



WELSPUN CORP
PIPES AND PLATES

FUTURE FORWARD

Welspun Corp Limited
20th ANNUAL REPORT 2015





WELSPUN CORP MARCHES FORWARD!

Looking to the future, assets and partnerships are in place to engage and execute projects that are global benchmarks.

Tempered with a commitment to empowering our community and protecting our environment, Welspun Corp is establishing itself as a true Industry leader in a holistic sense.



WELSPUN CORP
PIPES AND PLATES



Little Rock facility, USA



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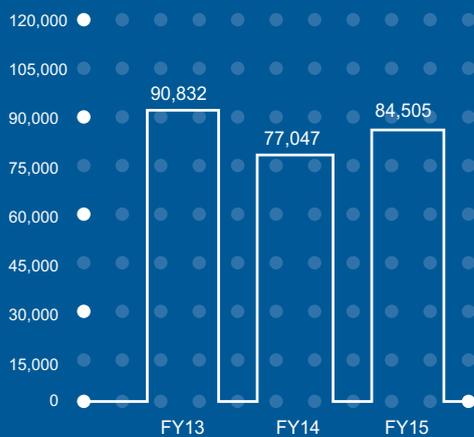
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Forward-Looking Statements

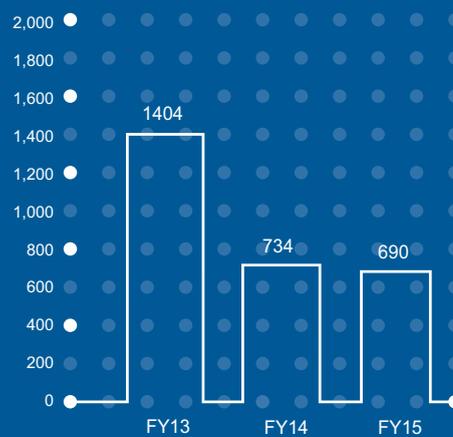
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including 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

CONSOLIDATED FINANCIAL HIGHLIGHTS

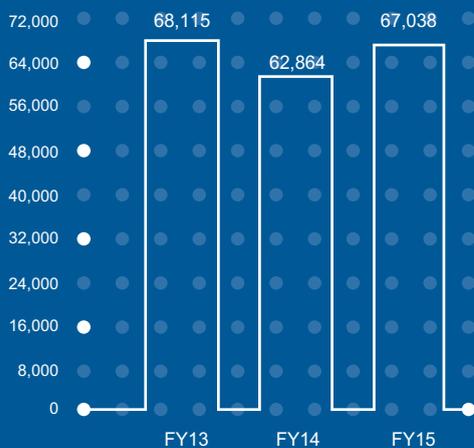
Revenue from Operations (₹ Million)



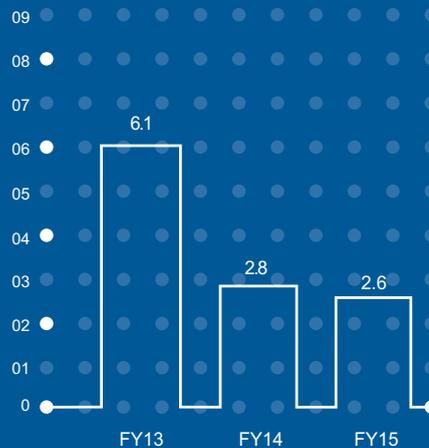
PAT (₹ Million)



Exports/Overseas Revenue* (₹ Million)



Basic EPS (₹/Share.)



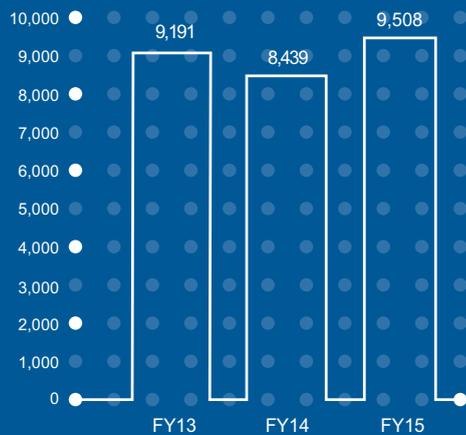
Note : FY13 figures are after giving demerger effects.

@@: Other Income, a part of reported EBITDA includes Interest Income for the respective years

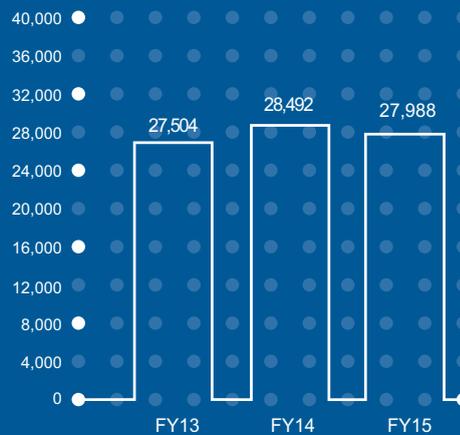
** Includes tangible & intangible assets and CWIP

* Includes Deemed Exports

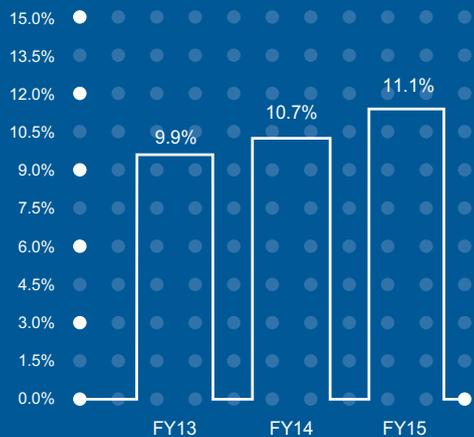
Reported EBITDA (₹ Million) @@



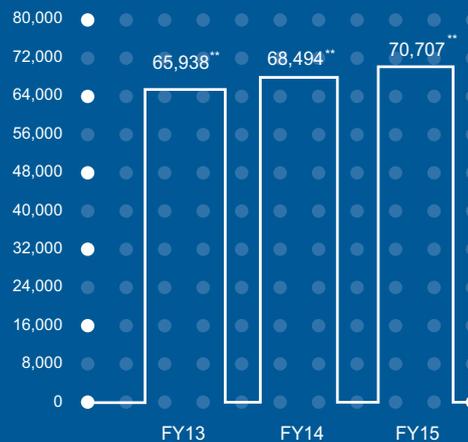
Network (₹ Million)



EBITDA Margin (%)



Fixed Asset (Gross Block) - (₹ Million)



FINANCIALS AT A GLANCE

(₹ in million)

Particulars	Year ended 31st March (Consolidated)		
	2015	2014	2013(D)
Income Statement Data			
Total Income	85,591	78,789	92,711
Operating Expenses (COGS, Mfg and Other Expenses)	76,083	70,350	83,520
Reported EBITDA	9,508	8,439	9,191
Normalized EBITDA	7,692 ^{^^^}	7,742 ^{^^}	7,079 [^]
Depreciation / Amortization	4,365	4,063	3,531
EBIT	5,143	4,376	5,659
Finance Costs (Gross)	2,830	2,964	3,583
Gross Profit	2,313	1,412	2,076
PAT (After Minority Interest)	690	734	1,404
Balance Sheet Data			
Current Assets	49,092	36,512	60,072
Current Liabilities	33,707	22,640	41,803
Net Current Assets	15,385	13,873	18,269
Fixed Assets **	47,419	50,377	51,025
Investments (Current and Non Current)	8,049	11,398	10,082
Gross Debt	30,205	38,235	38,907
Cash and Bank Balance	3,327	1,408	5,923
Liquid Investments	7,783	11,143	9,848
Cash and Liquid Investments	11,111	12,551	15,771
Net Debt	19,095	25,684	23,137
Networth	27,988	28,492	27,504
Minority Interest	3,563	2,088	1,015
Average Shareholders Fund	28,240	27,998	38,160
Deferred Tax Liability (Net)	5,697	5,609	5,417
Capital Employed	67,453	74,425	72,843
Capital Employed (Net of Cash and Liquid Investments)	56,342	61,874	57,073
Average Capital Employed (Net of Cash and Liquid Investments)	59,108	59,473	69,039
Cash Flow Data			
Net Cash Flows by Operating Activities	9,011	2,270	271
Net Cash Flows by Investing Activities	3,377	(1,222)	(435)
Net Cash Flows by Financing Activities	(11,058)	(5,265)	(680)
Financial Ratios			
EPS - Basic (Rs/share)	2.63	2.79	6.06
EPS - Diluted (Rs/share)	2.60	2.79	6.06
EBITDA Margin (%)	11.11%	10.71%	9.91%
PAT Margin (%)	0.81%	0.93%	1.51%
Net Debt to Shareholders Fund	0.68	0.90	0.84
Net Debt to EBITDA	2.01	3.04	2.52
Return on Avg. Shareholders Fund	2.44%	2.62%	3.68%
ROCE [EBIT/ (Avg. Capital Employed)]	8.70%	7.36%	8.20%

Note:

^{^^^} FY 2014-15: Includes Non-operational income of ₹1,867 million , Total unrealised foreign exchange loss of ₹51 million

^{^^} FY 2013-14: Includes other income of ₹1,744 million , Total unrealised foreign exchange of ₹1,046 million

[^] FY 2012-13: Includes other income of ₹1,879 million , Total unrealised foreign exchange gain of ₹232 million

** includes Capital Work-In-Progress

FINANCIALS AT A GLANCE



(USD in million)

Particulars	Year ended 31st March (Consolidated)		
	2015	2014	2013 (D)
Income Statement Data			
Total Income	1,400	1,302	1,703
Operating Expenses (COGS, Mfg and Other Expenses)	1,244	1,163	1,534
Reported EBITDA	155	139	169
Normalized EBITDA	126 ^{^^^}	128 ^{^^}	130 [^]
Depreciation / Amortization	71	67	65
EBIT	84	72	104
Finance Costs (Gross)	46	49	66
Gross Profit	38	23	38
PAT (After Minority Interest)	11	12	26
Balance Sheet Data			
Current Assets	785	609	1,107
Current Liabilities	539	378	770
Net Current Assets	246	232	337
Fixed Assets **	759	841	940
Investments (Current and Non Current)	129	190	186
Gross Debt	483	638	717
Cash and Bank Balance	53	24	109
Liquid Investments	125	186	181
Cash and Liquid Investments	178	209	291
Net Debt	306	429	426
Networth	448	476	507
Minority Interest	57	35	19
Average Shareholders Fund	452	467	703
Deffered Tax Liability (Net)	91	94	100
Capital Employed	1,079	1,242	1,342
Capital Employed (Net of Cash and Liquid Investments)	901	1,033	1,051
Average Capital Employed (Net of Cash and Liquid Investments)	946	993	1,272
Cash Flow Data			
Net Cash Flows by Operating Activities	147	38	5
Net Cash Flows by Investing Activities	55	(20)	(8)
Net Cash Flows by Financing Activities	(181)	(87)	(12)
Financial Ratios			
EPS - Basic (US \$/share)	0.04	0.05	0.11
EPS - Diluted (US \$/share)	0.04	0.05	0.11
EBITDA Margin (%)	11.11%	10.71%	9.91%
PAT Margin (%)	0.81%	0.93%	1.51%
Net Debt to Shareholders Fund	0.68	0.90	0.84
Net Debt to EBITDA	2.01	3.04	2.52
Return on Avg. Shareholders Fund	2.44%	2.62%	3.68%
ROCE [EBIT/ (Avg. Capital Employed)]	8.70%	7.36%	8.20%

Note:

^{^^^} FY 2014-15: Includes Non-operational income of ₹1867 million , Total unrealised foreign exchange loss of ₹51 million

^{^^} FY 2013-14: Includes other income of ₹1744 million , Total unrealised foreign exchange of ₹1,046 million

[^] FY 2012-13: Includes other income of ₹1879 million , Total unrealised foreign exchange gain of ₹232 million

** includes Capital Work-In-Progress

Exchange rates used for Balance Sheet Items is Closing rate as on 31 March	62.5000	59.9150	54.2850
Exchange rates used for Profit & Loss Items is Average rate for the year	61.1471	60.4962	54.4510

CHAIRMAN'S MESSAGE



We have truly dared to emerge into unexplored horizons, to optimize, enhance and consolidate our global leadership position.



Balkrishan Goenka
Chairman, Welspun Group

My dear fellow stakeholders,

It gives me great pleasure to share that we closed FY15 on a positive note amidst a volatile global economic scenario. For the third consecutive year, we have surpassed the 1 million tonnes milestone in production, execution and new order booking. Your company continues to exceed expectations, delivering some of the toughest projects applications and I am confident it will continue to do so in the years ahead.

The above has been made possible with our motto of "Dare to commit" that drives every aspect of our business – from leading innovation technologies, to executing record-breaking pipe supplies, to creating solutions that are safe and effective, to fostering sustainability for our business and environments. True to our belief, through FY15 we dared to venture into the unexplored; and our efforts have been to optimize, to enhance and to grow as a true global leader.

Your company is currently poised at 'Future Forward' wherein our goals are clear. We will sustain our agility to capitalize on evolving opportunities, improve our business & market competitiveness, continue to build a sustainable and progressive community, and enhance value to all our stakeholders. We also acknowledge that our people play a vital role in ensuring our long-term success. We remain committed to attract the best talent, empower them and develop them into our future business leaders.



The mismatch in demand versus supply in FY15 catalysed a sudden shift in market equilibrium, prompting a sharp decline in crude oil prices. Although this did not have a significant impact on existing projects, we witnessed some slowdown in project capex spending. While this might have a small impact on our small-diameter pipes business (ERW/HFIW), it is not expected to have significant impact on your company's financials.

Although there is considerable divergence of opinion on the future of oil prices, we remain bullish on the longer-term fundamentals of the oil and gas sector. We foresee that, with the inevitable recovery in the global economy, the growth in demand for these commodities is imminent.

BUSINESS SCENARIO

General market condition, particularly for large projects and related investment has been difficult in the last few years. However, we see a change in sentiments, especially in North America and it is our belief that we are at an inflexion point. While during this period we have maintained our market leadership, we have also realigned our business model, organization structure and management team to capture the expected market upsides & related opportunities. Your company as a focused pipe and plate business with a strong balance sheet and healthy order book is ideally poised to address exciting possibilities in the future.

In this new business environment, we have stepped up to the challenge by actively partnering with our customers to help them reduce costs through optimization of processes, efficient management of pipe materials & inventories and optimization of product selection, to support their level of activity.

We are simultaneously adopting measures to adjust our own operations, while preserving our key competencies and maintaining focus on our relationship with communities. Further, the Government of India's 'Make in India' campaign when combined with conducive policies is expected to unleash exciting business opportunities in the days ahead. We approach FY16 with optimism and remain confident due to our strong order book. We expect to improve our operational performance, enhance delivery of our projects and create value for all our stakeholders.

BUILDING A RESPONSIBLE BUSINESS

At Welspun, building a responsible business is the essence of our core values. It defines and guides the way we conduct business, and has proven to be a differentiating element in our success story.

Community Development

Our social mission is enshrined within the '3Es' – Empowerment, Education and Environment & Health. To date, we have helped to empower over 200 underprivileged women by providing skills trainings and career opportunities. By providing school infrastructure and

learning opportunities, we have kindled hope and optimism for over 3,000 children. Some of our contributions in Environment & Health include setting up of drinking water purification RO plants around our facilities, conducting health camps, providing mobile health vans, constructing sanitation facilities, tree planting and biodiversity drives.

Sustainability

R&D and innovation are key facets of our growth strategy and sustainability orientation. Ongoing efforts are underway to rationalize production activities, maintain energy efficiency measures and reduce ecological impact. We also focus on creating a superior workspace for our employees.

We continually monitor the quantum of waste generated by our operations, focus on waste reduction and evaluate its possible reuse as alternate materials. Through implementation of measures such as recycling, wastewater recovery, rainwater harvesting and ensuring optimal use of water in our operations, we consciously reduce the amount of fresh water we consume.

Swachh Welspun Abhiyan

Inspired by PM Narendra Modi's Swachh Bharat Abhiyaan, Welspun launched Swachh Welspun Abhiyan on 2nd of October 2014. This initiative outlines a comprehensive blueprint for a coordinated approach to waste minimization, cleanliness targets, and reducing adverse environmental impact, which eventually impacts the delicate ecological balance.

WE 'DARE TO COMMIT'

As we contemplate a challenging yet successfully negotiated year gone by, we remain aware that we still have a long way to go, and hence remain committed in our journey to make your company the 'first choice' for all oil and gas majors & customers in other sectors.

Last but not the least, I take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers & suppliers, bankers and investors for their unrelenting dedication, support and commitment to Welspun.

Sincerely,

Balkrishan Goenka

HIGHLIGHTS AND ACHIEVEMENTS



2015

- Surpassed 1 million MTPA in pipe production, sales volumes & order bookings for the 3rd consecutive year.
- Record high production and sales volumes at Saudi Arabia facility, with significantly improved financial performance.
- HFIW mill stabilised and operations streamlined at US facility. Revitalised operations at LSAW and Plate & Coil mills in India.

2014

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

2013

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

2012

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

2011

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

2010

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

2009

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

2008

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

CORPORATE INFORMATION

Company Identification Number:

L27100GJ1995PLC025609

Date of Incorporation:

26th April 1995

Date of Being Listed on Stock**Exchange:**

BSE: 27th March 1997

NSE: 4th December 2003

Type of Business:

Manufacturing of Steel Pipes, Plates, Coils and generation of Power

Registered Capital:

Rs. 2500 million

Paid Up Capital:

Rs. 1315.88 million divided into 263,176,080 equity shares of Rs.5/- each fully paid-up

Par Value / Share:

Rs. 5/- each

Securities Registrar & Transfer**Agent:**

Link Intime India Private Ltd.
C- 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400078

Registered Office

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

Corporate Office

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

Manufacturing Units of the Company

- 1 Village Jolva & Vadadla, Near Dahej, Taluka : Vagra, Dist. Bharuch, Gujarat - 392 130.
- 2 Village Versamedi, Tal - Anjar, Dist.- Kutch, Gujarat - 370110
- 3 KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist. Mandya, Karnataka - 571428

Manufacturing Units of the Subsidiaries

- 4 9301, Frazier Pike, Little Rock, Arkansas 72205, USA
- 5 2nd Ind City Dammam, Kingdom of Saudi Arabia, P. O. Box 12943, Postal Code 31483

Stock exchanges where the Company's securities are listed

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 051

The National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 001

Singapore Exchange Securities Trading Limited (the "SGX-ST")

2 Shenton Way, #19-00 SGX Centre 1, Singapore - 068804

Bankers

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



WELSPUN

Board of Directors

Mr. Balkrishan Goenka
Chairman, Non-Executive

Mr. Braja Mishra
Managing Director

Mr. Rajesh R. Mandawewala
Director

Mr. Mukul Sarkar
Nominee Director of Exim Bank Ltd.

Mr. Mintoo Bhandari
Nominee Director of Insights Solutions Ltd.

Mr. Atul Desai
Director

Mr. Raj Kumar Jain
Director

Mr. K.H. Viswanathan
Director

Mr. Ram Gopal Sharma
Director

Mr. Nirmal Gangwal
Director

Mr. Utsav Bajjal
Nominee Director of Insights Solutions Ltd.

Mrs. Revathy Ashok
Director

Mr. S. Krishnan
Chief Financial Officer

Mr. Pradeep Joshi
Company Secretary

Auditors

Price Waterhouse Chartered
Accountants LLP

Key Management Team

Mr. Rajesh R. Mandawewala
Group Managing Director

Mr. Braja Mishra
Managing Director

Mr. Akhil Jindal
Director, Group Finance & Strategy

Mr. Godfrey John
Director - BU Head PCMD,
Chief Supply Chain Officer

Mr. Vipul Mathur
Director - BU Head,
Middle East, Europe and Africa

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

Mr. Rajeev Singh
President - Chief Human Resource Officer

Mr. Gaurang Desai
President - BU Head, India and APAC

Mr. David J. Delie
President, Welspun Pipes Inc.

Mr. James Annal
Chief Operating Officer, Welspun Middle East

Mr. Skip Herald
CEO - BU Head, Americas

Mr. S. Krishnan
Chief Financial Officer

Mr. Prasanta Mukherjee
Chief Technical Officer

CORP



FUTURE FORWARD



Welspun Corp's strident endeavours in executing projects across the world in challenging geographies is balanced by a keen respect for the environment in which we operate, a concern that impacts our process and execution of each project.



FUTURE FORWARD

We are committed to providing the optimal pipe solution to our customers to keep their energy lines charged for the longest possible time.

Process automation is a continuous process to ensure greater quality and precision.

- **Efficient robotic systems** installed to automate key manufacturing processes, standardize operating procedures and reduce the possibility of errors.
- **Highly automated plant process line** integrated with a robust SAP system so our customers can remotely monitor production.
- **Integrated Pipe Traceability System** with 2D bar codes so our customers can track the actual co-ordinates of their pipes on a real-time basis.
- **Precision Dimensional Control** is one of our top priorities in manufacturing excellence. This translates into quantifiable savings for owners of pipeline laying projects, while also ensuring projects are completed on schedule.



TECHNOLOGY





FUTURE FORWARD

We understand that pipeline technology is an ever evolving science and we are committed to developing and delivering products that handle the most stringent conditions.

Providing solutions that yield tangible and intangible benefits to projects, both onshore and offshore.

- Greater technical know-how with optimal solutions for some of the most stringent pipeline specifications gives us the edge for various prestigious and challenging projects like South Stream, Independence Trail, Statoil, Total, Shell, TransCanada, Saudi Aramco and GASCO, to name a few.
- Our dedicated R&D facilities at Anjar in Gujarat boasts of highly qualified experts in specialized fields like Metallurgy, Welding technology, NDE and Coating, who regularly engage with the best of minds in the international pipeline engineering field.
- Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems ensures that Welspun remains at the forefront of global technological advancements.
- Welspun's technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for linepipe durability.



A large, white, curved wind turbine blade dominates the right side of the image, extending from the top right towards the bottom left. The background is a bright blue sky with scattered white clouds. In the bottom left corner, a desert landscape with low-lying green and brown shrubs is visible. The word "INNOVATION" is centered in a white horizontal band across the middle of the image.

INNOVATION



FUTURE FORWARD

Earning and retaining the patronage of global energy sector leaders is a testament to our versatility and advance technological prowess.

Team Welspun strives to remain a truly global and reliable partner.

- We have executed projects in far-flung regions including the arid deserts of Sahara and Saudi Arabia, the Rocky Mountains of the USA, the deep trenches of the Gulf of Mexico and the tropical climes of India.
- Our extensive global presence ensures that Welspun is always locally accessible to our customers.
- Our key strengths are in delivering customized solutions at a competitive cost and on schedule, coupled with world-class quality and exemplary customer service.
- Our engagement with customers begins at the project engineering stage and extends well beyond the project execution and post commissioning stages.



CUSTOMERS





FUTURE FORWARD

Our obsession with quality has led us to invest in some of the most advanced technologies and deploy the best international practices.

- Our Quality Management System is a process based approach in accordance with recognised global standards.
- Stringent quality parameters are applied to the selection of vendors globally.
- Digitized product inspection systems provide real-time interpretation of testing results.
- We have a top notch Quality Assurance team that is engaged for the entire product development and delivery cycle.
- Our inspection and testing equipment for Ultrasonic testing, Hydro-testing, X-Ray testing, etc. are fully integrated with our ERP systems to minimise human interference and error.
- We have integrated and automated our pipe dimension measurement systems to eliminate manual intervention.
- Ongoing R&D in association with premier laboratories and technical institutes across the world provides the impetus to meet the growing demand for strain-based designs and deep sea pipelines for critical applications in extreme conditions.



QUALITY MANAGEMENT



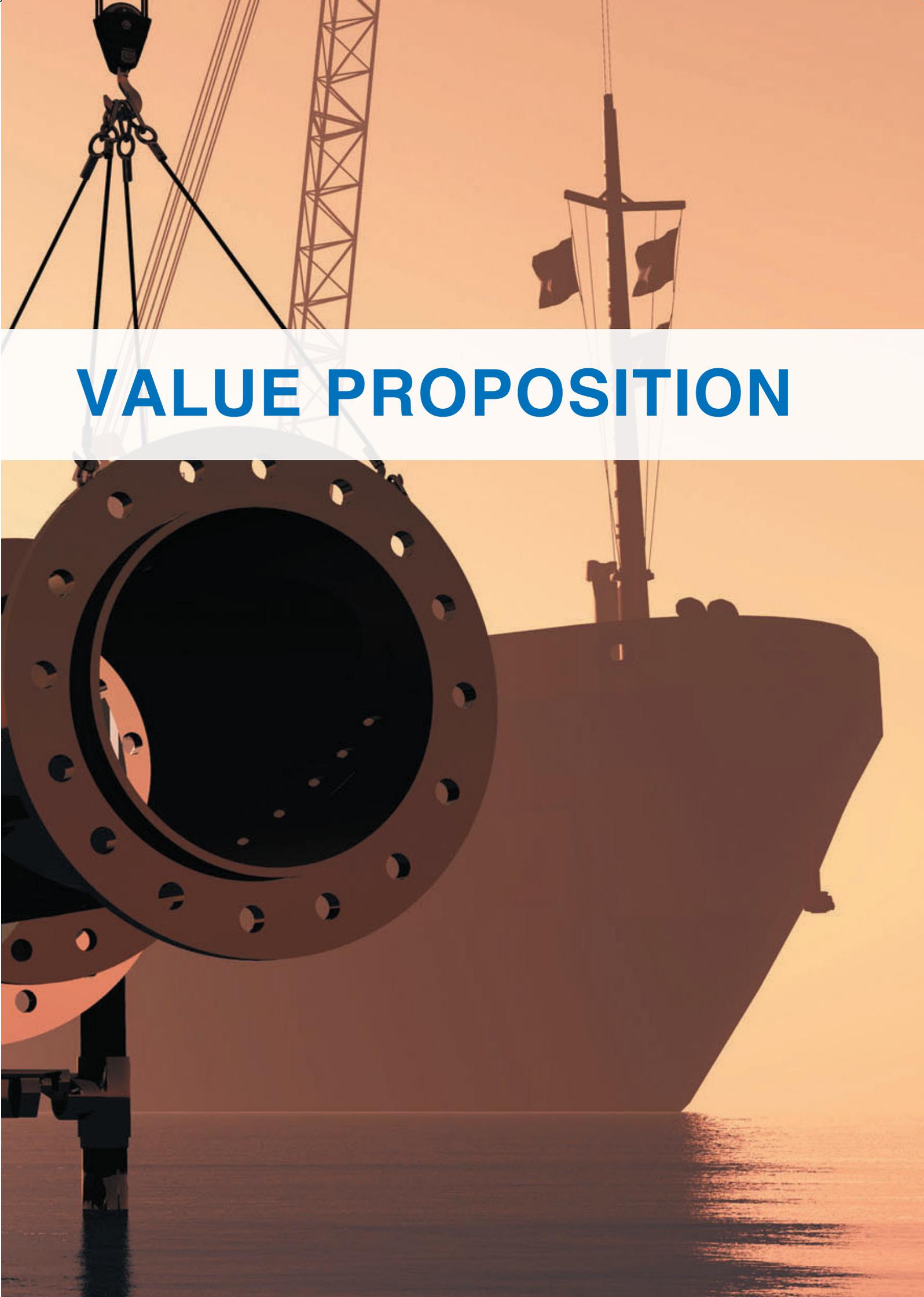


FUTURE FORWARD

We offer a diverse suite of products and solutions for a wide range of pipe requirements.

- With a total capacity of 2.45 MTPA, Welspun is well equipped to manufacture and deliver a diverse range of products varying from Longitudinal, Spiral, HFIW, Coatings, Bends, etc. in sizes ranging from ½ inch to 140 inches.
- We have to our credit the deepest, longest, highest and heaviest linepipe in the world. Our supply is in excess of 20,000 kms of linepipes, including 2,000 kms for offshore service and 1,900 kms of our service grade.
- Ethical work practices, complemented by quality, reliability and competitive cost, make Welspun the preferred choice for most of the oil and gas majors.
- As a member of the technical committee for Offshore Marine Standards, Welspun participates in DNV development projects for offshore marine technology across the world.



The background image shows an offshore oil rig at sunset. The sky is a warm orange color. In the foreground, a large, dark, circular valve with many small holes around its perimeter is visible. The rig's structure, including a crane and a mast with flags, is silhouetted against the sky. The water in the foreground is dark and reflects the light from the sky.

VALUE PROPOSITION



FUTURE FORWARD

Our motivated team stays focussed on the latest scientific and technical developments, and as a result we have the honour of being the preferred solution partner to our customers.

Provide ongoing learning and development opportunities to our people to help them grow and achieve their goals.

- Our people are our most important asset, and we pursue the highest standards of employee engagement.
- We encourage continuous learning, and impart the requisite skills training and resources essential for our employees to perform their job functions more effectively.
- Skill upgrade programmes, performance recognition and job rotation across locations and functions makes for a holistic and enriching experience for our employees.
- We have mandatory specialized training programmes for our people to keep them abreast of the latest technological developments in their respective fields.
- Job creation for our local communities ensures harmonious integration and enables the development of a thriving ecosystem with a wide cultural diversity.
- We empower our employees and support an independent making environment.





PEOPLE





FUTURE FORWARD

EUROPE & CIS

AMERICAS



Plants



Mktg. Office



Countries served

Plant Locations

- Anjar, India
- Dahej, India
- Mandya, India
- Little Rock, USA
- Dammam, Saudi Arabia

Marketing Offices

- Mumbai, India
- Delhi, India
- Houston, USA
- Dammam, Saudi Arabia
- Dubai, UAE

GLOBAL PRESENCE



MENA

SOUTH EAST ASIA

CLIENT ENGAGEMENT



“They have good quality products and are very professional and have quick response times.”

Ricardo Uzner
Odebrecht Procurement Centre (Houston)

“I feel that Welspun is working very hard to produce the highest quality pipe for our project.”

Kenny Rodgers
Quality Assurance Coordinator, Westward Ho Pipeline Project
Shell Projects and Technology - Engineering Americas

“We are pleased to note that the line pipes supplied have a good out-of-roundness (OOR) tolerance. Also, the delivery was completed by Welspun’s facilities in India ahead of the contractual delivery dates thus enabling us to expedite our schedule.”

NithitatThip-Anantasakul
Material Management & Logistics Director

TRC Construction Public Company Limited

“PTT as the beneficiary of the excellent out of roundness pipes was able to reduce the fit-up time at the laying site and achieve excellent productivity. This has resulted in time and cost savings on the project. We appreciate Welspun for delivering excellent quality pipes. We look forward to working with Welspun in the future.”

Surachai Laophulsuk
Project Director
PTT Public Company Limited

“Quick and efficient delivery of Welspun’s linepipes which not only assisted in the early delivery of the First-Gas but also supplement the shortfall created by one of our supplier.”

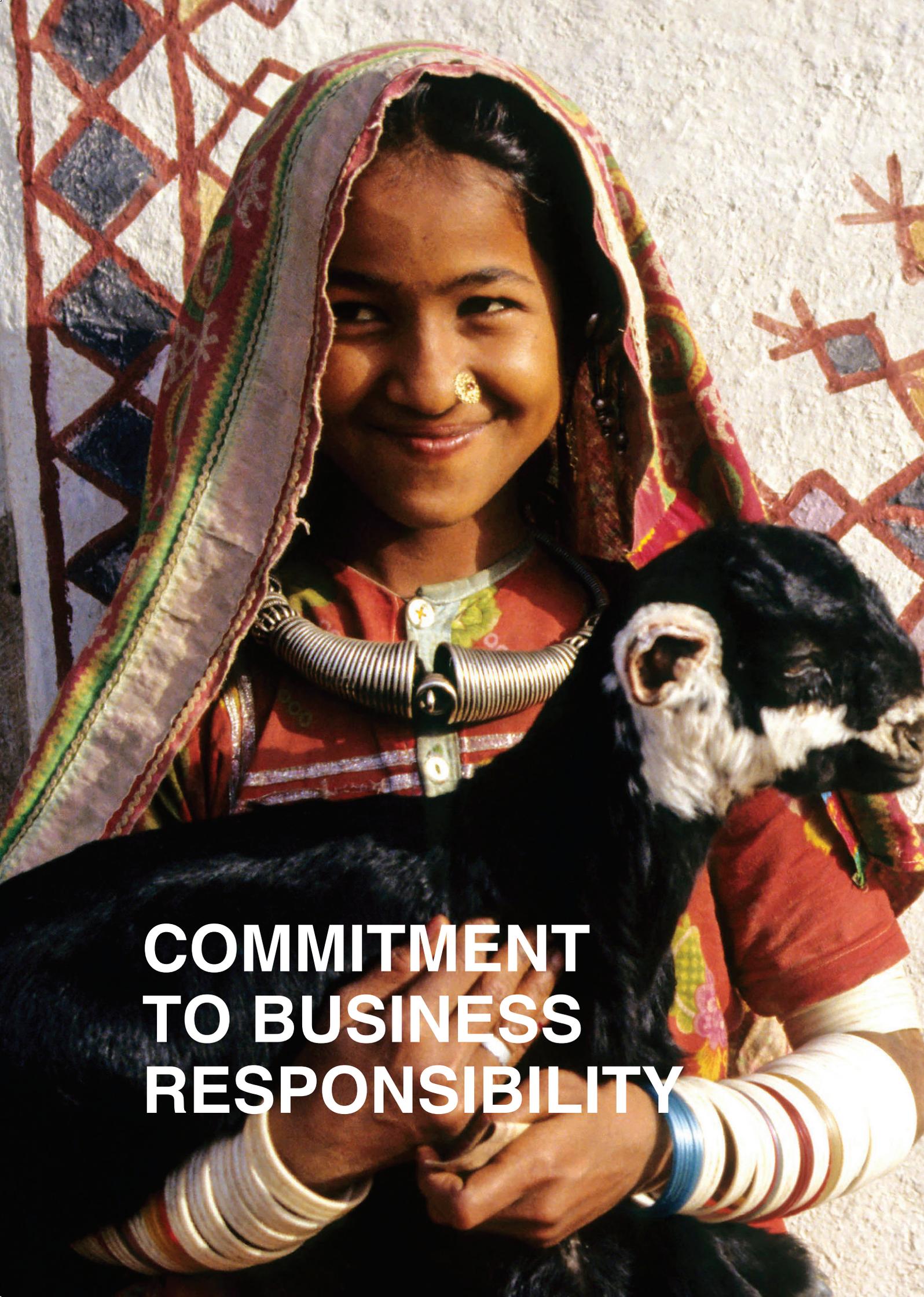
Jaswant Singh
General Manager – Kumang/Baram/Balingian Development Project

Petronas Carigali Sdn Bhd

AWARDS & RECOGNITIONS



2014	FICCI Quality Systems Excellence Award for Manufacturing 2014	FICCI
	Nace International Corrosion Awareness Award 2014	Nace International
2013	EXCELLENCE in GLOBAL TRADE	Governor's Award
	IPLOCA CSR Award (Runner Up)	TOTAL
2011	Top Exporter for the Year 2010-11 - Gold Trophy	EEPC
	Star Performer	GAIL (India) Ltd.
	Best Indian Manufacturing Company in the US 7th Indo American Corporate Excellence Awards	IACC 2011
2010	Star Performer Award for the year 2008-09 All India Export Excellence Awards	EEPC 2010
	All India Export Excellence Awards	EEPC 2010
	Top Indian Company under the Metal Pipes	Dun & Bradstreet
2009	National Awards for Export Excellence - Silver Trophy	Engineering Export Promotion Council - India
2008	Most Valuable Company in Metal Pipes	Dun & Bradstreet
	Emerging Company of the Year	Economic Times Corporate Excellence Award
	2nd Largest Steel Pipe Producer in the World (Large Diameter)	Financial Times
2007	Fastest Growing Company	Business Today
	Fastest Growing Steel Products Company	Construction World NICMAR
	Amongst the top 3 SAW Pipe Company in the World Research	CLSA Asia Pacific Market
	Amongst the 20 Companies to watch out for in 2008	Business Today
2006	Amongst top 100 Corporates in India	Standard & Poor's
	Award for the highest export - Iron and Steel based product - non SSI	Engineering Export Promotion Council (EEPC)
2004	Fastest Growing Steel Products Company	Construction World NICMAR
2001-03	Export Performance Awards Engineering Export promotion council	(EEPC)



**COMMITMENT
TO BUSINESS
RESPONSIBILITY**



At Welspun, building a responsible business is a central and core value. It defines and guides the way we do business, and has proven a differentiating element in our success story.

We believe that long-term success is achieved only when we add value to individuals' lives, while acting responsibly towards the environment and the communities that we are a part of.

Our responsible business strategy uses a structured assessment process to prioritize issues that are most important to our business and to our stakeholders, which include our associates, our community and the environment. We use our expertise, technology, and partnerships to create positive impact.

Welspun's business practices have always been synonymous with sustainability. We aim to make a positive impact and create shared value for society. We protect the environment, foster economic performance, create opportunities and empower people. While designing our sustainability efforts, we actively engage with our stakeholders for their insights, inputs and expectations.

In this report, we discuss our responsible business activities and progress through 2014-15.

COMMUNITY

Raniben mentors the next generation of women on the dying arts of a land rich with tradition, while taking care of her family as a the sole earner.

DEVELOPING LOCAL COMMUNITIES

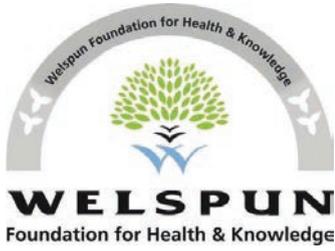
In everything that we do, there is a strong commitment towards wider, all-round social progress along with sustainable development, which balances the needs of the present with those of the future.

The Welspun group's social vision is enshrined in the three Es which have become the guiding principles of our Corporate Social Value (CSV) initiatives: Education, Empowerment, Environment & Health; where a number of projects have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK).

We aim to build a sustainable 'Model Village' by providing the local population with employment, helping revive the local economy and creating ancillary livelihood opportunities.



As part of our 2020 vision, we plan to convert model villages into 20 smart villages, with 24x7 electricity, garbage management systems, mobile library, public wi-fi and more.

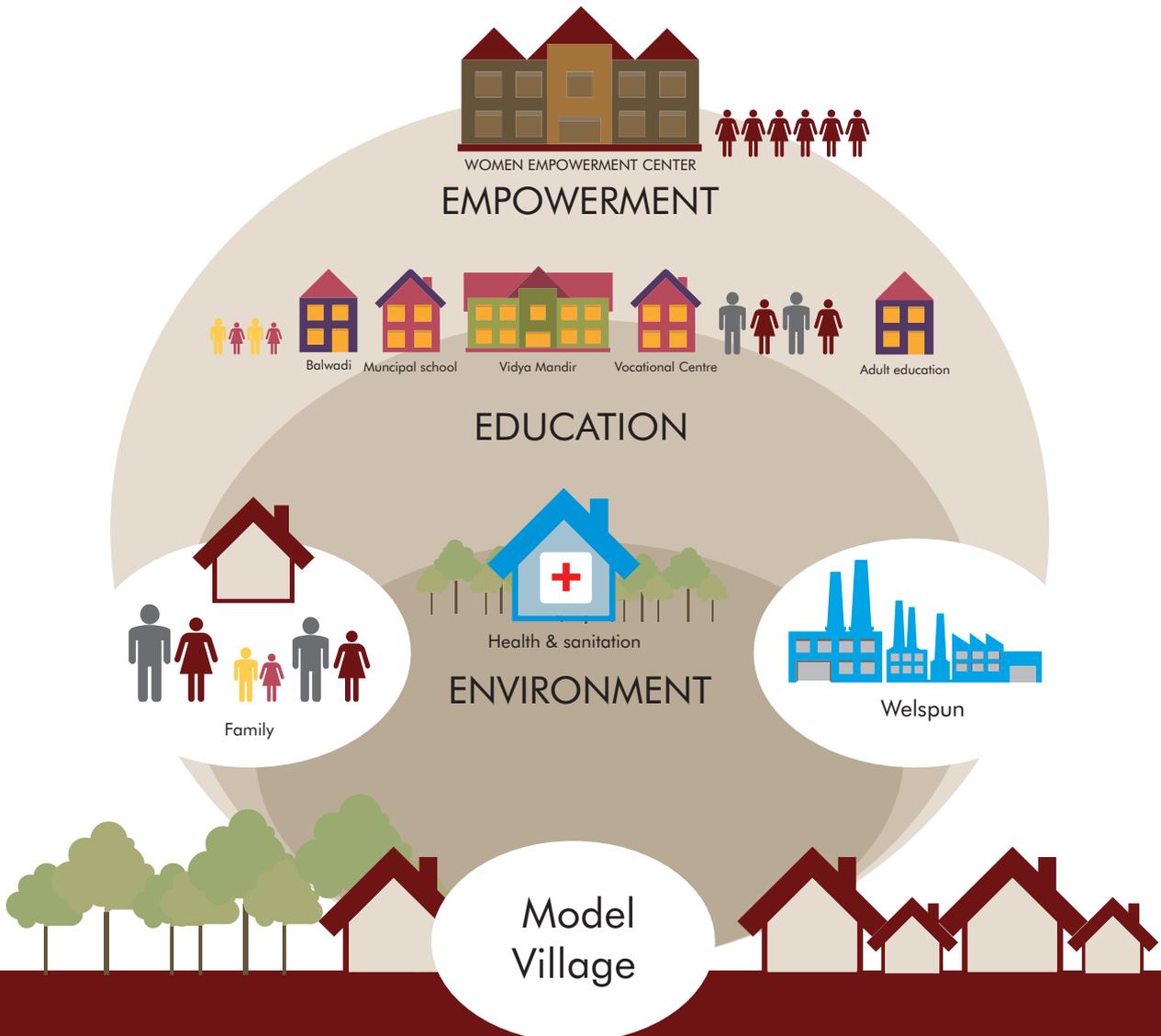


Model Village

In 2014, we conducted a need assessment study to identify areas of improvement to help create 20 model villages. So far we have created 1 model villages where we have undertaken initiatives in the areas of Education, Empowerment, Environment and Health.

Smart village

As part of our 2020 vision, we plan to convert the model villages into 25 smart villages. A smart village will be equipped with solar panels for 24*7 electricity, public announcement systems, CCTV cameras, public Wi-Fi, garbage management systems and a mobile library. Starting with Versamedi village, this plan will be executed in coordination with a village committee comprising key decision makers like Sarpanch, village leaders, Asha workers and school principals, among others.





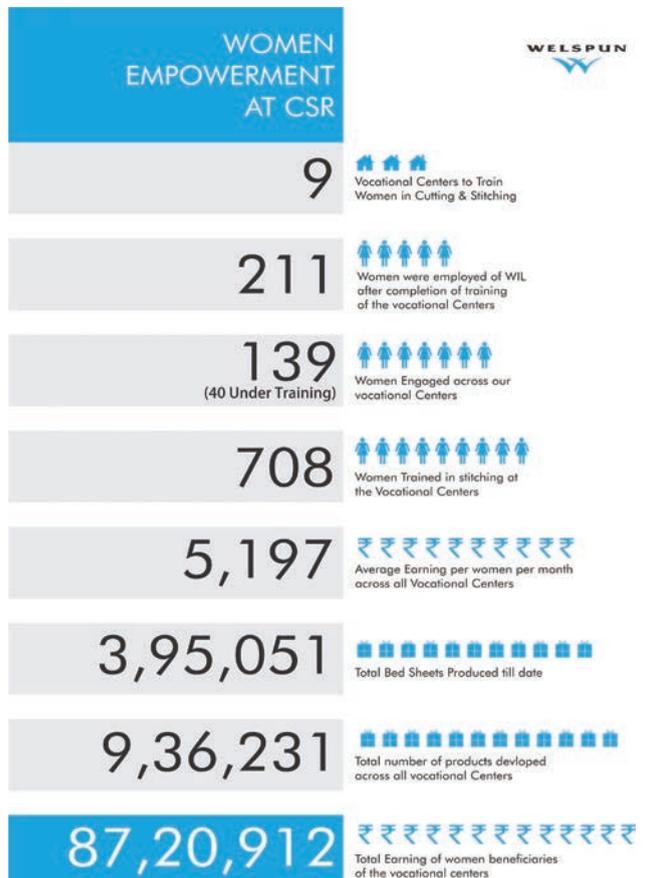
1. EMPOWERMENT

For families to be able to sustain themselves and move towards growth and prosperity, we have focused our attention on the empowerment of women. At Welspun, we have adopted a 360-degree approach that encompasses needs analysis, vocational training, and work opportunities.

- Needs analysis:** We conduct surveys in the communities around our facilities, to identify needy women with an aptitude to learn and look for opportunities to uplift themselves.
- Vocational training:** We set up community centres where we provide these women with training in vocational skills such as sewing and garment making. These centres are run by the Welspun CSR team as a professional enterprise wherein quality and efficiency is monitored and daily guidance is provided to the women
- Work opportunities:** On completion of their vocational training, we endeavour to provide our trainees with consistent work orders to ensure sustainable earnings. Whenever possible, we also offer employment to these women at our textile facilities.

Going forward, we aim to annually increase the number of beneficiaries, while also working to increase individual earnings of the beneficiaries. Our endeavour is to empower women across communities in Anjar through this model.

Impact of Welspun's Women Empowerment Programme





Our aim is to increase the average earnings for all Welspun associates. Specifically, by the year 2020, we will ensure an average minimum income for each beneficiary of Rs. 20,000 per month.

The initiatives promoting women empowerment and sustainability are:

SPUN: Threads with a Soul

Mashroo, Kala Cotton & Bhujodi weaving, Kutchhi applique and patchwork, intricate block printing, the Kantha stitching technique and the mirror work of Gujarat are some of the art forms that make up the fabric of India's rich cultural heritage.

Our passion for preserving traditional arts and crafts, coupled with our focus on empowering women, gave rise to 'The Spun Project'.

With increasing participation of women at our community vocational centres, the Spun Project is rapidly gaining momentum and helping to preserve our heritage, while empowering women.

RAGS TO RICHES

Rags to Riches is a model based on a virtuous cycle: creating products out of factory fabric scraps, it simultaneously provides employment for women which propagates reuse and recycling.

By creating products out of remnant fabric, the Rags to Riches initiative at once provides employment for women while reusing and recycling waste. Innovative use of little shreds of material has resulted in a collection of contemporary, beautiful and sustainable furnishings such as decorative pillows, rugs, table linen sets as well as accessories with a truly global appeal.

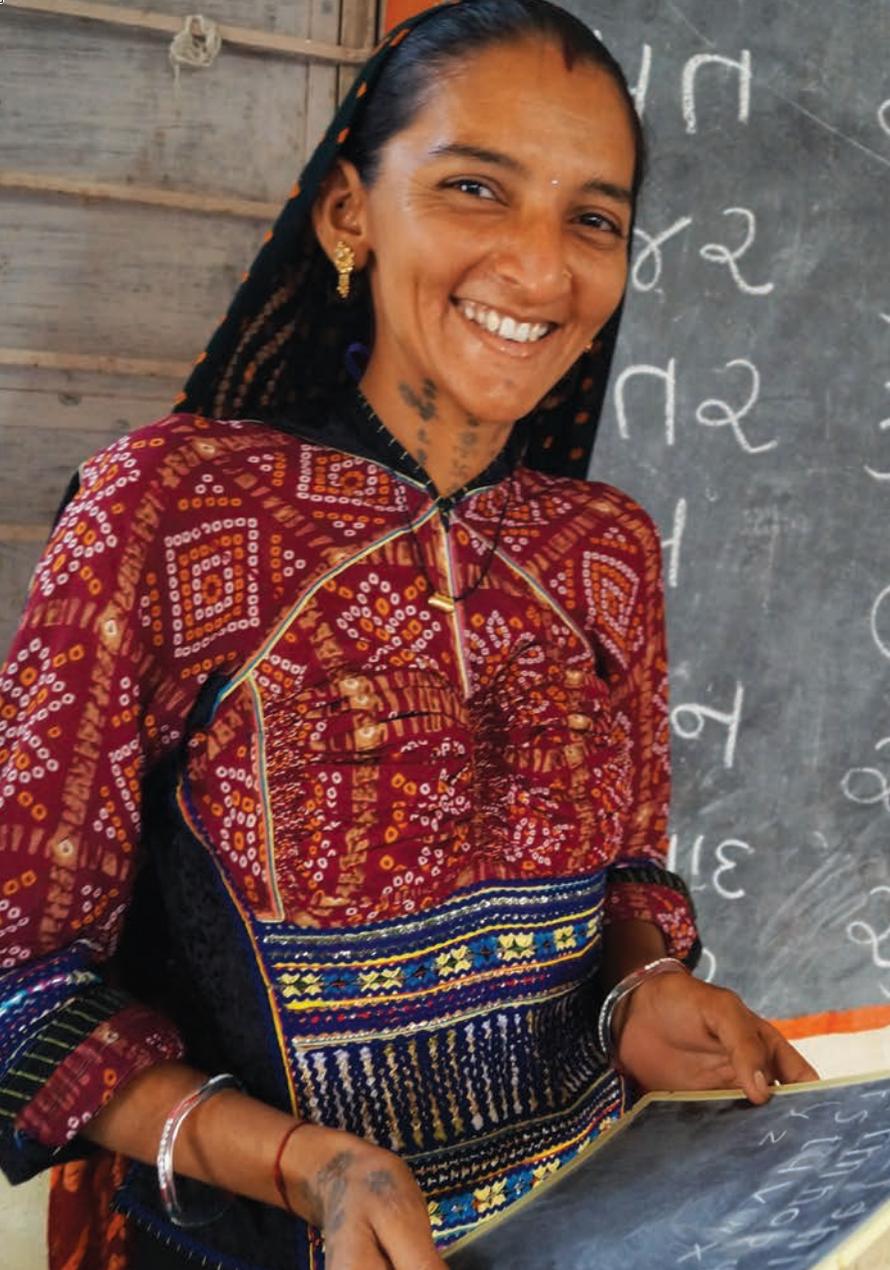
'SHE IS LIFE'

Welspun's empowerment activities in Anjar has helped change lives of the little known women of the Great Rann of Kutch, providing training and livelihood to many, thus renewing their sense of pride, dignity and self-sufficiency. After a devastating earthquake that struck the region in 2001, Welspun's community activities became twice as much focused on rehabilitating inhabitants and rekindling their hopes and dreams.

The commemorative coffee table book, 'She is Life' is a compilation of real life stories of women who came forward to be empowered. The book provides a glimpse into the many facets and challenges that a woman takes on in life, while never losing her smile.

She is a mother. She is a breadwinner. She is an inspiration. She is life.





Welspun currently supports 20 government schools in Anjar, Gujarat by engaging para teachers and providing smart learning options to students. Our dedicated efforts have shown a 51% improvement in students' scores.

Our 5 year plan includes expansion and outreach to 1100 government schools in the Anjar vicinity, with the aim of improving the quality of education.

Adult literacy classes for women

2. EDUCATION

The Right to Education (RTE) Act of 2009 gives every underprivileged child the right to have access to quality education. Through our education focused programmes, we aim to empower future generations.

1. Children's 'Quality Education Programme'

According to the National Education University for Planning and Administration, Anjar has a total of 156 schools, with almost 80% of them providing primary education. Their report also states that although these primary schools are able to provide education to all students and retain them till class VIII, the dropout rate in 2015 was 10% at the primary level, which brings up unique challenges for secondary level education.

Our baseline study on the situation revealed that:

- Over 60% of students in classes I to VIII did not meet their learning levels in reading, writing and mathematics.
- The dropout rate was 3% across classes I to VIII; and was 8% in the migrating community.

- 80% of teachers were irregular; would report late, would leave early without the knowledge of the SMCs (School Monitoring Committees).
- Non-functional toilets created hardships for the students; many used the open space next to the schools leading to unsanitary conditions, while girl students had to wait to get home to use the facilities, leading to them dropping out of school.

In 2012, Welspun initiated the 'Quality Education Programme' at Anjar in close association with the Government of Gujarat. We worked with 3 government schools in Varsamedi, New Dudhai and Bhadreshwar, which positively impacted 28 teachers and 584 students from classes V through VIII. The impact was measured using pre- and post- programme testing.

During 2013-14, we reached out to 18 Government schools from 14 villages (Ajapar, Bhadreshwar, Kumbharia, Shinai, Sinugra, Veera, VidiBaug, Varsamedi, Nagalpar, Vidi, Valadiya, Indraprasth, Kharapasvariya, Khamra), benefitting 83 teachers and 3,844 students.

A local volunteer was appointed from these 14 villages to act as an EDU leader, working in co-ordination with the



Sports activity at Welspun Vidya Mandir



Stitching Centre for Women, Versamedi

local Panchayats to monitor activities, identify gaps and introduce further improvements in the schools. Reviews were conducted on a monthly basis with a view to monitor the momentum of growth.

In 2014-15, we expanded our reach to 20 schools in 15 villages, encompassing 5,146 students from classes I to VIII. 26 para-teachers were appointed on the payroll of the Welspun Foundation for Health and Knowledge (WFHK). These teachers substituted for those who were absent. They are responsible for coaching academically weak students and also conduct extra-curricular activities. Apart from this 'SMART Classes' were implemented across the 20 schools. The regular curriculum was made more practical and engaging, which improved student attendance and learning levels.

Over the course of the next five years, by 2020, we plan to extend our reach to 1100 schools in Anjar. The programme design defines that we work closely with each school for a period of three years, to equip them with necessary resources. Thereafter, respective community groups are entrusted to ensure day-to-day functioning, making it a self-sustaining initiative.

We have received a phenomenal response to the smart class programme implemented in over 20 schools, wherein the normal curriculum is taught in visual format. Through classes conducted by over 26 para teachers working with the government teachers, there has been a 51% improvement in the learning capacity of weaker students. This has been well appreciated and acknowledged by the education authorities.

2. Balwadis

Welspun runs 4 Balwadis in the workers colonies in Anjar and Vapi, Gujarat and Palghar, Maharashtra. A total of 170 children benefit from the basic education imparted at these Balwadis.



Kids at Balwadi

3. Adult Literacy Programme

We also run an adult literacy programme for women in Anjar. In 2013-14, three classes were conducted in two villages, to provide basic literacy to approximately 90 women.

4. Welspun Vidya Mandir

Welspun has also set up a 'Vidya Mandir' at Anjar that runs classes up to class XII and follows the CBSE academic curriculum. It currently provides quality education to over 1,500 students and focuses on their holistic development.

As part of the community welfare and awareness programme, the school regularly organizes community service activities wherein children get the opportunity to visit old age homes, orphanages, etc. They also participate in art & craft exhibitions; and funds collected are donated to charity.

5. Lend a hand

Vocational training will be provided to class IX and X students in a secondary school in Ratnal village. The curriculum will include tailoring, electrical servicing, welding, carpentry, plumbing, basic engineering and others.



Ambulance and Health van

3. HEALTH

Welspun is committed to promote and protect community health. Our initiatives in this realm include purification of drinking water, organizing health camps and provision of mobile health vans.

1. Health Camps

During the year 2014-15, 10 camps were conducted in five surrounding villages (Versamedi, Ajapar, Shinogra, Kharapaswariya and Chandrani) of Anjar, to promote community health.

These camps were organized based on need assessments and requests from the village Sarpanch and principals of government schools. We conducted blood group camps and height and weight checks at the government schools in these villages, to assess levels of malnourishment in children.

We conducted camps for identification of blood groups and asses cases of malnourishment among school children from these villages by calculating BMI (Body Mass Index) and checking on growth rates. Further, we worked to create awareness about potential pandemics such as swine flu and HIV/AIDS in the 20 villages where we have our CSR Centres.

2. Mobile Health Vans

Welspun aims to provide free and easy access to primary healthcare services. To cater to this growing need, we



Health Care Centre

initiated our Mobile Health Van Services in Mumbai and in Anjar in association with the Wockhardt Foundation. The mobile vans are equipped with medicines, with each van being manned by a doctor and a paramedic.

This project was developed in phases:

- Phase 1 (2011-12): Benefitted 15,532 individuals from 6 communities.
- Phase 2 (2012-13): Benefitted 25,797 individuals from 6 communities. There was a higher emphasis on preventive healthcare and various health aspects like mother & child healthcare, immunization, cardiovascular diseases and other seasonal diseases.
- Phase 3 (2013-14): Benefitted over 50,000 individuals through an extended outreach to 12 new communities.
- Phase 4 (2014-15): Mobile Health Van Services were



To prevent waterborne diseases, we have set up 5 RO water purification plants in Vapi and Anjar in Gujarat, each with a capacity of 500 litres/hour, to provide clean drinking water to over 10,000 families.



RO water plant

launched in Anjar, which provided free primary healthcare services to approximately 50,000 people in 20 villages.

3. Purification of drinking water

A survey conducted in villages near Vapi and Anjar, in the Indian State of Gujarat, confirmed that a majority of the water sources were highly contaminated, with very high pH values well beyond permissible limits specified by the World Health Organization (WHO).

Taking cognizance of the urgent need for safe and hygienic drinking water for the community around our facilities, in 2012 we installed a 500lph RO plant in Kunta, Vapi which has made potable drinking water available to 6,200 people in the neighbouring regions.

In 2014, we installed an RO plant at Vapi and three RO plants at Anjar. We plan to install additional plants around our facilities, wherever the need exists.

4. Other initiatives

NGO exhibition stalls, blood donation camps, celebration of World Environment Day, beach clean-up drives, World No Tobacco Day, donation drives and relief operations for victims of natural calamities are some of the other initiatives that are spearheaded by our headquarters in Mumbai.



ENVIRONMENT



Pledging our commitment to environmental conservation, we aim to become a carbon neutral organization by the year 2020.

Welspun is committed to environmental leadership in all of our business activities. Our global environmental management system ensures our company is vigilant in protecting the environment in all its operations.

1. Environmental Management

Our environmental management programme stems from our belief that we need to make the right choices today, to ensure environmental sustainability and to protect the environment for future generations.

Our aim is to continually identify opportunities that reduce our impact on the environment and thereby reduce our environmental footprint.

We have implemented environmental policies across our locations, putting our intent of safeguarding the environment into practice, in real life situations. We have steadily imbibed sustainability into our operations; and continue to identify additional areas to ensure effectiveness of our activities, enable resource optimization and conserve natural resources.

Carbon neutrality

We have planted more than 229,654 trees. Additionally we aim to plant more than 25000 by 2016 in all our locations and surrounding areas. Over and above that we have started a campaign to give vegetable and fruit saplings to the villagers. The villagers are encouraged to plant and nurture the saplings in their courtyards, which contributes to reducing the carbon footprint in the region.

Tree plantation

Although our facilities at Anjar, Vapi and Dahej are located in designated industrial areas and by design have minimal impact on biodiversity, we undertake tree planting at all our facilities. To date, we have planted more than 229,654 trees.

We have dedicated teams to ensure that we maintain a green belt in and around our operations and monitor the survival rate of our plantation. We also spread awareness about the importance of tree planting by inviting our stakeholders to plant trees at our facilities during their visits.

Biodiversity

Amongst numerous benefits, biodiversity reduces health



Anjar city environs

hazards posed by environmental pollution and stagnant water; and is a viable methodology to promote self-sufficiency within local communities. Biodiversity drives were undertaken in March 2014 at Versamedi, Kharapaswaria & Satapar villages of Anjar. 180 fruit bearing plants, 225 flowering plants and 60 packets of vegetable seeds were planted. The local community will maintain and nurture these saplings. This initiative is envisioned to positively impact over 100 families, 3 schools and Anganwadis within these three villages. During the next fiscal, we plan to extend this initiative to more villages.

2. Waste Management

We continually monitor the amount of waste generated by our operations, focus on waste reduction and evaluate its possible reuse as alternate materials. We ensure disposal of waste is executed with appropriate segregation and directed to authorized channels of disposal. We adhere to the rules of the respective State Pollution Control Boards (SPCB), for disposal of waste generated from our operations.

An example of reuse of waste from our operations is the production of bricks from fly ash generated by our power



We have planted 229,654 trees in Anjar and are expanding this green effort to villages around our areas of operations. Our eco-supportive efforts in the surrounding communities focus on increasing the green cover and spreading awareness on the importance of environmental sustainability.

plant. These bricks are utilized for construction of our worker colonies, and to build boundary walls. Additionally, as an alternative to sand, we utilize the waste from stone cuttings surrounding our plants, mixed into cement, thus putting waste from our surroundings to use. We also reuse salvageable waste cotton from our textile processes, to further reduce the consumption of virgin cotton.

Sewage Treatment Project

We are in the process of commissioning a Sewage Treatment Plant (STP) to recycle domestic sewage from the neighbouring areas of Gandhidham, Adipur and Anjar. These regions have a combined population of half a million which translates to 40 million litres per day of recycled water generated, thus drastically reducing the dependency on freshwater.

Biogas generation

With a view to reduce our impact on garbage landfills, we recycle wet waste generated from our kitchen, canteens and gardens; wet waste is processed at our captive bio gas plant. The gas generated fuels the stoves in our canteens at Anjar thereby reducing the consumption of LPG.

Paper and plastic recycling

With a view to reducing waste going into landfills, used plastic bottles/ PEC bottles are sent to a local women's Self Help Group (SHG) – Stree Mukti Sanghatana, for recycling. Waste paper from our offices is also recycled into notepads which are used in our training rooms, thus reducing the use of virgin paper.

This initiative not only helps us stay conscious about the number of trees being felled for paper production, and reduces waste, but also helps empower women from the SHG.

3. Water Management

Water is an indispensable resource for our operations, especially for our textile business vertical (WIL).

Through implementation of measures such as recycling, rainwater harvesting and optimal use of water in our operations, we consciously reduce the quantity of fresh water we consume.

We have instituted mechanisms to monitor our water consumption, which helps us understand demand patterns. Taking a step ahead, we have adopted innovative technologies and solutions and have designed products that consume less water, thereby benefitting our consumers.

Fresh water utilisation is intrinsic to our manufacturing processes. To reduce our water consumption, we have taken special efforts to ensure water usage is minimized at all times. We also focus on recycling to the maximum extent possible, consequently lessening our fresh water

consumption. Our captive Wastewater Recovery Plant at Anjar processes effluents from our textile and pipe & plate plants.

Water Tanks

5 Lakh litre capacity underground tanks are being constructed at Versamedi village for all the villagers. A water connection has been provided to all homes enabling the villagers to access water on a daily basis.

4. Sanitation

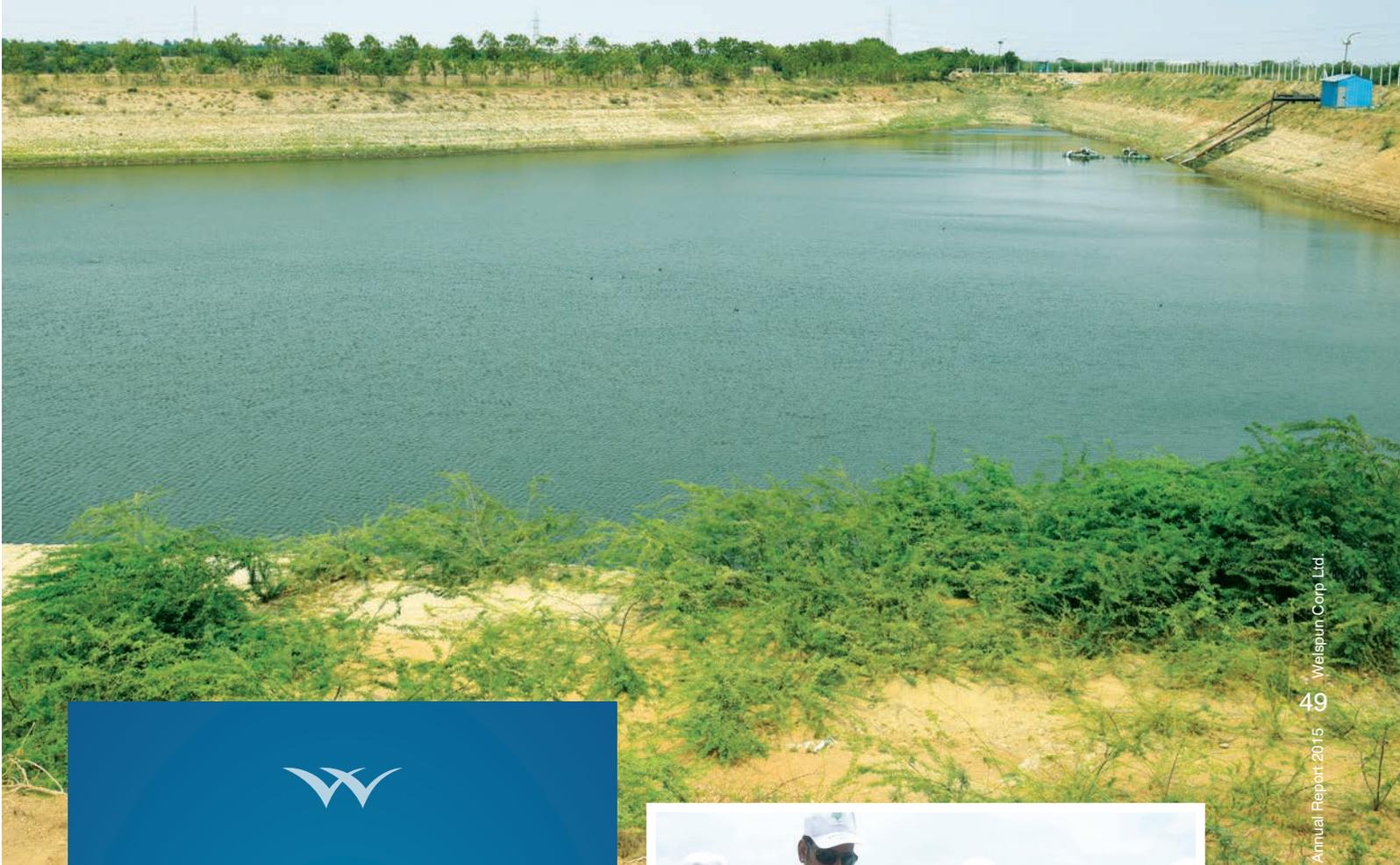
A baseline needs assessment in 15 communities in Gujarat prompted us to construct 1,060 toilets in 8 villages during 2014-15. In 2015-16, our Phase 2 goal is to construct 2,500 more toilets. Going forward, as part of our '3E' model of community development, we have a long-term target of imparting 100% sanitation within all the communities that we are responsible for.



Bio gas plant



Community toilets



We carry out rain water harvesting facilitated by 2 rain water harvesting ponds in Anjar with a storage capacity of 3 billion tonnes of water. This helps provide a significant amount of fresh water to the local population.

We also recycle waste water from our operations in Anjar and Vapi and reuse the output.



Tree plantation drive

Welspun employees forming the human Indian flag at the Launch of SWA



**SWACHH
WELSPUN
ABHIYAN**





The Swachh Welspun Abhiyan is dedicated to honor the memory of Gopi Ram Goenka, Founder Welspun Group

‘SWACHH WELSPUN ABHIYAN’, CREATING ECOLOGICAL IMPACT

In line with the Government of India’s nationwide cleanliness initiative ‘Swachh Bharat Abhiyan’ (Clean India Mission), started by Prime Minister Narendra Modi, we have embarked on a complementary journey - Swachh Welspun Abhiyan (SWA), a unique drive to take advantage of opportunities in waste prevention, cleanliness standardization and resource efficiency.

Launched in 2014, the Swachh Welspun Abhiyan campaign outlines a comprehensive blueprint for a coordinated approach in waste minimization, cleanliness targets, and reduction in negative environmental impact, which eventually impacts the ecological balance at large.

SWA is being implemented under three facets:

- (i) Housekeeping – General hygiene guidelines & ‘7S’
- (ii) Waste management – Reduce, recycle, reuse & disposal
- (iii) Green Welspun – Tree plantation & carbon emission

(i) Housekeeping

We have adopted ‘7S’ as a systematic approach to good housekeeping. This 7-pronged approach comprises Seiri (Sorting), Seiton (Systematic Arrangement), Seiso (Spic & Span), Seiketsu (Standardization), Shitsuke (Sustain), Safety and Spirit. Training on ‘basic concepts of 7S’ is cascaded to every employee across Welspun’s locations.

Every Welspunite is invited to take an oath to participate in the housekeeping and cleanliness drive; and commit to follow and implement the Swachh Welspun Abhiyan campaign, in the spirit with which it is intended.

(ii) Waste management

Waste management is closely linked with improving manufacturing methods and influencing employees to undertake ethical work practices. The programme encourages employees to reduce - consumption of water, energy & other resources; quantum of waste generated at its source; hazardous content of waste, etc.

Employees are also trained to identify waste that has potential for reuse & recycling and classify waste that is environmentally unfriendly. Suitable methods are adopted for aggregation, segregation & disposal of garbage and process waste.

(iii) Green Welspun

This facet of the campaign promotes an aggressive emphasis on tree plantation, with a target of 50,000 plantations each quarter. Green Welspun also actively focuses on the reduction of carbon emissions through installation of energy efficient devices, investment in renewable energy and the use of fuel-efficient vehicles, to name a few.

Location-centric Implementation and Audit Committees nominated from within the workforce have been entrusted to motivate the workforce, drive the SWA programme and monitor its progress on an on-going basis. Swachh Welspun Abhiyan has rapidly gained momentum and is experiencing significant traction amongst the 25,000 strong workforce at Welspun.

Further, employees are urged to inculcate the practices of Swachh Welspun Abhiyan as part of their familial and community lifestyle, which will contribute to a larger goal of the ‘Clean India Mission.’

WELSPUN’S COMMITMENT TO FUTURE GENERATIONS

We believe the steps we have taken to date, and our resolve to make inroads in community development, women empowerment, education environment & health, employee development and our unique initiative ‘Swachh Welspun Abhiyan’, will pave the way towards sustainable socio-economic growth for Welspun and the communities that we are responsible for.

“Responsibility is the price of greatness”

– Sir Winston Churchill





FINANCIAL SECTION

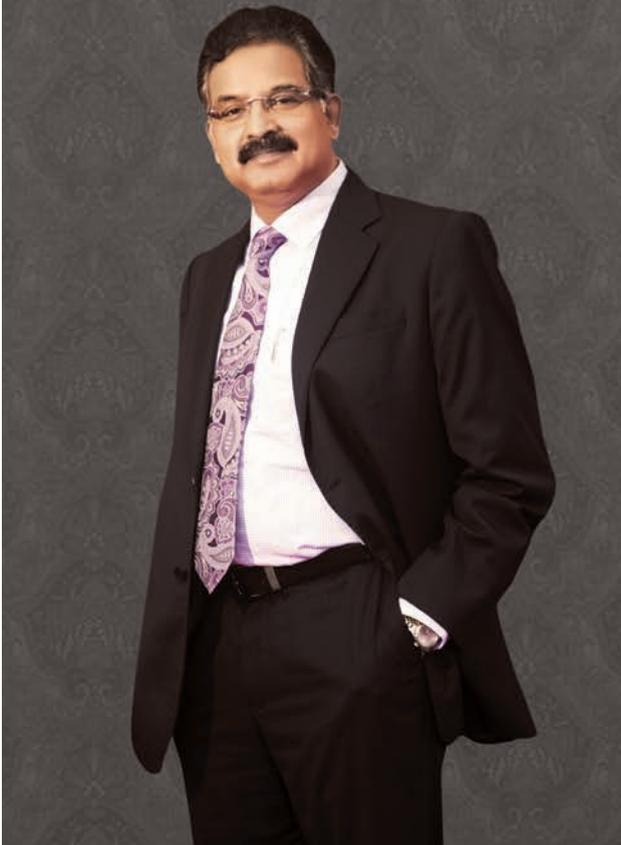
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MANAGEMENT DISCUSSION AND ANALYSIS

“
FY2014-15 has been a milestone year for WCL having achieved 1+ Million MT for a third year in a row. Despite a challenging business environment, volatile oil prices and unfavorable geopolitical developments, our global operations and presence in the major markets has facilitated this record performance. This has also enabled the Company to start the next financial year with a strong order book and more positive outlook across global markets. Your Company is set to build on this good start and deliver better pipe volumes besides increased utilization of our plates/coils capacity. While we will endeavor to enhance our reach into new markets, the focus on strengthening the Balance Sheet will not be diluted.

”

B. K. Mishra
Managing Director,
Welspun Corp Limited



The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Corp Limited (“Welspun” or the “Company”), and the notes thereto for the year ended 31 March 2015. This MD&A covers Welspun’s financial position and operations for the year ended 31 March 2015. Amounts are stated in Indian Rupees unless otherwise indicated. Abbreviations and acronyms used in this MD&A are identified in the Glossary of Terms in Welspun’s Annual Report of FY 2014-15. The numbers used in the analysis are on a consolidated basis, the corresponding number for the previous year have been regrouped and reclassified wherever necessary.

Forward-Looking Statements

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

Company Overview

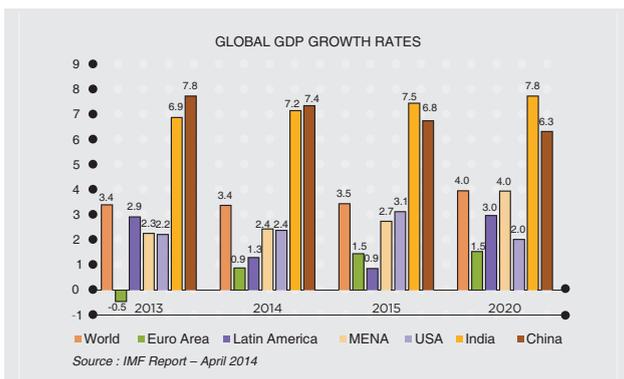
Welspun Corp Ltd (WCL) is the leading manufacturer of large diameter pipes globally offering a one stop solution for all line pipe related requirements with its wide product range of high grade line pipes, meeting stringent specifications and modern state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia for Longitudinal (LSAW), Spiral (HSAW) and HFERW / HFIW (ERW). WCL also has a Plate and Coil Mill facility in India which enhances its backward integration and also its ability to meet pipe as well as other customer requirements across markets. Welspun’s list of clients coming from amongst the Fortune 100 companies includes some of the biggest names from the Oil and Gas sector viz Shell, Saudi Aramco, TOTAL, Chevron, Exxon Mobile, British Gas, Kinder Morgan, TransCanada, Enbridge, Petrobras to name a few. The Company is a preferred vendor to over 50 major oil and gas companies enhancing its ability to participate and bid inkey projects globally.



Global Economic Overview

The global economy continues the struggle to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis and emerging economies remain less dynamic than in the past. Global economic growth @ 2.6% in 2014 was lower than initially expected, and only marginally higher than 2013 growth @ 2.5 %. Beneath these headline numbers, increasingly divergent trends were at work in many economies. As labor markets heal and monetary policy remains very accommodative, economic activity in the United States has gathered momentum whereas, due to continuing legacies of the lingering financial crisis intertwined with structural bottlenecks, economic recovery in the Euro Area and Japan have been sputtering. Due to global factors and slump in commodity markets, China's role as a driver of the global growth engine has been significantly reduced although the impact of the slowdown has been calibrated.

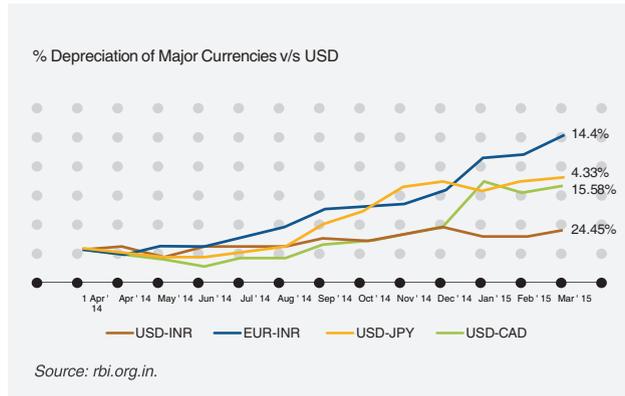
Indian economic growth picked up in 2014, inflation markedly declined, and the external position remains comfortable largely helped by the lower commodity and energy prices. Stability in the political environment has improved the outlook for the Indian market and the intent to strengthen the economy through higher infrastructure spending, increased fiscal devolution to states, and financial and monetary policy reform besides other major reforms in the oil & gas space will, once translated into policy action, have a perceptible change in the investor sentiment and business outlook.



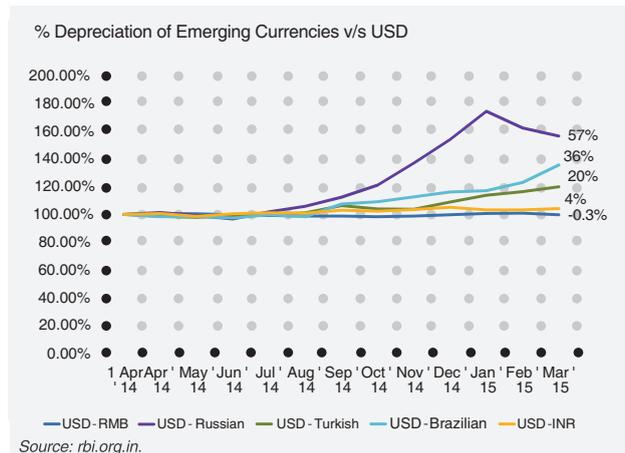
Foreign Exchange

During last financial year, across the emerging and developed markets, the global trend of currencies, weakening against the USD saw very few exceptions, notable being the Chinese Yuan which marginally appreciated.

In major developed market currencies, the significant depreciation of the Euro and JPY benefitted pipe suppliers from these regions.



In other emerging market currencies, major depreciation of the Turkish Lira, Brazilian Real and Russian Rouble significantly enhanced the competitive edge of suppliers from these markets. In this scenario, the INR was fairly benign across the year with a marginal depreciation @ 4% thus increasing the competitive pressures on Indian supplies.



Global Energy Demand

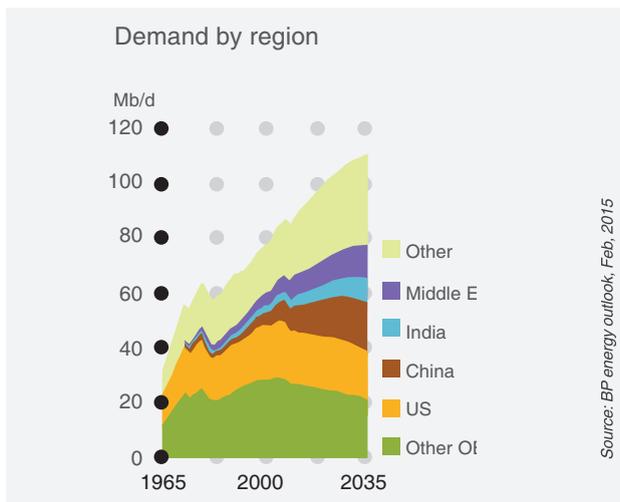
Energy is vital to virtually every aspect of modern life. Around the clock, around the globe, people rely on energy to get to work, prepare meals, pursue business endeavors, communicate with friends and much more. Energy comes in many forms - from gasoline to natural gas to electricity - each with properties well-suited for particular applications. From 2010 to 2040, transportation energy needs in OECD32 countries are projected to fall about 10 percent, while in the rest of the world these needs are expected to double. China and India will together account for about half of the global increase.

The Global energy demand is set to grow by ~37% by 2040. This Demand growth will exclusively from the rapidly growing non-OECD economies with demand reaching around 70 Mb/d by 2035 – 56% higher than in 2013. The OECD demand has peaked in 2005 and is expected to fall

further (-6 Mb/d) to around 40 Mb/d in 2035, the lowest since 1986. Today China is the largest contributor to world demand growth: growing by 7 Mb/d to 18 Mb/d in 2035, surpassing US demand (which falls by 2 Mb/d to 17 Mb/d). On the other hand India is the second largest contributor, growing by more than 4 Mb/d, followed by the Middle East with 4 Mb/d.

This growth in demand by sector is as transport sector accounts for about 55% of total liquids demand. It contributes 64% of the total demand increment to 2035, but growth slows post 2020, due to efficiency improvements and a modest displacement by natural gas and electricity.

The largest increments of non-OPEC supply come from the US (6 Mb/d), Brazil (3 Mb/d), and Canada (3 Mb/d), which offset declines in mature provinces such as the North Sea. OPEC supply growth comes primarily from Natural Gas Liquids (3 Mb/d) and crude oil in Iraq (2 Mb/d).



Fossil fuels are projected to provide the majority of the world's energy needs, meeting two-thirds of the increase in energy demand out of 2035; however, the mix will shift. Renewables and unconventional fossil fuels will take a larger share, along with gas, which is set to be the fastest-growing fossil fuel, as well as the cleanest, meeting as much of the increase in demand as coal and oil combined.

The Oil Scenario

Global oil consumption is projected to reach 111.1 Mb/d by 2040. Demand increases by just over 21 mb/d over the period 2013–2040, reaching 111.1 mb/d by 2040. OECD consumption is projected to fall to 38.2. Mb/d in 2040, the lowest since 1985. US demand falls 24 Mb/d to 20.6 Mb/d from 2013 to 2040. Non-OECD consumption will reach 67 Mb/d by 2040 with demand in China growing to

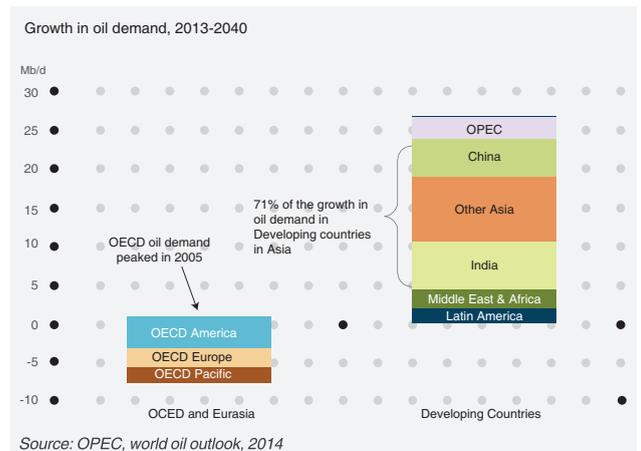
18.8 Mb/d in 2040. India and the Middle East are the next largest contributors. Although China provides the largest increment to liquids demand over the outlook period, its growth volumes slow relative to those observed over the last 10 years.

The outlook for long-term oil demand is presented in Table below.

World Oil Demand Outlook, 2013 – 2040 (mb/d)

	2013	2015	2020	2025	2030	2035	2040
OECD America	24.0	24.3	24.1	23.6	22.7	21.7	20.6
OECD Europe	13.6	13.3	13.0	12.6	12.1	11.5	11.0
OECD Asia Oceania	8.4	8.1	7.9	7.6	7.2	6.8	6.5
OECD	45.9	45.8	45.0	43.8	42.0	40.0	38.2
Latin America	5.3	5.7	6.1	6.5	6.8	7.1	7.4
Middle East & Africa	3.5	3.7	4.1	4.5	4.9	5.3	5.8
India	3.7	3.9	4.7	5.7	6.9	8.3	9.8
China	10.1	10.7	12.6	14.6	16.4	17.8	18.8
Other Asia	7.4	7.6	8.6	9.7	10.6	11.5	12.4
OPEC	9.0	9.7	10.3	10.9	11.5	12.1	12.8
Developing Countries	39.0	41.2	46.5	51.9	57.1	62.2	67.0
Russia	3.4	3.5	3.6	3.6	3.6	3.6	3.5
Other Eurasia	1.7	1.7	1.9	2.0	2.1	2.2	2.3
Eurasia	5.1	5.2	5.5	5.6	5.7	5.8	5.9
World	90.0	92.3	96.9	101.3	104.8	108.0	111.1

Source: OPEC - World Oil Outlook 2014 Report, Page 99



The Gas Scenario

Gas has a 21% share in the global primary energy mix, behind oil and coal. The United States, Russia, China and Iran are the world's largest consumers of gas. The largest producers are Russia, the United States, Canada, Qatar and Iran. It is important to note that Chinese gas consumption almost doubled over 2007-12, and rose 9% in 2013, to reach nearly 120 bcm, while US gas production increased by more than one-quarter over the same period to reach 688 bcm. The medium-term outlook remains optimistic for the future of natural gas, with demand reaching 3 980 bcm by 2019. Non-OECD regions continue to drive natural gas demand: they will provide 85% of the additional consumption. China alone represents 30% of



this demand, followed by the Middle East with 22%. In contrast, consumption in FSU/non-OECD Europe remains stable. OECD countries are unlikely to provide similar additional volumes due to the maturity of most markets, slower economic growth, and competition with renewable energies and/or coal across the three regions. Still, the OECD Americas region will contribute to around 50 bcm, approximately 10% of the incremental consumption over 2013-19.

Demand and Supply changes, MTGMR 2014 versus MTGMR 2013 (bcm)*		
Total	Demand	Supply
OECD Europe	-26	-9
OECD Americas	-12	19
OECD Asia Oceania	-6	-9
Africa	-3	-7
Non-OECD Asia	-16	-15
China	-5	9
FSU/non-OECD Europe	-31	-51
Latin America	6	3
Middle East	24	32

Negative values indicate a downwards revision compared to MTGMR 2013
Source : IEA data

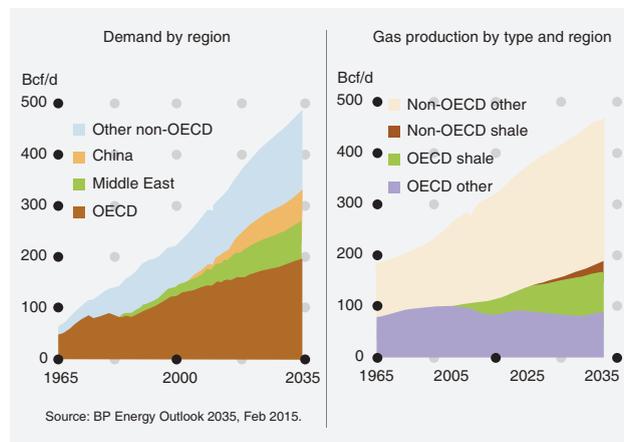
The global outlook for gas appears to be bright over the coming decades, as demand increases by 50% to 169 trillion cubic feet in 2035. New sources of gas, both conventional and unconventional, are expected bring greater diversity to global supply. Changes in the list of major LNG suppliers will result in creation of new linkages between regional gas markets, notably between those of North America and the Asia-Pacific, narrowing to a degree the wide regional gas price differentials that exist today.

Natural Gas Scenario

The global demand for Natural Gas is projected to rise by 65% from 2010 to 2040, the largest volume in any energy source. Natural gas production is projected to grow in almost all regions. Natural gas is the world's fastest-growing fossil fuel, with consumption expected to increase from 113.0 trillion cubic feet in 2010 to 185.0 trillion cubic feet in 2040. Growth in consumption occurs in every region and is most concentrated in non-OECD countries, where demand increases more than twice as fast as in OECD countries (Figure 40). Non-OECD producers account for more than 70 percent of the total growth in world natural gas production from 2010 to 2040.

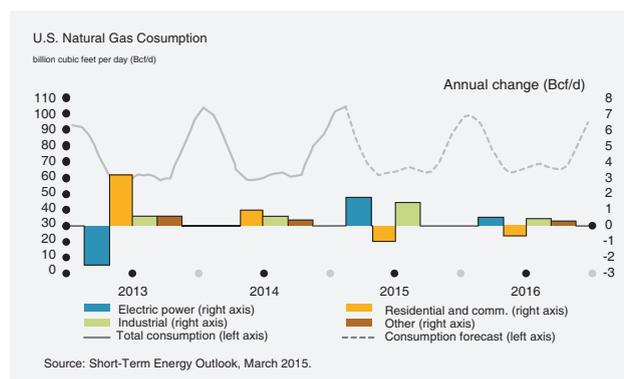
Growth in natural gas consumption is particularly strong in non-OECD countries, where economic growth leads to increased demand over the projection period. Consumption in non-OECD countries grows by an average of 2.2 percent per year through 2040, more than twice as fast as the 1.0-percent annual growth rate for natural gas demand

in the OECD countries. As a result, non-OECD countries account for 72 percent of the total world increment in natural gas consumption, as the non-OECD share of world natural gas use increases from 51 percent in 2010 to 59 percent in 2040.

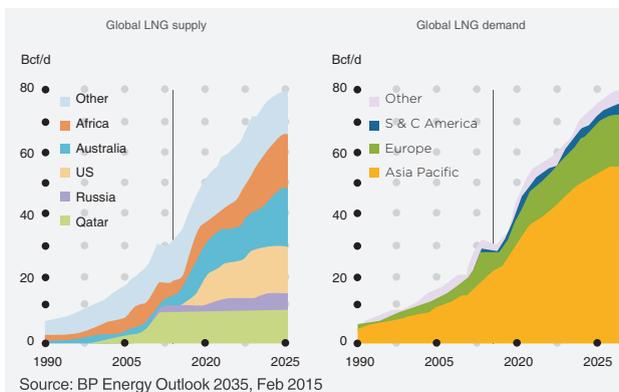


The U.S. total natural gas consumption grows from 25.6 trillion cubic feet (Tcf) in 2012 to 31.6 Tcf in 2040. Natural gas use increases in all of the end-use sectors except residential (Figure below). Natural gas use for residential space heating declines as a result of population shifts to warmer regions of the country and improvements in appliance efficiency.

EIA projects that U.S. total natural gas consumption will average 75.7 Bcf/d in 2015 and 76.2 Bcf/d in 2016, compared with an estimated 73.5 Bcf/d in 2014. Growth is largely driven by demand in the industrial and electric power sectors, while residential and commercial consumption are projected to decline in 2015 and 2016. EIA projects natural gas consumption in the power sector to grow by 8.1% in 2015 and by 1.9% in 2016. Industrial sector consumption increases by 6.6% and 2.1% in 2015 and 2016, respectively, as new industrial projects come online, particularly in the fertilizer and chemicals sectors, and industrial consumers take advantage of low natural gas prices.

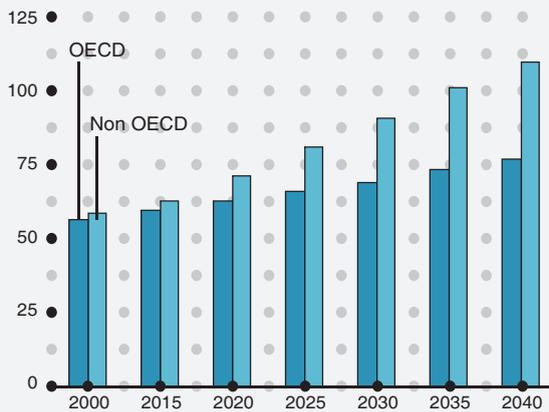


Liquefied natural gas (LNG) accounts for a growing share of world natural gas trade. The LNG market is poised for a growth spurt with a slew of new projects adding 22 Bcf/d by 2020. LNG supply grows 7.8% p.a. between 2013-20. Overall, LNG supply grows by 48 Bcf/d by 2035, with Australia (16 Bcf/d) and the US (14 Bcf/d) each contributing around a third of that increase. African LNG supply, led by East Africa, increases by 12 Bcf/d. As a result, Qatar, which has the largest market share today, is overtaken by Australia (24% share of the market by 2035), Africa (21%), and the US (18%). Asia is the largest destination for LNG, with its share in global LNG demand remaining above 70%. By 2035, China becomes the second largest LNG importer (12 Bcf/d), just behind Japan (13 Bcf/d).



Source: BP Energy Outlook 2035, Feb 2015

World natural gas consumption, 2015, 2010-2040 (trillion cubic feet)



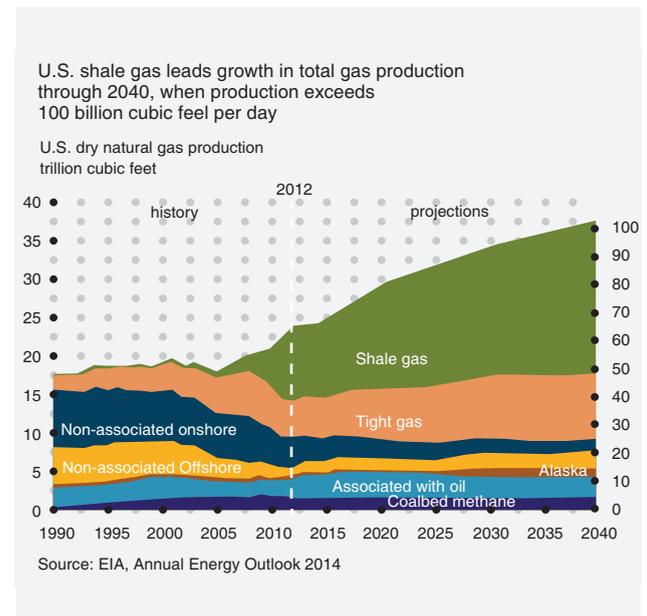
Source: International Energy Outlook, 2013

Shale Gas

Unconventional sources such as shale are an important source of oil and natural gas not only in the United States but also in other parts of the world like Canada, Europe, Asia and Australia.

US shale gas production is expected to grow rapidly over the Outlook (4.5% p.a.), although growth rates moderate

gradually. OECD shale gas grows much faster at 5% p.a., adding 52 Bcf/d and accounting for around a third of the increase in global gas supply to 2035. Shale gas production is dominated by North America, which currently accounts for nearly all of shale gas supply and continues to account for around three-quarters in 2035. However, growth in shale gas outside North America accelerates and by the 2030s overtakes North American growth (in volume terms). China is the most promising country outside North America, accounting for 13% of the increase in global shale gas. By the end of the Outlook, China and North America account for around 85% of global shale gas production.



U.S. shale gas leads growth in total gas production through 2040, when production exceeds 100 billion cubic feet per day

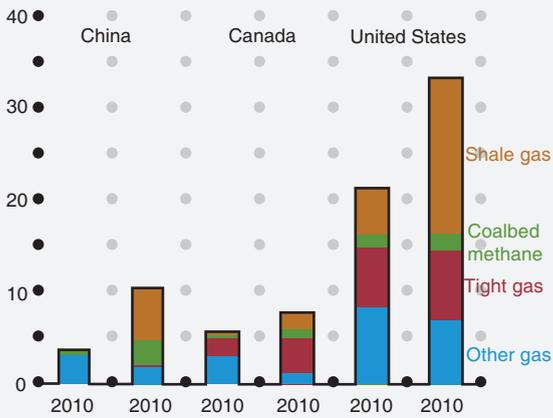
U.S. dry natural gas production (trillion cubic feet)

Source: EIA, Annual Energy Outlook 2014

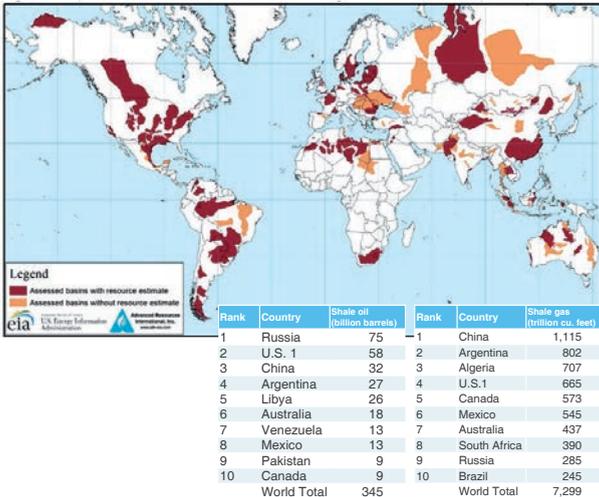
In the United States, one of the keys to increasing natural gas production has been advances in the application of horizontal drilling and hydraulic fracturing technologies, which have made it possible to develop the country's vast shale gas resources and have contributed to a near doubling of estimates for total U.S. technically recoverable natural gas resources over the past decade. EIA's own assessment of resources within the United States indicates technically recoverable resources of 345 billion barrels of world shale oil resources and 7,299 trillion cubic feet of world shale gas resources. As per the study in US Energy Information Administration (IEO 2013), shale gas accounts for 50 percent of U.S. natural gas production in 2040.



Natural gas production in China, Canada, and the United States, 2010 and 2040 (trillion cubic feet)



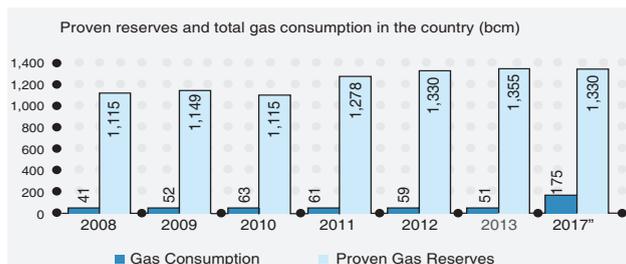
Source: U.S. Energy Information Administration | International Energy Outlook 2013



Source: U.S. Energy Information Administration | Technically Recoverable Shale Oil and Shale Gas Resources

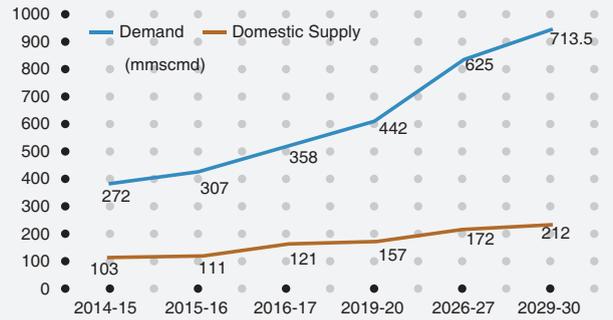
Tight gas, shale gas, and coalbed methane resources in Canada and China account for more than 80 percent of total domestic production in 2040.

Gas Scenario – India

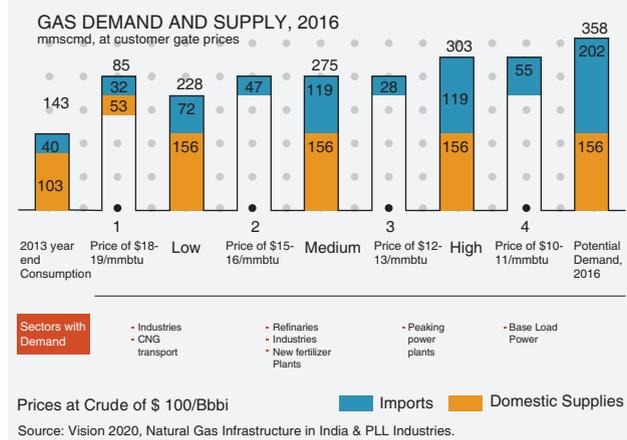


Source: PPAC, BP Statistical Review 2014, Ministry of Oil & Natural Gas 2014; Aranca Research
 Notes: F _ Forecast; bcm - Billion Cubic Metres; CAGR - Compound Annual Growth Rate
 *UP until March 2017

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



India is the 4th largest consumer of energy in the world after USA, China and Russia accounting for around 4.6% of world energy consumption. The total energy requirement is projected to grow at 6.5% per year between 2012-13 and 2016-17. Gas consumption in India is expected to reach 175 bcm from 51 bcm in 2013 implying a CAGR of around 35%.

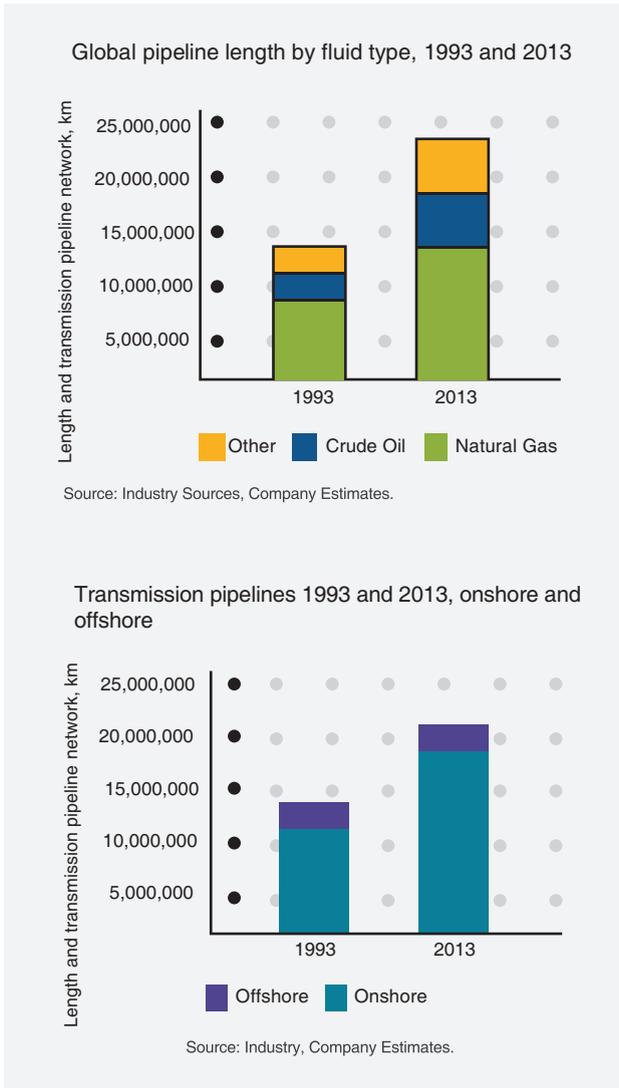


Prices at Crude of \$ 100/Bbbl
 Source: Vision 2020, Natural Gas Infrastructure in India & PLL Industries.

Global Steel Pipe Industry

World's transmission pipeline network for crude oil, natural gas and other products have grown significantly in the last 20 years. The length of all transmission pipelines has increased by 67% over this period (a CAGR of 2.5%). Natural gas pipelines have increased 80% (a CAGR of 3%); crude oil pipelines 63% (a CAGR of 2.5%) and other pipelines by 35% (a CAGR of 1.5%).

The Offshore pipelines, although still a small component of the total (11.6% of total length in 2013 vs 8.0% in 1993), have grown significantly in last 20 years. This increase has arisen partly through the discovery of oil and gas in deeper waters and also the ability of the steel sector to supply linepipe steels that are able to meet more demanding requirements and also the ability of the energy and pipe laying sectors.



In total, almost 2.2 million kilometers of transmission linepipe is present worldwide, half of which is in two countries - USA and Russia. A further 8 countries (Canada, China, Ukraine, Argentina, UK, Iran, Mexico, and India) take the cumulative total to 70% of the world network by length.

Large Diameter Steel pipes market, though encountering overcapacity conditions at present, is expected to witness steady growth in the upcoming years driven by the implementation of new pipeline projects across the globe.

The global pipeline demand as per Simdex for projects over the next 4 years is estimated at about 911 projects resulting in an opportunity for supplies of more than US\$ 422 billion across geographies as presented in the table below:

Region	No. of Projects	Est Tonnage (KMT)	Project Value (Bn \$)
North America	340	19,616	89
Europe	169	16,392	74
Middle East	109	12,396	43
Latin America	82	16,617	81
Africa	77	5,292	29
Australasia	55	8,580	29
Asia	79	22,223	77
Total	911	101,117	422

Source: Simdex data as on Mar 2015.

The Replacement Demand – the potential upside

Replacement of aging infrastructure offers huge potential for the pipe manufacturers. The need to replace old pipelines is particular high in the US and Russia, where pipeline networks were mostly installed during the 60s and 70s. With the average lifespan of oil and gas transportation pipes ranging between 25 and 30 years, opportunities in the replacement market are huge, particularly for HSAW pipes. In the US spills, breaks and other accidents from all gas, oil and hazardous liquids pipelines have caused a total damage of more than US\$ 5.5 billion during the past 12 years.

A recent news article (Source: politico.com) suggests that the US president, Mr. Barack Obama has proposed a \$3.5 billion pipeline overhaul. This amount would be used to replace aging natural gas pipelines in the US. The US government has also released a report addressing the dangers to both public safety and the climate from pipelines that leak or rupture. The proposed amount of US\$3.5 bn would replace only a small portion of the aging pipelines and a full overhaul would cost US\$ 270 bn.

Domestic Pipe Demand

Today, India has a network of 9,785 km of crude pipeline having a capacity of 139.25 mmtpa India, at present has a network of about ~15,300 kms of natural gas transmission pipelines with a capacity of around 400 MMSCMD. This pipeline network is expected to expand to around 28,000 kms with a total capacity of around 721 MMSCMD in next 5-6 years. This includes most of the National Gas Grid that would connect all major demand and supply centre in India.

The capacity of pipeline network in India is further planned to reach 815 MMSCMD in 2029-30. In addition to the trunk lines, regional gas pipelines similar to the intra-state network of Gujarat, are recommended for highly industrialized states. It is expected that going forward the Southern and Northern part of India would catch-up with the Western part in terms of pipeline infrastructure while Eastern and North Eastern part of the country would lag behind and would



require policy boost for industrial development to attract more investments. The total demand from CGD sector is expected to grow from 15.3 MMSCMD in 2012-13 to 85.6 MMSCMD in 2029-30 at a CAGR of 10.7%.

WELSPUN'S FY15 HIGHLIGHTS

Highest Ever Pipe Sales and Production volume

Global operations and presence in the major markets has enabled the Company achieve an all time high pipe sales and production volume of over 1.1 million tons in FY15. The Company crossed the milestone 1 million tonne production and sales volumes for the third successive year, a record across the global pipe industry.

Order book scales up in a challenging business environment to ₹ 72 billion (1029 K MT).

The order book at the beginning of FY16 at 1029 K MT is valued at ₹ 72 Billion. Despite the challenging business environment during the year, the company have been able to book new orders of over 1 million MT. Quality of the new orders has seen perceptible improvement and this is also due to the Company's ability to deliver locally in major markets and its proximity to large customers. Outlook for the Indian market has also improved and this should help the Company to further build on this order book during the next financial year.

US Facilities

The 175 K MT p.a. capacity HFIW mill which was commissioned in FY14 has been stabilized and its operations streamlined. This mill, which is best in class and has state of the art facilities, has obtained approvals from various domestic and global majors and is expected to deliver improved performance in the next year.

The 350 K MT p.a. Spiral Mill underwent a major revamp including an unprecedented campaign to improve productivity, enhance efficiency, reduce costs and reset the mill capabilities to the emerging market requirements in North America. While this did have an impact on the financial performance for FY15, The company has been able to reach out to many large customers which, hitherto, were not accessible to it. The company has also been able to start FY16 with a record order book and promising outlook.

India Facilities

Anjar: The LSAW Mill serviced global customers across a range of mid and large sized orders. The Spiral Mills were largely engaged in the domestic market especially in the water/ irrigation segment. This facility was awarded "FICCI

Quality Systems Excellence Award for Manufacturing 2014"
- Certificate of Silver (Third) Prize in Large Size Category

Plate and Coil Mill Division operations were revived during the second half of the last financial year and significant efforts were invested in streamlining mill capacity and capability which enabled the mill deliver on performance standards very early in the campaign. The output was largely used for captive pipe production and this also enhanced customer service levels and improved supply chain security for the pipe mill customers.

Dahej: The LSAW Mill completed deliveries on one of the prestigious contracts from an Oil & Gas major during the last financial year. The Dahej Unit received the prestigious "NACE INTERNATIONAL CORROSION AWARENESS AWARD 2014" (Category for Excellent Material Research and Corrosion Testing facilities)

Mandya: Post the API certification in the last financial year, this mill survived difficult market conditions during most of the year which also affected its volumes and performance. With outlook in the Indian market, especially in the water segment improving, this mill is expected to have higher volumes and improved performance.

Saudi Facilities

During the last financial year, the Company built on its versatile mill capability and presence across many segments of the domestic market by scaling its production and sales volumes to a record high thereby delivering a significantly improved financial performance. Later in the year, the company undertook a campaign to streamline its technical processes, including quality and compliance parameters, also using the services of internal and external experts. The Company also revamped its local management, especially at senior levels, to enable the business address market challenges within the Kingdom and across the Middle East and also prepare the business for the greater opportunities ahead in the region.

Multi Locational Line Pipe Manufacturing Facilities Complemented With Coating Capability

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

(in K MT)

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

Source: Company

Global Customer Base and Reach

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

Redemption of balance FCCB's of USD 75 million out of total of USD 150 mn

During FY15, the Company redeemed its entire outstanding FCCBs involving a payout of USD 79 million thus successfully extinguishing the 2009 issuance of USD 150 million FCCBs. This redemption was entirely from internal accruals, without any refinancing, to align with the overall objective of ensuring a stronger Balance Sheet.

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

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

Competitive Strengths:

The main competitive strengths of the Company include:

- Multi locational facilities, with strong product portfolio alongwith coating capability, in the major markets enabling the company to be closer to most customers;
- Technological leadership, supported by best in class quality processes and systems, enabling the company to be the partner of choice for global customers.

- Long and excellent track record in delivering some of the landmark global projects
- Global client base amongst the major oil and gas companies,
- Strong supplier relationships globally enabling access to quality materials in line with specifications
- Human capital with a global outlook and diverse knowledge and skills;
- Strong order book
- Strong balance sheet

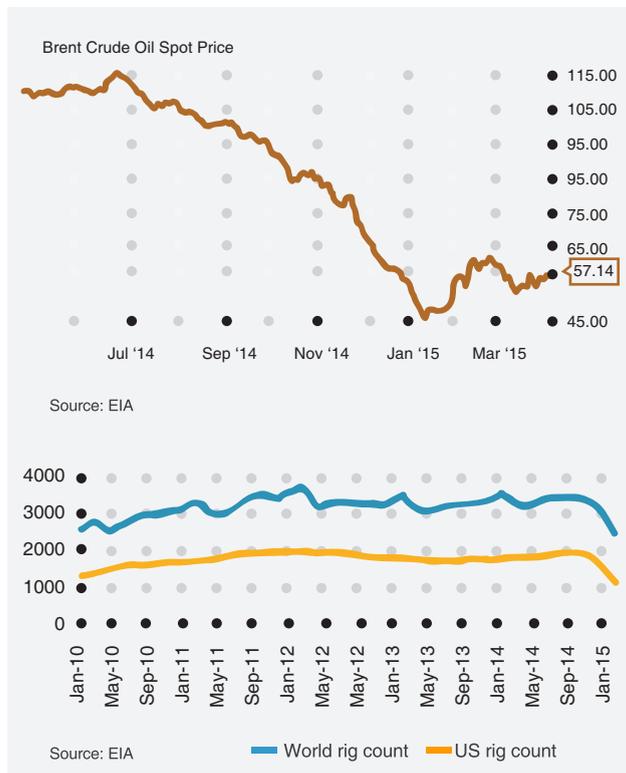
SWOT analysis





Outlook is cautiously positive despite a challenging business environment

The outlook for the pipe business is cautiously positive on the back of strong order book and the pipeline of bids and projects.



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

The sharp drop in US rig count will have an impact on some key segments of the North American market. However, steel prices have declined in the recent past and low commodity prices will drive demand for pipelines as the most preferred medium and cost efficient means of transporting oil and gas over other means such as rail and road as companies try to reduce costs.

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

Geopolitical constraints causing a significant delay to a major cross country pipeline across North America has

dampened sentiment for similar large projects. Similar geopolitical developments in the European market leading to cancellation of a major project have impacted pipe mills in Europe and Asia. However, discussions on alternate pipelines in the European and Asian markets will provide an interesting opportunity for global pipe mills.

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

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

India could turn out to be a high growth area in the near term. Recent announcement of 15,000 kms Oil and Gas pipeline projects and several state water projects in India is a positive for the industry. In the Asia-Pacific region, potential demand from Thailand, Malaysia and Indonesia could boost the regional demand. Vietnam and Myanmar are new markets with large potential oil and gas reserves.

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

Risks and Concerns

The key risks for the Company are:

- Economic Risks:** The macroeconomic outlook continues to be challenging in India as well as in the other key markets where the Company operates. Economic slowdown may affect the order book position of the Company in the interim period affecting capacity utilization, sales and profitability of the Company. The Company has commenced the year with a strong order book position and is capable to withstand this risk based on its past records
- Interest Rate Risk:** Interest expenses are part of the finance costs therefore any major upward fluctuations in the Interest rates leads to increase in the cost of debt of the Company. The interest rate risks are mitigated to an extent through fixed interest rates on some borrowings.
- Legal Risks related to tax structure:** The Company is liable to pay Tax on profits, sales tax, excise duty, service tax etc. Any changes in tax legislation could lead to an increase in tax payments and, as a result, to a lowering of financial results.

- **Volatile crude oil and gas prices:** Volatility in the price of crude oil and very low gas prices create uncertainty for oil & gas producers regarding the viability of new exploration. This in turn could create uncertain future demand for line pipes in the oil & gas segment.
- **Competition:** Increased competition in all the segments from other players may have an impact on the business and profitability. While the potential demand for new oil and gas pipelines remains high in most of the Company's markets, there has been considerable delays in decisions in many projects on account of factors such as policy uncertainty, environmental concerns etc. This has led to fewer than expected projects coming to the market, resulting in high level of competition. The Company has a strong order book and hence the Company's focus will be on profitability rather than winning orders at any cost.
- **Currency Risks:** The Company's foreign currency exposures are largely denominated in US Dollars. Volatility in the rupee exchange rate against major currencies, including the US dollar will have an adverse impact. Though the Company has implemented a well-defined hedging policy, foreign exchange fluctuations could affect reported results.

Human Resources

Welspun Corp Ltd (WCL) has evolved an HR strategy (Acquire, Develop, Engage) to institutionalize people policies and practices so as to support business create and preserve values for all its Shareholders & Stakeholders, globally.

The HR strategy is supported by a HR operating model which encourages effective HR delivery at unit level across locations, thereby empowering the local management team and HR communities. HR Business partnering concept has been introduced to ensure HR works closely with the business managers. Subject Matters Experts (SMEs) have been introduced at the corporate HR within WCL to ensure consistency in people practices across location keeping to the core the 'Local Content' of such practices.

The company has been able to demonstrate a structured and systematic way of working to sustain an excellence driven organization model introduced 18 months ago in consultation with Hay Group. All our businesses units and corporate functions have Heads in positions fully responsible for the sustainable growth of our business.





For the year 2014-15, there has been tremendous focus on talent acquisition and their development and engagement at work place. The company started its journey on HR transformation agenda with following initiatives around the elements of our HR strategy:

Acquire

Company has introduced Predictive Index Psychometric profiling for hiring upto middle level. We have introduced HOGAN profiling for all recruitment at VP level and above. To ensure effective hiring and reduced lead time, recruitment process outsourcing model (RPO) with Randstad was introduced.

Develop

To help people development agenda, the company has provided a platform to more than 80 middle to senior level people to take 360 degree feedback following by one-to-one coaching assistance to formulate their Individual Development Plan (IDP). We worked with Centre for Creative Leadership (CCL), Singapore. The focus of the IDPs has been around development concept of 70-20-10 model where people learn mostly on the job (70%), supported by learning from peers and bosses (20%) and classroom training (10%).

To align compensation of people with the market, company has commissioned Compensation & Benefits Benchmarking Survey for its locations, which will aid to the upcoming Annual Salary Review process. For the first time, performance linked incentive scheme was introduced as Annual Incentive Mechanism (AIM) which is linked with individual performance rating and company achieving EBITDA and OCF target set in the beginning of the year.

Job Evaluation and Banding project to streamline jobs in the company and promote consistency in hiring, promotions, transfers and other talent management decisions across all locations.

Performance management system is now available online leveraging our ERP system – SAP.

Engage

Employee Engagement through celebrations of key festivals and events practice sessions for Sports Tournament, nominations in Mumbai Marathon and monthly newsletters. In the Units family days and other engagement activities

have also been very well received. Industrial Relations in the company have been good with few challenges in our Mandya plant. Company has taken measures to encourage acceptable behaviors of its staff.

Our company is focused on creating a sustaining organization and hence the focus in the coming year will be on developing talents and succession planning for business critical positions.

Internal Control and Adequacy

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

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

DISCUSSION OF FINANCIAL ANALYSIS

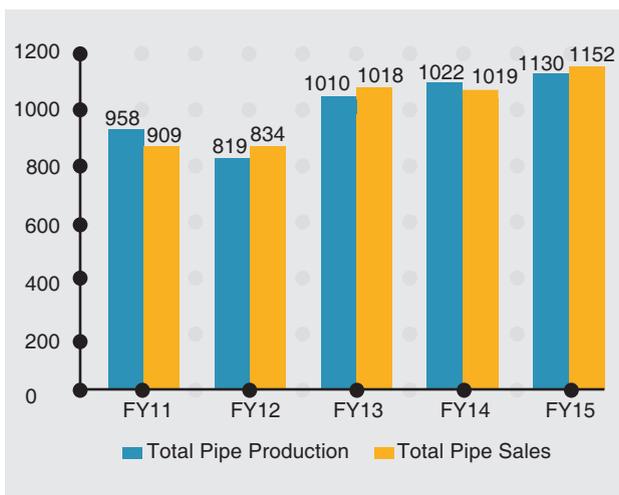
This discussion on Financial Analysis is for consolidated financials of the Company. The Company, together with its subsidiaries, is engaged in the business of Production and Coating of high grade submerged arc welded pipes, hot rolled steel plates and coils during 2014-15. FY14, numbers are shown on comparable basis for all statement of profit and loss and balance sheet items discussed below.

The highlights of the financial year were:

- Achieved 1 plus million MT mark for the third consecutive year in production and sales, despite the challenging global macro economic conditions.
- There was record high production and sales volumes in Saudi Arabia facility which significantly improved financial performance.
- At US facility, HFIW mill got stabilized and operations streamlined. Spiral mill is also running in full throttle after it underwent a major revamp to enhance mill capabilities.
- At India facility LSAW mill did reasonably well. Plate and coil mill revived in the second half of the year.
- FY15 revenue was at ₹ 84,505 million.

Volumes

Production and Sales in K MT – Pipes

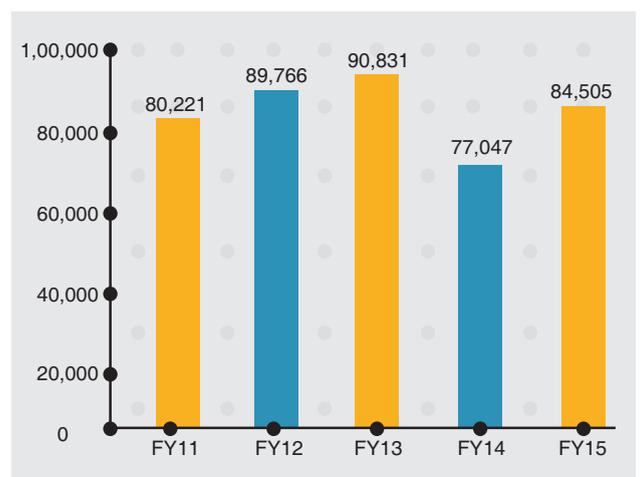


- Pipe production volume for FY15 stood at 1,130 K MT, highest ever achieved by the Company.

- Pipe Sales volume for FY15 stood at 1,152 K MT - highest ever achieved by the Company
- In FY15, on an annualized basis, the capacity utilization was over 47% against 42% in the previous year. The installed capacity of pipes is 2.425 million MTPA, making the Company one of the largest line pipe companies in the world.

1. Consolidated Revenues

Revenue in ₹ Million



Total sales stood at ₹ 84,505 million in FY15 as compared to ₹ 77,047 million in FY14, an increase of 9.7%, primarily on account of higher pipe sales volumes.



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

(₹ in million)

Particulars	FY15		FY14	
	Amount	(%)	Amount	(%)
Sales	84,505	100%	77,047	100%
Cost of goods sold	58,365	69.1%	49,698	64.50%
Employee Benefit Expenses	5,909	7.0%	5,295	6.9%
Manufacturing & Other Expenses				
- Store & spares consumed	1,729	2.0%	1,357	1.8%
- Coating & other Job charges	2,218	2.6%	1,698	2.2%
- Power, fuel & water charges	1,102	1.3%	1,101	1.4%
- Freight Material handling charges	3,469	4.1%	4,733	6.1%
- Product Compensation & Claims	77	0.1%	125	0.2%
- Exchange Difference (Net)	-	-	3,610	4.7%
- Other expenses	3,214	3.80%	2,733	3.5%
Total Manufacturing & Other Expenses	11,809	14.0%	15,357	19.9%
Total Expenses	76,083	90.0%	70,350	91.3%
Other Income	1,086	1.3%	1,742	2.3%
EBITDA	9,508	11.3%	8,439	11.0%
Finance Costs	2,830	3.3%	2,964	3.8%
Depreciation	4,365	5.2%	4,063	5.3%
PBT (Profit before Tax)	2,313	2.7%	1,412	1.8%
Tax Expenses	178	0.2%	432	0.6%
PAT before Minority Interest	2,135	2.5%	981	1.3%
Minority Interest	(1,445)	(1.7%)	(247)	(0.3%)
Profit After Tax	690	0.8%	734	1.0%

a. Cost Of Goods Sold

Cost of goods sold increased by 17.4% to ₹58,365 million in FY15 from ₹ 49,698 million in FY14 mainly due to higher sales volume across all geographies. Cost of material consumed as a percentage to net sales has also increased from 64.5% in FY14 to 69.1% in FY15.

b. Manufacturing and other expenses

Manufacturing, transportation and other expenses reduced by 23% which stood at ₹ 11,809 million in FY15 as compared to ₹ 15,357 million in FY14. The decrease is mainly on account of exchange difference, and lower freight and material handling expenses.

c. Employee Benefit Expenses

Increased by 11.6% to ₹ 5,909 million in FY15 from ₹ 5,295 million in FY14 primarily on account of annual increments across all geographies, forex translation impact of salaries paid at overseas locations and increase in managerial remuneration.

d. Finance Costs

Finance costs decreased by 4.5 % to ₹ 2,830 million in FY15 from ₹ 2,964 million in FY14 due to reduction of long term borrowings, including repayment of FCCB.

e. Depreciation/Amortization Charge

Depreciation/amortization charges increased 7.4% to ₹ 4,365 million in FY15 from ₹ 4,063 million in FY14 mainly due to higher depreciation charge of ₹ 80.4 million on account of change in useful life of fixed assets as required under Schedule II of Companies Act 2013, and due forex translational impact in respect of overseas subsidiaries.

f. Margins

i. EBITDA Margins

EBITDA for FY15 is ₹ 9,508 million, as compared to ₹ 8,439 million for FY14, an increase of 12.7%. Post adjustment of unrealized foreign exchange loss of ₹ 51 million and non-operational income of ₹ 1,867 million, the operational EBITDA stood at ₹ 7,692 million in FY15 as compared to ₹ 7,742 million in FY14.

ii PAT Margin

Profit after tax before minority interest is ₹ 2,135 million in FY15 as compared to ₹ 981 million in FY14 and Profit after tax post minority interest stood at ₹ 690 million in FY15 after sharing profits to minority of ₹ 1,445 million.

2. Table: Balance Sheet (Consolidated)

(₹ in million)

Particulars	As at 31 st March 2015	As at 31 st March 2014	Change
I. EQUITIES AND LIABILITIES			
Shareholders' funds			
Share capital	1,316	1,315	1
Reserve and surplus	26,672	27,178	(506)
NETWORTH	27,988	28,493	(505)
Minority Interest – Equity Shares	2,486	1,012	1,474
Minority Interest – Preference Shares	1,076	1,076	-
Non-current liabilities			
Long-term borrowings	26,160	28,035	(1,875)
Deferred tax liabilities (Net)	5,697	5,609	88
Other Long term liabilities	645	1,187	(542)
Long-term provisions	396	250	145
Current liabilities			
Short-term borrowings	1,884	4,992	(3,108)
Trade payables	24,634	6,510	18,124
Other current liabilities	3,968	5,316	(1,348)
Current Portion of Long Term debt	2,162	5,209	(3,047)
Short-term provisions	1,059	614	445
Total	98,155	88,302	9,853
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	46,489	49,054	(2,565)
Intangible assets	125	173	(48)
Capital work-in-progress	801	1,146	(345)
Goodwill On Consolidation	5	5	-
TOTAL FIXED ASSETS	47,420	50,378	(2,958)
Non-current investments	265	256	9
Long-term loans and advances	1,321	1,060	261
Other non-current assets	58	97	(39)
Current assets			
Current investments	7,783	11,143	(3,359)
Inventories	22,082	12,815	9,267
Trade receivables	11,301	6,374	4,927
Cash and Bank balances	3,327	1,408	1,919
Short-term loans and advances	3,435	3,557	(122)
Other current assets	1,164	1,215	(51)
Total	98,155	88,302	9,853



3. Surplus Funds

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

4. Capital Deployment

During FY15, capital deployment increased from ₹ 88,302 million to ₹ 98,155 million mainly due to increase in current assets.

5. Network

Network at the end of FY15 decreased by ₹ 505 million to ₹ 27,988 million.

The details of Net worth are as under:

a. Share Capital

The number of shares is 263,176,080 (face value of ₹ 5 each) as at 31st March 2015, which increased by 227,781 number due to issue of sweat equity shares to the Managing Director of the Company.

b. Reserves and Surplus

- i) Capital Reserve on Consolidation: The balance as of 31st March, 2015 amounted to ₹ 153 million which is same as in the previous financial year.
- ii) Securities Premium account stands at ₹ 7,645 million, marginally lower at ₹ 7,649 million at end FY15 due to adjustment of ₹ 32 million towards premium on redemption of FCCB and ₹ 28 million on issue of sweat equity shares.
- iii) Debenture Redemption Reserve: Debenture Redemption Reserve stands at ₹ 1,142 million at the end of FY15 which is same as in the previous financial year.
- iv) Statutory Reserve increased from ₹ 93 million to ₹ 405 million as this was created as per the law of Kingdom of Saudi Arabia.
- v) Hedging Reserve Account stands at a negative of ₹ 423 million as at 31st March 2015. The Group has adopted AS-30 on Hedge Accounting and accordingly loss of ₹ 423 million (Gain of ₹ 51 million in FY14) related to foreign exchange difference on Cash Flow Hedges for certain firm commitments and forecasted transactions is recognized in Shareholders' Funds and shown as Hedging Reserve Account.

vi) The Balance in General Reserve as on 31st March 2015 stands at ₹ 53 million which is same as in the previous financial year.

vii) Profit and Loss account: The balance retained in the Profit and Loss Account as on 31st March 2015 has increased by ₹ 56 million to ₹ 17,347 million, mainly on account of profit for the year amounting to ₹ 690 million and appropriation of dividend and dividend distribution tax of ₹ 158 million and adjustment of ₹ 250 million due to change in useful life of fixed assets as per Companies Act, 2013 (deferred tax credit of ₹ 85 million) resulting in net impact of ₹ 165 million.

6. Loan funds

The Gross debt at the end of FY15 stands at ₹ 30,205 million down by ₹ 8,030 million over the previous year. The components included in gross debt are long term borrowings of ₹ 26,160 million, current portion of long term borrowings of ₹ 2,162 million, and short term borrowings of ₹ 1,884 million at the end of FY15.

Major movements during the year are:

- i. The overall long term borrowings and current portion of long term debt has gone down by ₹ 4,922 million, primarily due to repayment of FCCB (US\$75 million in October 2014).
- ii. The short term borrowings have decreased by ₹ 3,108 million mainly due to decrease in working capital loans.

Cash & Bank Balances and liquid/current investments for FY15 have decreased by ₹ 1,440 million to ₹11,111 million from ₹ 12,551 million in FY14.

Net debt improved by ₹6,590 million and stands at ₹19,095 million as of 31st March 2015 after accounting for cash & bank balances and liquid investments.

Net Debt to Network ratio is at 0.68 indicating a strong Balance Sheet.

7. Fixed Assets

Net block of fixed assets (including CWIP) decreased by ₹ 2,958 million to ₹ 47,420 million in FY15 due to depreciation impact. While the company did not undertake any major Capex, the fixed assets in rupee terms increased as a result of forex translation of fixed assets in overseas subsidiaries.

8. Inventory

The overall inventory increased by ₹ 9,267 million to ₹ 22,082 million mostly due to increase in raw materials by ₹ 9,283 million for execution of current orders, increase in finished goods by ₹ 162 million, increase in stores and spares by ₹ 228 million and decrease in work in progress by ₹ 406 million

On account of the above, the inventory turnover days have increased from 61 days of net sales in FY14 to 95 days of net sales in FY15.

9. Trade Receivables

Trade Receivables increased from ₹ 6,374 million in FY14 to ₹ 11,301 in FY15. Sundry Debtors are at 49 days (30 days in FY14) of net sales during the year.

10. Cash, Bank Balances and Current Investments

Cash, Bank Balances and Current Investments at the end of FY15 stand at ₹ 11,111 million as compared to ₹ 12,551 million at the end of FY14.

11. Long Term Loans and Advances

Long term loans and advances increased by ₹ 261 million to ₹ 1,321 million in FY15. Below is the breakup of the change in long term loans and advances from FY14 to FY15.

- Increase in capital advances by ₹ 4 million to ₹ 46 million.
- Increase in loans and advances to related parties by ₹ 2 million to ₹ 38 million.
- Decrease in deposits by ₹ 56 million to ₹ 399 million.
- Increase in other loans and advances recoverable in cash and kind, balances with government authorities (advance taxes) by ₹ 311 million to ₹ 838 million.

12. Short Term Loans and Advances

Short term loans and advances decreased by ₹ 122 million to ₹ 3,435 million from FY14 to FY15 mainly due to the following changes:

- Decrease in advances recoverable in cash or kind by ₹ 401 million.
- Increase in balances with government authorities on account of direct and Indirect taxes by ₹ 245 million.
- Increase in prepaid expenses by ₹ 85 million.

- Increase in export benefits receivable by ₹ 35 million.
- Decrease in receivable towards claim by ₹ 4 million.
- Decrease in loans and advances to employees by ₹ 82 million.

13. Other Current Assets

Other current assets decreased by ₹ 52 million to ₹ 1,164 million mainly due to the following changes from FY14 to FY15.

- Increase in interest accrued on current investments by ₹ 5 million.
- Decrease in interest accrued on fixed deposits and others by ₹ 23 million
- Increase in assets held for disposal by ₹ 4 million.
- Increase in other receivable from related parties by ₹ 38 million
- Decrease in other receivable from other parties by ₹ 33 million.
- Decrease in unamortized ancillary borrowing cost by ₹ 55 million
- Increase in forward contract cancellation receivable by ₹ 12 million

14. Trade Payables

Trade payables have gone up by ₹ 18,124 million to ₹ 24,634 million in FY15 from ₹ 6,510 million in FY14. Trade payables are at 106 days (31 days in FY14) of Net Sales.

15. Cash Conversion Cycle

Cash conversion cycle for the current year improved to 38 days compared to 60 days for FY14.

16. Liquidity

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



17. Cash Flows

The table below summarizes our cash flow for the periods indicated:

(₹ in Million)

	March 31, 2015
Net cash generated from operating activities	9,011
Net cash generated from investing activities	3,377
Net cash used in financing activities	(11,058)
Net change in Cash and Cash Equivalents	1,330

a. Operating Activities

Net cash generated from operating activities in FY15 was ₹ 9,011 million. Net cash generated from operating activities before working capital changes and tax is ₹ 7,446 million.

Working capital changes include change in trade and other receivables (net of tax payments) of ₹ (5,346) million, inventories of ₹ (9,267) million and trade and other payables of ₹ 16,179 million.

b. Investing Activities

Net cash generated from investing activities in FY15 was ₹ 3,337 million.

Break up as below:

₹ 12 million from the sale of fixed assets, ₹ 3,258 million from sale of current investments (net), ₹ 36 million from dividend income and ₹ 987 million from interest received, contributed toward investing cash inflows during FY15.

Cash outflows during FY15 primarily include ₹ 906 million for the purchase of fixed assets (including CWIP), ₹ 10 million for the investment in associates.

c. Financing Activities

Net cash used in financing activities in FY15 is ₹ (11,058) million.

Break up as below:

₹ 5,512 million for repayment of long-term borrowings (net), ₹ 2,995 million for decrease in short-term borrowings (net), ₹ 155 million dividend paid including corporate dividend tax, and ₹ 2,397 million towards interest paid, contributed towards financing cash outflows during FY15.





DIRECTORS' REPORT

DIRECTORS' REPORT

To,

The Members,

Welspun Corp Limited

Your directors have pleasure in presenting the 20th Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2015.

1. Financial Results

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Revenue from operations (Net)	49,489.39	48,676.12	84,504.87	77,047.23
Profit before finance cost, depreciation & tax	4,300.87	4,219.72	9,508.03	8,439.16
Less : Finance costs	2,128.05	2,239.81	2,830.28	2,964.04
Profit before depreciation & tax	2,172.82	1,979.91	6,677.75	5,475.11
Less: Depreciation/Amortization	2,427.78	2,255.69	4,365.04	4,063.01
Profit before tax for the year	(254.96)	(275.78)	2,312.71	1,412.10
Less : Provision for tax for earlier year	77.48	-	77.48	-
Current Taxation	-	-	91.52	414.57
MAT Credit Entitlement	(77.48)	-	(77.48)	-
Deferred Taxation	(97.90)	(100.36)	85.93	17.01
Profit/(loss) after tax for the year (after Minority Interest)	(157.06)	(175.42)	690.41	733.90
Add : balance brought forward from previous year	9,835.49	14,156.03	17,290.82	17,705.39
Profit available for appropriation	9,513.45	9,988.28	17,816.25	17,536.63
Transfer to Statutory Reserve	-	-	(311.57)	(93.01)
Proposed Dividend on equity shares & tax	157.90	153.81	157.90	153.81
Equity dividend & tax of earlier years	-	(1.02)	-	(1.02)
Balance carried forward to the next year	9,355.55	9,835.49	17,346.78	17,290.82

2. Performance Highlights

Production highlights for the year under report are as under:

Product	Standalone		Consolidated	
	F.Y. 2014-2015	F.Y. 2013-2014	F.Y. 2014-2015	F.Y. 2013-2014
Pipes (MT)	618,858	618,180	1,130,323	1,021,576
H.R. Plates & Coils (MT)	109,147	22,516	109,147	22,516

3. Reserves and Dividend

In view of the losses, the Board does not propose any amount for transfer to general reserves.

The Board is pleased to recommend a dividend for the 10th consecutive year @ 10% for the year ended March 31, 2015 i.e. Re. 0.50/- per equity share of Rs.5/- each

fully paid-up out of accumulated profits. In respect of the dividend declared for the previous financial years, Rs. 4.49 million remained unclaimed as on March 31, 2015.

4. Internal Controls

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has designed and implemented a process driven framework for Internal Financial Control ("IFC") within the meaning of the explanation of Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2015, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein controls are in place and operating effectively



and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

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

The Company has 9 subsidiaries. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement is presented in Form AOC-1 annexed to this Report as **Annexure 1**.

6. Deposits

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

7. Auditors

A) Statutory Auditors

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

B) Cost Auditors

M/s. Kiran J. Mehta & Co, Cost Accountants, are proposed to be appointed as the Cost Auditors under Section 148 of the Companies Act, 2013. The members are requested to approve their remuneration by passing an ordinary resolution pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2015.

C) Secretarial Auditors

The Board of Directors has re-appointed M/s. M Siroya and Company, Company Secretaries, as the Secretarial Auditor of the Company for the year 2015-16.

8. Auditors' Report

A) Statutory Auditors' Report

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

B) Cost Audit Report

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025) as

the Cost Auditors of the Company for the financial year 2014-15. The Cost Audit Report for the year 2013-14 was e-filed on August 20, 2014. The Cost Audit for the financial year 2014-15 is in progress and the report will be e-filed to Ministry of Corporate Affairs, Government of India, in due course.

C) Secretarial Audit Report

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

9. Share Capital & Listing

A) Issue of equity shares with differential rights

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

B) Issue of sweat equity shares

During the year under report, the Company allotted 227,781 equity shares of Rs. 5/- each fully paid-up as sweat equity shares to the Managing Director pursuant to the special resolution passed by the shareholders at the Extra Ordinary General Meeting held on August 6, 2012. The disclosures as required in Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014 are as under:

- (a) The class of director or employee to whom sweat equity shares were issued - Managing Director
- (b) The class of shares issued as Sweat Equity Shares - Equity Shares
- (c) The number of sweat equity shares issued to the directors, key managerial personnel or other employees showing separately the number of such shares issued to them, if any, for consideration other than cash and the individual names of allottees holding one percent or more of the issued share capital - 227,781 Sweat Equity Shares in consideration of know-how brought in by him in the Company.
- (d) The reasons or justification for the issue - The shares were issued in consideration of the know-how brought in by the Managing Director in the Company.
- (e) The principal terms and conditions for issue of sweat equity shares, including pricing formula - Ranking pari-passu in all respect with the existing equity shares and locked-in for a period of three years from the date of allotment i.e. upto March 30, 2018. Issue price is Rs. 127.13 per share as determined under applicable SEBI regulations.
- (f) The total number of shares arising as a result of issue of sweat equity shares - 227,781 equity shares

- (g)The percentage of the sweat equity shares of the total post issued and paid up share capital - 0.09% post issue and paid-up capital
- (h)The consideration (including consideration other than cash) received or benefit accrued to the Company from the issue of sweat equity shares -Know-how brought in by him in the Company
- (i)The diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares - Rs. (0.60)

C) Issue of employee stock options

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

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

a	Options granted	2,050,029
b	Options vested (excluding vested portion of lapsed Options)	Nil
c	Options exercised	Nil
d	Total number of equity shares arising as a result of exercise of Options	2,050,029
e	Options lapsed	Nil
f	Exercise Price	Re. 1 per equity share
g	Variation of terms and conditions	N.A.
h	Money realized by exercise of Options	Nil (as no Options were exercisable during the year)
i	Total number of Options in force	2,050,029
j	Employee wise details of options granted to	a. Key Managerial Personnel
		b. 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.
		c. 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.
k	Diluted EPS	Rs. (0.60) as compared to Rs. (0.67) of last year
l	Weighted-average exercise prices (Rs.)	Re. 1 per equity share
m	Weighted-average fair values of options (Rs.)	Rs. 64.97 (as per Black Scholes Model)

Difference in employee compensation cost based on intrinsic value and fair value:

The Company has adopted intrinsic value method for valuation and accounting of the aforesaid stock options as per SEBI (Share Based Employee Benefits) Regulations, 2014.

Had the Company valued and accounted the aforesaid

stock options as per the Black Scholes Model, the net loss for the year would have been lower by Rs. 1.26 million and the diluted earnings per share would have been Rs. (0.59) per share instead of Rs. (0.60) per share.

D) Disclosure of shares held in suspense account under Clause 5A of the Listing Agreement.

Outstanding Balance in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Transferred/Credited during the year		Balance outstanding	
No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares
213	54,180	2	700	2	700	211	53,480

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



E) Listing with the stock exchanges

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

listed at Singapore Securities Trading Limited (SGX-ST). Annual listing fees for the year 2014-15 have been paid to BSE, NSE and SGX-ST.

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

		2014-15	2013-14
A. POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
(A) PURCHASED			
UNIT (IN '000S) - MWH		68,385	15,768
TOTAL COST (₹ IN LACS)		4,729	999
RATE/UNIT (₹)		6.92	6.33
(B) OWN GENERATION			
(I) THROUGH D.G. SET (CPP)			
GENERATOR UNIT (IN '000S) - MWH		15,252	13,552
UNITS GENERATOR PER UNITS OF FUEL			-
COST/UNIT (₹)		21.39	9.58
(II) THROUGH STEAM TURBINE / GENERATOR			
GENERATOR UNIT (IN '000)		10,846	4,904
TOTAL COST (₹ IN LACS)		634	440
COST/UNIT (₹/Kg)		5.84	8.97
2 (I) COAL -(GENERATION OF STEAM)			
UNIT (IN '000S) - MT		21,325	18,862
TOTAL AMOUNT (₹ IN LACS)		722	681
RATE/UNIT(IN' '000) (₹/Kg)		3.39	3.61
(II) OTHE₹- LIGNITE & LIME STONE(FOR GENERATION STEAM)			
UNIT (IN '000S) - MT		1,342	16,200
TOTAL AMOUNT (₹ IN LACS)		36	434
RATE/UNIT(IN' '000) (₹/Kg)		2.69	2.68
3 FURNACE OIL			
QUANTITY (K. Ltrs.)		4,452	987
TOTAL AMOUNT (₹ IN LACS)		1,588	295
AVERAGE RATE COST/UNIT (₹/Ltr)		35.67	29.86
B. CONSUMPTION PER UNIT OF PRODUCTION PRODUCTS	STANDARD	2014-15	2013-14
(i) NAME OF PRODUCT - WELDED PIPES			
ELECTRICITY - UNITS - KWH		118.26	117.46
(ii) NAME OF PRODUCT - M.S. PIPES (ERW)			
ELECTRICITY - UNITS - KWH		92.26	92
(iii) NAME OF PRODUCT - POWER			
STEAM - UNITS - MT/MWH		14.92	8.62
(iv) NAME OF PRODUCT - M.S. PLATE			
ELECTRICITY - UNITS - KWH		142	217.53
FURNACE OIL (K. Ltrs)		40.79	56.36
(v) NAME OF PRODUCT - H.R. COIL			
ELECTRICITY- UNIT		97.27	158.57
FURNACE OIL (K.LTRS)		40.79	56.36

Conservation of energy

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

- Installation of Variable Frequency Drive at hydro inlet, outlet and OD-3 outlet conveyors at Dahej unit.
 - Energy saving - 19,800 Kwh/year
 - Savings in cost - ₹ 108,900
- Modification In Fo Day Tank Heating Control System at Dahej unit
 - Energy saving - 26,062 Kwh/Year
 - Savings in cost - ₹ 143,342
- Modified Brushing Unit Power Pack PLC Control Logic at Dahej unit.
 - Energy saving - 2820 Kwh/year and
 - Savings in cost - ₹ 15,510

Technology absorption

1. Efforts, in brief, made towards technology absorption, adaptation and innovation - Not Applicable
2. The benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable

Research and development

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

Pipe Mill at Anjar:

- Development of high strain based pipes in API 5L X70M PSL2 grade
- Development of high wall thick plates of API 5L X70M PSL2 grade pipes
- FBE/DFBE Coating of bends
- 3LPE-3LPP Coating of bends
- Liquid PU Coating of bends
- 5 LPP-7LPP Coating of Pipes for Insulation
 - Low Application temperature FBE and 3LPE Coating for-strain Based design Pipes
 - High Operating Temperature pipeline - FBE and 3LPP Coating Special designed Conveyor Rollers for High Temperature Coating Stripping System

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

Pipe Mill at Anjar: LSAW Pipe Mill qualified for supply of high strain based pipes in API 5L X70M PSL2 grade

3. Future plan of action

Anjar Pipe Mill: Development of API 5L X70M PSL2 plates at Plate Mill for high strain based design pipes.

4. Expenditure on R&D

(a) Capital	-	Nil
(b) Recurring	-	₹ 16.17 million
(c) Total	-	₹ 16.17 million
(d) Total R&D expenditure as a% of total turnover	-	0.03%

Foreign exchange earnings and outgo:

5. Total foreign exchange used and earned.

Used : ₹ 38,679.43 million

Earned : ₹ 35,943.71 million

Including foreign exchange earned and used by the wholly owned subsidiary of the Company in India viz Welspun Tradings Limited.

11. Corporate Social Responsibility

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as **Annexure 3**.

12. Directors and Key Managerial Personnel

A) Changes in Directors and Key Managerial Personnel

Since the last report, no change took place in the Board of Directors and Key Managerial Personnel except the appointment of Mr. Atul Desai as an additional independent director whose term is expiring at the forthcoming annual general meeting. Pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice from a member proposing Mr. Desai for appointment as a director of the Company. Accordingly, a resolution proposing his appointment has been included in the notice convening the annual general meeting. Mr. Desai meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

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

Details about the directors being 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 an Independent Director(s)

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



C) Formal Annual Evaluation

The evaluation process was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, and effective functioning of the Board. The evaluation process invited, through IT enabled platform, graded responses to a structured questionnaire for each aspect of 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 2014-15, the annual performance evaluation was carried out which included evaluation of the Board, independent directors, non-independent directors, executive directors, Chairman, Committees of the Board, quantity, quality and timeliness of information to the Board. The independent directors evaluated all non-independent directors, the Board, the Committees, the Chairman and the information to the Board. The Nomination and Remuneration Committee and Board evaluated performance of the independent directors, the Board itself, the Chairman, the Executive Directors, the Committees of the Board, the information provided to the Board. All results were satisfactory.

D) Committees of the Board of Directors

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

13. Particulars of loans, guarantees and investments

Investment in	₹ (in million)
Welspun Captive Power Generation Ltd	230.31
Welspun Mauritius Holdings Ltd.	2,197.80
Standard Chartered Bank PLC IDR	34.77
Rated Bonds issued by Banks/ FIs	5,085.20
"AAA" Rated Corporate Bonds	1,568.40
Total	9,116.48

Corporate Guarantees	₹ (in million)
Welspun Energy Ltd.	1,270.00
Welspun Captive Power Generation Ltd.	600.00
Welspun Middle East Pipes Coating LLC	333.44
Welspun Middle East Pipes LLC	2,384.82
Total	4,588.26

The corporate guarantees were given to secure credit capital facilities availed by subsidiaries of the Company and other companies in the group.

14. Particulars of contracts or arrangements with related parties

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

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

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Disclosures as required under the Companies Act, 2013 are given in Form AOC-2 annexed as **Annexure 4** to this Report.

15. Familiarization program for Independent Director

The details of familiarization program (for independent directors) are disclosed on the Company's website and a web link thereto is: <http://www.welspuncorp.com/content.asp?Submenu=Y&MenuID=1&SubmenuID=64>

16. Code of Conduct

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

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15."

Sd/-

Braja Mishra

Managing Director

DIN: 00007089

17. Managerial Remuneration

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

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	The ratio of remuneration of the MD to the median remuneration of the employees of the Company was: 496.3 times (Including value of ESOP granted & Sweat Equity allotted to him).
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director : 201.91% (Including value of ESOP granted & Sweat Equity allotted to him) CFO – 12% CS - 19%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	17%
(iv)	the number of permanent employees on the rolls of the Company;	2,972
(v)	the explanation on the relationship between average increase in remuneration and the Company performance;	The revenue growth during the financial year was 2.8% and the net loss reduced by 10.47% over the previous financial year. The aggregate remuneration of employees other than Key Managerial Personnel grew by 13.4% over the previous financial year. This was in line with the market benchmarks and the Company's policy for attracting and retaining talent. The aggregate increase in the remuneration* of Key Managerial Personnel was 134% over the previous financial year. * including value of sweat equity & ESOP granted to the Managing Director. This was in accordance with the agreement entered in to with the Managing Director as approved by the shareholders at the general meeting held on August 6, 2012.
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration to the KMP is 3.42% (including value of ESOP granted & Sweat Equity allotted to the MD) of the EBITDA for 2014-15.
(vii)	variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	The market cap of the Company decreased from Rs. 18,077.70 million to Rs. 14,159.77 million. The P/ E ratio changed from 100.90 times to 89.75 times. The share price increased by 276.95% in comparison to the rate at which the Company came out with the public issue in February, 1997 (taking in to consideration the reorganization of capital done in March, 2005)
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	13.4% - aggregate remuneration of employees excluding KMP 134% - aggregate remuneration of KMP (including value of ESOP granted & Sweat Equity allotted to the MD). Justification: ESOP & Sweat Equity were in accordance with the Agreement entered in to with the Managing Director as approved by the shareholders at the general meeting held on August 6, 2012. Also, Rs. 50 lakhs was paid during the year as arrear pertaining to previous financial year.
(ix)	comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company;	Remuneration to the MD – 2.83% (including value of ESOP granted & Sweat Equity allotted to him).; CFO – 0.52%; and CS – 0.07% of the EBITDA for 2014-15.
(x)	the key parameters for any variable component of remuneration availed by the directors;	Not applicable
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not applicable
(xii)	affirmation that the remuneration is as per the remuneration policy of the Company	Yes, Employees increment in remuneration is based on the individual performance and Company performance for the Financial year.



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

Name	Designation	Age	DOJ	Current CTC (Rs)	Qualification	Previous Company	Nature of Employment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the company	DOL/ Transfer	Remarks
Braja Mishra	Managing Director	51	26-Apr-12	56,221,915 and value of Sweat Equity and ESOP is 65,423,040	MBA	Ferro Tech India Pvt. Ltd.	Permanent	0.09	No		
S Krishnan	CFO	52	3-Jun-13	22,473,984	MCom, LLB (Part 1) ACA, ACS, AICWA	United Phosphorus Ltd.	Permanent	0.00	No		
A. K. Chakraborty	Director (Central Services)	54	23-Jan-03	9,753,324	BE(Civil)	GherziEastern Ltd	Permanent	Nil	No		
P. K. Mukherjee	Director (Projects & Technology)	54	2-May-99	19,644,370	BE	M/s Kilburn Engineering Ltd.	Permanent	Nil	No		
T. S. Kathayat	President (QA & TS)	44	1-Aug-10	8,687,619	BSC/DME/MBA	Jindal Organisation	Permanent	Nil	No		
Vikas Gupta	Senior Vice President (New Markets)	43	7-Jun-12	7,475,005	BE (Industrial)	YKK	Permanent	Nil	No	31-03-15	Resigned
Godfrey John	Director (SCM)	50	11-Jun-12	16,767,000	MBA	Ferro Tech India Pvt. Ltd.	Permanent	Nil	No		
Gaurav Merchant	Vice President (Finance & Accounts)	42	15-Jan-14	6,500,003	B Com/MBA	Essar Steel Ltd.	Permanent	Nil	No		
Suresh Darak	President (Finance)	47	2-Jan-08	6,350,516	B Com/ DITM	Reliance Industries Ltd	Permanent	Nil	No		
Navin Agarwal	Vice President (MD Office)	43	2-Jun-08	6,306,338	MBA Finance	Mahindra & Mahindra Ltd.	Permanent	Nil	No		
Gaurang Desai	President (BU India & APAC)	43	1-Nov-08	8,010,091	MBA Fin/BE Mech	Gala Precision	Permanent	Nil	No		
Rajeev Singh	President (HCGA)	41	6-Dec-14	10,500,000	BE Met/ MPM & IR	BG Group	Permanent	Nil	No		
Brijgopal Jaju	Director (Finance)	63	2-Sep-09	1,261,899	B.Com/ CA/ CS/ LLB	Crompton Greaves Ltd.	Permanent	Nil	No	30-04-14	Retired
Sunil Singhal	Senior Vice President (Project & Technology)	51	30-Jul-08	6,435,972	BE Mechanical	ISPAT Ltd.	Permanent	Nil	No		
L.T.Hotwani	Director (Direct Taxation, Insurance & Corporate Accounts)	62	1-Nov-06	13,282,522	B Com	Welspun Steel Ltd.	Permanent	Nil	No		
Akhil Jindal	Director (Group Finance & Strategy)	45	1-Jul-04	23,636,505	BE & MBA	S. Kumars Ltd.	Permanent	Nil	No		
Deepak Chauhan	Director (Legal)	43	16-Dec-10	20,347,050	B Com/ LLB/ LLM	GVK Power & Infrastructure Ltd.	Permanent	Nil	No		

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

D) Particulars of remuneration to the executive directors including the details of remuneration paid/payable to the executive directors for the financial year 2014-15 are as under:

Name of the Director	Salary & Allowance	Perquisites	Commission	Service Contract/ Tenure	Performance linked incentives	Notice Period	Severance Fees	Stock Option	Pension
Mr. Braja Mishra- Managing Director	Rs.45.08 million	Rs.11.14 million	Nil	Yes. 5 years from April 26, 2012	Nil	1 month	Nil	2,050,029 options issued at a price of Re. 1 carrying right to subscribe for equal number of equity shares of Rs. 5 each fully paid-up. The options shall be vested immediately after expiry of a period of one year from date of grant of options i.e. 24.12.2014. The options can be exercised within 3 (Three) years from the date of vesting.	Nil

Value of Sweat Equity and ESOP Rs. 65.42 million.

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

Name of the Director	(₹)
Mr. K. H. Viswanathan	683,000
Mr. Rajkumar Jain	628,000
Mr. Ram Gopal Sharma	678,000
Mr. Nirmal Gangwal	96,000
Mr. Mukul Sarkar (Nominee of Exim Bank)	60,000
Mr. Mintoo Bhandari	310,000
Mr. Utsav Bajjal	30,000
Mrs. Revathy Ashok	120,000
Mr. Atul Desai	120,000

The above mentioned sitting fees paid to the non-executive directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees. Hence, prior approval of the members as stipulated under Clause 49(II)(C) was not required.

None of the directors had any transaction with the Company.

18. Shareholding of the Directors of the Company as on March 31, 2015

Name of the Director	No of shares	%
Mr. Balkrishan Goenka	140	-
Mr. Rajesh Mandawewala	200	-
Mr. Braja Mishra	227,781	0.09
Mr. Ram Gopal Sharma	2,100	-
Mr. Nirmal Gangwal	277,074	0.11
Mr. Atul Desai	200	-

Except the above and 2,050,029 Stock Options, carrying right to subscribe for equal number of equity shares, granted to Mr. Braja Mishra-Managing Director, none of the other Directors hold any shares or convertible securities in the Company.

19. Corporate Governance Certificate

The Compliance certificate obtained from M/s. JMJA & Associates LLP, Company Secretaries regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is annexed with the report.

20. Risk Management Policy

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

Management Policy thereby to effectively address such risks namely, strategic, business, regulatory and operational risks. The Policy envisages identification of risks by each product segment and location, together with the impact that these may have on the business objectives. It also provides a mechanism for categorization of risks into Low, Medium and High according to the severity of risks. For the key business risks identified by the Company please refer to the Management Discussion and Analysis annexed to this Report.

21. Extract of the annual return

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this report as **Annexure 5**.

22. Miscellaneous Disclosures:

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 of the Company to which the financial statements relate and the date of the report.

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

The Company has not made any provision of money for the purchase of, or subscription for, shares in the Company or its holding 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 Companies (Share Capital and Debentures) Rules, 2014 is not required.

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

23. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as



to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

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

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

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

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

Acknowledgements

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 28, 2015

Balkrishan Goenka
Chairman
(DIN : 00270175)

Annexure 1 Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in million)

1. Sl. No.	1	2	3	4	5	6	7
2. Name of the subsidiary :	Welspun Tradings Limited	Welspun Pipes Limited	Welspun Mauritius Holdings Limited	Welspun Pipes Inc.(See note 3)	Welspun Middle East Pipes LLC	Welspun Middle East Pipes Coating LLC	Welspun Middle East DMCC
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period :	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. :	INR	INR	USD*	USD*	SAR#	SAR#	USD*
5. Share capital :	50.13	0.50	2,579.22	1,076.89	1,267.61	562.83	3.36
6. Reserves & surplus:	481.82	(0.08)	442.27	7,608.21	3,238.90	(411.80)	(62.54)
7. Total assets :	6,546.92	596.57	4,282.00	26,905.87	13,917.80	2,448.48	73.71
8. Total Liabilities :	6,014.97	596.15	1,260.51	18,220.77	9,411.29	2,297.45	132.89
9. Investments [~] :	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10. Turnover :	26,495.40	Nil	Nil	21,369.26	30,373.76	998.83	Nil
11. Profit before taxation :	127.54	(0.02)	119.15	(634.47)	3,048.21	(247.15)	15.46
12. Provision for taxation:	43.53	Nil	7.93	(60.02)	284.42	(6.82)	Nil
13. Profit after taxation:	84.01	(0.02)	111.22	(574.45)	2,763.79	(240.33)	15.46
14. Proposed Dividend:	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15. % of shareholding	100.00%	100.00%	89.98%	100.00%	50.01%	50.01%	100.00%

*Closing Rate USD 1 = INR 62.5
Average Rate USD 1 = INR 61.1471

#Closing Rate SAR1 = INR 16.6667
Average Rate SAR 1 = INR 16.3059

- Names of subsidiaries which are yet to commence operations – Not applicable
- Names of subsidiaries which have been liquidated or sold during the year – Not applicable
- Includes performance of step down subsidiaries viz. Welspun Tubular LLC and Welspun Global Trade LLC.

[~] Excluding investments in subsidiaries.

Part "B": Associates and Joint Ventures

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

Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Welspun Corp Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Welspun Corp Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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, 2015 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, 2015 according to the provisions of:

- (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder, as may be applicable;
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- (g) The Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002.

(vii) The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the year under report:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (ii) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

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

- (i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- (ii) Acts as prescribed under Direct Tax and Indirect Tax;
- (iii) Acts prescribed under prevention and control of pollution;



- (iv) Acts prescribed under environmental protection;
- (v) Land Revenues Act of respective States;
- (vi) Labour Welfare Act of respective States; and
- (vii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

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

- (i) The Equity Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange; and
- (ii) The Debt Listing Agreement entered into by the Company with Bombay Stock Exchange.

The Institute of Company Secretaries of India has not prescribed any Secretarial Standards which are mandatory for the year 2014-15.

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

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

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

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

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

- (i) Pursuant to the special resolution under Section 180(1) (a) and 180(1)(c) of the Companies Act, 2013 of members passed through postal ballot on September 11, 2014, the Board of Directors have been authorised to

create charges subject to a maximum limit of INR 9500 crores and borrow moneys subject to maximum limit of INR 2500 crores;

- (ii) Pursuant to the special resolution, under Section 188 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, of members of the Company passed at the annual general meeting of the Company held on September 25, 2014, the Board of Directors have been authorised to continue the contracts with related parties, namely, Welspun Tradings Limited and Welspun Tubular LLC, wholly owned subsidiaries of the Company;
- (iii) Pursuant to the special resolution, under Section 186 of the Companies Act, 2013, of members of the Company passed through Postal Ballot on December 15, 2014, the Board of Directors have been authorised to investment, provide loans, issue of guarantee(s), securities to any subsidiary company(ies), joint venture(s) (including overseas subsidiaries, joint venture(s)), whether existing or to be formed subject to maximum limit of INR 3,300 crores; and
- (iv) Pursuant to the resolution of members of the Company on August 6, 2012, the Company has on March 31, 2015 issued and allotted 2,27,781 Sweat Equity Shares to Mr. Braja Mishra, Managing Director of the Company in consideration of know-how brought in by him in the Company.

For M Siroya and Company Company Secretaries

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

Date: April 28, 2015

Place : Mumbai

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

Annexure 'A'

To,
The Members,
Welspun Corp Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M Siroya and Company
Company Secretaries**

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

Date: April 28, 2015
Place : Mumbai

Annexure 3**Corporate Social Responsibility (CSR)**

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

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

The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.:

- i) Education;
- ii) Empowerment of women; and
- iii) Environment and Health.

These 3E's are implemented through:

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

The Company's CSR Policy is disclosed on the website of the Company, a web-link of which is as under: <http://www.welspuncorp.com/content.asp?Submenu=Y&MenuID=1&SubmenuID=64>

2. The Composition of the CSR Committee.

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

3. Average net profit of the Company for last three financial years: Rs. 38.63 million.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs. 0.77 million.
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year: Rs. 0.77 million
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed as follows:



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 reporting period	Amount spent : Direct or through implementing agency
1	Monthly Health Check Up Camps	Preventive Health care	Anjar, Kutch (Gujarat)	5,621		5,621	Through a trust established by the promoters of the Company
2	Mobile Health Van	Preventive Health care	Anjar, Kutch (Gujarat)	316,152	Expenditure for branding, numbering etc. Expenses paid to Wockhardt foundation for providing mobile health van services to various villages. Direct Expenditure	321,773	Same as above
3	National Road Safety awareness program at Anjar, Adipur&Gandhidham	Education	Anjar, Kutch (Gujarat)	49,434	Payment for banners and flowers for National road safety week, public awareness at Anjar, Adipur & Gandhidham Direct Expenditure	371,207	Same as above
4	Construction of a shed in a school	Education	Dahej (Gujarat)	100,000	Shed constructed for School - children. Direct Expenditure	471,207	Same as above
5	Drinking water facility for Govt. Primary School at Gejjelegere and colony	Health	Mandya (Karnataka)	81,413	RO Water Tank & Pipe line - For Mandya School & Police Station. Direct Expenditure	552,620	Same as above
6	Furniture, paint, electrical fittings at Mandya Gejjelegere School	Education	Mandya (Karnataka)	73,276	Direct Expenditure	625,896	Same as above
7	RO Plant facility donation	Health	Mandya (Karnataka)	104,029	Direct Expenditure	729,925	Same as above
8	Furniture donation to School.	Education	Mandya (Karnataka)	40,075	Direct Expenditure	770,000	Same as above

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

For and on Behalf of the Board

Sd/-
Braja Mishra
 Managing Director
 DIN :00007089

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

Annexure 4

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 includ-

ing certain arm's length transactions under third proviso thereto.

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

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

Name(s) of the related party and nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	₹. in million
1) Sale of goods					
Welspun Tradings Limited	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	23,258.22
Welspun Tubular LLC	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	10,197.91
2) Interest Income					
Welspun Pipes Inc	15 months	Based on transfer pricing guidelines	16.01.2008	Nil	4.18
3) Guarantee Commission received					
Welspun Middle East Pipe Company LLC	5 years	Based on transfer pricing guidelines	30.06.2012	Nil	18.81
Welspun Energy Limited	7 years from the drawl of the facility	Based on transfer pricing guidelines	27.01.2014	Nil	16.08
4) Purchase of goods and services					
Welspun Logistics Limited	Terminated	Based on transfer pricing guidelines	07.08.2014	Nil	9.71
Welspun Captive Power Generation Limited	Ongoing	Based on transfer pricing guidelines	28.01.2015	Nil	370.38
5) Purchase of Fixed Assets					
Welspun Projects Limited	Completed	Based on transfer pricing guidelines	-	Nil	0.61
6) Sale of Fixed Assets					
Welspun Captive Power Generation Limited	Not applicable	Based on transfer pricing guidelines	-	Nil	2.33
7) Rent paid					
Welspun Realty Private Limited	3 years	Based on transfer pricing guidelines	07.08.2014	Nil	49.13
8) Investment in shares					
Welspun Captive Power Generation Limited	Not applicable	Not Applicable	10.11.2012	Not applicable	9.66

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 28, 2015

Balkrishan Goenka
Chairman
(DIN : 00270175)



Annexure 5

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS

- i. CIN :- L27100GJ1995PLC025609
- ii. Registration Date : April 26, 1995
- iii. Name of the Company : Welspun Corp Limited
- iv. Category / Sub Category of the Company : Public Company/ Company having Share Capital and Limited by Shares
- v. Address of the Registered office and contact details: Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110.

Contact: The Company Secretary, Tel. 02836-662079; email Companysecretary_WCL@welspun.com.

- vi. Whether listed company: Yes.
- vii. Name, address and contact details of Registrar and Transfer Agent

M/s. Link Intime India Private Limited

Unit : Welspun Corp Limited
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West),
 Mumbai – 400 078.
 Email - rnt.helpdesk@linkintime.co.in
 Tel. No.: +91-22-25946970
 Fax No. : +91-22-25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Welded Pipes (NIC code – 2431) contributes 97.82% of the total turnover of the Company

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise share holding:

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	342	-	342	-	342	-	342	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	85,910,140	-	85,910,140	32.67	94,753,883	-	94,753,883	36.00	3.33
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	85,910,482	-	85,910,482	32.67	94,754,225	-	94,754,225	36.00	3.33
2	Foreign									
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	14,565,523	-	14,565,523	5.54	6,300,000	-	6,300,000	2.39	(3.15)
(c)	Other individual	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	14,565,523	-	14,565,523	5.54	6,300,000	-	6,300,000	2.39	(3.15)
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	100,476,005	-	100,476,005	38.21	101,054,225	-	101,054,225	38.40	0.19
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	-	-	-	-	2,447	-	2,447	-	-
(b)	Financial Institutions / Banks	22,306,901	-	22,306,901	8.48	21,759,296	-	21,759,296	8.27	(0.22)
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	270,000	-	270,000	0.10	270,000	-	270,000	0.10	-
(f)	Foreign Institutional Investors	15,094,102	-	15,094,102	5.74	16,216,273	-	16,216,273	6.16	0.42
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	37,671,003	-	37,671,003	14.33	38,248,016	-	38,248,016	14.53	0.21
B 2	Non-institutions									
(a)	Bodies Corporate									
	(i) Indian	27,398,407	9,335	27,407,742	10.42	26,375,266	9,335	26,384,601	10.03	0.39
	(ii) Overseas	35,038,889	7,503,832	42,542,721	16.18	35,038,889	7,503,832	42,542,721	16.18	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to Rs 1 lakh	16,246,081	394,811	16,640,892	6.33	15,258,323	615,242	15,873,565	6.03	(0.30)
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13,468,028	22,000	13,490,028	5.13	13,680,388	-	13,680,388	5.20	0.07
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
(d-i)	Unclaimed Shares	54,180	-	54,180	0.02	53,480	-	53,480	0.02	-



Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	
(d-ii)	Clearing member	614,500	-	614,500	0.23	416,311	-	416,311	0.16	(0.08)
(d-iii)	Non Resident Indians	894,358	55,370	949,728	0.36	566,035	55,370	621,405	0.24	(0.13)
(d-iv)	Hindu Undivided Family	68,000	-	68,000	0.03	68,000	-	68,000	0.03	-
(d-v)	Trust	7,500	-	7,500	-	1,000	-	1,000	-	-
	Foreign Portfolio Investor (Corporate)	-	-	-	-	1,206,368	-	1,206,368	0.46	0.46
(B)	Sub-Total (B)(2)	93,789,943	7,985,348	101,775,291	38.71	92,664,060	8,183,779	100,847,839	38.32	(0.39)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	131,460,946	7,985,348	139,446,294	53.03	130,912,076	8,183,779	139,095,855	52.85	(0.18)
	TOTAL (A)+(B)	231,936,951	7,985,348	239,922,299	91.25	231,966,301	8,183,779	240,150,080	91.25	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	Public	23,026,000	-	23,026,000	8.76	23,026,000	-	23,026,000	8.75	(0.01)
	GRAND TOTAL (A)+(B)+(C)	254,962,951	7,985,348	262,948,299	100	254,992,301	8,183,779	263,176,080	100	

ii. Shareholding of Promoters:

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	B.K.Goenka	140	-	Nil	140	-	Nil	-
2	R.R.Mandawewala	200	-	Nil	200	-	Nil	-
3	Dipali Goenka	2	-	Nil	2	-	Nil	-
4	B.K.Goenka Trustee B.K.Goenka Family Trust	5	-	Nil	5	-	Nil	-
5	Krishiraj Trading Ltd.	52,862,858	20.1	Nil	52,912,858	20.11	Nil	0.01
6	Welspun Mercantile Ltd.	14,477,701	5.51	Nil	14,477,701	5.50	Nil	(0.01)
7	Welspun Wintex Ltd.	13,336,576	5.07	Nil	13,336,576	5.07	Nil	-
8	Welspun Investments and Commercials Ltd.	5,233,000	1.99	Nil	5,233,000	1.99	Nil	-
9	Welspun Infra Developers Pvt Ltd.	-	-	Nil	5,743,743	2.18	Nil	2.18
10	Welspun Fintrade Pvt Ltd.	-	-	Nil	3,050,000	1.16	Nil	1.16
	Total of Co-Promoters (A)	85,910,482	32.67	Nil	94,754,225	36.01	Nil	3.34
11	Mulheim Pipecoatings GmbH (Formerly Eupec Pipe Coating GmbH)	8,265,523	3.14	Nil	-	-	Nil	(3.14)
12	Intech Metals S. A.	6,300,000	2.40	Nil	6,300,000	2.39	Nil	(0.01)
	Total of Co-Promoters (B)	14,565,523	5.54	Nil	6,300,000	2.39	Nil	(3.15)
	Total of Promoters (A+B)	100,476,005	38.21	Nil	101,054,225	38.4	Nil	0.19

iii. Change in Promoters' shareholding:

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	100,476,005	38.21		
Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	22.08.2014 acquired 528,220 equity shares from open market	0.20% of then paid up share capital of the Company	101,054,225	38.40
At the end of the year.			101,054,225	38.40

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Granele Limited*	35,038,889	13.33	35,038,889	35,038,889	13.31
2	Life Insurance Corporation Of India*	19,277,980	7.33	19,277,980	19,277,980	7.33
3	Mentor Capital Limited	7,831,424	2.98	7,831,424		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	343,105		8,174,529	8,174,529	3.11
4	Nippon Investment And Finance Company Private Ltd.	7,648,958	2.91	7,648,958		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	4,175,191		11,824,149	11,824,149	4.49
5	Simba Asia Ltd.*	7,503,832	2.85	7,503,832	7,503,832	2.85
6	Akash Bhanshali	3,653,461	1.39	3,653,461		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	330,045		3,983,506	3,983,506	1.51
7	Edgbaston Asian Equity Trust	2,987,139	1.14	2,987,139		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	1,649,246		4,636,385	4,636,385	1.76
8	Bakulesh Trambaklal Shah	2,844,580	1.08	2,844,580		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	(2,844,580)		-	-	-
9	IL And FS Securities Services Limited	1,960,941	0.75	1,960,941		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	(1,960,941)		-	-	-
10	Orange Mauritius Investments Limited*	1,890,000	0.72	1,890,000	1,890,000	0.72
11	Dimensional Emerging Markets Value Fund	1,847,557	0.70	1,847,557		
	Transaction (purchase / sale) during April 1, 2014 to March 31, 2015	38,410		1,885,967	1,885,967	0.72

* change in the percentage of holding due to increase in the issued and paid-up share capital of the Company due to allotment of equity shares during the financial year.



v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Cumulative shareholding during the year		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors								
1	B.K.Goenka	140	0.00	-	140	0.00	140	0.00
2	Rajesh Mandawewala	200	0.00	-	200	0.00	200	0.00
3	Braja Mishra	-	-	31.03.2015 - 227,781 allotment of sweat equity shares	-	-	227,781	0.09
4	Atul Desai	200	0.00	-	200	0.00	200	0.00
5	K.H.Viswanathan	-	-	-	-	-	-	-
6	Mintoo Bhandari	-	-	-	-	-	-	-
7	Mukul Sarkar	-	-	-	-	-	-	-
8	Nirmal Gangwal	327,004	0.12	02.12.2014 – 5,000, sold in the open market	322,004	0.12	-	-
				03.12.2014 – 35,924 sold in the open market	286,080	0.11	-	-
				05.12.2014 – 9,006, sold in the open market	277,074	0.11	277,074	0.11
9	Rajkumar Jain	-	-	-	-	-	-	-
10	Ramgopal Sharma	2,100	0.00	-	2,100	0.00	2,100	0.00
11	Revathy Ashok	-	-	-	-	-	-	-
12	Utsav Bajjal	-	-	-	-	-	-	-
Key Managerial Personnel								
13	S.Krishnan-CFO	12,000	0.00	-	12,000	0.00	12,000	0.00
14	Pradeep Joshi-CS	629	0.00	19.09.2014 – 629 sold in the open market	-	-	-	-
		-	-	20.09.2014 – 1 purchased from open market	1	0.00	1	0.00

V. INDEBTEDNESS

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

(₹. in million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	19,404.52	4,536.41	-	23,940.93
ii. Interest due but not paid	473.98	-	-	473.98
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	19,877.90	4,536.41	-	24,414.31
change in indebtedness during the financial year.				
· Addition	-	-	-	-
· Reduction	3.27	4,517.75	-	4,521.02
Net change	3.27	4,517.75	-	4,521.02
Indebtedness at the end of the financial year				
i. Principal Amount	19,493.63	18.66	-	19,512.29
ii. Interest due but not paid	381	-	-	381
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19,874.63	18.66	-	19,893.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the Managing Director
		Mr. Braja Mishra
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961.	Rs. 45.08 million p.a.
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	Rs. 11.14 million p.a.
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil
2	Stock Option	2,050,029 Stock Options carrying option to subscribe for equal number of equity shares of Rs. 5 each fully paid-up at a price of Re. 1 per share.
3	Sweat equity	227,781 equity shares of Rs. 5 each fully paid-up of aggregate value of Rs. 12,243,229 determined as per SEBI (Issue of Sweat Equity Shares) Regulations, 2002
4	Commission	Nil
	As % of profit	
	Others, specify.....	
5	Others, please specify	Nil
	Total (A)	Rs. 121.64 million p.a.
	Ceiling as per the Act.	In terms of the Circular No. 7/ 2015 dated April 10, 2015 issued by the Ministry of Corporate Affairs, the Company can pay the remuneration to the Managing Director for his remaining tenure (including for the year 2014-15) in accordance with terms and conditions approved by Company as per relevant provisions of Schedule XIII of earlier Act even if the part of his tenure falls after April 1, 2014 and hence in terms of the Schedule XIII of the earlier Act read with Notifications dated July 14, 2011 and August 16, 2012 the Managing Director is eligible to receive remuneration for remaining period including the financial year 2014-15 in terms of the approval granted by the shareholders at its meeting held on August 6, 2012 without any further approval.

* Value of ESOP & Sweat Equity – Rs. 65.42 million

B. Remuneration to other directors

(Rs. in Million)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
		RGS	KHV	RKJ	NG	RA	AD	
1	Independent Directors							
	Fee for attending board & committee meetings	0.678	0.683	0.628	0.096	0.120	0.120	2.325
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.678	0.683	0.628	0.096	0.120	0.120	2.325
Sr. No.	Particulars of Remuneration	Name of Directors					Total	
		MS	MB	UB	BKG	RRM		
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	0.060	0.310	0.030	-	-	0.400	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	0.060	0.310	0.030	-	-	0.400	
	Total (B) = (1 + 2)	-	-	-	-	-	2.725	
	Total Managerial Remuneration							Rs. 124.36 million
	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.)						

RGS - Ramgopal Sharma
NG - Nirmal Gangwal
MS - Mukul Sarkar

KHV - K.H.Viswanathan
RA- Revathy Ashok
MB - Mintoo Bhandari

RKJ - Rajkumar Jain
AD - Atul Desai
UB - Utsav Bajjal

BKG - Balkrishan Goenka
RRM - Rajesh Mandawewala



C. Remuneration To Key Managerial Personnel Other Than Managing Director /Manager/Whole-Time Director

(Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO	Total
1	Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s. 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961"	N/A	2,991,732	22,473,984	25,465,716
2	Stock Option	N/A	Nil	Nil	Nil
3	Sweat Equity	N/A	Nil	Nil	Nil
4	Commission - As % of profit - Others, specify	N/A	Nil	Nil	Nil
5	Others, please specify	N/A	Nil	Nil	Nil
	Total	N/A	2,991,732	22,473,984	25,465,716

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

VII. Penalties / Punishment / Compounding of Offences

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





CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

I. Philosophy on Corporate Governance

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

II. Board of Directors

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

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

Name of the Director	Category	Board Meetings Attended during the Year 2014-15	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)*
				Pub.	Pvt.	Other Body Corporate	
Mr. B.K.Goenka-Chairman	P, NE	3/7	No	11	5	6	1C, 3M
Mr. Braja Mishra-Managing Director	E	4/7	No	1	5	2	-
Mr. Rajesh R. Mandawewala	P, NE	6/7	No	12	5	13	3M
Mr. K.H.Viswanathan	NE, I	7/7	Yes	3	4	-	1C, 2M
Mr. Rajkumar Jain	NE, I	7/7	Yes	5	2	-	2C, 2M
Mr. Ram Gopal Sharma	NE, I	7/7	Yes	5	1	-	2C, 1M
Mr. Nirmal Gangwal	NE, I	4/7	No	1	3	-	-
Mr. Mukul Sarkar - Nominee EXIM Bank	NE, NI, L	2/7	No	2	-	-	-
Mr. Mintoo Bhandari – Nominee of the Investor*	NE, NI	5/7	No	3	2	-	2M
Mr. Utsav Baijal- Nominee of the Investor	NE, NI	1/7	No	5	1	-	1M
Mrs. Revathy Ashok#	NE, I	4/4	No	5	3	-	-
Mr. Atul Desai#	NE, I	4/4	No	9	1	-	3C, 3M

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

* Out of 7 meetings, 2 meetings attended by the Observer.

4 meetings held since their appointment.

Abbreviations:

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

7 meetings of the Board of Directors were held during the financial year 2014-15 on the following dates: April 29, 2014, May 26, 2014, August 7, 2014, October 21, 2014, December 20, 2014, January 21, 2015 and March 31, 2015.

In addition to the above, a meeting of the Independent Directors was held on March 31, 2015 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 and Clause 49 of the Listing Agreement. The said meeting was attended by Mr. Nirmal Gangwal, Mr. Ram Gopal Sharma, Mr. Rajkumar Jain, Mr. K. H. Viswanathan and Mrs. Revathy Ashok.

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

III. Audit Committee

The Committee comprises of 4 non-executive directors having accounting and finance back-ground. A majority of them are independent with the Chairman being an

independent director. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. Ram Gopal Sharma	Chairman	15/15
Mr. K.H.Viswanathan	Member	15/15
Mr. Rajkumar Jain	Member	14/ 15
Mr. Mintoo Bhandari*	Member	3/15

* Appointed an observer to attend 12 meetings of the Committee.

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

15 meetings of the Audit Committee of the Board of Directors were held during the financial year 2014-15 on following dates: April 19, 2014, April 28, 2014 (Two meetings), April 29, 2014, June 2, 2014, August 6, 2014, August 7, 2014, August 23, 2014, October 18, 2014, October 20, 2014, October 21, 2014, January 10, 2015,



January 21, 2015, January 28, 2015 and March 28, 2015. None of recommendations made by the Audit Committee were rejected by the Board.

Terms of reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

IV. Details of Establishment of Vigil Mechanism for Directors and Employees

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

V. Nomination and Remuneration Committee

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors, majority of whom are independent directors. During the year under review, 6 meetings of the Committee were held on April 29, 2014, August 7, 2014, October 1, 2014, December 20, 2014, January 21, 2015 and March 31, 2015.

Terms of reference:

To recommend appointment of, and remuneration to Directors, Key Managerial Personnel and Senior Management Personnel and review thereof from time to time.

Composition of the Committee:

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

Remuneration Policy:

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

Appointment of Directors:

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

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

Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel:

- The remuneration to executive directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. It may contain fixed pay. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent.
- The Non-Executive Directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.
- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- The Non-Executive Directors may be paid commission after complying with required provisions of the Companies Act, 2013.

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

VI. Share Transfer Investors' Grievance and Stakeholders' Relationship Committee

The Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee is in accordance

with the Section 178 of the Companies Act, 2013 and the Clause 49 of the Listing Agreement to look into transfer of securities and redress investors' complaints and to review the functioning of the investors grievance redressal system.

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

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

Compliance Officer: Mr. Pradeep Joshi - Company Secretary
Meetings of the Committee are scheduled to be held once in every fortnight or as and when required.

Number of Shareholders complaints / requests received during the year

During the year under review, total 48 shareholders complaints were received. Break-up and number of complaints received under different category is given hereunder:

1. Non receipt of Share Certificate	:	6
2. Non receipt of Dividend	:	25
3. Non receipt of Annual Report	:	14
4. Others	:	3

All the complaints/requests received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders and no complaints were pending as on March 31, 2015 for more than 15 days. All the shares/debentures received for transfer/transmission were transferred / transmitted and no transfer was pending as at March 31, 2015.

VII. General Body Meetings

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

- 17th Annual General Meeting held on Friday, 14.09.2012 at 11:00 am at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110 for alteration of Articles of Association to provide for meetings and service of documents by electronic mode and increase in maximum number of directors from 11 to 12.
- 18th Annual General Meeting held on Tuesday, 24.09.2013 at 10.45 am at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch,

Gujarat-370110 for payment of commission to Mr. B.K.Goenka, Non-executive Chairman @1% of the net profits of the Company for a period of 5 years starting from the financial year 2012-13.

- 19th Annual General Meeting held on Thursday, 25.09.2014 at 10.00 am at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110:
 - for appointment of independent directors viz. Mr. Ramgopal Sharma, Mr. K.H.Viswanathan, Mr. Nirmal Gangwal, Mr. Rajkumar Jain and Mrs. Revathy Ashok.
 - authorising keeping of Register and index of Members separately for each class of equity and preference shares, register of debenture holders; and register of any other security holders at any other place in India outside the registered office of the Company.
 - for alteration of Articles of Association to align the same with the requirements under the Companies Act, 2013.
 - approving of transactions with the related parties viz. Welspun Tradings Ltd. and Welspun Tubular LLC.

During the year under report, special resolutions u/s 180(1) (a), 180(1)(c) and 186 of the Companies Act, 2013 were passed through postal ballot. The postal ballot exercise was conducted by CS Ms. Mansi Damania, Partner of M/s. JMJA & Associates LLP, Company Secretaries (earlier-Proprietor of M/s. Mansi Damania & Associates, Company Secretaries). Detail of voting pattern on those resolutions and procedure for postal ballot were as under:

Resolution	Total outstanding Shares	No. of Votes Polled	% of votes polled on outstanding shares	No. of votes in favor	No. of votes against	% of votes in favor of total votes polled	% of votes against of total votes polled
u/s 180(1) (a)	262,948,299	108,823,520	41.39	108,435,348	388,172	99.64	0.36
u/s 180(1) (c)	262,948,299	109,409,537	41.61	109,025,713	383,824	99.65	0.35
u/s 186	262,948,299	116,731,084	44.39	103,683,227	13,047,857	88.82	11.18

Procedure followed for conducting 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 bal-



lot 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 or register to the Company for preservation.

The results of the postal ballot were declared by placing it, along with the scrutinizer's report, on the website of the Company.

VIII. Disclosure

a. Related Party Transactions

For related party transactions, refer Note No. 39 of Notes to Accounts annexed to the Financial Statement and Annexure 4 to the Director's Report

The Company's policy on dealing with Related Party Transactions as required under Clause 49 of the Listing Agreement with the stock exchanges is disclosed on the Company's website and a web link thereto is as under: <http://www.welspuncorp.com/content.asp?Submenu=Y&MenuID=1&SubmenuID=64>.

b. Non-Compliance

There were no non-compliances by the Company and hence no penalties and strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last 3 years.

c. Policy for determining 'material' subsidiaries

The Company's policy on determining material subsidiaries as required under Clause 49 of the Listing Agreement with the stock exchanges is disclosed on the Company's website and a web link thereto is as under: <http://www.welspuncorp.com/content.asp?Submenu=Y&MenuID=1&SubmenuID=64>.

d. Detail of compliance with mandatory requirement and adoption of the non-mandatory requirements of the Clause 49 of the Listing Agreement

The Company is in compliance with the mandatory requirements mentioned under Clause 49 of the Listing Agreement to the extent applicable and in addition the Company adopted non-mandatory requirement mentioned at (3) "Audit Qualifications", (4) "Separate Posts of the Chairman and the Managing Director / CEO, and (5) "Reporting of Internal Auditor" of Annexure XIII to the Clause 49 of the Listing Agreement with the Stock Exchanges.

IX. Means of Communication

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

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

X. General Shareholder Information

1. Annual General Meeting shall be held on Monday, August 31, 2015 at 1:00 p.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

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

3. Date of Book Closure: Monday, June 22, 2015 to Wednesday, June 24, 2015 (both days inclusive).

4. Dividend payment date: September 4, 2015 or any date thereafter.

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

Stock Code /Symbol for equity shares:

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

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

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April -2014	84.40	68.15	84.50	68.00
May-2014	91.25	74.60	91.45	74.20
June-2014	107.70	79.35	108.40	79.25
July-2014	95.50	81.40	94.90	81.40
August-2014	87.65	68.05	87.50	68.15
September-2014	84.40	67.50	84.50	67.10
October-2014	83.70	74.20	83.95	74.10
November-2014	81.50	72.35	81.50	71.10
December-2014	79.55	61.15	80.00	60.60
January-2015	74.55	66.00	77.00	66.00
February-2015	70.25	58.00	70.30	59.75
March-2015	69.80	51.90	69.90	52.00

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

Month	BSE Index Sensex	Closing price of Share (Rs.)	NSE (S&P Nifty)	Closing price of Share (Rs.)
April - 2014	22,417.80	81.55	6,696.40	81.65
May-2014	24,217.34	79.90	7,229.95	80.05
June-2014	25,413.78	87.25	7,611.35	87.30
July-2014	25,894.97	83.50	7,721.30	83.50
August-2014	26,638.11	68.30	7,954.35	68.25
September-2014	26,630.51	77.45	7,964.80	77.45
October-2014	27,865.83	76.55	8,322.20	76.80
November-2014	28,693.99	74.50	8,588.25	74.75
December-2014	27,499.42	68.70	8,282.70	68.95
January-2015	29,182.95	67.60	8,808.90	67.75
February-2015	29,361.50	68.55	8,901.85	68.25
March-2015	27,957.49	54.00	8,491.00	53.85

8. Registrar and Transfer Agent:

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

M/s. Link Intime India Private Limited

Unit : Welspun Corp Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.

Email - rnt.helpdesk@linkintime.co.in

Tel. No.: +91-22-25946970

Fax No. : +91-22-25946969

9. Debentures and Debenture Trustee:

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

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

Debenture Trustee:

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

10. Share / Debenture Transfer System:

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

11. Distribution of Shareholding as on March 31, 2015 is as under:

Number of Shares	No. of share-holders	Percentage of Share-holders	No. of Shares	Percentage of Shares held
Upto – 500	55,318	89.61	6,394,134	2.43
501-1,000	3,374	5.47	2,661,997	1.01
1,001-2,000	1,543	2.50	2,319,804	0.88
2,001-3,000	511	0.83	1,297,252	0.49
3,001-4,000	219	0.35	784,265	0.30
4,001-5,000	177	0.29	828,188	0.31
5,001-10,000	242	0.39	1,801,331	0.68
10,001 and above	351	0.57	247,089,109	93.89
Total	61,734	100	263,176,080	100

12. Dematerialization of shares and liquidity:

As on March 31, 2015, 96.89% equity shares have been dematerialized and have reasonable liquidity on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

Outstanding as on 31.03.2015	Conversion date	Impact on equity share capital
2,050,029 Stock Options carrying right to subscribe for equal number of equity shares in the Company	At any time after 24.12.2015 but before 24.12.2018	Increase in equity capital by 2,050,029 equity shares of Rs.5/- each at a price of Re. 1 per share
23,026 Global Depository Receipts representing 2,3026,000 underlying equity shares of Rs. 5 each	Not applicable	Nil, as the underlying equity shares are already issued.



14. Disclosure of Shares held in suspense account under Clause 5A of the Listing Agreement:

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

15. Plant locations of the Company and its subsidiaries

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

16. Address for correspondence

The Company Secretary,
Welspun Corp Limited
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013.

Tel: +91-22-66136000;+91-22-24908000,
Fax: +91-22-24908020/21
e-mail: CompanySecretary_WCL@welspun.com

Certificate of Practicing Company Secretary on Corporate Governance Report

To the Members of
Welspun Corp Limited

We have examined the compliance of conditions of Corporate Governance by Welspun Corp Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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

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

We state that in respect of investor grievances received during the year ended March 31, 2015, the Registrars of the Company have certified that as at March 31, 2015, there were no investor grievances remaining unattended/pending for more than 15 days.

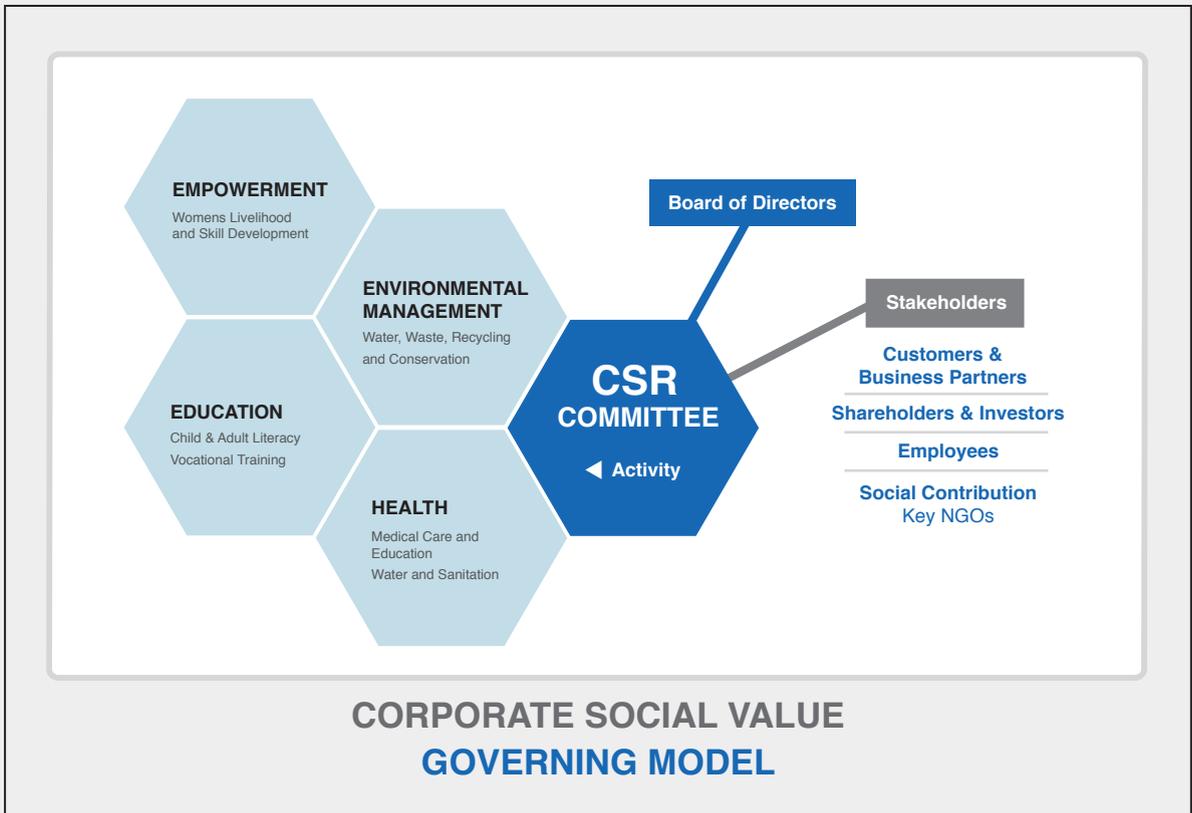
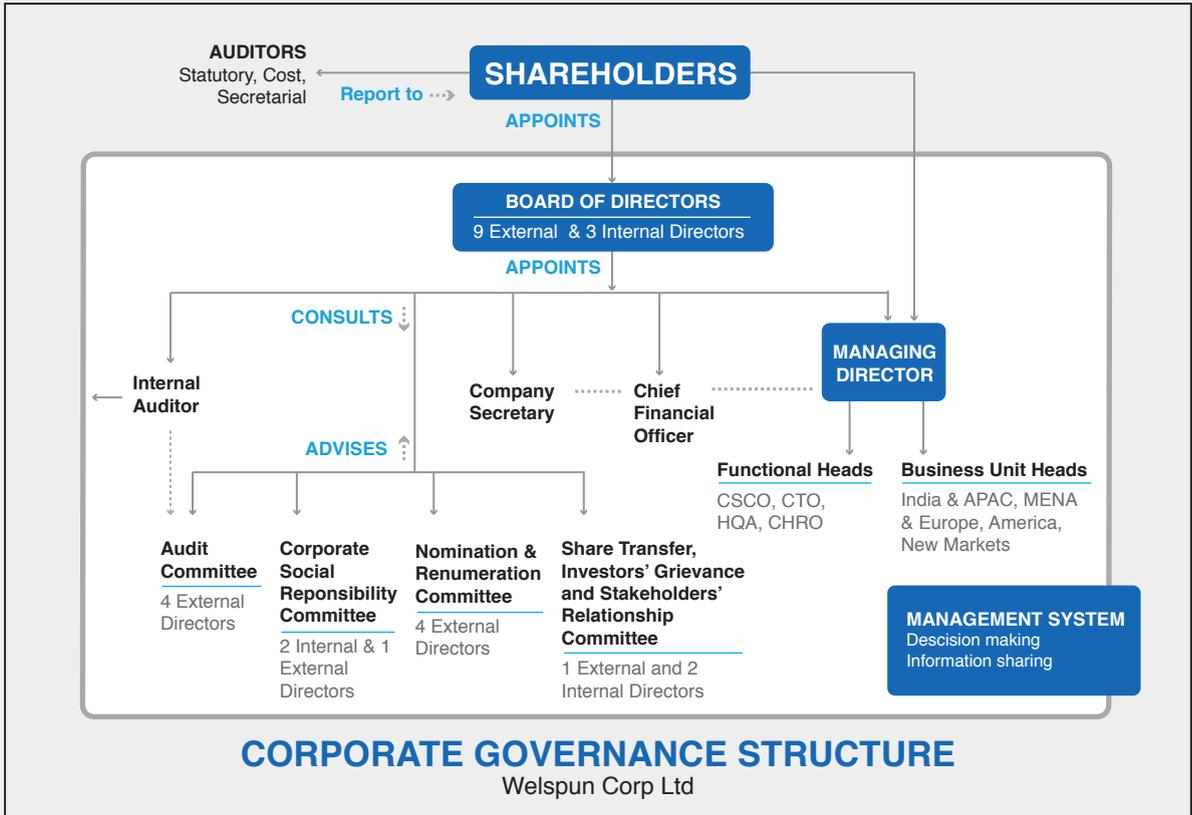
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

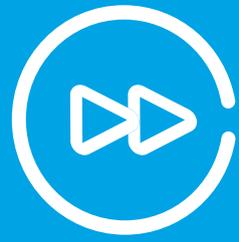
For JMJA & Associates LLP,
Company Secretaries

Mansi Damania
Partner
Certificate of Practice No. 8120

Mumbai
April 28, 2015

CORPORATE GOVERNANCE STRUCTURE







FINANCIALS

FINANCIALS

Consolidated Financials

1. Independent Auditor's Report on Consolidated Accounts
2. Consolidated Balance Sheet
3. Consolidated Statement of Profit & Loss
4. Consolidated Cashflow Statement
5. Consolidated Notes to Accounts

Standalone Financials

1. Independent Auditor's Report on Standalone Accounts
2. Standalone Balance Sheet
3. Standalone Statement of Profit & Loss
4. Standalone Cashflow Statement
5. Standalone Notes to Accounts

INDEPENDENT AUDITORS' REPORT



To the members of Welspun Corp Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Welspun Corp Limited ("the Company") and its subsidiaries and associate company; hereinafter referred to as the "Group" (refer Note [1 (II) (i)] to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 consolidated financial statements.

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

Opinion

7. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 23 – Accounting for Investment in Associates in Consolidated Financial Statements specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 10 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Group as at March 31 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 41 (b) relating to remuneration paid to the managing director of the Company for the financial year 2012-13 in excess of the limits specified in the Schedule XIII of the Companies Act, 1956 wherein the Company received approval from the Central Government for a lower amount. During the current financial year, the Company has been advised that the Central Government approval was not required for payment of remuneration to the Managing Director. Consequently, the Company has requested the Central Government to treat the original application as withdrawn and has accounted as paid the amount of ₹ 83.01 million shown previously as refundable by the Managing Director.

Our opinion is not qualified in respect of this matter.

Other Matter

10. We did not audit the financial statements of 8 subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 42,346.79 million and net assets of ₹ 28,133.55 million as at balance sheet date, total revenue of ₹ 51,809.77 million, net profit of ₹ 2,499.07 million and net cash flows amounting to ₹ 446.01 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
11. The consolidated financial statements of the Company as at March 31, 2014 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated April 29, 2014, expressed an unmodified opinion on those financial statements.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number:(FRN 012754N/N500016)

Mehul Desai

Partner

Membership Number 103211

Place: Mumbai

Date: April 28, 2015

Welspun Corp Limited

Consolidated Balance Sheet as at 31 March

(₹ in million)

	Notes	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,315.88	1,314.74
Reserves and surplus	3	26,672.30	27,177.60
		27,988.18	28,492.34
Minority Interest - Equity shares		2,486.21	1,011.78
Minority Interest - Preference shares	2.1	1,076.44	1,076.44
Non-current liabilities			
Long-term borrowings	4	26,159.93	28,034.54
Deferred tax liabilities (Net)	5	5,696.62	5,608.87
Other long-term liabilities	6	645.31	1,187.41
Long-term provisions	7	395.54	250.36
		32,897.40	35,081.18
Current liabilities			
Short-term borrowings	8	1,883.80	4,991.60
Trade payables	9	24,634.13	6,509.70
Other current liabilities	10	6,129.67	10,524.55
Short-term provisions	11	1,059.08	613.91
		33,706.68	22,639.76
Total		98,154.91	88,301.50
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		46,489.34	49,053.74
- Intangible assets		124.53	172.70
- Goodwill on consolidation		4.68	4.68
- Capital work-in-progress		800.83	1,145.73
Non-current investments	13	265.26	255.59
Long-term loans and advances	14	1,320.72	1,059.88
Other non-current assets	15	58.02	96.86
		49,063.38	51,789.18
Current assets			
Current investments	16	7,783.32	11,142.54
Inventories	17	22,082.09	12,815.32
Trade receivables	18	11,300.53	6,373.80
Cash and bank balances	19	3,327.48	1,408.29
Short-term loans and advances	20	3,434.58	3,556.58
Other current assets	21	1,163.53	1,215.79
		49,091.53	36,512.32
Total		98,154.91	88,301.50

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

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S.Krishnan
Chief Financial Officer

Braja Mishra
Managing Director
DIN No.00007089

Pradeep Joshi
Company Secretary

Welspun Corp Limited
Consolidated Statement of Profit and Loss for the year
ended 31 March



(₹ in million)

	Notes	2015	2014
Revenue			
Revenue from operations (Gross)	22	86,193.46	78,153.35
Less: Excise duty		1,688.59	1,106.12
Revenue from operations (Net)		84,504.87	77,047.23
Other income	23	1,085.92	1,742.00
Total		85,590.79	78,789.23
Expenditure			
Cost of materials consumed	24	58,120.59	46,549.36
Changes in inventories of finished goods and work-in-progress	25	244.23	3,148.24
Employee benefits expense (Net)	26	5,909.17	5,295.43
Other expenses	27	11,808.77	15,357.04
Total		76,082.76	70,350.07
Profit before depreciation/amortization, finance costs and tax		9,508.03	8,439.16
Less: Depreciation and amortization expense	12	4,365.04	4,063.01
Finance costs	28	2,830.28	2,964.04
Profit before tax		2,312.71	1,412.11
Tax expense			
- Current tax		91.52	414.57
- Provision for Tax for earlier years		77.48	-
- MAT credit entitlement		(77.48)	-
- Deferred tax (Refer note 37)		85.93	17.01
Total tax expense		177.45	431.58
Profit after tax before minority interest		2,135.26	980.53
Minority's share of profit in subsidiary companies		(1,444.85)	(246.63)
Profit/(loss) for the year		690.41	733.90
Earnings/ (Loss) per share [Nominal value ₹ 5 (March 31, 2014: ₹ 5)]	38		
- Basic		2.63	2.79
- Diluted		2.60	2.79

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

As per our attached report of even date

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

Mehul Desai
 Partner
 Membership No. 103211

Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
 Chairman
 DIN No.00270175

S.Krishnan
 Chief Financial Officer

Braja Mishra
 Managing Director
 DIN No.00007089

Pradeep Joshi
 Company Secretary

Welspun Corp Limited

Consolidated cash flow statement for the year ended 31 March

(₹ in million)

	2015	2014
A) Cash flow from operating activities		
Profit / (loss) before tax	2,312.71	1,412.11
Adjustments for:		
Depreciation and amortization expense	4,365.04	4,063.01
Interest expense	2,364.64	2,453.06
Interest income	(968.04)	(1,408.60)
Loss on sale/discarding of tangible assets (Net)	28.97	1.95
Provision for impairment of tangible assets	-	12.45
Loss/(Profit) on sale of current investments	100.89	(207.81)
Dividend income	(35.67)	(12.87)
Provision for doubtful debts and advances (Net)	(37.65)	(39.71)
Bad debts and advances written off	-	96.59
Employee compensation expenses (Net)	36.47	-
Sweat Equity	28.96	-
Exchange adjustments (Net)	(750.67)	205.05
Operating profit before working capital changes	7,445.65	6,575.23
Adjustments for:		
Trade and other receivables	(5,101.93)	10,114.43
Inventories	(9,266.77)	10,215.45
Trade and other payables	16,179.10	(24,206.20)
Cash generated from operations	9,256.05	2,698.91
Direct taxes paid (net of refunds)	(244.79)	(428.94)
Net cash from operating activities (A)	9,011.26	2,269.97
B) Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress)	(905.75)	(1,666.11)
Sale of fixed assets	11.52	92.39
Purchase of long-term investments	(9.67)	-
Sale/(purchase) of current investments (Net)	3,258.33	(1,086.76)
Dividend received	35.67	12.87
Interest received	986.98	1,426.01
Net cash generated from/ (used in) investing activities (B)	3,377.08	(1,221.60)
C) Cash flow from financing activities		
Proceeds from issue of preference shares by subsidiary	-	1,076.44
Repayment of long-term borrowings (Net)	(5,512.16)	(6,342.19)
Increase/(decrease) in short-term borrowings (Net)	(2,994.58)	2,989.62
Payment to minority shareholders on acquisition of stake in subsidiary	-	(3.44)
Dividend paid to minority shareholders of subsidiary	-	(151.89)
Dividend paid (including corporate dividend tax)	(154.67)	(152.74)
Interest paid	(2,396.84)	(2,681.13)
Net cash used in financing activities (C)	(11,058.25)	(5,265.33)
Net changes in Cash and Cash Equivalents (A+B+C)	1,330.09	(4,216.96)
Cash and Cash Equivalents at the beginning of the year	857.36	6,140.33
Cash and Cash Equivalents transferred pursuant to scheme of arrangement	-	(1,066.01)
Cash and Cash Equivalents at the end of the year	2,187.45	857.36

Notes:

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statements as notified under section 211 (3C), Companies (Accounting Standards) Rules, 2006 as amended.
- Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S.Krishnan
Chief Financial Officer

Braja Mishra
Managing Director
DIN No.00007089

Pradeep Joshi
Company Secretary

Welspun Corp Limited

Notes forming part of the consolidated financial statements as on and for the year ended March 31, 2015



1. General Information

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

Significant Accounting Policies

I Basis of preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried out at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014 till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financials Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of the Companies Act, 2013, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014.

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

II Principles of Consolidation

- a) The Consolidated Financial Statements (CFS) of the Group are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India and Accounting Standard-21 on “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India (ICAI), to the extent possible in the same manner as that adopted by the Parent Company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.
- b) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions.
- c) The difference between the cost of investment in the subsidiaries over the Company’s portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve.
- d) Minority Interest in the net assets of consolidated subsidiaries consist of:
 - i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) The minorities’ share of movements in equity since the date, the parent subsidiary relationship comes into existence
- e) In the consolidated financial statements, the Company has reported its interest in the joint venture companies under AS-27 using proportionate consolidation method whereby the Company’s share of each of the assets, liabilities, income and expenses of the jointly controlled entities is reported as separate line items, after eliminating proportionate unrealized profits or losses attributable to the interest of the Company.
- f) Investments in associates have been accounted for under AS-23 using equity method whereby the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is

Welspun Corp Limited

Notes forming part of the consolidated financial statements as on and for the year ended March 31, 2015

adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

- g) The consolidated Statement of Profit and Loss reflects the investor's share of the results of operations of the investee.
- h) CFS are prepared to the extent possible using uniform accounting policies for transactions and

other events in similar circumstances.

- i) The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiaries	Nature of Business	Country of Incorporation	Extent of Holding
Direct Subsidiaries			
Welspun Pipes Limited	Manufacturer of Steel Pipes	India	100% (100%)
Welspun Pipes Inc	SPV for Steel Pipes Business	USA	100% (100%)
Welspun Tradings Limited	Trading in Steel Products	India	100% (100%)
Welspun Mauritius Holdings Limited	SPV for Steel Pipes Business	Mauritius	89.98% (89.98%)
Indirect Subsidiaries			
Held through Welspun Mauritius Holdings Limited			
Welspun Middle East Pipes Company LLC	Manufacturer of Steel Pipes	Kingdom of Saudi Arabia	50.01% (50.01%)
Welspun Middle East Pipes Coating Company LLC	Coating of Pipes	Kingdom of Saudi Arabia	50.01% (50.01%)
Held through Welspun Pipes Inc.			
Welspun Tubular LLC	Manufacturer of Steel Pipes	USA	100% (100%)
Welspun Global Trade LLC	Marketing Company	USA	100% (100%)
Held through Welspun Tradings Limited			
Welspun Middle East DMCC	Marketing Company	Dubai, UAE	100% (100%)

Percentage in brackets pertain to the previous year.

j. **Associates**

The Group has adopted and accounted for Investment in the following Associate in this CFS using the "Equity Method" as per AS-23.

Name of the Company	Nature of Business	Country of Incorporation	Extent of Holding
Red Lebondal Limited @	SPV for Steel Pipe Marketing	Cyprus	25% (25%)

@ Application filed with registrar of companies (Cyprus) for name strike off.

k. **Use of estimates:**

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses

of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such case the difference is recognized when known or materialized.

Welspun Corp Limited

Notes forming part of the consolidated financial statements as on and for the year ended March 31, 2015



III Tangible and intangible assets

- a) Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortization and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period. Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- b) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- c) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.
- d) Intangible assets are carried at cost, net off accumulated amortization and impairment loss, if any. Cost of software includes licence fees and implementation/integration expenses.

IV Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

V Impairment of tangible and intangible assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash

generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

VI Depreciation/Amortization on tangible and intangible assets

- a) In case of holding company and its indian subsidiaries, consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1 April 2014, the Group has realigned the remaining useful lives of its fixed assets, in accordance with the provisions prescribed under Schedule II to the Act. On an overall basis estimated useful lives by major asset classification of the group are as follows:

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	10 years
Factory Building	30 years
Office Building	60 years
Road, Fencing, etc	Ranging between 3 to 5 years

- b) Plant and Machinery is depreciated on straight line method over the useful life ranging between 5 years to 40 years which is different than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of Plant and Machinery has been determined based on technical evaluation.
- c) Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

Welspun Corp Limited

Notes forming part of the consolidated financial statements as on and for the year ended March 31, 2015

VII Investments

- a) Investments, which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried lower of cost and fair value.
- b) Long-term investments are carried at cost less provision for diminution other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VIII Revenue recognition

- a) Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of trade discounts, rebates, sales taxes and excise duties. Export sales are recognized on the date of cargo receipts, bill of lading or other relevant documents, in accordance with the terms and conditions for sales.
- b) Export benefits: Duty Entitlement Pass Book (DEPB), Focus Market and Focus Product Scheme are recognized on accrual basis. Target plus /Duty Free Entitlement Certificate scheme of EXIM policy are recognized when utilized.
- c) Revenue from services is recognized on completion of services.

IX Other Income

- a) Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- b) Income from duty drawback and premium on sale of import license is recognized on accrual basis.
- c) Dividend: Dividend income is recognized when the right to received the dividend is established.

X Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determining cost for various categories of inventories is as follows:

- a) Raw materials, stores and spares – Moving weighted average basis.
- b) Goods-in-process – Cost of raw materials plus direct labour plus other direct costs and other production overheads.
- c) Finished goods – Cost of materials plus direct labour plus other direct costs production overheads and excise duty on such goods.

Net realizable value is the estimate of the selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale.

XI Foreign currency transactions

a) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

- c) With respect to long-term foreign currency monetary items, the Group has adopted following policy:
 - i) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
 - ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.



- iii) A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

d) Translation and exchange rates

- i) Financial statements of overseas non-integral operations are translated as under:
 - a) Assets and liabilities are translated at the exchange rate prevailing at the end of the year.
 - b) Revenues and expenses at yearly average rates (except inventories at opening / closing rates as the case may be). Off balance sheet items at year-end rates.
- ii) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

XII Derivative instruments and hedge accounting

- a) In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.
- b) In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps, the company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement'. Accordingly, forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.
- c) Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted

transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs.

- d) Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

XIII Employee benefits

a) Provident Fund and other Social Security Funds

Contribution towards provident fund, employee's state insurance fund, employee's pension scheme and various other social security funds generally administered by the respective Government authorities in respect of which the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis.

b) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

c) Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of Profit and Loss in the year in which they arise.

Gratuity Fund is recognized by the income tax authorities and is administered through trustees. The Employee's Gratuity Trust takes group gratuity policies with insurance companies.

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d) **Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

XIV Employee stock options scheme

Equity settled stock options granted under "Employee Stock Option" are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based payments issued by the Institute of Chartered Accountant of India. The intrinsic value of Option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion.

XV Current and deferred Tax

- a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.
- b) Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets

are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

- c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.
- d) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XVI Leases

- a) **Finance lease**
Assets acquired under finance lease are capitalized and the corresponding lease liability is recognized at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.
- b) **Operating lease**
As a lessee:
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

Welspun Corp Limited

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As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

- b) The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.
- c) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

XVII Provisions and contingent liabilities

- a) Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
- b) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XVIII Cash & cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

XIX Earnings per share

- a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any.

Welspun Corp Limited
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(₹ in million)

	2015	2014
2. Share capital		
Authorised		
304,000,000 (March 31, 2014: 304,000,000) Equity Shares of ₹ 5 each	1,520.00	1,520.00
98,000,000 (March 31, 2014: 98,000,000) Preference Shares of ₹ 10 each	980.00	980.00
Total	2,500.00	2,500.00
Issued, subscribed and paid up		
263,176,080 (March 31, 2014: 262,948,299) Equity Shares of ₹ 5 each fully paid up	1,315.88	1,314.74
Total	1,315.88	1,314.74

a) Reconciliation of the number of Equity shares outstanding

	2015		2014	
	Number of Equity Shares	₹ in million	Number of Equity Shares	₹ in million
At the beginning of the year	262,948,299	1,314.74	262,948,299	1,314.74
Issued during the year				
– Sweat Equity Shares	227,781	1.14	-	-
Outstanding at the end of the year	263,176,080	1,315.88	262,948,299	1,314.74

b) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have voting rights in respect of shares represented by the GDR's till the shares are held by the custodian. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shareholders holding more than 5% shares of the company

Name of Shareholders	2015		2014	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
J P Morgan Chase Bank, NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)	23,026,000	8.75	23,026,000	8.76
Granele Limited	35,038,889	13.31	35,038,889	13.33
Life Insurance Corporation of India Limited and its Schemes	19,277,980	7.33	19,277,980	7.33
Welspun Wintex Limited	13,336,576	5.07	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.50	14,477,701	5.51
Krishiraj Trading Limited	52,912,858	20.11	52,862,858	20.10

Welspun Corp Limited
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d) Details of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

The Company has issued 227,781 Equity shares of ₹5 each to Managing Director as Sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of Sweat equity) regulations, 2002. Employee benefits expense includes ₹ 28.96 million (Previous year: Nil) on issue of Sweat equity during the year.

e) Refer note 39 for details of share issued under Employee Stock Options Scheme

2.1 Minority Interest - Preference Shares

(₹ in million)

	2015	2014
95 shares of Series 'A' Convertible Preferred Stock ("Convertible Shares" with voting rights) of Welspun Pipes Inc. (USA) issued to Insight Solutions (DE). LP.	1,076.44	1,076.44
Total	1,076.44	1,076.44

(₹ in million)

	2015	2014
3. Reserves and Surplus		
Capital reserve		
Balance as at the beginning of the year	-	1,057.26
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(1,057.26)
	-	-
Capital reserve on consolidation	152.92	152.92
Securities premium		
Balance as at the beginning of the year	7,648.56	25,264.84
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(17,587.92)
Received during the year	27.82	-
Premium on redemption of foreign currency convertible bonds	(31.57)	(28.35)
	7,644.81	7,648.56
Debenture redemption reserve		
Balance as at the beginning of the year	1,142.37	1,142.37
Add/(Less): Transferred to surplus in statement of profit and loss	-	-
	1,142.37	1,142.37
Cash subsidy		
Balance as at the beginning of the year	-	1,265.38
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(1,265.38)
	-	-

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(₹ in million)

	2015	2014
Revaluation reserve		
Balance as at the beginning of the year	-	6,564.12
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(6,564.12)
	-	-
Statutory reserve		
Balance as at the beginning of the year	93.01	-
Addition during the year	311.57	93.01
	404.58	93.01
Employees stock options outstanding		
Option granted till date	-	-
Add: Compensation for options granted during the year	135.81	-
Less: Transfer to securities premium on exercise of stock options during the year	-	-
	135.81	-
Less: Deferred employee stock compensation	99.34	-
	36.47	-
Hedging reserve account [Refer note 29(b)]		
Balance as at the beginning of the year	51.50	(44.84)
Movement during the year	(474.79)	96.34
	(423.29)	51.50
Foreign currency monetary item translation difference account [Refer Note 29(a)]		
Balance as at the beginning of the year	(509.32)	(275.37)
Movement during the year	91.00	(233.95)
	(418.32)	(509.32)
Foreign currency translation reserve		
Balance as at the beginning of the year	1,254.66	680.94
Movement during the year	(521.77)	573.72
	732.89	1,254.66
General reserve		
Balance as at the beginning of the year	53.09	1,749.20
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(1,696.11)
	53.09	53.09

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(₹ in million)

	2015	2014
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	17,290.82	17,705.39
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(902.66)
Adjustment on account of change in useful life of fixed assets as per Companies Act, 2013	(249.91)	-
Deferred Tax on above depreciation adjustments	84.93	-
Profit/(loss) for the year	690.41	733.90
	17,816.25	17,536.63
Add/(Less): Appropriations		
Statutory reserve	(311.57)	(93.01)
Proposed dividend on equity shares	(131.59)	(131.47)
Tax on proposed dividend	(26.31)	(22.34)
Excess provision of tax on dividend of earlier year written back	-	1.02
Total appropriations	(469.47)	(245.82)
Net surplus in the Statement of Profit and Loss	17,346.78	17,290.82
Total	26,672.30	27,177.60

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(₹ in million)

	Non-current		Current	
	2015	2014	2015	2014
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures [Refer note (a) below]	13,428.00	13,428.00	-	-
Non-convertible bonds - City of Little Rocks, Arkansas, Series 2007-A [Refer note (b) below]	500.42	505.88	27.29	26.16
External commercial borrowings [Refer note (c) below]	4,037.50	4,194.05	168.75	-
Term loans from banks [Refer note (d) below]	4,510.96	5,954.05	1,699.98	547.32
Term loan from financial institution [Refer note (e) below]	831.45	471.39	233.36	95.88
Finance lease obligation [Refer note 30]	6.83	29.62	24.01	21.95
Unsecured				
Foreign currency convertible bonds [Refer note (f) below]	-	-	-	4,493.63
Inter-corporate deposit [Refer note (g) below]	2,834.48	3,432.89	-	-
Deferred sales tax loan	-	-	-	16.69
Other loans [Refer note (h) below]	10.29	18.66	8.37	7.43
Total	26,159.93	28,034.54	2,161.76	5,209.06

- a) The debentures together with interest are secured by first charge ranking pari passu by way of mortgage /hypothecation of entire immovable and movable tangible assets of the Company, both present and future and second/floating charge on current assets, subject to prior charge in favour of banks for working capital facilities.

(₹ in million)

No. of debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	2015	2014
5,000	1,000,000	September 2025	9.55%	5,000	5,000
5,000	1,000,000	August 2025	9.55%	5,000	5,000
900	1,000,000	November 2022	11.00%	900	900
528	1,000,000	September 2019	11.15%	528	528
2,000	1,000,000	August 2019	11.15%	2,000	2,000
			Total	13,428	13,428

- b) **In case of a subsidiary in USA:** Bonds of ₹ 527.71 million (March 31, 2014: ₹ 532.04 million) guaranteed by the Arkansas Development Finance Authority and the Arkansas Economic Development Commission are due through August 2027; payable monthly carries interest @ 5.75%, secured against property, plant and equipment of the subsidiary.
- c) External commercial borrowings (ECB) of USD 67.3 million (March 31, 2014: USD 70 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% and 4.50%.

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The ECB is repayable as follows

(₹ in million)

Repayment schedule	USD (million)	2015	2014
March 2015	2.70	-	161.77
October 2015	2.70	168.75	161.77
April 2016	4.00	250.00	239.66
October 2016	14.00	875.00	838.81
April 2017	4.00	250.00	239.66
October 2017	14.00	875.00	838.81
April 2018	4.00	250.00	239.66
October 2018	14.00	875.00	838.81
April 2019	5.30	331.25	317.55
October 2019	5.30	331.25	317.55
Total	70.00	4,206.25	4,194.05

d) Term loan from banks

- i) **In case of the Company:** Term loan of USD 29.75 million equivalent to ₹ 1,859.37 million (March 31, 2014 ₹1,782.47 million) from bank is secured by first charge ranking pari passu by way of mortgage/hypothecation of entire movable and immovable tangible assets of the Company and second charge over the entire current assets of the company both, present and future. The loan carries interest of LIBOR plus 5.00%. The loan is repayable in 18 equal quarterly instalments after a moratorium of 30 months from the date of first disbursement i.e. November 2012.
- ii) **In case of a subsidiary in USA:** Term loan of ₹ 4,351.57 million (Previous year ₹ 4,718.90 million) from bank carries interest ranging LIBOR plus 2.71 % to 4.46%. The loan is repayable from June 2014 till November 2018.

e) Term loan from financial institution:

In case of subsidiaries in Kingdom of Saudi Arabia : Term loan of ₹ 1,064.81 million (Previous year ₹ 567.27 million) is repayable from June 2013 till October 2018.

f) Foreign currency convertible bonds (FCCB)

- i) The outstanding FCCB of USD 75 million was redeemed on 17 October 2014 at 102.8028% of the principal amount so as to give a gross yield of 5% per annum (calculated on semi annual basis) to the Bond holders.
- ii) Premium payable on redemption of FCCB aggregating to ₹ 31.57 million (Previous year ₹ 28.35 million) has been adjusted against securities premium as per Section 52 (2) (d) of the Companies Act, 2013.
- iii) Part of net proceeds received from the issue of FCCB has been utilized as per objects of the issue viz for funding of Plate and Coil Mill, Pipe Mill Capex projects (Anjar and Mandya) and Investment in overseas subsidiary. Pending utilization, the balance issue proceeds of USD Nil (Previous year: USD 0.40 million equivalent to ₹ 23.97 million) have been invested in short- term deposits.

g) Inter-corporate deposit

In case of subsidiaries in Kingdom of Saudi Arabia: Repayment terms will be decided by the Board of Directors of subsidiaries.

h) Other loans

Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ 18.66 million (Previous year: ₹26.09 million). The loan carries interest rate of 12.03% per anum and is repayable in 59 monthly instalments beginning from October 2012.

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(₹ in million)

	2015	2014
5. Deferred tax liabilities (net)		
Deferred tax liabilities		
Fiscal allowance on fixed assets	6,464.84	6,603.52
Others	462.35	174.43
	6,927.19	6,777.95
Deferred tax assets		
Employee benefits	26.75	13.13
Provision for doubtful debts and advances	171.17	65.98
Unabsorbed fiscal allowances	1,032.65	1,089.97
	1,230.57	1,169.08
Total	5,696.62	5,608.87
6. Other long-term liabilities		
Liability towards claims	625.00	997.58
Trade advances and deposits	20.31	189.83
Total	645.31	1,187.41
7. Long-term provisions		
Employee benefits		
Provision for compensated absences	54.14	37.73
Provision for end of service benefits	90.17	54.44
Mark to market losses on derivative contracts	9.61	-
Other Provisions		
Provision for litigation / disputes	241.62	158.19
Total	395.54	250.36
8. Short-term borrowings		
Secured		
Buyers' Credit	1,881.51	824.05
Working capital loans from banks	2.29	1,770.95
(Secured by first charge on hypothecation of raw materials, finished goods and goods-in-process, stores & spares and book debts of the Company and second charge on entire immovable and movable tangible assets of the Company both present and future.)		
Unsecured		
Short-term loan from banks	-	2,396.60
Total	1,883.80	4,991.60
9. Trade payables		
Acceptances	20,687.99	3,928.17
Others	3,946.14	2,581.53
Total	24,634.13	6,509.70

Welspun Corp Limited

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



(₹ in million)

	2015	2014
10. Other current liabilities		
Current maturities of long-term borrowings (Refer note 4)	2,161.76	5,209.06
Interest accrued but not due on borrowings	625.06	657.26
Unclaimed dividend	4.49	5.35
Other payables		
Creditors for		
- Capital goods	38.84	107.90
- Employee benefits payable	164.30	269.89
Trade advances and deposits	1,774.18	2,790.56
Statutory dues including provident fund and tax deducted at source	255.55	346.26
Unamortised premium on forward contract	64.64	36.87
Premium payable on redemption of FCCB	-	111.83
Liability towards claims	1,040.63	988.60
Others	0.22	0.97
Total	6,129.67	10,524.55
11. Short-term provisions		
Provision for employee benefits		
Provision for gratuity	25.39	-
Provision for compensated absences	2.81	2.57
Other Provisions		
Proposed equity dividend	131.59	131.47
Tax on proposed equity dividend	26.31	22.34
Liquidated damages	20.00	-
Taxation (Net of advances)	376.32	182.12
Mark to market losses on derivative contracts	475.31	274.65
Other provisions	1.35	0.76
Total	1,059.08	613.91

Welspun Corp Limited

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

12. Fixed assets

(₹ in million)

	Gross Block			Depreciation / Amortization						Net Block				
	As at 1 April 2014	Additions	Foreign Currency Fluctuations	Disposal	As at 31 March 2015	Up to 31 March 2014	For the year	Foreign Currency Fluctuations	Deductions	Impairment	Transitional depreciation adjusted in retained earnings (Refer note 6 below)	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
a) Tangible assets														
Land - Freehold	510.76	29.46	12.36	-	552.58	-	-	-	-	-	-	-	552.58	510.76
Land - Leasehold	1,498.14	-	64.64	-	1,562.78	348.10	104.24	15.02	-	-	-	467.36	1,095.42	1,150.04
Buildings	11,030.46	107.20	220.29	-	11,357.95	1,623.69	430.09	31.24	-	-	191.24	2,276.26	9,081.69	9,406.77
Plant and Machinery	53,400.44	973.83	770.79	88.20	55,056.86	16,062.87	3,602.36	198.97	50.55	-	13.90	19,827.55	35,229.31	37,337.67
Office and other Equipments	963.42	62.75	26.39	0.89	1,051.67	489.44	122.76	11.95	0.72	-	38.30	661.73	389.94	473.98
Vehicles	104.51	7.50	2.05	4.23	109.83	51.40	14.29	1.00	2.15	-	0.50	65.04	44.79	53.11
Furniture and Fixtures	253.30	21.50	4.55	5.57	273.78	131.89	42.37	3.00	4.98	-	5.89	178.17	95.61	121.41
Total (a)	67,761.03	1,202.24	1,101.07	98.89	69,965.45	18,707.39	4,316.11	261.18	58.40	-	249.83	23,476.11	46,489.34	49,053.74
b) Intangible assets														
Goodwill	162.82	-	7.02	-	169.84	162.82	-	7.02	-	-	-	169.84	-	-
Goodwill on Consolidation	4.68	-	-	-	4.68	-	-	-	-	-	-	-	4.68	4.68
Software	565.77	0.84	-	-	566.61	393.07	48.93	-	-	-	0.08	442.08	124.53	172.70
Total (b)	733.27	0.84	7.02	-	741.13	555.89	48.93	7.02	-	-	0.08	611.92	129.21	177.38
Total (a + b)	68,494.30	1,203.08	1,108.09	98.89	70,706.58	19,263.28	4,365.04	268.20	58.40	-	249.91	24,088.03	46,618.55	49,231.12
Previous year	63,549.77	3,532.35	2,310.33	898.15	68,494.30	14,913.14	4,064.42	414.42	141.14	12.45	-	19,263.29	49,231.12	80,213.57
Capital work-in-progress													800.83	1,145.73

Notes

- Gross block of Plant and Machinery includes ₹ 63.49 million (Previous year: ₹ 63.49 million) in respect of expenditure incurred on capital asset, ownership of which does not vest in the Company.
- Depreciation and amortization expense for the year includes ₹ Nil (Previous year: ₹ 1.41 million) transferred to pre-operative expenses.
- Refer note 29 (a) for exchange difference capitalised as per amended Accounting Standard -11.
- Pre-operative expenses of ₹14.36 million (Previous year: ₹ 18.81 million) have been capitalized with related projects during the year.
- Borrowing costs allocated to fixed assets/capital work-in-progress during the year is ₹ Nil (Previous year: ₹ 12.09 million).
- Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company and one of its subsidiary has, wherever required, to reflect the actual usage, realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹ 249.91 million has been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. As a result of above change, depreciation for the current year is higher by ₹ 80.40 million and profit before tax for the current year is lower by ₹ 80.40 million with a consequential impact on profit after tax for the current year.

Welspun Corp Limited
Notes forming part of the consolidated financial statements
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(₹ in million)

	2015	2014
13. Non-current investments		
(Valued at cost unless stated otherwise)		
(A) Trade Investments - Unquoted		
(i) Associates {Refer Note 1,II (j)}		
Red Lebondal Limited		
450 (Previous year 450) Equity Shares of Euro 1 each	0.03	0.03
Provision for diminution in the value of investment	(0.03)	(0.03)
(ii) Other Investments		
Welspun Captive Power Generation Limited		
5,316,429 (Previous year 5,093,426) equity shares of ₹ 10 each fully paid up	53.20	50.96
17,720,021 (Previous year 16,976,573) preference shares of ₹ 10 each fully paid up	177.29	169.86
B. Other investments		
Quoted		
i) Standard Chartered Bank PLC Indian Depository Receipt 334,331 (Previous year 334,331) Indian Depository Receipt of ₹ 100 each	34.77	34.77
Unquoted		
ii) Welspun Enterprises (Cyprus) Limited	0.77	0.77
11,800 (Previous year 11,800) equity shares of Euro 1 each		
Less: Provision for diminution in the value of investment	(0.77)	(0.77)
Total	265.26	255.59
(All the above shares and securities are fully paid up)		
Aggregate book value of quoted investments	34.77	34.77
Aggregate book value of unquoted investments	230.49	220.82
Aggregate market value of quoted investments	33.73	38.65
Aggregate provision for diminution in value of unquoted investments	0.80	0.80
14. Long-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Capital advances	49.38	45.63
Less: Provision for doubtful advances	3.68	4.32
	45.70	41.31
Deposits		
- Related parties	296.88	349.28
- Others	102.21	108.43
Less: Provision for doubtful deposits	-	2.70
	399.09	455.01

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(₹ in million)

	2015	2014
Other loans and advances		
Advances recoverable in cash or kind	133.96	156.88
Prepaid expenses	33.93	5.25
Balances with government authorities		
- Direct tax	68.82	43.36
- Indirect taxes	376.30	172.64
Minimum alternative tax credit entitlement	262.92	185.44
	875.93	563.56
Total	1,320.72	1,059.88
15. Other non-current assets		
Margin money deposits	58.02	96.86
Total	58.02	96.86
16. Current investments		
Quoted		
Bonds	6,827.10	8,920.62
Unquoted		
i) Bonds	956.22	956.22
ii) Certificate of deposits	-	981.97
iii) Mutual funds	-	283.73
Total	7,783.32	11,142.54
Aggregate book value of quoted investments	6,827.10	8,920.62
Aggregate book value of unquoted investments	956.22	2,221.92
Aggregate market value of quoted investments *	6,961.81	9,171.99
Aggregate provision for diminution in value of investments	-	-
* Market value for certain investments are as provided by the Company's Investment advisor.		
17. Inventories		
Raw materials [includes goods-in-transit ₹ 1,304.40 million (March 31, 2014: ₹ 27.66 million)]	14,006.14	4,723.02
Work-in-progress	965.38	1,371.64
Finished goods	4,718.01	4,555.98
Stores and spares	2,392.56	2,164.68
Total	22,082.09	12,815.32

Welspun Corp Limited
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(₹ in million)

	2015	2014
18. Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	83.83	211.76
Others	11,216.70	6,162.04
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	89.02	87.26
Others	1.91	-
Less: Provision for doubtful debts	(90.93)	(87.26)
Total	11,300.53	6,373.80
19. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	2.08	2.00
Balances with banks		
- Current accounts	2,185.37	831.39
- Deposits having original maturity period of less than three months	-	23.97
	2,187.45	857.36
Other bank balances		
Balances with banks - Escrow accounts	-	1.59
Unclaimed dividend accounts	4.49	5.35
Deposits having original maturity period of more than three months but less than twelve months	28.20	50.00
Margin money deposits	1,107.34	493.99
Total	3,327.48	1,408.29
20. Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Deposits		
- Others	0.65	0.83
Other loans and advances		
Advances recoverable in cash or in kind	283.37	722.41
Balance with government authorities	2,267.65	2,022.55
Export benefits receivable	659.27	624.20
Prepaid expenses	310.95	225.78
Receivable towards claim	40.79	44.94
Loans and advances to employees *	21.21	103.15
	3,583.89	3,743.86
Less: Provision for doubtful advances	149.31	187.28
Total	3,434.58	3,556.58
* Includes ₹ Nil (Previous year: ₹ 83.01 million) recoverable from Managing Director {Refer note 41(b)}		

Welspun Corp Limited
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(₹ in million)

	2015	2014
21. Other current assets		
Interest accrued on		
- Current investments	310.13	305.61
- Fixed deposits	19.93	23.88
- Others	7.24	26.75
Unamortized ancillary borrowing costs	-	54.55
Assets held for disposal	8.40	4.19
Other receivables from		
- Related parties	621.48	675.39
- Other parties	196.35	125.42
Total	1,163.53	1,215.79

Welspun Corp Limited

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



(₹ in million)

	2015	2014
22. Revenue from operations		
Revenue from		
Sale of products	82,399.80	74,508.26
Other operating revenues (Refer note 40)	3,793.66	3,645.09
Revenue from operations (Gross)	86,193.46	78,153.35
Less: Excise duty	1,688.59	1,106.12
Revenue from operations (Net)	84,504.87	77,047.23
23. Other income		
Interest from		
- Current investments	819.90	923.55
- Fixed deposits	64.85	81.57
- Others	83.29	403.48
Dividend income	35.67	12.87
Exchange Difference (net) (Refer Note 37)	35.37	-
Profit on sale of current investments	-	207.81
Miscellaneous income	46.84	112.72
Total	1,085.92	1,742.00
24. Cost of materials consumed		
Inventory at the beginning of the year	4,723.02	12,021.85
Add: Purchases	67,403.71	39,250.53
	72,126.73	51,272.38
Less: Inventory at the end of the year	14,006.14	4,723.02
Total	58,120.59	46,549.36
25. Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Work-in-progress	965.38	1,371.64
Finished goods	4,718.01	4,555.98
	5,683.39	5,927.62
Inventories at the beginning of the year		
Work-in-progress	1,371.64	3,290.32
Finished goods	4,555.98	5,785.54
	5,927.62	9,075.86
Total	244.23	3,148.24

Welspun Corp Limited
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(₹ in million)

	2015	2014
26. Employee benefits expenses (Net) [Refer note 41]		
Salaries, wages and bonus	5,376.72	4,775.53
Contribution to provident and other funds	230.50	200.65
Employee compensation expenses towards ESOP and Sweat Equity [Refer note 2(d) and 39]	65.43	-
Staff welfare expenses	236.52	319.25
Total	5,909.17	5,295.43
27. Other expenses		
Store and spares consumed	1,729.05	1,357.44
Coating and other job charges	2,217.99	1,697.85
Power, fuel and water charges	1,102.06	1,101.49
Freight, material handling and transportation	3,468.83	4,733.12
Excise duty on (increase)/decrease of finished goods	(103.81)	(206.41)
Rent	579.23	365.18
Rates and taxes	82.51	52.06
Repairs and maintenance		
- Plant and machinery	135.84	233.04
- Buildings	39.28	25.72
- Others	322.98	249.75
Travelling and conveyance expenses	317.09	324.29
Communication expenses	50.83	52.26
Professional and consultancy fees	408.00	413.03
Insurance	192.21	189.71
Directors' sitting fees	3.66	2.82
Printing and stationery	61.75	55.80
Security charges	45.69	49.02
Membership and subscription	34.83	39.27
Vehicle expenses	16.92	23.34
Exchange difference (Net)	-	3,609.91
Loss on Sales/Redemption of Investments (Net)	100.89	-
Loss on sale / discarding of tangible assets	28.97	1.95
Provision for impairment of tangible assets	-	12.45
Auditors remuneration	19.87	20.56
Product compensation and claims	76.73	125.46
Sales promotion expenses	47.71	17.92
Commission and discounts on sales	555.40	589.02
Provision for Litigation, disputes and other matters (Net)	83.44	-
Bad debts and advances written off	-	96.59
Expenditure towards Corporate Social Responsibility	2.41	-
Miscellaneous expenses	188.41	124.40
Total	11,808.77	15,357.04

Welspun Corp Limited

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(₹ in million)

	2015	2014
28. Finance costs		
Interest expense		
- Term loans	768.81	675.02
- Debentures/bonds	1,462.51	1,576.86
- Working capital	62.27	45.43
- Others	71.05	155.75
Amortization of borrowing cost	43.30	-
Other borrowing costs	422.34	510.98
Total	2,830.28	2,964.04

Welspun Corp Limited

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

29. Foreign exchange differences

- a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of Accounting Standard-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange loss amounting to ₹ 83.26 million (Previous year: ₹ 344.23 million) to the cost of fixed assets and exchange loss of ₹ 773.67 million (Previous year: ₹ 946.89 million) has been transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortized over the balance period of such long term liabilities. Out of the above, loss of ₹ 355.35 million (Previous year: ₹ 437.57 million) has been adjusted in the current year and loss of ₹ 418.32 million (Previous year: ₹ 509.32 million) has been carried over and included in reserves and surplus.
- b) The Group has adopted Accounting Standard-30 as referred to in Note 1 (XII) (b) of the Significant Accounting Policies and accordingly loss of ₹423.29 million (Previous year: gain of ₹ 51.50 million) related to foreign exchange difference on Cash Flow Hedges for certain firm commitments and forecasted transactions has been recognized in Shareholders' Funds in Hedging Reserve Account.

30. Finance Lease

The minimum lease payments required under this finance lease that have initially or remaining non-cancellable lease terms in excess of one year as at 31 March 2015 and its present value are as follows:

	(₹ in million)	
	2015	2014
Minimum lease payments as at		
Not later than one year	25.01	23.97
Later than one year but not later than five years	6.83	29.62
Total	31.84	53.59
Less: Amount representing interest	1.01	4.30
Present value of minimum lease payment	30.83	49.29
Amount due not later than one year	24.01	21.95

31. Operating lease

The Group leases office, residential facilities, equipment etc. under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to one twenty months.

	(₹ in million)	
	2015	2014
Lease rental charges for the year	579.23	365.18
Future lease rental obligations payable (under non-cancellable leases)		
Not later than one year	12.94	7.83
Later than one year but not later than five years	37.68	10.10
Later than five years	0.59	0.07

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32. Derivative Instruments outstanding as at 31 March, 2015 :

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, receivables/payables denominated in foreign currency. In line with the group's risk management policies and procedures, the Group enters into foreign currency forward contracts, swaps and other derivative contracts to manage its exposure.

(a) The following are outstanding foreign currency forward contracts, swaps and other derivative contracts against the future forecasted receivables/payables and liabilities.

(i)

Designated Cash Flow Hedges	Currency Pair	March 31, 2015		March 31, 2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Forward Contracts (Sell)	USD-INR	23.16	1,474.33	13.75	848.68
Forward Contracts (Buy)	USD-INR	50.90	3,320.57	0.70	42.20
Forward Contracts (Buy)	EUR-USD	47.05	3,525.46	54.34	4,520.56
Forward Contracts (Buy)	EUR-INR	1.50	107.14	-	-
Interest Rate Swap		99.75	6,234.38	99.75	5,976.52

(ii)

Non-Designated Hedges	Currency Pair	March 31, 2015		March 31, 2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Coupon Only Swap	INR-USD	85.83	4,000.00	85.83	4,000.00
Coupon Only Swap	INR-JPY	1,833.52	1,000.00	1,833.52	1,000.00

(iii) In addition to the above, the Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at balance sheet date.

Fair Value Hedges	Currency Pair	March 31, 2015		March 31, 2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Forward Contracts (Buy)	USD-INR	71.85	4,650.60	65.01	4,116.79
Forward Contracts (Buy)	EUR-USD	-	-	28.49	2,340.92
Forward Contracts (Buy)	EUR-INR	-	-	0.91	78.53

Net Mark to Market (Fair Value) loss recognized in Hedging Reserve as on 31st March 2015 on forward contracts for ₹ 413.68 million and on interest rate swap for ₹ 9.61 million is expected to be recycled to the Statement of Profit and Loss by March 2016 and March 2020 respectively.

Welspun Corp Limited

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

33. a) Contingent liabilities not provided for

(₹ in million)

	2015	2014
Claims against the Group not acknowledged as debts	102.20	570.62
Disputed direct taxes	1,614.61	2,000.26
Disputed indirect taxes	407.11	84.78

- (i) It is not practicable to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.
- (ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.
- b) Supreme Court of India has dismissed an appeal filed by the Commissioner of Customs, Kandla against the CESTAT Order dated May 22, 2014 which had set aside the Order of the Commissioner of Customs, Kandla for custom duty of ₹ 8,609.82 million on account of alleged wrong classification of imported raw materials along with penalty of ₹ 8,609.82 million on the Company and a penalty of ₹ 205 million on the directors and officers of the Company. On the same matter, a separate proceeding was initiated by Additional Director General of Foreign Trade, Mumbai, wherein the Hon'ble Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

c) Capital and other commitments

(₹ in million)

	2015	2014
Capital		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	182.18	120.42
Other		
Performance guarantees / Bid bond given by banks to group's customers / government authorities etc.	11,093.89	9,306.49
Corporate guarantees given by the group	1,870.00	1,871.46
Letters of credit outstanding (net of liability provided) for group's sourcing	8,939.00	9,257.32
Custom duty on pending export obligation against import of raw materials	809.28	380.81
Other long term commitments	2,016.90	2,288.64

34. Taxation

Current income tax is calculated on the results of individual companies in accordance with local tax regulations.

35. Segment reporting

The Group is exclusively engaged in the business of steel products which, in the context of Accounting Standard 17 Segment Reporting, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2015 and as on that date.

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a) Secondary segments - Geographical segments

(₹ in million)

	2015			2014		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations	17,467.05	67,037.82	84,504.87	14,183.67	62,863.56	77,047.23
Carrying amount of segment assets	59,119.20	39,035.71	98,154.91	57,774.10	30,527.40	88,301.50
Capital expenditure	252.91	609.74	862.65	1,412.56	743.78	2,156.34

Notes:

- Segment revenue in the geographical segments considered for disclosure is as follows:
 - Revenue within India includes sales to customers located within India.
 - Revenue outside India includes sales to customers located outside India.
- Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis
- Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

36. Related party disclosures

- List of parties where control exists:** The list of subsidiaries is disclosed in Note 1, II (i) above.
- Associates:** The list of associates is disclosed in note 1, II (j) above
- Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year**

(i) Name of other related parties

Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
Welspun Syntex Limited
Vipuna Trading Limited (merged with Mertz Securities Limited wef February 1, 2015)
Welspun Logistics Limited
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Projects Limited
Welspun Captive Power Generation Limited
Welspun Energy Limited
Welspun Enterprises Limited
Mertz Securities Limited

(ii) Name of Associate companies

Red Lebondal Limited *

* Application filed with registrar of companies (Cyprus) for name strike off

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d) Directors /Key Management Personnel

Name	Nature of Relationship
B. K. Goenka	Chairman
R. R. Mandawewala	Director
Braja Mishra	Managing Director

e) Transactions with related parties for the year ended 31 March 2015

(₹ in million)

	Other related parties	Key management personnel	Total
Sale of goods and services	229.41	-	229.41
	837.67		837.67
Other income	21.34	-	21.34
	9.03		9.03
Purchase of goods and services	390.50	-	390.50
	356.74	-	356.74
Purchase of fixed assets	0.61	-	0.61
	180.77	-	180.77
Sale of fixed assets	2.58	-	2.58
	646.05		646.05
Rent and license fees paid	52.61	-	52.61
	61.20		61.20
Donation paid	2.41	-	2.41
	0.60		0.60
Reimbursement of expenses paid (Net)	25.54	-	25.54
	6.60		6.60
Loans, advances and deposits given repaid	52.40	-	52.40
	-	-	-
Investment in shares	9.66		9.66
	21.55		21.55
Share application money given repaid / adjusted	-	-	-
	21.55	-	21.55
Directors remuneration	-	204.65	204.65
	-	40.29	40.29

Welspun Corp Limited

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



f) Balances with related parties for the year ended 31 March 2015

(₹ in million)

	Other Related Parties	Key Management Personnel	Total
Loans and advances, deposits given	296.88	-	296.88
	349.28	83.01	432.29
Corporate guarantees given	1,870.00	-	1,870.00
	1,871.47	-	1,871.47
Other long term commitment	2,000.00	-	2,000.00
	2,000.00	-	2,000.00
Investment in shares	230.49	-	230.49
	221.59	-	221.59
Trade receivables	24.91	-	24.91
	72.11	-	72.11
Trade payables	41.95	-	41.95
	32.20	-	32.20
Other receivables	621.48	-	621.48
	675.39	-	675.39

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g) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type- with related parties during the year:

(₹ in million)

	Transactions	
	March 31, 2015	March 31, 2014
1) Sale of goods and services		
Welspun India Limited	99.93	174.08
Welspun Steel Limited	117.07	208.42
Welspun Captive Power Generation Limited	8.67	48.13
2) Other Income includes guarantee commission		
Welspun Energy Limited	16.08	4.39
Welspun Captive Power Generation Limited	4.65	4.63
3) Purchase of goods and services		
Welspun Logistics Limited	9.71	38.76
Welspun Captive Power Generation Limited	370.38	302.37
Welspun Steel Limited	8.61	6.52
4) Purchase of fixed assets		
Welspun Projects Limited	0.61	180.77
5) Sale of fixed assets		
Welspun Anjar SEZ Limited	-	646.05
Welspun Captive Power Generation Limited	2.33	-
6) Rent and license fee paid		
Welspun Realty Private Limited	49.13	58.17
7) Donation paid		
Welspun Foundation for Health and Knowledge	2.41	-
8) Reimbursement of expenses (paid) / recovered (net) includes recovered		
Welspun Captive Power Generation Limited	9.48	15.28
Welspun Steel Limited	2.30	1.31
Welspun Syntex Limited	0.65	0.80
Welspun India Limited	8.35	25.70
Welspun Enterprises Limited	5.68	-
9) Investment in shares		
Welspun Captive Power Generation Limited	9.66	21.55
10) Loans and advances, deposits given repaid		
Welspun Logistics Limited	52.40	-
11) Share application money given includes repaid / adjusted		
Welspun Captive Power Generation Limited	-	21.55
12) Directors remuneration		
Braja Mishra	204.65	40.29

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h) Disclosure of closing balances which are more than 10% of the total closing balance of the same type with related parties as on March 31

(₹ in million)

	2015	2014
Disclosure of closing balances as at 31 March 2015		
1) Trade receivables		
Welspun Steel Limited	24.89	56.12
2) Trade payables		
Welspun Captive Power Generation Limited	38.24	22.27
Welspun Steel Limited	-	8.06
3) Loans, advances and deposits given		
Welspun Logistics Limited	-	52.40
Welspun Realty Private Limited	284.48	284.48
Managing Director	-	83.01
4) Corporate guarantees given		
Welspun Captive Power Generation Limited	600.00	600.00
Welspun Energy Limited	1,270.00	1,270.00
5) Other long term commitment		
Welspun Energy Limited	2,000.00	2,000.00
6) Investments held		
Welspun Captive Power Generation Limited	230.48	220.82
7) Other receivables		
Welspun Enterprises Limited	-	69.37
Welspun Anjar SEZ Limited	595.87	595.87

37. Prior period items:

- Exchange difference (net) includes realized forex gain of ₹ 476.97 million earned by the group in the earlier years on redemption of preference shares invested in overseas subsidiaries reversed from Foreign Currency Translation Reserve during the year.
- Deferred tax expenses include ₹348.44 million on creation of deferred tax liability during the year on certain GAAP adjustments made in the earlier years relating to an overseas subsidiary. In view of the above, profit after tax for the year is higher by ₹ 128.53 million.

Welspun Corp Limited

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

38. Earnings per share (EPS)

	2015	2014
I) Profit after tax for diluted EPS (₹ in million)	690.41	733.90
II) Weighted average number of equity shares for EPS computation		
a) For Basic EPS (Nos.)	262,948,923	262,948,299
b) For Diluted EPS (Nos.)	265,196,650	262,948,299
III) EPS on Face Value of ₹ 5/- each		
Basic (₹)	2.63	2.79
Diluted (₹)	2.60	2.79

39. Employee stock options scheme

In respect of options granted under the Welspun Employee Stock Options Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the value of options (based on intrinsic value of the share on the date of the grant of the option) is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expense includes ₹ 36.47 million (March 31, 2014 credit of ₹ 0.73 million) debited during the year.

Stock options outstanding as at the year end are as follows:

	Granted during 2014-15
Exercise price	₹ 1
Date of grant	24 December 2014
Vesting period commences on	24 December 2015
Options outstanding at the beginning of the year	-
Options granted during the year	2,050,029
Options exercised during the year	-
Options lapsed during the year	-
Options outstanding as at 31 March 2015	2,050,029

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's earnings per share would have been as under, had the compensation cost of employee stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes' model.

Welspun Corp Limited
Notes forming part of the consolidated financial statements
as on and for the year ended March 31



(₹ in million)

	2015
Profit for the year (as reported)	690.41
Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss	36.47
Less: Compensation Expenses under ESOS as per Fair Value	35.21
Profit for the Year (Fair Value basis)	691.67
Basic	
Number of Shares (Weighted average)	262,948,923
Basis Earning/ (Loss) Per Share as reported	2.63
Proforma Basis Earning/ (Loss) Per Share	2.63
Diluted	
Number of Shares (Weighted average)	265,196,650
Diluted EPS as reported	2.60
Proforma Diluted EPS	2.60

40. Other operating revenues

(₹ in million)

	2015	2014
Scrap sales	1,153.04	1,293.77
Value added tax incentive	905.46	727.90
Export benefits	903.08	992.76
Excess provisions written back	86.04	100.54
Claims	90.80	-
Testing Fees	100.21	-
Others	555.03	530.12
Total	3,793.66	3,645.09

41. Managerial remuneration

- a) Remuneration paid or provided in accordance with section 197 of the Companies Act, 2013 to the Directors is as under:

(₹ in million)

	2015		2014	
	Chairman	Managing Director	Chairman	Managing Director
Salaries and Allowances	-	45.08	-	36.79
Perquisites / Contribution to Provident Fund	-	11.14	-	3.50
Issue of ESOP's and Sweat Equity Shares	-	65.42	-	-
Total	-	121.64	-	40.29

- b) During the year, the Company has been advised that Central Government approval was not required for payment of remuneration to the Managing Director and therefore the Company has withdrawn the application made to the Central Government which was approved partially and has now treated sum of ₹83.01 million shown previously as refundable by the Managing Director as paid.

Welspun Corp Limited

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

42. Disclosures mandated by schedule III of Companies Act 2013, by way of additional information

Name of the entities	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/(loss)	Amount (₹ in million)
Parent:				
Welspun Corp Limited	59.25	18,694.61	(7.36)	(157.07)
Subsidiary:				
Indian				
Welspun Tradings Limited	1.69	531.95	3.93	84.01
Welspun Pipes Limited	0.00	0.42	(0.00)	(0.02)
Foreign				
Welspun Mauritius Holdings Limited, Mauritius (including Welspun Middle East Pipes Company LLC & Welspun Middle East Pipes Coating Company LLC as its subsidiaries)	20.50	6,466.47	127.43	2,720.94
Welspun Pipes Inc, USA (Including Welspun Tubular LLC & Welspun Global Trade LLC as its subsidiaries)	27.53	8,685.10	(26.90)	(574.45)
Welspun Middle East DMCC (Subsidiary of Welspun Tradings Limited)	(0.19)	(59.18)	0.72	15.46
Subtotal		34,319.37		2,088.87
Inter-company eliminations and consolidation adjustments	(8.77)	(2,768.54)	2.17	46.39
Grand Total		31,550.83		2,135.26
Minority Interest in equity shares		(2,486.21)		(1,444.85)
Minority Interest in preference shares		(1,076.44)		-

43. Comparatives

Previous years figures have been regrouped, reclassified wherever necessary to correspond with current year's classification / disclosures.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S.Krishnan
Chief Financial Officer

Braja Mishra
Managing Director
DIN No.00007089

Pradeep Joshi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of Welspun Corp Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Welspun Corp Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 46 (b) relating to remuneration paid to the managing director of the Company for the financial year 2012-13 in excess of the limits specified in the Schedule XIII of the Companies Act, 1956 wherein the Company received approval from the Central Government for a lower amount. During

INDEPENDENT AUDITORS' REPORT



the current financial year, the Company has been advised that the Central Government approval was not required for payment of remuneration to the Managing Director. Consequently, the Company has requested the Central Government to treat the original application as withdrawn and has accounted as paid the amount of ₹ 83.01million shown previously as refundable by the Managing Director.

Our opinion is not qualified in respect of this matter.

Other Matter

10. The standalone financial statements of the Company as at March 31, 2014 and for the year then ended were audited by another firm of chartered accountants under the Companies Act, 1956 who, vide their report dated April 29, 2014, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by 'the Companies (Auditors' Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its standalone financial statements.

ii. The Company has made provision as at March 31, 2015, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: (FRN 012754N/N500016)

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date: April 28, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2015

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

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii) (b) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate

internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise, duty of customs, value added tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:



Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Duty of Excise	90.37	FY 2013-14	Custom Excise Service Tax Appellate Tribunal, Delhi
		0.08	FY 2007-08	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.10	FY 2013-14	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.09	FY 2003-04	Gujarat High Court, Ahmedabad
		11.16	FY 2008-09 to 2013-14	Commissioner of Central Excise, Rajkot
		235.35	FY 2007-08 to 2011-12	Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
Central Sales Tax Act, 1956	CST	5.61	FY 2008-09, 2010-11 and 2011-12	Joint Commissioner of Commercial Tax appeals, Vadodara
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Sales Tax/ VAT	2.04	FY 2000-01 to 2002-03	Gujarat Commercial Tax Tribunal
		24.74	FY 2006-07 to 2008-09	Joint Commissioner, Vadodara
		5.90	FY 2008-09	Joint Commissioner of Commercial Tax, Appeals, Vadodara
Finance Act, 1994	Service Tax	2.02	FY 2008-09 and 2009-10	Additional Commissioner Central Excise & Customs, Vadodara
		10.27	FY 2004-05 to 2006-07	Supreme Court, Delhi
		1.36	FY 2006-07 to 2012-13	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.60	FY 2013-14	Commissioner (Appeal), Surat
		9.76	FY 2008-09 to 2011-12	Commissioner of Central Excise, Rajkot
		1.17	FY 2008-09	Commissioner of Central Excise, Rajkot
Customs Act, 1962	Duty of Customs	8,609.82	FY 2007-08 to 2009-10	Bombay High Court
Income Tax Act, 1961	Income tax	2,196.44	FY 2004-05 to 2012-14	Commissioner of Income tax, (Appeals)

c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

x. In our opinion, and according to the information and

explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xii. 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: (FRN 012754N/N500016)

Mehul Desai

Partner

Membership Number:103211

Place: Mumbai

Date: April 28, 2015

Welspun Corp Limited

Balance Sheet as at 31 March

(₹ in million)

	Note	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,315.88	1,314.74
Reserves and surplus	3	17,378.73	18,221.69
		18,694.61	19,536.43
Non-current liabilities			
Long-term borrowings	4	18,779.61	19,423.18
Deferred tax liabilities (Net)	5	3,448.66	3,631.49
Other long-term liabilities	6	625.00	997.58
Long-term provisions	7	301.76	194.24
		23,155.03	24,246.49
Current liabilities			
Short-term borrowings	8	1,881.51	2,439.15
Trade payables	9	21,913.51	5,075.18
Other current liabilities	10	3,499.71	8,251.78
Short-term provisions	11	756.30	441.90
		28,051.03	16,208.01
	Total	69,900.67	59,990.93
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		27,951.74	29,663.88
- Intangible assets		124.54	172.68
- Capital work-in-progress		229.84	939.20
Non-current investments	13	2,514.10	3,670.39
Long-term loans and advances	14	859.06	1,421.85
Other non-current assets	15	17.62	59.50
		31,696.90	35,927.50
Current assets			
Current investments	16	7,783.32	11,142.54
Inventories	17	8,272.30	5,291.46
Trade receivables	18	17,407.63	3,888.49
Cash and bank balances	19	1,975.19	497.94
Short-term loans and advances	20	2,275.70	2,133.99
Other current assets	21	489.63	1,109.01
		38,203.77	24,063.43
	Total	69,900.67	59,990.93

The Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai

Partner

Membership No. 103211

Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka

Chairman

DIN No.00270175

S. Krishnan

Chief Financial Officer

Braja Mishra

Managing Director

DIN No.00007089

Pradeep Joshi

Company Secretary

Welspun Corp Limited

Statement of Profit and Loss for the year ended 31 March



(₹ in million)

	Note	2015	2014
Revenue			
Revenue from operations (Gross)	22	51,177.98	49,782.24
Less: Excise duty		1,688.59	1,106.12
Revenue from operations (Net)		49,489.39	48,676.12
Other income	23	1,474.36	1,746.53
Total		50,963.75	50,422.65
Expenditure			
Cost of materials consumed	24	31,016.67	25,919.61
Purchases of traded goods	25	9,433.67	4,953.17
Changes in inventories of finished goods and work-in-progress	26	(37.81)	4,991.42
Employee benefits expense (Net)	27	1,893.31	1,449.79
Other expenses	28	4,357.04	8,888.94
Total		46,662.88	46,202.93
Profit before depreciation/amortization, finance costs and tax		4,300.87	4,219.72
Less: Depreciation and amortization expense	12	2,427.78	2,255.69
Finance costs	29	2,128.05	2,239.81
Profit / (loss) before tax		(254.96)	(275.78)
Tax expense			
- Current tax		-	-
- Provision for Tax for earlier years		77.48	-
Less: MAT credit entitlement		(77.48)	-
- Deferred tax		(97.90)	(100.36)
Total Tax expense		(97.90)	(100.36)
Profit / (loss) for the year		(157.06)	(175.42)
Earnings/ (Loss) per share [Nominal value ₹5 (March 31, 2014: ₹5)]	43		
- Basic		(0.60)	(0.67)
- Diluted		(0.60)	(0.67)

The Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211
Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S. Krishnan
Chief Financial Officer

Braja Mishra
Managing Director
DIN No.00007089

Pradeep Joshi
Company Secretary

Welspun Corp Limited

Cash flow statement for the year ended 31 March

(₹ in million)

	2015	2014
A) Cash flow from operating activities		
Profit/(loss) before tax	(254.96)	(275.78)
Adjustments for		
Depreciation and amortisation expense	2,427.78	2,255.69
Interest expense	1,947.48	2,119.77
Interest income	(965.98)	(1,155.93)
Loss on sale/discarding of tangible assets (Net)	28.97	1.95
Provision for impairment of tangible assets	-	12.45
(Profit) /Loss on sale/redemption of		
- Current investments	100.89	(207.72)
- Non-current investment in subsidiary	(405.01)	(242.55)
Dividend income on		
- Current investments	(33.05)	(7.93)
Provision for doubtful debts and advances (Net)	(39.59)	(39.71)
Bad debts and advances written off	-	96.59
Employee compensation expenses (Net)	36.47	-
Sweat Equity	28.96	-
Exchange adjustments (Net)	155.23	672.04
Operating profit before working capital changes	3,027.19	3,228.87
Adjustments for		
Trade and other receivables	(12,903.12)	6,400.95
Inventories	(2,980.84)	9,450.39
Trade and other payables	15,453.05	(14,786.74)
Cash generated from operations	2,596.28	4,293.47
Direct taxes paid (net of refunds)	(38.75)	(144.86)
Net cash generated from operating activities (A)	2,557.53	4,148.61
B) Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress)	(295.97)	(950.54)
Sale of fixed assets (Net)	11.34	22.23
Purchase of long-term investments in subsidiaries	-	(8.46)
Purchase of long-term investments in Others	(9.67)	-
Sale/redemption of long-term investments in		
- Subsidiary	1,570.97	366.25
Sale of current investments (Net)	3,258.33	(750.03)
(Increase)/decrease in share application money given to		
- Subsidiaries	-	(47.96)
Dividend received	33.05	228.30
Interest received	1,002.31	1,061.28
Net cash generated from / (used in) investing activities (B)	5,570.36	(78.93)
C) Cash flow from financing activities		
Repayment of long-term borrowings (Net)	(4,679.52)	(5,844.29)
Increase/(decrease) in short-term borrowings (Net)	(444.42)	437.17
Interest paid	(2,039.86)	(2,164.18)
Dividend paid (including corporate dividend tax)	(154.67)	(152.74)
Net cash used in financing activities (C)	(7,318.47)	(7,724.04)
Net changes in Cash and Cash Equivalents (A+B+C)	809.42	(3,654.36)
Cash and Cash Equivalents at the beginning of the year	53.94	3,708.30
Cash and Cash Equivalents at the end of the year	863.36	53.94

Notes:

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statements as notified under section 211 (3C), Companies (Accounting Standards) Rules, 2006 as amended.
- Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

The Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211
Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31, 2015



1 General Information

Welspun Corp Limited (WCL/the 'Company') is engaged in the business of production and coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Significant Accounting Policies

I. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried out at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014 till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financials Reporting Authority, the existing Accounting Standard notified under the Companies Act, 1956 shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provision of the Companies Act, 2013, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014.

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

II. Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of

the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

III. Tangible and intangible assets

(a) Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortisation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period. Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

(b) Intangible assets are stated at acquisition cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

(c) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standards of performance.

(d) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financials statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

(e) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

IV. Depreciation / amortization on tangible and intangible assets

(a) Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1 April 2014, the Company has realigned the remaining useful lives of its fixed

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Notes forming part of the financial statements as on and for the year ended March 31, 2015

assets, in accordance with the provisions prescribed under Schedule II to the Act. Estimated useful lives by major asset classification are as follows:

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	8 years
Factory Building	30 years
Office Building	60 years
Road, Fencing, etc	Ranging between 3 to 5 years

(b) Plant and Machinery is depreciated on straight line method over the useful life ranging between 8 years to 40 years which is different than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of Plant and Machinery has been determined based on technical evaluation.

(c) Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life of five years.

V. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

VI. Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from

other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

VII. Investments

(a) Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried lower of cost and fair value.

(b) Long-term investments are carried at cost less provision for diminution other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VIII Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determining cost for various categories of inventories is as follows:-

(a) Raw materials, Stores and Spares – Moving weighted average basis.

(b) Work-in-progress – Cost of raw materials plus direct labour plus other direct costs and other production overheads.

(c) Finished goods – Cost of materials plus direct labour plus other direct costs, production overheads and excise duty on such goods.

Net realisable value is the estimate of the selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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IX. Foreign currency transactions

(a) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

(c) All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company has adopted following policy:

- i) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

X. Derivative instruments and hedge accounting

(a) In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward

exchange contract is recognised as income or as expense for the period.

(b) In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps, the Company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement'. Accordingly, forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.

(c) Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs.

(d) Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

XI. Revenue recognition

(a) Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties. Export sales are recognised on the date of cargo receipts, bill of lading or other relevant documents, in accordance with the terms and conditions for sales.

(b) Export benefits: Duty Entitlement Pass Book (DEPB), Focus Market and Focus Product are recognised on accrual basis. Target Plus / Duty Free Entitlement Certificate scheme of EXIM policy are recognized when utilized.

XII. Other Income

(a) Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

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Notes forming part of the financial statements as on and for the year ended March 31, 2015

(b) Income from duty drawback and premium on sale of import license is recognised on accrual basis.

(c) Dividend: Dividend income is recognised when the right to receive the dividend is established.

XIII. Employee benefits

(a) Provident Fund

The Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

(c) Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity Fund is recognised by the income tax authorities and is administered through trustees. The Employees' Gratuity Trust takes group gratuity policies with insurance companies.

(d) Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are

expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XIV. Employee stock options scheme

Equity settled stock options granted under "Employee Stock Option" are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based payments issued by the Institute of Chartered Accountants of India. The intrinsic value of Option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion.

XV. Current and deferred Tax

(a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

(b) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

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Notes forming part of the financial statements as on and for the year ended March 31, 2015



(c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

XVI. Provisions and contingent liabilities

(a) Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

(b) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XVII. Leases

Operating lease As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are

classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

XVIII. Cash & cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

XIX. Earnings per share

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any.

(b) The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(c) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

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Notes forming part of the financial statements as on and for the year ended March 31

(₹ in million)

	2015	2014
2. Share Capital		
Authorised		
304,000,000 (March 31 2014: 304,000,000) Equity Shares of ₹5/- each	1,520.00	1,520.00
98,000,000 (March 31 2014: 98,000,000) Preference Shares of ₹10/- each	980.00	980.00
Total	2,500.00	2,500.00
Issued subscribed and paid up		
263,176,080 (March 31 2014: 262,948,299) Equity Shares of ₹5/- each fully paid up	1,315.88	1,314.74
Total	1,315.88	1,314.74

a) Reconciliation of number of Equity shares outstanding

	2015		2014	
	Number of Equity Shares	(₹ in million)	Number of Equity Shares	(₹ in million)
At the beginning of the year	262,948,299	1,314.74	262,948,299	1,314.74
Issued during the year				
– Sweat Equity Shares (Refer note 'd' below)	227,781	1.14	-	-
Outstanding at the end of the year	263,176,080	1,315.88	262,948,299	1,314.74

b) Rights preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share however the holders of global depository receipts (GDR's) do not have voting rights in respect of shares represented by the GDR's till the shares are held by the custodian. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Notes forming part of the financial statements as on and for the year ended March 31



c) Shareholders holding more than 5% shares of the Company

Name of Shareholders	2015		2014	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
J P Morgan Chase Bank NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)	23,026,000	8.75	23,026,000	8.76
Granele Limited	35,038,889	13.31	35,038,889	13.33
Life Insurance Corporation of India Limited & its Schemes	19,277,980	7.33	19,277,980	7.33
Welspun Wintex Limited	13,336,576	5.07	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.50	14,477,701	5.51
Krishiraj Trading Limited	52,912,858	20.11	52,862,858	20.10

d) Details of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

The Company has issued 227,781 Equity shares of ₹ 5 each to Managing Director as Sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of Sweat equity) regulations 2002. Employee benefits expense includes ₹28.96 million (Previous year: Nil) on issue of Sweat equity during the year.

e) Refer note 44 for details of share issued under Employee Stock Options Scheme

(₹ in million)

	2015	2014
3. Reserves and Surplus		
Capital Reserve		
Balance as at the beginning of the year	-	1,057.26
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(1,057.26)
	-	-
Securities premium		
Balance as at the beginning of the year	7,648.56	24,929.65
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(17,252.74)
Premium on account of issue of Sweat equity shares	27.82	-
Premium on redemption of foreign currency convertible bonds [Refer note 4(d) (ii)]	(31.57)	(28.35)
	7,644.81	7,648.56
Debenture Redemption Reserve		
Balance as at the beginning of the year	1,142.37	1,142.37
Add/(Less): Transferred from surplus in statement of profit and loss*	-	-
	1,142.37	1,142.37

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Notes forming part of the financial statements as on and for the year ended March 31

(₹ in million)

	2015	2014
Employee stock options outstanding		
Option granted till date	-	-
Add: Compensation for options granted during the year	135.81	-
Less: Transfer to securities premium on exercise of stock options during the year	-	-
	135.81	-
Less: Deferred employee stock compensation	99.34	-
	36.47	-
Hedging Reserve Account [Refer note 31(b)]		
Balance as at the beginning of the year	51.50	(44.84)
Movement during the year	(486.74)	96.34
	(435.24)	51.50
Foreign currency monetary item translation difference account [Refer note 31(a)]		
Balance as at the beginning of the year	(509.32)	(275.37)
Movement during the year	91.00	(233.95)
	(418.32)	(509.32)
General Reserve		
Balance as at the beginning of the year	53.09	1,749.20
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(1,696.11)
	53.09	53.09
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	9,835.49	14,156.03
Add/(Less): Transferred pursuant to the Scheme of Arrangement	-	(3,965.86)
Cancellation of share capital pursuant to the Scheme of Arrangement	-	(0.50)
Adjustment pursuant to the Scheme of Arrangement	-	(25.97)
Adjustment on account of change in useful life of fixed assets as per Companies Act 2013	(249.91)	-
Deferred Tax on above depreciation adjustment	84.93	-
Profit/(loss) for the year	(157.06)	(175.42)
	9,513.45	9,988.28
Add/(Less): Appropriations		
Proposed dividend on equity shares	(131.59)	(131.47)
Tax on proposed dividend	(26.31)	(22.34)
Excess provision of tax on dividend of earlier year written back	-	1.02
Total appropriations	(157.90)	(152.79)
Net surplus in the statement of profit and loss	9,355.55	9,835.49
Total	17,378.73	18,221.69

* No debenture redemption reserve is created in view of loss incurred during the year

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Notes forming part of the financial statements
as on and for the year ended March 31



(₹ in million)

	Non-current		Current	
	2015	2014	2015	2014
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures [Refer note (a) below]	13,428.00	13,428.00	-	-
External commercial borrowings [Refer note (b) below]	4,037.50	4,194.05	168.75	-
Term loan from a bank [Refer note (c) below]	1,303.82	1,782.47	555.56	-
Unsecured				
Foreign currency convertible bonds [Refer note (d) below]	-	-	-	4,493.63
Deferred sales tax loan	-	-	-	16.69
Other loans [Refer note (e) below]	10.29	18.66	8.37	7.43
Total	18,779.61	19,423.18	732.68	4,517.75

a) The debentures together with interest are secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future and second/floating charge on current assets subject to prior charge in favour of banks for working capital facilities.

(₹ in million)

No. of debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	2015	2014
5000	1,000,000	September 2025	9.55%	5,000	5,000
5000	1,000,000	August 2025	9.55%	5,000	5,000
900	1,000,000	November 2022	11.00%	900	900
528	1,000,000	September 2019	11.15%	528	528
2000	1,000,000	August 2019	11.15%	2,000	2,000
Total				13,428	13,428

b) External commercial borrowings (ECB) of USD 67.3 million (March 31 2014: USD 70 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% to 4.50%.

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The ECB is repayable as follows

(₹ in million)

Repayment schedule	USD (million)	2015	2014
March 2015	2.70	-	161.77
October 2015	2.70	168.75	161.77
April 2016	4.00	250.00	239.66
October 2016	14.00	875.00	838.81
April 2017	4.00	250.00	239.66
October 2017	14.00	875.00	838.81
April 2018	4.00	250.00	239.66
October 2018	14.00	875.00	838.81
April 2019	5.30	331.25	317.55
October 2019	5.30	331.25	317.55
Total	70.00	4,206.25	4,194.05

c) Term loan from a bank

Term loan of USD 29.75 million equivalent to ₹1,859.38 million (March 31 2014: ₹ 1,782.47 million) from bank is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire movable and immovable tangible assets of the Company and second charge over the entire current assets of the Company both present and future. The loan carries interest of LIBOR plus 5.00%. The loan is repayable in 14 quarterly instalments after a moratorium of 30 months from the date of first disbursement i.e. November 2012.

d) Foreign currency convertible bonds (FCCB)

i) The outstanding FCCB of USD 75 million was redeemed on 17 October 2014 at 102.80% of the principal amount so as to give a gross yield of 5% per annum (calculated on semi annual basis) to the Bond holders.

ii) Premium on redemption of FCCB aggregating to ₹31.57 million (Previous year: ₹28.35 million) has been adjusted against securities premium as per Section 52 (2) (d) of the Companies Act 2013.

iii) Part of net proceeds received from the issue of FCCB has been utilized as per objects of the issue viz for funding of Plate and Coil Mill Pipe Mill Capex projects (Anjar and Mandya) and Investment in overseas subsidiary. Pending utilization the balance issue proceeds of USD Nil (Previous year: USD 0.40 million equivalent to INR 23.97 million) have been invested in short-term deposits.

e) Other loans

Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹18.66 million (Previous year: ₹ 26.09 million). The loan carries interest rate of 12.03%. The loan is repayable in 59 monthly instalments beginning from October 2012.

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(₹ in million)

	2015	2014
5. Deferred tax liabilities (Net)		
Deferred tax liabilities		
Fiscal allowance on fixed assets	4,537.05	4,627.45
Others	142.19	173.12
	4,679.24	4,800.57
Deferred tax assets		
Employee benefits	26.75	13.13
Provision for doubtful debts and advances	171.17	65.98
Unabsorbed fiscal allowances	1,032.66	1,089.97
Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
	1,230.58	1,169.08
Total	3,448.66	3,631.49
6. Other long-term liabilities		
Liability towards claims	625.00	997.58
Total	625.00	997.58
7. Long-term provisions		
Provision for employee benefits (Refer note 35)		
Provision for compensated absences	50.53	36.05
Mark to market losses on derivative contracts	9.61	-
Other Provisions		
Provision for litigation / disputes (Refer note 41)	241.62	158.19
Total	301.76	194.24
8. Short-term borrowings		
Secured		
Buyers' Credit	1,881.51	824.05
Working capital loan from banks	-	1,615.10
(Secured by first charge on hypothecation of raw materials, finished goods and work-in-progress, stores and spares and book debts of the Company and second charge on entire immovable and movable tangible assets of the Company both present and future.)		
Total	1,881.51	2,439.15

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(₹ in million)

		2015	2014
9. Trade payables			
Acceptances		20,687.99	3,928.17
Others (Refer note 30)		1,225.52	1,147.01
	Total	21,913.51	5,075.18
10. Other current liabilities			
Current maturities of long-term borrowings (Refer note 4)		732.68	4,517.75
Interest accrued but not due on borrowings		381.00	473.38
Unclaimed dividend		4.49	5.35
Other payables			
Creditors for			
- Capital goods		38.84	107.90
- Employee benefits payable		29.80	27.63
Trade advances and deposits		993.54	1,644.51
Statutory dues including provident fund and tax deducted at source		214.09	337.96
Unamortised premium on forward contracts		64.64	36.87
Premium payable on redemption of FCCB		-	111.83
Liability towards claims		1,040.63	988.60
	Total	3,499.71	8,251.78
11. Short-term provisions			
Provision for employee benefits (Refer note 35)			
Provision for gratuity		25.38	-
Provision for compensated absences		2.81	2.56
Other Provisions			
Proposed equity dividend		131.59	131.47
Tax on proposed equity dividend		26.31	22.34
Liquidated damages		20.00	-
Provision for taxes (net of advance tax March 31, 2015 : ₹679.62 million ; March 31, 2014 : ₹666.18 million)		74.90	10.86
Mark to market losses on derivative contracts		475.31	274.67
	Total	756.30	441.90

Welspun Corp Limited
Notes forming part of the financial statements
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(₹ in million)

12 - Fixed assets

	Gross Block			Depreciation/Amortization/Impairment					Net Block			
	As at 01 April 2014	Additions	Disposal	As at 31 March 2015	Upto 31 March 2014	For the year	Deductions	Impairment	Transitional depreciation adjusted in retained earnings (Refer note 6 below)	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
a) Tangible assets												
Freehold land	224.24	29.46	-	253.70	-	-	-	-	-	-	253.70	224.24
Buildings	5,924.55	74.96	-	5,999.51	899.54	207.50	-	-	191.24	1,298.28	4,701.23	5,025.01
Plant and machinery	35,665.60	827.42	88.20	36,404.82	11,506.66	2,092.69	50.55	-	13.90	13,562.70	22,842.12	24,158.94
Office and other equipments	354.70	14.39	0.89	368.20	213.15	54.68	0.72	-	38.30	305.41	62.79	141.55
Vehicles	56.84	3.01	4.23	55.62	28.20	6.52	2.15	-	0.50	33.07	22.55	28.64
Furnitures and fixtures	147.54	7.62	5.39	149.77	62.04	17.47	4.98	-	5.89	80.42	69.35	85.50
Total (a)	42,373.47	956.86	98.71	43,231.62	12,709.59	2,378.86	58.40	-	249.83	15,279.88	27,951.74	29,663.88
b) Intangible assets												
Software	565.74	0.86	-	566.60	393.06	48.92	-	-	0.08	442.06	124.54	172.68
Total (b)	565.74	0.86	-	566.60	393.06	48.92	-	-	0.08	442.06	124.54	172.68
Total (a+b)	42,939.21	957.72	98.71	43,798.22	13,102.65	2,427.78	58.40	-	249.91	15,721.94	28,076.28	29,836.56
Previous year	40,745.00	2,363.76	169.55	42,939.21	10,907.00	2,257.10	73.90	12.45	-	13,102.65	29,836.56	
Capital work-in-progress											229.84	939.20

Notes

1. Gross block of Plant and Machinery includes ₹63.49 million (Previous year: ₹63.49 million) in respect of expenditure incurred on capital asset, ownership of which does not vest in the Company.
2. Depreciation and amortisation expense for the year includes ₹Nil (Previous year: ₹1.41 million) transferred to pre-operative expenses.
3. Refer note 31 (a) for exchange difference capitalised as per amended Accounting Standard -11.
4. Pre-operative expenses of ₹ 14.36 million (Previous year: ₹18.81 million) have been capitalized with related projects during the year.
5. Borrowing costs allocated to fixed assets/capital work-in-progress during the year is ₹Nil (Previous year: ₹12.09 million).
6. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has, wherever required, to reflect the actual usage, realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹249.91 million has been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives. As a result of above change, depreciation for the current year is higher by ₹80.40 million and loss before tax for the current year is higher by ₹80.40 million with a consequential impact on loss after tax for the current year.

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

(₹ in million)

	2015	2014
13. Non-current investments		
(Valued at cost unless stated otherwise)		
A. Trade investments - Unquoted		
i) Wholly owned subsidiaries		
Welspun Pipes Inc.	0.44	0.44
10,001 (Previous year: 10,001) equity shares of USD 1 each		
Welspun Pipes Limited	0.50	0.50
50,000 (Previous year: 50,000) equity shares of ₹ 10 each		
Welspun Tradings Limited	50.22	50.22
5,013,402 (Previous year: 5,013,402) equity shares of ₹ 10 each		
ii) Other subsidiaries		
Welspun Mauritius Holdings Limited		
102,089 (Previous year: 102,089) equity shares of USD 1 each	4.70	4.70
41,154,000 (Previous year: 66,154,000) Optionally convertible, Non cumulative, Redeemable preference shares of USD 1 each	2,192.98	3,358.94
iii) Associates		
Red Lebondal Limited	0.03	0.03
450 (Previous year: 450) equity shares of Euro 1 each		
Less: Provision for diminution in the value of investment	(0.03)	(0.03)
iv) Other investments		
Welspun Captive Power Generation Limited		
5,316,429 (Previous year: 5,093,426) equity shares of ₹10 each fully paid up	53.20	50.96
17,720,021 (Previous year: 16,976,573) preference shares of ₹10 each fully paid up	177.29	169.86
B. Other investments - Quoted		
Standard Chartered Bank PLC Indian Depository Receipt	34.77	34.77
334,331 (Previous year: 334,331) Indian Depository Receipt of ₹100 each		

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



(₹ in million)

	2015	2014
C. Other investments - Unquoted		
Welspun Enterprises (Cyprus) Limited 11,800 (Previous year: 11,800) equity shares of Euro 1 each	0.77	0.77
Less: Provision for diminution in the value of investment	(0.77)	(0.77)
Total	2,514.10	3,670.39
(All the above shares and securities are fully paid up)		
Aggregate book value of quoted investments	34.77	34.77
Aggregate book value of unquoted investments	2,479.33	3,635.62
Aggregate market value of quoted investments	33.73	38.65
Aggregate provision for diminution in value of investments	0.80	0.80
14. Long-term loans and advances		
(Unsecured considered good, unless otherwise stated)		
Capital advances	49.38	45.63
Less: Provision for doubtful advances	3.68	4.32
	45.70	41.31
Deposits		
- Related parties (Refer note 39)	296.88	349.28
- Other parties	46.01	49.32
Less: Provision for doubtful deposits	-	2.70
	342.89	395.90
Loans and advances to related parties (Refer note 39)		
Share application money		
- Subsidiary	-	596.15
	-	596.15
Other loans and advances		
Advances recoverable in cash or kind	96.32	120.80
Prepaid expenses	3.83	5.25
Balances with Government authorities - Direct tax	67.11	41.79
Balances with Government authorities - Indirect tax	40.29	35.21
Minimum Alternative Tax credit entitlement	262.92	185.44
	470.47	388.49
Total	859.06	1,421.85
15. Other non-current assets		
Margin money deposits	17.62	59.50
Total	17.62	59.50

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

(₹ in million)

	2015	2014
16. Current Investments		
Quoted		
Bonds		
8.97% Andhra Pradesh State Development Loan 2022 200,000 (March 31, 2014: 200,000) Bonds of ₹100 each	20.03	20.03
9.84% Air India Limited 2026 1 (March 31, 2014: Nil) Bond of ₹1,000,000 each	1.10	-
8.79% Bangalore Metro Rail Corporation Limited 2024 15 (March 31, 2014: Nil) Bond of ₹1,000,000 each	15.08	-
11% Bank of India Perpetual 3 (March 31, 2014: Nil) Bond of ₹1,000,000 each	3.21	-
9.48% Bank of Maharashtra Perpetual 400 (March 31, 2014: Nil) Bond of ₹1,000,000 each	399.88	-
9.55% Canara Bank Perpetual 90 (March 31, 2014: Nil) Bond of ₹1,000,000 each	88.98	-
10.20% Dena Bank Perpetual 564 (March 31, 2014: Nil) Bond of ₹1,000,000 each	564.00	-
8.69% Damodar Valley Corporation 2028 Nil (March 31, 2014: 253) Bonds of ₹1,000,000 each	-	265.90
8.80% Food Corporation of India 2028 Nil (March 31, 2014: 519) Bonds of ₹1,000,000 each	-	560.94
9.95% Food Corporation of India 2022 Nil (March 31, 2014: 60) Bonds of ₹1,000,000 each	-	60.94
8.30% Fertiliser Co. Spl 2023 32,000 (March 31, 2014: Nil) Bonds of ₹100 each	3.24	-
8.15% Government of India Loan 2022 Nil (March 31, 2014: 500,000) Bonds of ₹100 each	-	51.48
9.15% Government of India Loan 2024 240,000 (March 31, 2014: 240,000) Bonds of ₹100 each	26.00	26.00

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(₹ in million)

	2015	2014
7.16% Government of India Loan 2023 Nil (March 31, 2014: 3,500,000) Bonds of ₹100 each	-	315.23
8.20% Government of India Loan 2025 Nil (March 31, 2014: 500,000) Bonds of ₹100 each	-	52.01
8.33% Government of India Loan 2026 3,000,000 (March 31, 2014: 4,000,000) Bonds of ₹100 each	323.12	428.32
8.28% Government of India Loan 2027 Nil (March 31, 2014: 1,000,000) Bonds of ₹100 each	-	95.73
8.97% Government of India Loan 2030 1,000,000 (March 31, 2014: 10,058,500) Bonds of ₹100 each	115.32	1,152.37
8.28% Government of India Loan 2032 35,000 (March 31, 2014: 2,535,000) Bonds of ₹100 each	3.59	259.83
7.40% Government of India Loan 2035 365,000 (March 31, 2014: 1,035,000) Bonds of ₹100 each	34.97	99.16
8.33% Government of India Loan 2036 Nil (March 31, 2014: 2,500,000) Bonds of ₹100 each	-	260.20
8.30% Government of India Loan 2040 5000 (March 31, 2014: 2,000,000) Bonds of ₹100 each	0.46	207.56
8.83% Government of India Loan 2041 Nil (March 31, 2014: 2,500,000) Bonds of ₹100 each	-	289.43
8.30% Government of India Loan 2042 5,000,000 (March 31, 2014: Nil) Bonds of ₹100 each	535.00	-
8.17 % Government of India Loan 2044 1,500,000 (March 31, 2014: Nil) Bonds of ₹100 each	155.88	-
9.45% Gujarat State Petroleum Corp Limited 2022 Nil (March 31, 2014: 106) Bonds of ₹1,000,000 each	-	108.92
9.80% Gujarat State Petroleum Corp Limited 2073 81 (March 31, 2014: 16) Bonds of ₹1,000,000 each	83.12	16.16

Welspun Corp Limited
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(₹ in million)

	2015	2014
10.45% Gujarat State Petroleum Corp Limited 2072 195 (March 31, 2014: 191) Bonds of ₹1,000,000 each	210.66	206.28
9.03% Gujarat State Petroleum Corp Limited 2028 Nil (March 31, 2014: 13) Bonds of ₹1,000,000 each	-	13.47
8.14% Housing And Urban Development Corp Ltd 2018 Nil (March 31, 2014: 20) Bonds of ₹1,000,000 each	-	20.13
8.20% Housing And Urban Development Corp Ltd 2027 500 (March 31, 2014: Nil) Bonds of ₹1,000 each	0.54	-
7.51% Housing And Urban Development Corp Ltd 2028 1000 (March 31, 2014: Nil) Bonds of ₹1,000 each	1.03	-
10.75% IDBI Bank Limited 337 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	359.44	-
9.90% Industrial Finance Corporation of India Limited 2022 Nil (March 31, 2014: 17,398) Bonds of ₹25,000 each	-	440.12
9.90% Industrial Finance Corporation of India Limited 2027 2,088 (March 31, 2014: 15,756) Bonds of ₹25,000 each	54.75	398.58
9.90% Industrial Finance Corporation of India Limited 2032 1,640 (March 31, 2014: 8,596) Bonds of ₹25,000 each	43.23	217.45
9.90% Industrial Finance Corporation of India Limited 2037 2,280 (March 31, 2014: 4,250) Bonds of ₹25,000 each	58.37	107.51
9.90% Industrial Finance Corporation of India Limited 2021 Nil (March 31, 2014: 28) Bonds of ₹1,000,000 each	-	28.80
9.70% Industrial Finance Corporation of India Limited 2030 15 (March 31, 2014: 15) Bonds of ₹1,000,000 each	15.00	15.00
9.75% Industrial Finance Corporation of India Limited 2028 332 (March 31, 2014: 787) Bonds of ₹1,000,000 each	345.65	817.29
8.49% Indian Renewable Energy Development Agency 2028 95 (March 31, 2014: 95) Bonds of ₹1,000,000 each	96.76	96.76

Welspun Corp Limited
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(₹ in million)

	2015	2014
8.10% Indian Railway Finance Corporation Ltd. 2027 250,000 (March 31, 2014: Nil) Bonds of ₹1,000 each	269.45	-
10% Indian Overseas Bank Perpetual 379 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	379.52	-
8.60% LIC Housing Finance Limited 2018 Nil (March 31, 2014: 129) Bonds of ₹1,000,000 each	-	127.71
8.99% Madhya Pradesh State Development Loan 2022 50,500 (March 31, 2014: 50,500) Bonds of ₹100 each	5.06	5.06
11.90% Neelachal Ispat Nigam Limited 2024 Nil (March 31, 2014: 100) Bonds of ₹1,000,000 each	-	100.00
9.18% Nuclear Power Corporation of India Ltd 2025 Nil (March 31, 2014: 136) Bonds of ₹1,000,000 each	-	150.50
9.18% Nuclear Power Corporation of India Ltd 2026 Nil (March 31, 2014: 280) Bonds of ₹1,000,000 each	-	309.85
9.18% Nuclear Power Corporation of India Ltd 2027 Nil (March 31, 2014: 220) Bonds of ₹1,000,000 each	-	243.45
9.18% Nuclear Power Corporation of India Ltd 2029 Nil (March 31, 2014: 33) Bonds of ₹1,000,000 each	-	36.52
9.48 % Oriental Bank of Commerce Perpetual 295 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	295.00	-
8.20% Government of India OIL SPL 2024 50,000 (March 31, 2014: Nil) Bonds of ₹100 each	4.90	-
8.20% Power Finance Corporation Limited 2022 1,000 (March 31, 2014: 2,000) Bonds of ₹1,000 each	1.05	2.12
8.55% Power Finance Corporation Limited 2021 100 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	100.18	-

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Notes forming part of the financial statements
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(₹ in million)

	2015	2014
7.93% Power Grid Corporation of India Limited 2017	-	49.50
Nil (March 31, 2014: 50) Bonds of ₹1,000,000 each		
8.70% Power Grid Corporation of India Limited 2023	-	50.00
Nil (March 31, 2014: 50) Bonds of ₹1,000,000 each		
8.70% Power Grid Corporation of India Limited 2028	-	50.00
Nil (March 31, 2014: 50) Bonds of ₹1,000,000 each		
8.80% Power Grid Corporation of India Limited 2023	-	40.90
Nil (March 31, 2014: 40) Bonds of ₹1,000,000 each		
8.06% Rural Electrification Corporation Limited 2023	731.22	650.00
733 (March 31, 2014: 650) Bonds of ₹1,000,000 each		
8.82% Rural Electrification Corporation Limited 2023	52.70	63.31
50 (March 31, 2014: 61) Bonds of ₹1,000,000 each		
7.38% Rural Electrification Corporation Limited 2027	1.03	-
1,000 (March 31, 2014: Nil) Bonds of ₹1,000 each		
8.27% Rural Electrification Corporation Limited 2022	9.88	-
10 (March 31, 2014: Nil) Bonds of ₹1,000,000 each		
8.23% Rural Electrification Corporation Limited 2025	70.00	-
70 (March 31, 2014: Nil) Bonds of ₹1,000,000 each		
9.65% Reliance Capital Limited 2025	203.00	-
203 (March 31, 2014: Nil) Bonds of ₹1,000,000 each		
9.90% Reliance Capital Limited 2023	-	9.36
Nil (March 31, 2014: 9) Bonds of ₹1,000,000 each		
9.95% Reliance Capital Limited 2022	-	30.45
Nil (March 31, 2014: 30) Bonds of ₹1,000,000 each		
10.40% Reliance Capital Limited 2022	-	53.89
Nil (March 31, 2014: 51) Bonds of ₹1,000,000 each		

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(₹ in million)

	2015	2014
10.00% Reliance Capital Limited 2017 Nil (March 31, 2014: 15) Bonds of ₹1,000,000 each	-	15.43
10.10% Reliance Capital Limited 2022 Nil (March 31, 2014: 50) Bonds of ₹1,000,000 each	-	50.50
10.20% Reliance Capital Limited 2022 Nil (March 31, 2014: 2) Bonds of ₹1,000,000 each	-	2.04
10.75% Reliance Capital Limited 2021 Nil (March 31, 2014: 5) Bonds of ₹1,000,000 each	-	5.36
10.25% Reliance Gas Transportation Infrastr. Ltd 2021 Nil (March 31, 2014: 2) Bonds of ₹1,000,000 each	-	46.10
9.00% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2026 7 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	7.14	-
8.74% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2027 273 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	268.98	-
9% SBI Cards & Payments Services Pvt. Ltd 2021 6 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	6.20	-
10.20% SREI Infrastructure Finance Ltd 137 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	142.48	-
9.40% The Great Eastern Shipping Company 2019 Nil (March 31, 2014: 32) Bonds of ₹1,000,000 each	-	33.27
9.20% Tamil Nadu Generation and Distribution Corporation Limited 2024 1 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	1.00	-
Sicom Limited Nil (March 31, 2014: Nil) CD of ₹500,000,000 each	-	-
10.40 % Vijaya Bank Perpetual 726 (March 31, 2014: Nil) Bonds of ₹1,000,000 each	717.84	-

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(₹ in million)

	2015	2014
9.73% Vijaya Bank 2023 Nil (March 31, 2014: 55) Bonds of ₹1,000,000 each	-	55.00
7.50% WSPF 2020 20 (March 31, 2014: 1,085) Bonds of ₹100,000 each	2.03	108.67
Unquoted		
i) Bonds		
Industrial Finance Corporation of India Limited Deep Discount Bond 2031 28,404 (March 31, 2014: 28,404) Bonds of ₹25,000 each	184.63	184.63
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 10,150 (March 31, 2014: 10,150) Bonds of ₹25,000 each	65.98	65.98
Industrial Finance Corporation of India Limited Deep Discount Bond 2035 4,795 (March 31, 2014: 4,795) Bonds of ₹25,000 each	31.17	31.17
Industrial Finance Corporation of India Limited Deep Discount Bond 2036 2,190 (March 31, 2014: 2,190) Bonds of ₹25,000 each	14.24	14.24
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 25,270 (March 31, 2014: 25,270) Bonds of ₹25,000 each	166.68	166.68
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 34,460 (March 31, 2014: 34,460) Bonds of ₹25,000 each	223.99	223.99
Industrial Finance Corporation of India Limited Deep Discount Bond 2040 41,470 (March 31, 2014: 41,470) Bonds of ₹25,000 each	269.56	269.56

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(₹ in million)

	2015	2014
ii) Certificate of deposits		
Andhra Bank Limited 2014 Nil (March 31, 2014: 5,000) of ₹100,000 each	-	490.31
Syndicate Bank 2014 Nil (March 31, 2014: 5,000) of ₹100,000 each	-	491.66
iii) Mutual funds		
DWS Short Maturity Fund Regular Plan - Annual Bonus	-	32.39
SBI Magnum Income Fund - Regular Plan - Growth	-	50.00
Sundaram Money Fund Bonus (Bonus Units)	-	201.34
Total	7,783.32	11,142.54
Aggregate book value of quoted investments	6,827.10	8,920.62
Aggregate book value of unquoted investments	956.22	2,221.92
Aggregate market value of quoted investments *	6,961.81	9,171.99
Aggregate provision for diminution in value of investments	-	-

* Market value for certain investments are as provided by the Company's Investment advisor.

17. Inventories		
Raw materials [including goods-in-transit of ₹1,304.40 million (March 31, 2014: ₹27.66 million)]	4,339.96	1,392.45
Work-in-progress	676.93	427.95
Finished goods	2,007.08	2,218.25
Stores and spares	1,248.33	1,252.81
Total	8,272.30	5,291.46
Details of inventories under broad heads		
Raw materials		
H.R. Coils	590.43	339.85
H.R. Plates	2,414.82	531.27
M.S. Slabs	965.60	225.07
Others	369.11	296.26
Total	4,339.96	1,392.45

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(₹ in million)

		2015	2014
Work-in-progress			
Welded pipes		656.92	358.76
Coating		-	0.99
Plates and Coils		20.01	68.20
	Total	676.93	427.95
Finished goods			
Welded pipes		1,562.14	2,191.85
M.S. Plates		13.17	4.15
H.R Coils		431.77	-
Coating		-	22.25
	Total	2,007.08	2,218.25
18. Trade receivables *			
Unsecured, considered good			
Outstanding for a period exceeding 6 months from the date they are due for payment		59.93	196.55
Others		17,347.70	3,691.94
Unsecured, considered doubtful			
Outstanding for a period exceeding 6 months from the date they are due for payment		88.98	87.26
Others			
Less: Provision for doubtful debts		(88.98)	(87.26)
	Total	17,407.63	3,888.49
* includes receivable from related parties ₹14,569.63 million (March 31, 2014: ₹1,569.93 million)			
19. Cash and bank balances			
Cash and cash equivalents			
Cash on hand		0.22	0.79
Balances with banks:			
- Current accounts		863.14	29.18
- Deposits having original maturity period of less than three months		-	23.97
		863.36	53.94
Other bank balances			
Balances with banks - Escrow accounts		-	1.59
Unclaimed dividend accounts		4.49	5.35
Margin money deposits		1,107.34	437.06
	Total	1,975.19	497.94

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(₹ in million)

	2015	2014
20. Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Deposits		
- Others	0.02	0.23
	0.02	0.23
Loans and advances to related parties (Refer note 39)		
- Subsidiaries	-	299.58
Share application money to Subsidiary	596.15	-
	596.15	299.58
Other loans and advances		
Advances recoverable in cash or in kind	91.02	101.13
Balances with Government authorities	981.06	1,112.15
Export benefits receivable	659.27	624.20
Prepaid expense	44.08	44.03
Receivable towards claim	40.79	44.94
Loans and advances to employees *	12.62	95.01
	1,828.84	2,021.46
Less: Provision for doubtful advances	149.31	187.28
	Total	Total
	2,275.70	2,133.99
* Includes ₹Nil (Previous year: ₹83.01 million) recoverable from Managing Director {Refer note 46(b)}		
21. Other current assets		
Interest accrued on		
- Loan to subsidiary	-	20.30
- Current investments	307.91	301.50
- Fixed deposits	19.48	22.00
- Others	6.12	26.04
Other receivables from related parties (Refer note 39)		
- Subsidiaries	75.98	655.44
- Other parties	25.61	79.54
Other receivables	46.13	-
Assets held for disposal	8.40	4.19
	Total	Total
	489.63	1,109.01

Welspun Corp Limited
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(₹ in million)

	2015	2014
22. Revenue from operations		
Sale of products		
- Finished goods	38,446.76	41,740.43
- Traded goods	10,073.20	5,264.08
Other Operating Revenues (Refer note 45)	2,658.02	2,777.73
Revenue from operations (Gross)	51,177.98	49,782.24
Less: Excise duty	1,688.59	1,106.12
Revenue from operations (Net)	49,489.39	48,676.12
Details of sale of products under broad heads		
Finished goods		
Welded pipes	37,608.16	40,078.85
M.S. Plates	355.30	1,157.93
H.R. Coils	215.97	188.06
Coating	-	73.80
Steam	76.71	127.75
Others	190.62	114.04
	38,446.76	41,740.43
Traded goods		
H.R. Coils	10,073.20	5,264.08
	10,073.20	5,264.08
23. Other income		
Interest income on		
- Loan to subsidiary	2.49	18.54
- Current investments	819.90	923.55
- Fixed deposits	60.31	69.92
- Others	83.29	143.92
Dividend income on		
- Current investments	33.05	7.93
Profit on sale/redemption of		
- Non-current investments	405.01	242.55
- Current investments	-	207.72
Miscellaneous income	70.31	132.40
Total	1,474.36	1,746.53

Welspun Corp Limited
Notes forming part of the financial statements
as on and for the year ended March 31



(₹ in million)

		2015	2014
24. Cost of materials consumed			
Inventory at the beginning of the year		1,392.45	5,779.37
Add: Purchases		33,964.18	21,532.69
		35,356.63	27,312.06
Less: Inventory at the end of the year		4,339.96	1,392.45
	Total	31,016.67	25,919.61
Details of raw materials consumed			
H.R. Coils		7,467.87	10,059.62
H.R. Plates		18,119.92	14,050.16
M.S. Slabs		3,490.07	386.65
Welding and coating materials		1,620.02	1,273.01
Others		318.79	150.17
		31,016.67	25,919.61
25. Purchases of traded goods			
Purchases of H.R. Coils		9,433.67	4,953.17
	Total	9,433.67	4,953.17
26. Changes in inventories of finished goods and work-in-progress			
Inventories at the end of the year			
Work-in-progress		676.93	427.95
Finished goods		2,007.08	2,218.25
		2,684.01	2,646.20
Inventories at the beginning of the year			
Work-in-progress		427.95	2,939.08
Finished goods		2,218.25	4,698.54
		2,646.20	7,637.62
	Total	(37.81)	4,991.42
27. Employee benefits expense (Refer note 35)			
Salaries, wages and bonus		1,693.12	1,325.31
Contribution to provident and other funds		76.99	69.87
Employee compensation expenses towards ESOP and Sweat Equity [Refer note 2 (d) & 44]		65.43	-
Staff welfare expenses		57.77	54.61
	Total	1,893.31	1,449.79

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Notes forming part of the financial statements
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(₹ in million)

	2015	2014
28. Other expenses		
Stores and spares consumed	803.86	596.03
Coating and other Job charges	89.20	1,749.16
Power, fuel and water charges	791.51	822.36
Freight, material handling and transportation	778.00	763.08
Excise duty on (increase)/decrease of finished goods	(103.81)	(206.41)
Rent	51.02	71.01
Rates and taxes	19.53	5.28
Repairs and maintenance		
- Plant and machinery	66.97	58.72
- Buildings	31.17	14.25
- Others	140.88	143.11
Travelling and conveyance expenses	175.90	204.17
Communication expenses	14.40	17.95
Professional and consultancy fees	155.00	212.65
Insurance	69.90	77.68
Directors' sitting fees	2.76	2.48
Printing and stationery	11.38	15.19
Security charges	31.51	30.70
Membership and subscription	25.76	23.72
Vehicle expenses	13.07	18.90
Exchange difference (Net)	852.57	3,596.73
Auditors' remuneration (Refer note 37)	8.59	7.55
Product compensation and claims	-	125.46
Sales promotion expenses	29.90	11.23
Commission and discount on sales	18.90	399.58
Provision for Litigation, disputes and other matters (Net)	83.43	-
Bad debts and advances written off	-	96.59
Loss on Sales/Redemption of Investments (Net)	100.89	-
Provision for impairment of tangible assets	-	12.45
Loss on sale / discarding of tangible assets (Net)	28.97	1.95
Expenditure towards corporate social responsibility	0.77	-
Miscellaneous expenses	65.01	17.37
Total	4,357.04	8,888.94

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



(₹ in million)

		2015	2014
29. Finance costs			
Interest expense			
- Term loans		363.70	342.29
- Debentures/ Bonds		1,462.51	1,576.86
- Working capital		50.22	44.88
- Others		71.05	155.74
Other borrowing costs		180.57	120.04
	Total	2,128.05	2,239.81

30. Micro, Small and Medium Enterprises

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" as at 31 March is as under:

(₹ in million)

	2015	2014
Principal amount due to suppliers under MSMED Act, 2006	42.79	26.85
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.08	0.23
	42.87	27.08
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	47.69	26.77
Interest due and payable to suppliers under MSMED Act, for payments already made	0.12	0.24
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.77	2.57

31. Foreign exchange differences

a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of Accounting Standard-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange loss amounting to ₹83.26 million (Previous year: ₹344.23 million) to the cost of fixed assets and exchange difference loss of ₹773.67 million (Previous year: ₹946.89 million) has been transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortized over the balance period of such long term liabilities. Out of the above, loss of ₹355.35 million (Previous year: ₹437.57 million) has been adjusted in the current year and loss of ₹418.32 million (Previous year: ₹509.32 million) has been carried over and included in reserves and surplus.

b) The Company has adopted Accounting Standard-30 as referred to in Note 1 (X) (b) of the Significant Accounting Policies and accordingly loss of ₹ 435.24 million (Previous year: gain of ₹51.50 million) related to foreign exchange difference on Cash Flow Hedges for certain firm commitments and forecasted transactions has been recognized in Shareholders' Funds and shown under Hedging Reserve Account.

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

32. Derivative Instruments outstanding:

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, receivables/payables denominated in foreign currency. In line with the company's risk management policies and procedures, the Company enters into foreign currency forward contracts, swaps and other derivative contracts to manage its exposure.

a) The following are outstanding foreign currency forward contracts, swaps and other derivative contracts against the future forecasted receivables/ payables and liabilities.

(i) Designated Cash Flow Hedges	Currency Pair	2015		2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Forward Contracts (Sell)	USD-INR	18.16	1,148.29	13.75	848.68
Forward Contracts (Buy)	USD-INR	50.90	3,320.57	0.70	42.20
Forward Contracts (Buy)	EUR-USD	47.05	3,525.46	54.34	4,520.56
Forward Contracts (Buy)	EUR-INR	1.50	107.14	-	-
Interest Rate Swap	N.A.	99.75	6,234.38	99.75	5,976.52

(ii) Non-Designated Hedges	Currency Pair	2015		2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Coupon Only Swap	INR-USD	85.83	4,000.00	85.83	4,000.00
Coupon Only Swap	INR-JPY	1,833.52	1,000.00	1,833.52	1,000.00

(iii) In addition to the above, the Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at balance sheet date.

Non-Designated Hedges	Currency Pair	2015		2014	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ in million	Foreign Currency (in million)	₹ in million
Forward Contracts (Buy)	USD-INR	71.85	4,650.60	65.01	4,116.79
Forward Contracts (Buy)	EUR-USD	-	-	28.49	2,340.92
Forward Contracts (Buy)	EUR-INR	-	-	0.91	78.53

Net Mark to Market (Fair Value) loss recognised in Hedging Reserve as on 31st March 2015 on forward contracts for ₹425.63 million and on interest rate swap for ₹9.61 million is expected to be recycled to the statement of Profit and Loss by March 2016 and March 2020 respectively.

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



b) As at the Balance Sheet date, following foreign currency exposure is not hedged by a derivative instrument or otherwise:

(₹ in million)

	2015	2014
Short term Receivables	9,856.81	2,772.81
Short term Payables / borrowings	21,008.81	7,530.57
Long term Receivables	2,198.13	3,364.08
Long term Payables / borrowings	5,966.32	6,974.10

33. Contingent liabilities not provided for

a)

(₹ in million)

	2015	2014
Claims against the Company not acknowledged as debts	102.20	570.62
Disputed direct taxes	1,614.61	2,000.26
Disputed indirect taxes	407.11	84.78

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

b) Supreme Court of India has dismissed an appeal filed by the Commissioner of Customs, Kandla against the CESTAT Order dated May 22, 2014 which had set aside the Order of the Commissioner of Customs, Kandla for custom duty of ₹8,609.82 million on account of alleged wrong classification of imported raw materials along with penalty of ₹8,609.82 million on the Company and a penalty of ₹ 205 million on the directors and officers of the Company. On the same matter, a separate proceeding was initiated by Additional Director General of Foreign Trade, Mumbai, wherein the Hon'ble Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

34. Capital and other commitments

a) Capital commitments

	2015	2014
Estimated amount of contracts remaining to be executed on capital account (net of advances)	130.56	120.42

b) Other commitments

(₹ in million)

	2015	2014
Performance guarantees / Bid bond given by banks to company's customers / government authorities etc.	9,596.71	9,306.49
Corporate guarantees given by the company (includes ₹9,355.82 million (Previous year: ₹15,277.48 million)) for Loans/ Liabilities of subsidiaries. Loans / Liabilities outstanding against these guarantees are ₹451.54 million (Previous year: ₹2,913.06 million)	11,225.82	17,148.95
Letters of credit outstanding (net of liability provided) for company's sourcing	7,162.67	9,257.32
Custom duty on pending export obligation against import of raw materials	809.28	380.81
Other long term commitments	2,000.00	2,000.00

c) The company has committed to provide continued need based financial support to certain subsidiaries.

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

35. The company has classified the various benefits provided to employees as under:

I Defined Contributions Plans

(₹ in million)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	2015	2014
- Employer's Contribution to Provident Fund*	68.64	65.10
- Employer's Contribution to Employees State Insurance*	0.56	0.33
- Employer's Contribution to Employees Pension Scheme*	4.29	3.55
- Employer's Contribution to Superannuation Scheme*	3.50	0.89
	76.99	69.87

*Included in Contribution to Provident and Other Funds

II Defined benefit plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The company operates a gratuity plan managed jointly by Kotak Life Insurance Limited and India First Life Insurance Company Limited. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier.

a. Major assumptions	2015 (%p.a.)	2014 (%p.a.)
Discount rate	7.96	9.00
Expected rate of return on Plan Assets	7.96	5.00
Salary escalation rate	5.00	6.00

(₹ in million)

b. Change in the present value of obligation	2015	2014
Opening Present value of Obligation	103.98	119.18
Current service cost	15.97	30.94
Interest cost	9.36	9.28
Benefit paid	(8.19)	(14.46)
Actuarial Loss/ (gain) on obligations	23.24	(40.96)
Closing present value of Obligation	144.36	103.98

(₹ in million)

c. Change in fair value of plan assets	2015	2014
Opening Fair value of Plan Assets	108.58	119.18
Expected return on plan assets	5.43	8.70
Actuarial (Loss)/ gain on obligations	13.15	(5.00)
Contributions	0.01	0.16
Benefits paid	(8.19)	(14.46)
Closing Fair Value of Plan Assets	118.98	108.58

Welspun Corp Limited
Notes forming part of the financial statements
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(₹ in million)

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	2015	2014
Present Value of Funded Obligation	144.36	103.98
Fair Value of Plan Assets	118.98	108.58
Funded Status	118.98	108.58

(₹ in million)

e. Amount recognised in the Balance sheet	2015	2014
Present value of Obligation	144.36	103.98
Fair Value of Plan Assets	118.98	108.58
Liability recognised in the Balance sheet and included under Short Term Provisions (Refer Note 11)	25.38	(4.60)

(₹ in million)

f. Expenses recognized in the statement of profit and loss	2015	2014
Current service cost	15.97	30.94
Net interest cost	3.93	9.28
Expected return on plan assets	-	(8.70)
Net Actuarial Loss/(gain) recognised in the year	10.09	(35.96)
Total Expenses recognized in the statement of profit and loss*	29.99	(4.44)

* Included in Employee Benefits Expense

g. Major Category of Plan Asset as a % of Total Plan Assets	2015	2014
Insurer Managed funds	100.00	100.00

(₹ in million)

h. Amounts recognised in current Year and previous four Years	2015	2014	2013	2012	2011
Defined Benefit obligation at the end of year	144.36	103.98	119.18	99.54	98.37
Fair value of Plan Assets	118.98	108.58	119.18	99.54	98.37
(Surplus) / Deficit	25.38	(4.60)	-	-	-
Experience (gain) / Loss adjustments on Plan Liabilities	23.24	(40.96)	(60.16)	(60.30)	(45.37)
Experience (gain) / Loss adjustments on Plan Assets	13.15	(5.00)	16.02	(5.09)	(0.44)

(₹ in million)

i. Expected contribution to the funds in the next year	2015	2014
Gratuity	43.77	0.01

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹53.34 million (March 31, 2014: ₹38.61 million)

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

36. Segment reporting

i) The Company is exclusively engaged in the business of steel products which, in the context of Accounting Standard 17 Segment Reporting, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2015 and as on that date.

ii) Information about Secondary-Geographical Segment

(₹ in million)

	2015			2014		
	Within India	Outside India	Total	Within India	Outside India	Total
External sales / revenue from operations *	39,174.56	10,314.83	49,489.39	32,279.17	16,396.95	48,676.12
Carrying amount of segment assets	57,513.73	12,386.94	69,900.67	53,616.27	6,374.66	59,990.93
Capital expenditure	252.68	-	252.68	1,444.68	-	1,444.68

* Sales within India includes deemed exports of ₹22,097.69 million (Previous year: ₹21,534.17 million)

Notes:

- Segment revenue in the geographical segments considered for disclosure is as follows:
 - Revenue within India includes sales to customers located within India.
 - Revenue outside India includes sales to customers located outside India.
- Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis.
- Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

37. Payment to Auditors

(₹ in million)

	2015	2014
Audit fee	6.80	5.50
Tax audit fee	1.00	1.00
Other services (Certification fees)	0.58	0.82
Out of pocket expenses	0.21	0.23

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



38. Operating lease

As a lessee:

The Company has significant operating leases for premises and equipments. These lease arrangements range for a period between 11 months and 10 years, which includes both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also includes escalation clauses. The Company has entered into a sublease and such sublease is cancellable and for a period of 1 year with an option of renewal on mutually agreeable terms.

a) With respect to all operating leases:

(₹ in million)

	2015	2014
Lease payment recognised in the Statement of Profit and Loss during the year	51.02	71.01
Sub-lease payments received/ receivable recognised in the Statement of Profit and Loss during the year.	3.90	3.90

b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

(₹ in million)

	2015	2014
Not Later than one year	1.00	2.12
Later than one year but not later than five years	0.88	1.63
Later than five years	0.59	0.07

39 Related party disclosures

a) Particulars of Subsidiaries

Name of the subsidiaries
Direct subsidiaries
Welspun Pipes Inc
Welspun Tradings Limited
Welspun Mauritius Holdings Limited
Welspun Pipes Limited
Indirect Subsidiaries
Held through Welspun Mauritius Holdings Limited
Welspun Middle East Pipes Company LLC
Welspun Middle East Pipes Coating Company LLC
Held through Welspun Tradings Limited
Welspun Middle East DMCC
Held through Welspun Pipes Inc.
Welspun Tubular LLC
Welspun Global Trade LLC

b) Name of Associate companies

Red Lebondal Limited *

* Application filed with registrar of companies (Cyprus) for name strike off

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

c) Enterprises over which Key Management Personnel or relatives [refer (d) below] of such personnel exercise significant influence or control and with whom transaction have taken place during the year

Name of other related parties
Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
Welspun Syntex Limited
Vipuna Trading Limited (merged with Mertz Securities Limited wef February 1, 2015)
Welspun Logistics Limited
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Projects Limited
Welspun Captive Power Generation Limited
Welspun Energy Limited
Welspun Enterprises Limited
Mertz Securities Limited

d) Directors / Key Management Personnel

	Nature of Relationship
B. K. Goenka	Chairman
R. R. Mandawewala	Director
Braja Mishra	Managing Director

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e) Transactions with related parties for the year

(₹ in million)

	Subsidiaries	Other Related Parties	Key Management Personnel	Total
Sale of goods and services	33,474.15	229.41	-	33,703.56
	24,998.34	803.00	-	25,801.34
Interest and other income	28.63	21.34	-	49.96
	87.47	9.03	-	96.50
Redemption of preference shares	1,570.96	-	-	1,570.96
	860.28	-	-	860.28
Purchase of goods and services	3.00	390.43	-	393.44
	38.04	356.74	-	394.78
Purchase of fixed assets	-	0.61	-	0.61
	-	180.77	-	180.77
Sale of fixed assets	-	2.58	-	2.58
	-	-	-	-
Rent and license fees paid	-	52.50	-	52.50
	-	61.09	-	61.09
Donation paid	-	0.77	-	0.77
	-	-	-	-
Reimbursement of expenses recovered (Net)	304.30	25.54	-	329.84
	138.75	(6.60)	-	132.15
Loans, deposits received back	300.21	52.40	-	352.61
	-	-	-	-
Advances and deposits taken	-	-	-	-
	2.00	-	-	2.00
Advances adjusted	735.90	-	-	735.90
	-	-	-	-
Investment in shares	-	9.66	-	9.66
	62.31	21.55	-	83.86
Share application money given	-	-	-	-
	47.97	-	-	47.97
Share application money given repaid / adjusted	-	-	-	-
	-	21.55	-	21.55
Directors remuneration	-	-	204.65	204.65
	-	-	40.29	40.29

Welspun Corp Limited
Notes forming part of the financial statements
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f) Closing balances as at 31 March 2015

(₹ in million)

	Subsidiaries	Other Related Parties	Key Management Personnel	Total
Loans, advances and deposits given	-	296.88	-	296.88
	299.58	349.28	83.01	731.87
Corporate guarantees given	9,355.82	1,870.00	-	11,225.82
	15,277.48	1,871.47	-	17,148.95
Other long term commitment	-	2,000.00	-	2,000.00
	-	2,000.00	-	2,000.00
Investments in shares	2,248.84	230.49	-	2,479.33
	3,414.80	220.82	-	3,635.62
Share application money given	596.15	-	-	596.15
	596.15	-	-	596.15
Trade receivables	14,544.72	24.91	-	14,569.63
	1,497.82	72.11	-	1,569.93
Interest receivable	-	-	-	-
	20.30	-	-	20.30
Advances and deposits taken	-	-	-	-
	735.90	-	-	735.90
Trade payables	-	40.41	-	40.41
	-	32.20	-	32.20
Other receivables	75.98	25.61	-	101.59
	655.44	79.54	-	734.98

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



g) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year:

(₹ in million)

	Transactions	
	2015	2014
1) Sale of goods		
Welspun Tradings Limited	23,258.22	19,710.20
Welspun Tubular LLC	10,197.91	5,288.14
2) Interest and other income		
Welspun Pipes Inc	4.18	25.13
Welspun Middle East Pipe Company LLC	18.81	58.56
Welspun Energy Limited	16.08	4.39
3) Redemption of preference shares		
Welspun Mauritius Holdings Limited	1,570.96	860.28
4) Purchase of goods and services		
Welspun Logistics Limited	9.71	38.76
Welspun Captive Power Generation Limited	370.38	302.37
5) Purchase of Fixed Assets		
Welspun Projects Limited	0.61	180.77
6) Sale of Fixed Assets		
Welspun Captive Power Generation Limited	2.33	-
7) Rent and license fees paid		
Welspun Realty Private Limited	49.13	58.06
8) Donation paid		
Welspun Foundation for Health and Knowledge	0.77	-
9) Reimbursement of expenses (paid) / recovered (Net)		
Welspun Pipes Inc	(0.32)	36.52
Welspun Tubular LLC	327.94	34.31
Welspun Tradings Limited	(27.99)	(28.08)
Welspun Middle East Pipe Coating Company LLC	0.28	32.37
Welspun Captive Power Generation Limited	9.48	15.28
Welspun India Limited	8.35	(25.70)

Welspun Corp Limited
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(₹ in million)

	Transactions	
	2015	2014
10) Loans, deposit received back		
Welspun Pipes Inc	300.21	-
Welspun Logistics Limited	52.40	-
11) Deposits taken		
Welspun Tradings Limited	-	2.00
12) Investment in shares		
Welspun Mauritius Holdings Limited	-	62.31
Welspun Captive Power Generation Limited	9.66	21.55
13) Share application money given		
Welspun Mauritius Holdings Limited	-	8.46
Welspun Pipes Limited	-	39.51
14) Share application money given repaid / adjusted		
Welspun Captive Power Generation Limited	-	21.55
15) Advances adjusted		
Weslpun Tradings Limited	735.90	-
16) Key Management Personnel's remuneration		
Braja Mishra	204.65	40.29

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



h) Disclosure of closing balances which are more than 10% of the total closing balance of the same type with related parties as on March 31

(₹ in million)

	2015	2014
1) Trade receivables		
Welspun Tradings Limited	4,774.60	-
Welspun Tubular LLC	9,768.45	1,497.82
2) Trade payables		
Welspun Captive Power Generation Limited	38.24	22.27
Welspun Projects Limited	-	9.01
3) Loans, advances and deposits given		
Welspun Realty Private Limited	284.48	284.48
Welspun Pipes Inc	-	299.58
Recoverable from Managing Director	-	83.01
4) Corporate guarantees given		
Welspun Pipes Inc	-	1,797.45
Welspun Middle East Pipes Company LLC	2,384.82	4,172.91
Welspun Tradings Limited	6,637.56	8,927.55
Welspun Energy Limited	1,270.00	1,270.00
5) Other long term commitment		
Welspun Energy Limited	2,000.00	2,000.00
6) Investments held		
Welspun Mauritius Holdings Limited	2,197.68	3,363.63
7) Share application money given		
Welspun Pipes Limited	596.15	596.15
8) Interest receivable from		
Welspun Pipes Inc	-	20.30
9) Advance and deposits taken from		
Welspun Tradings Limited	-	735.90
10) Other receivables		
Welspun Tubular LLC	55.44	-
Welspun Mauritius Holdings Limited	-	511.00
Welspun Middle East Pipes Company LLC	14.49	134.23

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

40. Disclosure pursuant to Clause 32 of the listing agreement :

(₹ in million)

	Balance as at 31 March		Maximum amount outstanding during the year	
	2015	2014	2015	2014
Loans and advances in the nature of loans to subsidiaries:				
Welspun Pipes Inc	-	299.58	-	299.58

41. Disclosures pursuant to Accounting Standard (AS) 29 “Provisions, Contingent Liabilities and Contingent Assets”:

Provision made with respect to Excise duty, Service tax, Value added taxes, Central Sales tax and on other litigations made in accordance with the Company’s policy stated in Note 1 (XVI):

Movement in provisions:

(₹ in million)

	2015						2014
	Excise Duty	Service Tax	Value Added Tax	Central Sales Tax	Other Litigation and Disputes	Total	Total
Opening Balance	2.93	96.52	19.83	1.00	37.91	158.19	158.19
Provided during the year	77.92	0.35	-	-	9.21	87.48	-
Provision reversed during the year	-	(0.28)	(2.77)	(1.00)	-	(4.05)	-
Closing Balance	80.85	96.59	17.06	-	47.12	241.62	158.19

The timing and the amount of cash outflows, if any, that may arise from the above matters are not currently determinable.

42. Net dividend remitted in foreign exchange

Year of remittance (ending on)	2015	2014
Period to which it relates	2013 - 2014	2012 - 2013
Number of non-resident shareholders	19	20
Number of equity shares held on which dividend was due	48,891,231	57,156,754
Amount remitted (₹ in million)	24.45	28.58

43. Earnings/ Loss Per Share

(₹ in million)

	2015	2014
I) Loss after tax	(157.06)	(175.42)
II) Weighted average number of equity shares		
a) For Basic (Nos)	262,948,923	262,948,299
b) For Diluted (Nos) *	262,948,923	262,948,299
III) Earnings/ Loss on Face Value of ₹5 each		
Basic and Diluted (₹) *	(0.60)	(0.67)

* Employee stock options are anti-dilutive and ignored in the calculation of diluted earnings per share.

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



44. Employee Stock Options Scheme

a) In respect of options granted under the Welspun Employee Stock Options Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the value of options (based on intrinsic value of the share on the date of the grant of the option) is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expense includes ₹36.47 million debited during the year (March 31, 2014: credit of ₹0.73 million).

Stock options outstanding as at the year end are as follows:

	Granted during 2014-15
Exercise price	₹1
Date of grant	24 December 2014
Vesting period	1 year
Options outstanding at the beginning of the year	-
Options granted during the year	2,050,029
Options exercised during the year	-
Options lapsed during the year	-
Options outstanding as at 31 March 2015	2,050,029

b) The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's earnings per share would have been as under, had the compensation cost of employee stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes' model.

(₹ in million)

	2015
Profit/ (Loss) for the Year (As Reported)	(157.06)
Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss	36.47
Less: Compensation Expenses under ESOS as per Fair Value	35.21
Profit/ (Loss) for the Year (Fair Value basis)	(155.80)
Basic	
Number of Shares (Weighted average)	262,948,923
Basis Earning/ (Loss) Per Share as reported	(0.60)
Proforma Basis Earning/ (Loss) Per Share	(0.59)

* Employee stock options are anti-dilutive and ignored in the calculation of diluted earnings per share.

45. Other operating revenues

(₹ in million)

	2015	2014
Scrap sales	563.92	925.95
Value added tax incentive	905.46	727.90
Export benefits	903.08	992.76
Excess provisions written back	44.92	100.54
Testing fees	100.21	-
Others	140.43	30.58
Total	2,658.02	2,777.73

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31

46. Managerial Remuneration

a) Remuneration paid or provided in accordance with section 197 of the Companies Act, 2013 to the Directors is as under:
(₹ in million)

	2015	2014
	Managing Director	Managing Director
Salaries and Allowances	45.08	36.79
Perquisites / Contribution to Provident Fund	11.14	3.50
Issue of ESOP's and Sweat Equity Shares	65.42	-
Total	121.64	40.29

b) During the year, the Company has been advised that Central Government approval was not required for payment of remuneration to the Managing Director and therefore the Company has withdrawn the application made to the Central Government which was approved partially and has now treated sum of ₹ 83.01 million shown previously as refundable by the Managing Director as paid.

47. Value of raw materials consumed

	2015		2014	
	₹ in million	% of Consumption	₹ in million	% of Consumption
Imported	23,220.95	74.87	18,131.97	69.95
Indigenous	7,795.72	25.13	7,787.64	30.05
Total	31,016.67	100.00	25,919.61	100.00

48. Value of stores and spares consumed

	2015		2014	
	₹ in million	% of Consumption	₹ in million	% of Consumption
Imported	64.25	7.99	95.09	15.95
Indigenous	739.61	92.01	500.94	84.05
Total	803.86	100.00	596.03	100.00

49. Value of imports on CIF basis in respect of

(₹ in million)

	2015	2014
Raw materials	24,495.09	14,598.14
Capital goods	3.94	275.51
Stores and spares	54.77	209.41
Traded goods	9,433.67	4,953.17
Coal	43.29	57.16

Welspun Corp Limited

Notes forming part of the financial statements as on and for the year ended March 31



50. Expenditure in foreign currency

(₹ in million)

	2015	2014
Freight, material handling and transportation expenses	0.15	302.63
Membership and other fees	7.05	11.75
Sales commission	-	377.13
Finance cost (including bank charges)	710.40	687.67
Professional and consultancy fees	17.66	52.33
Coating and other Job work charges	2.46	1,579.39
Others	34.64	18.91

51. Earnings in foreign exchange

(₹ in million)

	2015	2014
FOB value of exports (including goods-in-transit)	10,203.67	11,304.01
Job work charges	-	58.49
Interest received	2.48	19.01
Testing fees	96.73	-
Guarantee commission	22.15	67.82
Others	16.31	-

52. Comparatives

Previous years figures have been regrouped, reclassified wherever necessary to correspond with current year's classification / disclosures.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211
Mumbai, 28 April 2015

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

S. Krishnan
Chief Financial Officer

Braja Mishra
Managing Director
DIN No.00007089

Pradeep Joshi
Company Secretary

Glossary of Terms

2B	Tubular	IACC	Indo American Chamber of Commerce
5L	Line	INR	Indian Rupee (Rs.)
API	American Petroleum Institute	ISO	International Organization for Standardization
bn	Billion	IEA	International Energy Agency
BOT	Build Operate & Transfer	JPY	Japanese Yen
CAGR	Compounded Annual Growth Rate	LIBOR	London Interbank Offered Rate
CARE	Credit Analysis and Research Limited	LLC	Limited Liability Company
CIS	Commonwealth of Independent States	LSAW	Longitudinal Submerged Arc Welded
CRISIL	Credit Rating Information Services of India Limited	mn	Million
CT	Casing and Tubular	MT	Metric Tonnes
CGD	City Gas Distribution	MTPA	Metric Tonnes Per Annum
CCD	Compulsorily Convertible Debentures	MTOE	Million Tonnes of Oil Equivalent
CapEx	Capital Expenditure	MMSCMD	Million Metric Standard Cubic Meter Per Day
EBITDA	Earnings Before Interest Tax Depreciation and Amortization	NELP	New Exploratory Licensing policy
ECB	External Commercial Borrowing	OCTG	Oil Country Tubular Goods
ERW	Electric Resistant Welded	OECD	Organisation for Economic Co-operation and Development
EPS	Earnings per Share	OHSAS	Occupational Health and Safety Advisory Services
EIA	Energy Information Administration	ONGC	Oil and Natural Gas Corporation
EPC	Engineering, Procurement & Construction	Q	Quarter
EEPC	Engineering Export Promotion Council	QIP	Qualified Institutional Placements
FCCB	Foreign Currency Convertible Bonds	RGTEL	Reliance Gas Transportation Infrastructure Limited.
FDI	Foreign Direct Investment	RBI	Reserve Bank of India
FSU	Former Soviet Union	SAW	Submerged Arc Welded
GAIL	Gas Authority of India Limited	TPA	Tonnes Per Annum
GSPL	Gujarat State Petroleum Limited	UK	United Kingdom
GSPC	Gujarat State Petroleum Corporation	US	United States of America
GDP	Gross Domestic Product	US\$	US Dollar
GDR	Global Depository Receipts	VAI	Voest Alpine Industries
GmbH	Gesellschaft mit beschränkter Haftung	VAT	Value added Tax
HRC	Hot Rolled Coil	WCL	Welspun Corp Limited
HFIW	High Frequency Induction Welded		
HSAW	Helical Submerged Arc Welded		





Welspun Corp Ltd, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 40013 India
Tel: +91 22 66136000/24908000 Fax: +91 22 24908020/24908021
www.welspuncorp.com

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