Risk free rate (on the basis of tenure)	6.43% to 6.69%
Exercise price	Nil
Time to maturity	2 to 6
Dividend yield	0%
Option fair value	139.30

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(v) Effect of share- based payment plan on the consolidated balance sheet and consolidated statement of profit and loss

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Share options outstanding account (Refer note 21(b))	904	91
Share based payments to employees (Refer note 34)	941	121

45 Disclosure in accordance with Ind AS - 11 Construction contracts

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Contract revenue upto	102,396	20,723
Contract cost incurred including recognised profits/ (losses) upto	148,205	45,812
Advances received as at	-	6,368
Retention money as at	1,299	1,353
Gross amount due from customers for contract work as at #	61,950	14,147
Gross amount due to customers for contract work as at	4,527	-

Rs 52,210 lakhs (31 March 2017 Rs 12,747 lakhs) amount included above represents service concession receivables to be billed over the concession period.

46 Exceptional items (net)

(₹ in lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
a)	Realisation of contingent asset on account of income tax refund from Welspun Maxsteel Limited (now renamed as JSW Steel (Salav) Limited)	43	927
b)	Reversal of 'provision for Welspun Maxsteel Limited (WMSL) obligations' (arising out of sale of WMSL)	-	882
c)	Gain on sale of stake in Welspun Financial Services Limited	30	-
d)	Gain on sale of stake in Welspun Energy Private Limited	1,394	729
e)	Impairment loss recognised in MSK Projects (Kim Mandvi Corridor) Private Limited - Refer note 54(b)	(1,183)	-
f)	Amount receivable on stake sale of earlier years written off	-	(348)
g)	Additional amortisation charge on account of reassessment of useful life of water pipe line project (on public-private partnership basis) due to economic and policy developments and revised the remaining usefiul life to 2.5 years in respect of the said asset w.e.f 01 April 2015.	(2,245)	(4,490)
		(1,961)	**(2,300)**

Notes forming part of the consolidated financial statements

47 Gratuity and other post employment benefits plans

As per Indian Accounting Standard – 19 "Employee Benefits",the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

a. The group makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Expenses recognised during the year in the statement of profit and loss :-

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Current service cost	62	51
Interest cost (net)	11	6
Net expenses recognised in statement of profit and loss	**73**	**57**

ii. Expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	3	(106)
Actuarial (gains) / losses arising from changes in experience assumptions	128	108
Expected return on plan assets excluding interest	9	6
Net expenses recognised in other comprehensive income	**140**	**8**

iii. Net liability recognised in the balance sheet

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets	122	121
Present value of obligation	429	270
Net liability recognized in balance sheet	**307**	**149**

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation as at the beginning of the year	270	203
Current service cost	62	59
Interest cost	20	16
Actuarial (gain) / loss on obligation	132	1
Liability transferred in/ (paid)	(55)	(9)
Benefits paid	-	-
Defined benefit obligation at the end of the year	**429**	**270**

Notes forming part of the consolidated financial statements

v. Reconciliation of opening and closing balance of fair value of plan assets

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Fair values of plan assets at the beginning of the year	121	122
Return on plant assets, excluding interest income	0	4
Recoverable from LIC	21	-
Benefits paid	(20)	(5)
Fair value of plan assets at year end	**122**	**121**

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Net defined benefit obligation as at the beginning of the year	150	82
Current service cost	62	59
Interest cost (net)	20	16
Actuarial (gain) / loss on obligation	132	1
Liability transferred in/ (paid)	(55)	(9)
Return on plant assets, excluding interest income	(0)	(4)
Recoverable from LIC	(21)	-
Benefits paid	20	5
Net defined benefit obligation at the end of the year	**307**	**150**

vii. Investment details

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Insurer managed funds	122	121
	122	**121**

viii. Actuarial assumptions

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Mortality Table	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Discount rate(per annum)	7.72%	7.55%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%
Attrition rate	3% up to age 30, 2% from age 30 to 44 and 1% thereafter	3% up to age 35, 2% up to age 45 and 1% thereafter

Notes forming part of the consolidated financial statements

ix. Quantitative sensitivity analysis

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Impact of change in discount rate		
Present value obligation at the end of the period	429	269
Impact due to increase of 0.50%	(2)	(2)
Impact due to decrease of 0.50%	2	1
Impact of change in salary increase		
Present value obligation at the end of the period	429	269
Impact due to increase of 0.50%	1	1
Impact due to decrease of 0.50%	(1)	(1)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

x. Maturity analysis of projected benefit obligation: from the fund

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Year ended		
31-Mar-17	-	14
31-Mar-18	-	9
31-Mar-19	89	35
31-Mar-20	120	77
31-Mar-21	87	24
31-Mar-22	103	-
31-Mar-23	98	-

The average duration of defined benefit obligation is 37.27 years (2017 - 33.63 Years)

Notes

1. Amounts recognized as an expense and included in the Note 34 “Employee benefits expense” are gratuity Rs 62 lakhs (31 March 2017 Rs 51 lakhs). Net interest cost on defined benefit obligation (gratuity and leave encashment) recognised in Note 35 under “Finance costs” is Rs 24 lakhs (31 March 2017 Rs 19 lakhs)

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3 Contribution to provident and other funds which is a defined plan is recognized as an expense in Note 34 of the financial statements.

‘0’ denotes less than Rs 50,000

Notes forming part of the consolidated financial statements

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

a) Joint venture companies

Name of the Entities	Extent of holding		Principal place of business
	As at 31 March 2018	As at 31 March 2017	
Welspun Aunta-Simaria Project Private Limited *	74%	-	India
RGY Roads Private Limited **	49%	-	India
MBL (GSY) Road Limited ** #	49%	-	India
MBL (CGRG) Road Limited ** #	49%	-	India
Corbello Trading Private Limited ***	49%	-	India
Chikhali - Tarsod Highways Private Limited *** ##	49%	-	India

* Became Joint venture w.e.f. 13 October 2017
** Became Joint venture w.e.f. 19 January 2018
*** Became Joint venture w.e.f. 30 January 2018
\# In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

b) Associate

Name of the Entity	Extent of holding		Principal place of business
	As at 31 March 2018	As at 31 March 2017	
Adani Welspun Exploration Limited (AWEL)	35%	35%	India
(Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)			

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive chairman
Mr. Sandeep Garg	Managing Director

d) Other related parties with whom transactions have taken place or balances outstanding at the year end

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited, Welspun Global Brands Limited, Welspun Energy Private Limited #, Welspun Orissa Steel Private Limited, Rank Marketing LLP, Welspun Foundation for Health and Knowledge, Welspun Energy Thermal Private Limited (Formerly known as Solarsys Infra Projects Private Limited), Welshop Trading Private Limited @ , Diameter Trading Private Limited

\# Welspun Energy Private Limited ('WEPL') merged with Welspun Steel Limited ('WSL') w.e.f 21 August 2017
@ Welshop Trading Private Limited merged with Welspun Steel Limited ('WSL') w.e.f 19 August 2017

Notes forming part of the consolidated financial statements

e) Transactions with related parties

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Construction contract revenue (including unbilled work-in-progress)	**30,419**	**345**
Joint Venture Companies		
Welspun Aunta-Simaria Projects Private Limited	349	-
MBL (CGRG) Road Limited	10,194	-
MBL (GSY) Road Limited	19,876	-
Other Related Party		
Welspun India Limited	-	345
Rent expenses	**202**	**202**
Other Related Parties		
Welspun Corp Limited	2	2
Welspun Realty Private Limited	200	200
Business promotion expenses	**23**	**29**
Other Related Party		
Welspun Global Brands Limited	23	29
Donation	**138**	**-**
Other Related Party		
Welspun Foundation for Health and Knowledge	138	-
Interest income	**62**	**139**
Other Related Party		
Welspun Steel Limited	62	139
Rent income from machines	**-**	**8**
Other Related Party		
Welspun India Limited	-	8
Sale of materials	**29**	**15**
Other Related Party		
Welspun India Limited	29	15
Loans/ advances received	**4,783**	**2**
Joint Venture		
Welspun Aunta-Simaria Project Private Limited	4,766	-
Other Related Parties		
Welspun India Limited	17	-
Welspun Corp Limited	-	2
Loans/ advances received repaid / adjusted	**16**	**1**
Other Related Parties		
Welspun India Limited	16	-
Welspun Corp Limited	-	1
Retention money released / adjusted	**36**	**-**
Other Related Party		
Welspun India Limited	36	-
Loans/ deposits/ advances given	**8,942**	**1**
Associate		
Adani Welspun Exploration Limited	44	1
Joint Venture Companies		
RGY Roads Private Limited	0	-
MBL (GSY) Road Limited	6,016	-
MBL (CGRG) Road Limited	2,797	-
Welspun Aunta-Simaria Project Private Limited	21	-
Corbello Trading Private Limited	2	-
Chikhali - Tarsod Highways Private Limited	62	-

Notes forming part of the consolidated financial statements

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Repayment of loans/ advances given	**53**	**-**
Associate		
Adani Welspun Exploration Limited	45	-
Other related party		
Welspun Foundation for Health and Knowledge	8	-
Security deposit given refunded	**21**	**21**
Other Related Party		
Welspun Realty Private Limited	21	21
Sale consideration for equity shares of Welspun Energy Private Limited	**1,394**	**28,580**
Other Related Party		
Welspun Steel Limited	1,394	28,580
Application money for optionally convertible debentures	**-**	**632**
Other Related Party		
Welspun Steel Limited	-	632
Application money for optionally convertible debentures refunded	**92**	**-**
Other Related Party		
Welspun Steel Limited	92	-
Redemption of Investment in optionally convertible debentures	**358**	**-**
Other Related Party		
Welspun Steel Limited	358	-
Advance for material	**-**	**84**
Other Related Party		
Welspun Orissa Steel Private Limited	-	84
Advance for material adjusted/ repaid	**-**	**84**
Other Related Party		
Welspun Orissa Steel Private Limited	-	84
Sale consideration for equity shares of Welspun Energy Private Limited	**1,394**	**28,580**
Other Related Party		
Welspun Steel Limited	1,394	28,580
Purchase of equity shares of Welspun Energy Thermal Private Limited	**-**	**0**
Other Related Party		
Rank Marketing LLP	-	0
Inter-corporate deposit given	**5,000**	**2,500**
Other Related Party		
Welspun Steel Limited	5,000	2,500
Inter-corporate deposit given repaid	**5,515**	**2,500**
Other Related Party		
Welspun Steel Limited	5,515	2,500
Investment in equity shares	**3,091**	**0**
Joint Venture Companies		
RGY Roads Private Limited	2,300	-
MBL (GSY) Road Limited	2	-
MBL (CGRG) Road Limited	2	-
Welspun Aunta-Simaria Project Private Limited	1	-
Corbello Trading Private Limited	785	-
Chikhali - Tarsod Highways Private Limited	0	-
Other Related Party		
Welspun Energy Thermal Private Limited	-	0
(Formerly known as Solarsys Infra Projects Private Limited)		

Notes forming part of the consolidated financial statements

(₹ in lakhs)

Nature of transactions	Year ended 31 March 2018	Year ended 31 March 2017
Purchase of equity shares of Welspun Financial Services Limited	**135**	**-**
Other Related Party		
Diameter Trading Private Limited	135	-
Sale of equity shares of Welspun Financial Services Limited	**135**	**-**
Other Related Party		
Diameter Trading Private Limited	135	-
Investment in compulsorily convertible debentures	**10,743**	**2,013**
Joint Venture Companies		
MBL (GSY) Road Limited	3,550	-
MBL (CGRG) Road Limited	2,824	-
Welspun Aunta-Simaria Project Private Limited	3,482	-
Chikhali - Tarsod Highways Private Limited	874	-
Other Related Party		
Welspun Energy Thermal Private Limited	13	2,013
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in optionally convertible debentures	**15,164**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	7,104	-
MBL (CGRG) Road Limited	5,652	-
Welspun Aunta-Simaria Project Private Limited	1,868	-
Other Related Party		
Welspun Steel Limited	540	-
Remuneration paid/ provided	**928**	**401**
Key Management Personnel ^	928	401

^ excludes retirement benefits (employer PF contribution, gratuity, leave encashment etc)

*** Closing balances as at**

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Loans, advances and deposits given	**9,123**	**1,363**
Joint Venture Companies		
RGY Roads Private Limited	0	-
MBL (GSY) Road Limited	6,016	-
MBL (CGRG) Road Limited	2,797	-
Welspun Aunta-Simaria Project Private Limited	21	-
Corbello Trading Private Limited	2	-
Chikhali - Tarsod Highways Private Limited	62	-
Associate		
Adani Welspun Exploration Limited	0	1
Other related parties		
Welspun Realty Private Limited	224	215
Welspun Steel Limited	-	1,147
Trade and other receivables	**9,352**	**72**
Joint Venture Companies		
MBL (GSY) Road Limited	6,136	-
MBL (CGRG) Road Limited	3,186	-
Other related parties		
Welspun India Limited	30	64
Welspun Foundation for Health and Knowledge	-	8

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Payable at the end of the year		
Trade advances and deposits received and other payables	**12**	**12**
Other related party		
Welspun Global Brands Limited	12	12
Unearned revenue	**4,417**	**-**
Joint Venture		
Welspun Aunta-Simaria Project Private Limited	4,417	-
Investment in equity shares	**3,090**	**0**
Joint Venture Companies		
RGY Roads Private Limited	2,300	-
MBL (GSY) Road Limited	2	-
MBL (CGRG) Road Limited	2	-
Welspun Aunta-Simaria Project Private Limited	1	-
Corbello Trading Private Limited	785	-
Chikhali - Tarsod Highways Private Limited	0	-
Other related party		
Welspun Energy Thermal Private Limited	0	0
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in compulsorily convertible debentures	**12,755**	**2,013**
Joint Venture Companies		
MBL (GSY) Road Limited	3,550	-
MBL (CGRG) Road Limited	2,824	-
Welspun Aunta-Simaria Project Private Limited	3,482	-
Chikhali - Tarsod Highways Private Limited	874	-
Other related party		
Welspun Energy Thermal Private Limited	2,026	2,013
(Formerly known as Solarsys Infra Projects Private Limited)		
Investment in optionally convertible debentures	**14,806**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	7,104	-
MBL (CGRG) Road Limited	5,652	-
Welspun Aunta-Simaria Project Private Limited	1,868	-
Other related party		
Welspun Steel Limited	182	-
Bank guarantee outstanding	**12,989**	**578**
Joint Venture Companies		
Welspun Aunta-Simaria Project Private Limited	5,805	-
Chikhali - Tarsod Highways Private Limited	5,241	-
Associate		
Adani Welspun Exploration Limited	1,943	578
Corporate guarantee outstanding for financial assistance	**178,880**	**555**
Associate		
Adani Welspun Exploration Limited	-	555
Joint Venture Companies		
MBL (GSY) Road Limited	66,940	-
MBL (CGRG) Road Limited	53,380	-
Chikhali - Tarsod Highways Private Limited	58,560	-
Corporate guarantee outstanding for performance security	**15,871**	**-**
Joint Venture Companies		
MBL (GSY) Road Limited	5,920	-
MBL (CGRG) Road Limited	4,710	-
Chikhali - Tarsod Highways Private Limited	5,241	-

Notes forming part of the consolidated financial statements

* Closing balances are considered after considering the Ind AS Adjustments to make comparable with financial statements for reporting purpose.

Notes :

i) All transactions with related parties are made on arm's length basis in the ordinary course of business.

ii) "0" denotes less than Rs 50,000

49 Concession arrangements - main features

a)	(i) Name of the concession	Delhi Meerut Express Way Package-1 (NHAI)
	(ii) Description of arrangements	Development of Delhi Meerut Expressways from Km 0.00 to Km 27.50 including 6/8 laning of NH-24 from Km 0.00 to Km 49.346 (Haspur byspass) in state of Delhi and Uttar Pradesh, Pakage - I from Km 0.00 to exising Km 8.36 in state of Delhi on Hybrid Annuity Model ('HAM')
	(iii) Significant terms of arrangements	Period of Concession: 15 Years Construction Period: 910 days from Appointed Date 28.11.2016
		a) Remuneration: Annuity, Interest and O&M
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Financial asset
b)	(i) Name of the concession	BOT Project at Khandwa Hoshangabad With Madhya Pradesh Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 185.6 km length & 5.5 meter width + 4.5 meter unpaved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 14 Years
		a) Remuneration: Toll Collection
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
c)	(i) Name of the concession	BOT Project at Raisen & Rahatgarh With Madhya Pradesh Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 101.1 km length & 7 meter width + 4 meter unpaved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 13 Years
		a) Remuneration: Toll Collection
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
d)	(i) Name of the concession	BOT Project at Himmatnagar With Gujarat State Road Development Corporation Limited
	(ii) Description of arrangements	Toll Collection for 8.7 km length & 7 meter width + 2 meter paved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 14 Years
		a) Remuneration: Toll Collection
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible

Notes forming part of the consolidated financial statements

e)	(i) Name of the concession	BOT Project at Kim Mandvi With Gujarat State Road Development Corporation Limited
	(ii) Description of arrangements	38.2 km length & width 7 meter + 3 meter paved shoulder Road
	(iii) Significant terms of arrangements	Period of Concession: 16 Years
		a) Remuneration: Toll Collection
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
	(iv) Asset	Intangible
f)	(i) Name of the concession	Restructured Dewas Water Supply Scheme
	(ii) Description of arrangements	Project envisaging planning, design, engineering, financing, procurement, construction, restructuring, establishment of systems, operation and maintenance of water supply scheme of Dewas Industrial Area in Madhya Pradesh under Public Private Partnership (PPP) mode under Swiss Challenge Guidelines
	(iii) Significant terms of arrangements	Period of Concession: up to 15-06-2037.
		Construction Period: 365 days from Appointed Date
		a) Remuneration: Water Supply Fees
		b) Investment grant from concession grantor: Yes
		c) Infrastructure return to grantor at end of concession : Yes
		d) Investment and renewal obligations: No
		e) Re-pricing dates: Every year of O&M
		f) Basis upon which re-pricing or re-negotiation is determined: Tariff escalation formula as defined in concession agreement
	(iv) Asset	Intangible
g)	(i) Name of the concession	Aunta - Simaria Highway Project
	(ii) Description of arrangements	Four/Six laning of Aunta - Simaria (Ganga Bridge with approach road) section of NH 31 from KM 197.900 to 206.050 (Design Chainage) and (Existing Chainage Km 204.741 to Km 209.945 of NH-31) [Total Design Length – 8.150 km] in the State of Bihar on HAM basis
	(iii) Significant terms of arrangements	Period of Concession: 15 Years
		Construction Period: 1277 days from Appointed Date
		Investment grant from concession grantor: Yes
		Infrastructure return to grantor at end of concession : Yes
		Investment and renewal obligations: No
		Re-pricing dates: Half Yearly for O&M
		Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement.
	(iv) Asset	Financial asset
h)	(i) Name of the concession	Chikhali – Tarsod Highway
	(ii) Description of arrangements	Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV
	(iii) Significant terms of arrangements	Period of Concession: 15 Years
		Construction Period: 910 days from Appointed Date
		Remuneration: Annuity, Interest and O&M

Notes forming part of the consolidated financial statements

		Investment grant from concession grantor: Yes
		Infrastructure return to grantor at end of concession : Yes
		Investment and renewal obligations: No
		Re-pricing dates: Half Yearly for O&M
		Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset
i)	(i) Name of the concession	Gagalheri-Saharanpur-Yamunanagar Highway
	(ii) Description of arrangements	Four Laning of Gagalheri-Saharanpur-Yamunanagar (UP/Haryana Border) section of NH-73 from km33.000 (design chainage km 35.400) to km 71.640 (design chainage km 86.855) in the State of Uttar Pradesh under NHDP-IV on HAM basis
	(iii) Significant terms of arrangements	Period of Concession: 15 Years
		Construction Period: 730 days from Appointed Date
		Remuneration: Annuity, Interest and O&M
		Investment grant from concession grantor: Yes
		Infrastructure return to grantor at end of concession : Yes
		Investment and renewal obligations: No
		Re-pricing dates: Half Yearly for O&M
		Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset
j)	(i) Name of the concession	Chutmalpur-Ganeshpur and Roorkee-Gagalherisection Highway
	(ii) Description of arrangements	4-Laning of Chutmalpur-Ganeshpur section of NH-72A from km 0.000 (km 22.825 of NH-73) to km 16.000 (Design Chainagekm 17.900) & Roorkee-Chutmalpur- Gagalherisection of NH-73 from km 0.000 (km 167.800 of NH- 58) to km 33.000 (Design Chainage 35.400) in the State of Uttarakhand and Uttar Pradesh under NHDP-IV on HAM basis
	(iii) Significant terms of arrangements :	Period of Concession: 15 Years from COD.
		Construction Period: 730 days from Appointed Date
		Remuneration: Annuity, Interest and O&M
		Investment grant from concession grantor: Yes
		Infrastructure return to grantor at end of concession : Yes
		Investment and renewal obligations: No
		Re-pricing dates: Half Yearly for O&M
		Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
	(iv) Asset	Financial asset

Notes forming part of the consolidated financial statements

50 Interest in an associate and joint venture companies

a) List of investments in associate and joint venture companies accounted for using "Equity method" is as under:

(₹ in lakhs)

Name of the Associate/ Joint venture companies	Extent of Holding		Country of Incorporation
	As at 31 March 2018	As at 31 March 2017	
Associate			
Adani Welspun Exploration Limited ('AWEL')	35%	35%	India
(Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)			
Joint venture companies			
Welspun Aunta-Simaria Project Private Limited *	74%	-	India
RGY Roads Private Limited **	49%	-	India
MBL (GSY) Road Limited ** #	49%	-	India
MBL (CGRG) Road Limited ** #	49%	-	India
Corbello Trading Private Limited ***	49%	-	India
Chikhali - Tarsod Highways Private Limited *** ##	49%	-	India

* Became Joint venture w.e.f 13 October 2017
** Became Joint venture w.e.f. 19 January 2018
*** Became Joint venture w.e.f. 30 January 2018
# In addition to aforesaid stake, 24.94% are held through RGY Roads Private Limited
In addition to aforesaid stake, 24.99% are held through Corbello Trading Private Limited

b) Interest in an associate

The group has a 35% interest in Adani Welspun Exploration Limited ('AWEL') which is in the business of exploration and production of oil and natural gas in India and overseas. The group's interest in AWEL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

i) Summarised balance sheet is as under :

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Non-current assets	94,168	92,759
Current assets	757	129
Total assets (A)	**94,925**	**92,888**
Non-current liabilities	15	58,832
Current liabilities	8,835	32,325
Total liabilities (B)	**8,850**	**91,157**
Net assets (A-B)	**86,075**	**1,731**
Proportion of the Company's ownership	35%	35%
Carrying amount of the investment	**30,126**	**606**

Notes forming part of the consolidated financial statements

ii) Reconciliation to carrying amounts

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Opening net assets	1,731	2,654
Instrument entirely equity in nature	85,562	-
Total comprehensive income for the year	(1,217)	(923)
Closing net assets	**86,076**	**1,731**
Proportion of the Company's ownership	35%	35%
	30,126	**606**
Fair value adjustments	(20,334)	2,503
Carrying amount of the investment	**9,793**	**3,109**

iii) Summarised statement of profit and loss

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	-	-
Other income	1	2
Total income	**1**	**2**
Employee benefits expense	207	252
Finance costs	31	22
Depreciation and amortisation expense	8	45
Unsuccessful exploration costs	857	342
Other expenses	115	261
Total expenses	**1,218**	**922**
Profit/(loss) before tax	**(1,217)**	**(920)**
Tax expense	-	-
Profit/(loss) for the year	**(1,217)**	**(920)**
Other comprehensive income	(0)	(3)
Total comprehensive income for the year	**(1,217)**	**(923)**
Proportion of the Company's ownership	35%	35%
Group's share of loss for the year (before adjustment)	**(426)**	**(322)**
Consolidation adjustment	300	120
Group's share of loss for the year (after adjustment)	**(126)**	**(202)**
Group's share of other comprehensive income for the year	**(0)**	**(1)**

'0' denotes less than Rs 50,000

iv) There are no contingent liabilities in respect of the associate.

v) Significant judgement - existence of significant influence

Pursuant to the shareholder agreement, two directors would be nominated by Welspun Natural resources Pvt Limited ('WNRPL') on the board of AWEL. Further, it participates in all significant financial and operating decisions. Based on 35% holding in share capital read with contractual terms between shareholders, the group has determined that entity should be classified as an associate.

Notes forming part of the consolidated financial statements

c) Investment in joint venture companies

i) Summarised balance sheet as at 31 March 2018

(₹ in lakhs)

	Welspun Aunta-Simaria Project Private Limited ('WASPPL')	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Total
Non-current assets	-	1	-	3	19,950	10,746	30,700
Current assets	5,457	2	786	0	3,136	3,930	13,311
Non-current liabilities	-	-	-	-	7	8	15
Current liabilities	1,985	3	62	1	19,559	11,857	33,467
Compulsorily convertible debentures	3,483	-	874	-	3,550	2,824	10,730
NET ASSETS	**(11)**	**0**	**(150)**	**2**	**(30)**	**(13)**	**(200)**
Proportion of the Group ownership	74.00%	49.00%	73.99%	49.00%	73.94%	73.94%	
Carrying amount of the equity investment	(9)	-	(112)	1	(23)	(10)	(153)
Compulsorily convertible debentures	3,482	-	874	-	3,550	2,823	10,729
Optionally convertible debentures	1,868	-	-	-	7,104	5,652	14,624
Fair value adjustment on acquisition	-	785	-	2,300	-	-	3,085
Gain on bargain purchase	-	-	400	-	651	517	1,568
Carrying amount of the investment	**5,341**	**785**	**1,162**	**2,301**	**11,282**	**8,982**	**29,853**

ii) Summarised statement of profit and loss for the period ended 31 March 2018 are as under

(₹ in lakhs)

	Welspun Aunta-Simaria Project Private Limited ('WASPPL')	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Total
Revenue from operations	353	-	-	-	19,926	10,692	30,971
Other income	-	-	0	2	26	29	57
Total Income	**353**	**-**	**0**	**2**	**19,952**	**10,721**	**31,028**
Sub-contracting costs	349	-	-	-	-	-	349
Employee benefits expense	-	-	-	-	1	1	2
Finance costs	12	0	130	-	54	39	235
Depreciation and amortisation expense	-	-	-	-	-	-	-
Other expenses	4	1	21	1	19,926	10,691	30,643
Total Expenses	**365**	**1**	**151**	**1**	**19,981**	**10,731**	**31,229**
Profit before tax	**(12)**	**(1)**	**(151)**	**1**	**(29)**	**(10.69)**	**(201)**

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Welspun Aunta-Simaria Project Private Limited ('WASPPL')	Corbello Trading Private Limited ('CTPL')	Chikhali - Tarsod Highways Private Limited ('CTHPL')	RGY Roads Private Limited ('RGY')	MBL (GSY) Road Limited ('GSY')	MBL (CGRG) Road Limited ('CGRG')	Total
Tax expenses	-	-	-	-	7	8	14
Profit for the period	**(12)**	**(1)**	**(151)**	**1**	**(35)**	**(18)**	**(215)**
Add : Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	**(12)**	**(1)**	**(151)**	**1**	**(35)**	**(18)**	**(215)**
Proportion of the Company's ownership	74.00%	49.00%	73.99%	49.00%	73.94%	73.94%	
Group share of profit for the period	**(9)**	**(0)**	**(112)**	**1**	**(26)**	**(14)**	**(159)**
Group share of other comprehensive income for the period	-	-	-	-	-	-	-

iii) There are no contingent liabilities in respect of joint venture companies

iv) There are no commitments in respect of joint venture companies other than as disclosed in Note 43 (c)

v) Significant judgement - classification of joint arrangement

The Shareholder Agreement ('SHA') in relation to WASPPL, CTPL, CTHPL, RGY, GSY, CGRG requires unanimous consent from all parties for all relevant activities (e.g. change of composition of board approval / removal of KMP, transaction with any related party, capital expenditure in excess of rupees one lakh etc.). As per SHA, for board composition two directors shall be nominated by JV partner from the list of names suggested by Welspun Enterprises Limited ('Welspun') and one director shall be nominated by the Welspun. However, chairman of the board shall be nominated by Welspun. Joint venture entity shall not act in general meeting without prior written consent of Welspun on any matter except for issuance and transfer of shares impacting change in shareholding. JV partner shall exercise voting rights in general meeting through its nominated representative as directed by Welspun.

Thus, based on 49% holding in share capital (except WASPPL where holding is 74%) read with contractual terms between JV partners, the group has determined that entity should be classified as jointly controlled entity (Joint venture).

vi) The group has pledged below mentioned shares :-

(₹ in lakhs)

Entities	No of shares
Welspun Aunta-Simaria Project Private Limited	5,100
RGY Roads Private Limited	4,900
MBL (GSY) Road Limited	24,495
MBL (CGRG) Road Limited	24,495
Corbello Trading Private Limited	4,896
Chikhali - Tarsod Highways Private Limited	4,896

51 A) Segment Information

The Company for evaluating group performance and for allocating resources based on analysis of various performance indicators, has identified three operative segments on the basis of nature of business activities and other quantitative criteria specified in the Ind AS 108. :

Notes forming part of the consolidated financial statements

i) Operating segments

a) Infrastructure
b) Trading
c) Oil and gas

ii) Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

iii) Segment assets and liabilities

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, intangible assets (BOT), service concession receivables, trade receivables and other operating assets. Segment liabilities primarily include borrowings, trade payables and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/ liabilities.

(₹ in lakhs)

	31 March 2018	31 March 2017
Segment revenue		
Infrastructure	106,713	25,742
Trading	-	5,693
Total	**106,713**	**31,435**
Less : Inter segment revenue	-	-
Total sales/ income from operations	**106,713**	**31,435**
Segment result		
Infrastructure	12,194	1,362
Trading	-	31
Oil and gas	(1,127)	(1,264)
Unallocable corporate	(4,896)	(4,053)
Total	**6,171**	**(3,925)**
Add : other income	10,966	8,953
Profit before finance costs, tax and exceptional items	**17,137**	**5,029**
Add / (Less) :		
Finance costs	(3,318)	(1,017)
Share of profit/ (loss) from associate and joint venture	(285)	(202)
Exceptional items (Refer note 46)	(1,961)	(2,300)
Profit before tax	**11,573**	**1,510**
Less : Tax expense		
Current tax	5,297	627
Earlier year tax	57	
Deferred tax	(724)	387
	4,630	**1,014**
Profit after tax	**6,943**	**496**
Segment assets		
Infrastructure	77,391	28,121
Trading	-	133
Oil and gas *	15,519	15,016
Unallocable corporate	127,219	119,031
Total (A)	**220,129**	**162,301**

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	31 March 2018	31 March 2017
Segment liabilities		
Infrastructure	29,587	28,905
Trading	-	91
Unallocable corporate	56,674	7,464
Total (B)	**86,261**	**36,460**
Total equity (A - B)	**133,868**	**125,841**

Other segment information

(₹ in lakhs)

	31 March 2018	31 March 2017
a) Non-current assets **		
Infrastructure	9,068	17,391
Trading	-	-
Oil and gas	-	-
Unallocable corporate	3,026	3,574
Total	**12,094**	**20,965**
b) Capital expenditure		
Infrastructure	314	826
Trading	-	-
Oil and gas	-	-
Unallocable corporate	-	-
Total	**314**	**826**
c) Depreciation and amortisation expense		
Infrastructure	4,604	6,581
Trading	-	-
Oil and gas	-	-
Unallocable Corporate	-	-
Total	**4,604**	**6,581**

* Represents investment in an associate

** Non-current assets excludes financial assets, deferred tax assets and investment in associate and joint venture companies

B) Information about major customers

There are two customers accounting for more than 10% of revenue, amounting to Rs 90,009 lakhs (31 March 2017 Rs 18,909 lakhs)

52 Collateral / security pledged

a) Group - excluding associate and joint venture companies

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2018: Rs 45,811 lakhs (31 March 2017 : Rs 13,076 lakhs) and Non-fund based

Notes forming part of the consolidated financial statements

- 31 March 2018 : Rs 24,789 lakhs (31 March 2017 : Rs 164 lakhs)) of the group are as under:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment (including Capital work-in-progress)	7,465	8,462
Intangible assets	-	8,930
Inventories	71	296
Other current and non-current assets excluding investments and tax	116,788	62,105
Total assets pledged	**124,324**	**79,793**

b) Associate and Joint venture companies (to the extent of group's share)

The carrying amount of assets pledged as security for current and non-current borrowings availed (Non-fund based - 31 March 2018 : Rs 11,738 lakhs (31 March 2017 : Rs Nil)) of the group are as under:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment (including Capital work-in-progress)	423	-
Other current and non-current assets excluding investments and tax	28,421	-
Total assets pledged	**28,844**	**-**

53 Proposed dividends on equity shares

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Dividend proposed for 31 March 2018 Rs 1.50 per share (31 March 2017 Rs 0.75 per share)	2,213	1,105
Dividend distribution tax on above	455	225

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax theron) as at reporting date.

54 Assets classified as held-for-sale

a) Construction equipments :

The Company intends to dispose off the construction equipments as it is not intended to be utilized for business purpose in future. These equipments have been depreciated till 31 March 2015 and thereafter classified as Assets included in disposal group classified as held for sale amounting to Rs 8 lakhs as at 01 April 2015 and Rs 113 lakhs as at 31 March 2016 with no depreciation charged from 01 April 2015. Buyer for these assets has been identified with the terms of sale being under negotiation. During the year ended 31 March 2018, the Company sold assets amounting to Rs 13 Lakhs (31 March 2017 : Rs 72 lakhs). As at 31 March 2018, the Company believes that the fair value of these assets exceeds the carrying amount.

b) Intangible assets :

During the year ended 31 March 2018, in light of business transfer agreement entered into with GSRDC, the Company in respect of MSK Projects (Kim Mandvi Corridor) Private Limited (has reclassified Intangible asset comprising toll rights of BOT project to Non-current asset held-for-sale as per Ind AS 105 as the carrying amount is expected to be recovered principally by sale rather than its continuing use. The difference between the estimated fair value less cost to sell (Rs 2,800 lakhs) and carrying value Rs 3,983 lakhs amounting to Rs 1,183 lakhs is recognized as "Impairment loss recognized on the re-measurement to fair value less cost to sale" and disclosed under the head exceptional items

Notes forming part of the consolidated financial statements

55 The Directorate General of Hydrocarbons have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd -"NIPL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies-"Adani"-(55%) and Welspun Natural Resources Private Limited-"Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The Group has already made representations to the Government expressing its willingness to carry out the activities and to consider the Block as valid and live. Pending a decision from the Government on the representation made by the Group, it has been decided to carry the amount spent on the said block in the balance sheet, till the final outcome.

56 (a) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	Long term borrowings (Including current maturities)	Short term borrowings - Bank
As at 31 March 2017	13,056	1,974
Cash inflow	31,807	-
Cash outflow	(591)	(545)
Non cash changes - interest accrued	323	-
Non cash changes - other changes	(41)	-
As at 31 March 2018	**44,554**	**1,429**

b) Non-cash investing and financing activities for the current year

i) Conversion of application money into OCD of Welspun Steel Limited - Rs 182 lakhs
ii) Equity shares alloted pursuant to exercise of stock option - Rs 24 lakhs
iii) Conversion of loan into compulsorily convertible debentures of AWEL - Rs 6,810 lakhs

57 Additional information pursuant to para 2 of General instructions for the preparation of Consolidated Financial Statements

(₹ in lakhs)

Name of the Entity	31 March 2018							
	Net Asset / (Net Liability) ie total assets minus total liabilities		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income	Amount
Parent								
Welspun Enterprises Limited	108.9%	145,735	158.1%	10,974	95.1%	(88)	158.9%	10,886
Subsidiaries								
Dewas Waterprojects Works Private Limited	0.0%	(30)	(0.3%)	(22)	-	-	(0.3%)	(22)
(Formerly known as Anjar Water Solutions Private Limited)								
ARSS Bus Terminal Private Limited	0.7%	900	(13.6%)	(944)	-	-	(13.8%)	(944)
MSK Projects (Kim Mandvi Corridor) Private Limited	0.5%	723	(20.9%)	(1,450)	2.8%	(3)	(21.2%)	(1,452)
MSK Projects (Himmatnagar Bypass) Private Limited	0.5%	690	4.0%	281	2.4%	(2)	4.1%	279
Welspun Build-tech Private Limited	1.3%	1,709	0.0%	(0)	0.0%	-	0.0%	(0)

Notes forming part of the consolidated financial statements

(₹ in lakhs)

Name of the Entity	31 March 2018							
	Net Asset / (Net Liability) ie total assets minus total liabilities		Share in Profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated other comprehensive income	Amount	% of total consolidated comprehensive income	Amount
Welspun Delhi Meerut Expressway Private Limited	7.8%	10,439	(2.8%)	(191)	-	-	(2.8%)	(191)
Welspun Natural Resources Private Limited	8.0%	10,720	(23.1%)	(1,606)	-	-	(23.4%)	(1,606)
Welspun Financial Services Private Limited	0.1%	195	(0.4%)	(30)	-	-	(0.4%)	(30)
Associate								
Adani Welspun Exploration Limited	22.5%	30,126	(6.1%)	(426)	-	-	(6.2%)	(426)
Joint venture companies								
Welspun Aunta-Simaria Project Private Limited	0.0%	(9)	(0.1%)	(9)	-	-	(0.1%)	(9)
Corbello Trading Private Limited	0.0%	0	0.0%	(0)	-	-	0.0%	(0)
Chikhali - Tarsod Highways Private Limited	(0.1%)	(112)	(1.6%)	(112)	-	-	(1.6%)	(112)
RGY Roads Private Limited	0.0%	1	0.0%	1	-	-	0.0%	1
MBL (GSY) Road Limited	0.0%	(23)	(0.4%)	(26)	-	-	(0.4%)	(26)
MBL (CGRG) Road Limited	0.0%	(10)	(0.2%)	(14)	-	-	(0.2%)	(14)

Note :
Net assets/ share of profit or loss of subsidiaries, associate and joint venture companies are considered based on the respective audited/ unaudited standalone / consolidated financial statements without considering elimination/ consolidated adjustments

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

Notes forming part of the consolidated financial statements
As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : 10 May 2018

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN 00270175

Sandeep Garg
Managing Director
DIN 00036419

Shriniwas Kargutkar
Chief Financial Officer

Priya Pakhare
Company Secretary

Place: Mumbai
Date : 10 May 2018

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CORPORATE INFOMATION

WELSPUN ENTERPRISES LIMITED

CIN: L45201GJ1994PLC023920

website: www.welspunenterprises.com; email id: companysecretary_wel@welspun.com

BOARD OF DIRECTORS:

Mr. Balkrishan Goenka - Chairman (Executive)
Mr. Sandeep Garg - Managing - Director
Mr. Rajesh R. Mandawewala - Director
Mr. Ram Gopal Sharma - Director
Mr. Mohan Tandon - Director
Mr. Yogesh Agarwal - Director
Mr. Dhruv Kaji- Director
Ms. Mala Todarwal - Director

KEY MANAGEMENT TEAM:

Mr. Balkrishan Goenka - Chairman (Executive)
Mr. Sandeep Garg - Managing Director & CEO
Mr. Akhil Jindal - Director, Group Finance & Strategy
Mr. Deepak Chauhan - Director, Legal, Welspun Group
Mr. Asim Chakraborty - Director-COO- Highways
Mr. Banwari Lal Biyani - Director, Operation Head-BOT & EPC
Mr. Shriniwas Kargutkar - Chief Financial Officer

COMPANY SECRETARY:

Ms. Priya Pakhare

AUDITORS:

MGB & Co., LLP, Chartered Accountants

AUDIT COMMITTEE:

Mr. Ram Gopal Sharma
Mr. Mohan Tandon
Mr. Dhruv Kaji

NOMINATION AND REMUNERATION COMMITTEE:

Mr. Balkrishan Goenka
Mr. Ram Gopal Sharma
Mr. Mohan Tandon
Mr. Dhruv Kaji

SHARE TRANSFER AND INVESTOR GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. Mohan Tandon
Mr. Sandeep Garg
Mr. Dhruv Kaji

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Mr. Ram Gopal Sharma
Mr. Rajesh R. Mandawewala
Mr. Sandeep Garg

CORPORATE OFFICE:

Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013
Tel: +91-22-6613 6000
Fax. +91-22-2490-8020

REGISTERED OFFICE:

"Welspun City", Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat-370110
Tel: +91-2836 662222
Fax. +91-2836 279010

STOCK EXCHANGES WHERE THE COMPANY'S SECURITIES ARE LISTED:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

SECURITIES REGISTRAR AND TRANSFER AGENT:

Link Intime India Private Ltd.
C- 101,247 Park,L.B.S. Marg,
Vikhroli (West), Mumbai – 400083.

BANKERS:

Corporation Bank
IDBI Bank Ltd
IDFC Bank Ltd
Indian Bank
Indusind Bank
L&T Finance
Punjab National Bank
State Bank of India
Union Bank of India

WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

Welspun Enterprises Limited
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Member of Welspun Group | www.welspun.com

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