WELSPUN

Dare to Commit

WELSPUN Corp Limited

To embrace change

&

gear up for the future

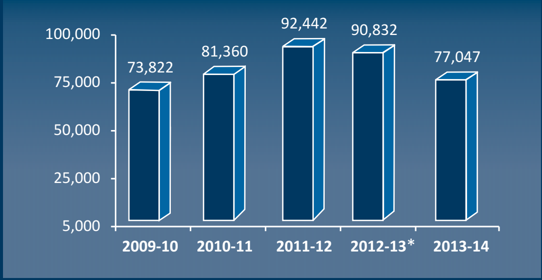
19th

Annual Report

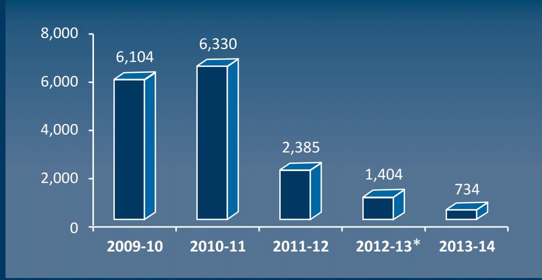
2013-14

financial highlights (consolidated)

Total Income (Rs. Mn)

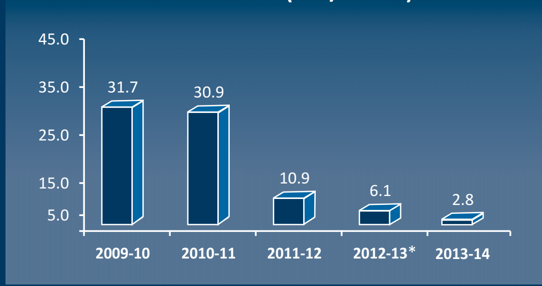


PAT (Rs. Mn)

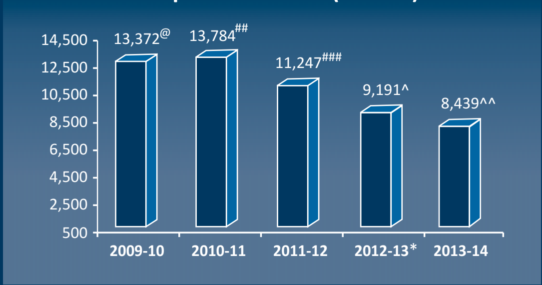


Exports/Overseas Revenue# (Rs. Mn)

Basic EPS (Rs. / Share)

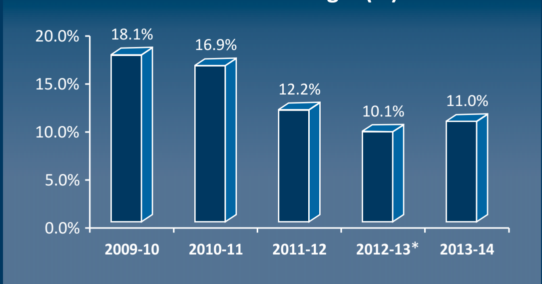


Reported EBITDA (Rs. Mn)@@



Networth (Rs. Mn)

EBITDA Margin (%)



Fixed Assets (Gross Block- Rs. Mn)

Note : *FY 14 and FY13 figures are after taking into consideration the demerger of the Company while FY10, FY11, FY12 figures are pre-demerger.*

^^ FY 2013-14: *Includes other income of Rs. 1,744 million , Total unrealised foreign exchange of Rs. 1,046 million*

^ FY 2012-13: *Includes other income of Rs. 1,879 million , Total unrealised foreign exchange gain of Rs. 232 million*

@@ : *For FY11, FY12, FY 13 & FY14 Other Income, a part of Reported EBITDA includes Interest Income for the respective years*

FY 2011-12: Includes Other Income of Rs. 2,676 million which includes interest income of Rs. 1,339 for FY12. Operational Performance was impacted by foreign exchange provisions on Rs. 1,248 million, and provisions made towards amicable settlement with a customer of Rs. 649 million. Total foreign exchange provision was Rs. 1,517 million.

FY 2010-11 : Includes export rebate of Rs. 734 mn on receipt of favourable judgement from Honorable Supreme Court and provision of Rs. 2,007 mn on account of settlement with one of the customers thereby ending long pending litigation

@ FY 10 : *Forex Provisoning made in the previous year were recovered during the year*

**** Net worth includes CCDs of Rs. 7,884 million.*

*** Includes tangible & intangible assets and CWIP*

**Post Demerger Effect showing results of Pipes & Plates business as continuing operations.*

 # Includes Deemed Exports

contents

Forward Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. We have tried, wherever possible, to identify such statements by using words as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of the future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

WELSPUN
Dare to Commit
WELSPUN Corp Limited

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. 1314.74 million divided into 262,948,299 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

Board of Directors

Mr. Balkrishan Goenka
(Chairman, Non-Executive)

Mr. Braja Mishra
(Managing Director)

Mr. Rajesh R. Mandawewala
(Director)

Mr. Mukul Sarkar
(Nominee Director of Exim Bank Ltd.)

Mr. Mintoo Bhandari
(Nominee Director of Insight Solutions Ltd.)

Mr. Raj Kumar Jain
(Director)

Mr. K.H. Viswanathan
(Director)

Mr. Ram Gopal Sharma
(Director)

Mr. Nirmal Gangwal
(Director)

Mr. Utsav Baijal
(Nominee Director of Insight Solutions Ltd.)

Chief Financial Officer
Mr. S. Krishnan

Company Secretary
Mr. Pradeep Joshi

Auditors
MGB & Co., Chartered Accountants

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

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: http://www.welspuncorp.com

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
Allahabad Bank
Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Citibank N.A.
Corporation Bank
DBS Bank Ltd
Export - Import Bank of India
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

Manufacturing Units of the Company
i. Village Jolva & Vadadla, Near Dahej, Taluka : Vagra, Dist. Bharuch, Gujarat - 392 130.
ii. Village Versamedi, Tal - Anjar, Dist.- Kutch, Gujarat - 370110
iii. KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist. Mandya, Karnataka -571428

Manufacturing Units of the Subsidiaries
iv. 9301, Frazier Pike, Little Rock , Arkansas 72205, USA
v. 2nd Ind City Dammam, Kingdom of Saudi Arabia, P. O. Box 12943, Postal Code 31483

important changes and developments

YEAR

2014
- Achieved the 1 Million MT mark for the Second Consecutive Year in Production, Sales and Order Booking.
- All time High Annual Pipe Production and Sales Volumes.
- Double Jointing plant commissioned in Saudi Arabia; Internal & External Coating Plant commissioned in Anjar, India.
- Single Largest Order from Saudi Arabia and First Order from Shell USA.
- New Customer breakthroughs : Statoil, TOTAL and South Stream (only Indian company allowed to participate)

2013
- Achieved 1 million MT mark in Production, Sales and Order Booking.
- New 175,000 MTPA, HFIW Mill at Little Rock commissioned and received the API certification.
- Demerger of other businesses (Infra, DRI, Oil & Gas and Energy) into Welspun Enterprises Limited, for effective business focus.

2012
- Initiated new HFIW mill of 175,000 MTPA in Little Rock, Arkansas, US.
- 50,000 MTPA capacity expansion of the already existing 100,000 MTPA HSAW capacity in Mandya, Karnataka.

2011
- WCL raised $290 million in the form of GDRs (US $115 million) & CCDs (US $175 million).
- Saudi plant commenced production.
- L-SAW plant at Anjar commissioned.
- Welspun Middle East established its presence in Dubai to cater to the bouyant markets of Middle East and Africa.
- Acquired 35% stake in Leighton Contractors (India) Private Limited (renamed as Leighton Welspun Contractors Private Limited)
- Awarded "EEPC Top Exporter for the Year 2011" - Gold Trophy
- Awarded "IACC Best Indian Manufacturing Company in the US 2011"

2010
- Initiated capacity expansion in India of LSAW by 350,000 MTPA in Anjar, Gujarat, HSAW by 100,000 MTPA in Mandya near Bangalore.
- Fund raising of US$ 250 million of which US$ 150 million was raised through FCCB (Foreign Convertible Currency Bonds) in Oct 2009 and $ 100 million through QIP (Qualified Institutional Placement) in Nov 2009.
- Foray in infrastructure by way of investment in Welspun Projects Limited (formerly known as MSK Projects India Ltd.)
- Completed investment in Middle East company with 300,000 MTPA HSAW facility in Saudi Arabia.
- Change in name of Welspun Gujarat Stahl Rohren Limited to "Welspun Corp Limited" w.e.f. 27/04/2010.

2009
- Commissioning of the US Pipe Mill in Little Rock Arkansas, with the capacity of 350,000 MTPA of HSAW pipes.
- Commissioning of the Coil Mill at Anjar, Gujarat.

2008
- Recognized as 2nd Largest (Large Diameter) Pipe producer in the World by The Financial Times, UK.
- Plate Mill got operational from 28th March 2008. Achieved Level II automation, Rolled X-70 API Grade of 4.5 meters wide.
- Double Jointing & Coating facility commissioned at the Little Rock facility in Arkansas U.S.
- Awarded "Emerging Company of the Year" for Corporate Excellence 2008 by Economic Times.
- Commissioning of additional HSAW Mill with the capacity of 150,000 MTPA at Anjar, Gujarat.

financials at a glance

(Rs. in Million)

Particulars	Year ended 31st March (Consolidated)				
	2014	2013*	2012	2011	2010@
Income Statement Data					
Total Income	**78,791**	**92,711**	**92,442**	**81,360**	**73,822**
Operating Expenses (COGS, Mfg and Other Expenses)	70,352	83,520	81,195	67,576	60,450
Reported EBITDA	**8,439**	**9,191**	**11,247**	**13,784**	**13,372**
Normalized EBITDA	**7,742^^**	**7,079^**	**10,901###**	**14,461##**	**13,186#**
Depreciation / Amortization	4,063	3,531	3,515	2,439	2,061
Gross Profit	**1,412**	**2,076**	**3,732**	**9,104**	**11,301**
EBIT	**4,376**	**5,659**	**7,732**	**11,345**	**11,311**
Finance Costs (Gross)	2,964	3,583	3,999	2,240	2,071
PAT (After Minority Interest)	**734**	**1,404**	**2,385**	**6,330**	**6,104**
Balance Sheet Data					
Current Assets	36,719	60,072	78,620	56,995	51,471
Current Liabilities	22,793	41,803	57,394	34,774	33,510
Net Current Assets	**13,926**	**18,269**	**21,226**	**22,221**	**17,961**
Fixed Assets **	**50,372**	**51,025**	**63,625**	**48,645**	**38,283**
Investments (Current and Non Current)	**11,398**	**10,082**	**19,785**	**14,405**	**1,596**
Deffered Tax Assets	-	-	**66**	-	-
Gross Debt	**37,411**	**38,907**	**53,407**	**38,060**	**25,476**
Cash and Bank Balance	1,447	5,923	10,255	7,508	17,028
Liquid Investments	11,143	9,848	19,431	14,366	1,595
Cash and Liquid Investments	**12,590**	**15,771**	**29,686**	**21,875**	**18,623**
Net Debt	**24,821**	**23,137**	**23,721**	**16,185**	**6,853**
Networth	**29,569**	**27,504**	**48,816*****	**33,735**	**29,011**
Minority Interest	**1,012**	**1,015**	**3,433**	**2,024**	-
Average Shareholders Fund	**28,536**	**38,160**	**41,276**	**31,373**	**22,304**
Deffered Tax Liability (Net)	**5,609**	**5,417**	**5,036**	**4,344**	**3,352**
Capital Employed	**73,601**	**72,843**	**110,692**	**78,163**	**57,839**
Capital Employed (Net of Cash and Liquid Investments)	**61,011**	**57,073**	**81,006**	**56,288**	**39,217**
Average Capital Employed (Net of Cash and Liquid Investments)	**59,042**	**69,039**	**68,647**	**47,752**	**36,615**
Cash Flow Data					
Net Cash Flows by Operating Activities	1,885	271	14,287	6,665	3,843
Net Cash Flows by Investing Activities	(1,222)	(435)	(22,054)	(22,574)	(3,885)
Net Cash Flows by Financing Activities	(5,139)	(680)	9,634	5,585	2,767
Financial Ratios					
EPS - Basic (Rs/share)	2.79	6.06	10.89	30.95	31.69
EPS - Diluted (Rs/share)	2.79	6.06	9.71	28.66	28.40
EBITDA Margin (%)	10.71%	9.91%	12.17%	16.94%	18.11%
PAT Margin (%)	0.93%	1.51%	2.58%	7.78%	8.27%
Net Debt to Shareholders Fund	0.84	0.84	0.49	0.48	0.24
Net Debt to EBITDA	2.94	2.52	2.11	1.17	0.51
Return on Avg. Shareholders Fund	2.57%	3.68%	5.78%	20.18%	27.37%
ROCE [EBIT/ (Avg. Capital Employed)]	7.41%	8.20%	11.26%	23.76%	30.89%

Note : FY 14 and FY13 figures are after taking into consideration the demerger of the Company while FY10, FY11, FY12 figures are pre-demerger.

@ Prior to revised Schedule VI

** Post Demerger Effect showing results of Pipes & Plates business as continuing operations.*

^^ FY 2013-14: Includes other income of Rs. 1744 million , Total unrealised foreign exchange of Rs. 1,046 million

^ FY 2012-13: Includes other income of Rs. 1879 million , Total unrealised foreign exchange gain of Rs. 232 million

FY 2011-12: Includes Other Income of Rs. 2,676 million which includes interest income for FY12. Operational Performance was impacted by foreign exchange provisions on Rs. 1,248 million, and provisions made towards amicable settlement with a customer of Rs. 649 million. Total foreign exchange provision was Rs. 1,517 million.

FY 2010-11 : includes export rebate of Rs. 734 mn on receipt of favourable judgment from Honorable Supreme Court and provision of Rs. 2,007 mn on account of settlement with one of the customers thereby ending long pending litigation"

 # FY 2009-10 : Forex Provisioning made in the previous year were recovered during the year

*** includes Capital Work-In-Progress*

**** Net worth includes CCDs of Rs. 7,884 million.*

financials at a glance

(USD in Million)

Particulars	Year ended 31 March (Consolidated)				
	2014	2013*	2012	2011	2010@
Income Statement Data					
Total Income	**1,302**	**1,703**	**1,928**	**1,787**	**1,555**
Operating Expenses (COGS, Mfg and Other Expenses)	1,163	1,534	**1,693**	**1,484**	**1,273**
Reported EBITDA	**139**	**169**	**235**	**303**	**282**
Normalized EBITDA	**128^^**	**130^**	**227###**	**318##**	**278#**
Depreciation / Amortization	67	65	73	54	43
Gross Profit	**23**	**38**	**151**	**254**	**238**
EBIT	**72**	**104**	**161**	**249**	**238**
Finance Costs (Gross)	49	66	83	49	44
PAT (After Minority Interest) ##	**12**	**26**	**50**	**139**	**129**
Balance Sheet Data					
Current Assets	613	1,107	1,545	1,278	1,146
Current Liabilities	380	770	1,128	780	746
Net Current Assets	**232**	**337**	**417**	**498**	**400**
Fixed Assets **	**841**	**940**	**1,251**	**1,091**	**853**
Investments (Current and Non Current)	**190**	**186**	**389**	**323**	**36**
Deffered Tax Assets	**-**	**-**	**1**	**-**	**-**
Gross Debt	**624**	**717**	**1,050**	**853**	**567**
Cash and Bank Balance	24	109	202	168	379
Liquid Investments	186	181	383	283	31
Cash and Liquid Investments	**210**	**291**	**585**	**431**	**367**
Net Debt	**414**	**426**	**466**	**363**	**153**
Networth	**494**	**507**	**960*****	**756**	**646**
Minority Interest	**17**	**19**	**67**	**45**	**-**
Average Shareholders Fund	**476**	**703**	**811**	**704**	**497**
Deffered Tax Liability (Net)	**94**	**100**	**99**	**97**	**75**
Capital Employed	**1,228**	**1,342**	**2,176**	**1,753**	**1,288**
Capital Employed (Net of Cash and Liquid Investments)	**1,018**	**1,051**	**1,592**	**1,262**	**873**
Average Capital Employed (Net of Cash and Liquid Investments)	**985**	**1,272**	**1,349**	**1,071**	**815**
Cash Flow Data					
Net Cash Flows by Operating Activities	31	5	298	146	81
Net Cash Flows by Investing Activities	(20)	(8)	(460)	(496)	(82)
Net Cash Flows by Financing Activities	(85)	(12)	201	123	58
Financial Ratios					
EPS - Basic (US $/share)	0.05	0.11	0.23	0.68	0.67
EPS - Diluted (US $/share)	0.05	0.11	0.20	0.63	0.60
EBITDA Margin (%)	10.71%	9.91%	12.17%	16.94%	18.11%
PAT Margin (%)	0.93%	1.51%	2.58%	7.78%	8.27%
Net Debt to Shareholders Fund	0.84	0.84	0.49	0.48	0.24
Net Debt to EBITDA	2.94	2.52	2.11	1.17	0.51
Return on Avg. Shareholders Fund	2.57%	3.68%	5.78%	20.18%	27.37%
ROCE [EBIT/ (Avg. Capital Employed)]	7.41%	8.20%	11.26%	23.76%	30.89%

Note : FY 14 and FY13 figures are after taking into consideration the demerger of the Company while FY10, FY11, FY12 figures are pre-demerger.

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 # FY 2009-10 : Forex Provisioning made in the previous year were recovered during the year

*** includes Capital Work-In-Progress*

**** Net worth includes CCDs of Rs. 7,884 million.*

Exchange rates used for Balance Sheet Items is Closing rate as on 31 March	59.915	54.285	50.875	44.60	44.90
Exchange rates used for Profit & Loss Items is Average rate for the year	60.496	54.451	47.946	45.53	47.47

- B K Goenka,
Chairman, Welspun Group

message from the chairman

My dear fellow stakeholders,

The year 2013-14 will be remembered as a transition year for Welspun Corp Limited where we position ourselves well for the future. We strive to better our operational performance in order to deliver on our strategic commitments and to create value for all our stakeholders and community at large.

This has been one of the most challenging periods for the Steel Industry, which has had an adverse impact on the Pipe Industry. However, we have withstood this unprecedented period and also emerged stronger and more resilient to capitalise on future opportunities. Our multi-location manufacturing facilities, our local 'insider' status in the key Oil & Gas markets along with our multiple product strategy have been the driving factors during this period. Today, we are amongst the leading companies in the Line Pipes business; however, we aim to replicate this leadership position even within product segments, geographic regions and above all, to emerge as a thought leader.

Order Book

To adapt and address the needs of the local markets, we have implemented a Business Unit (BU) framework which has enabled us to remain committed to our esteemed customers while successfully adding new customers like Statoil, TOTAL and Shell (USA). I am glad to inform you that despite the challenging business environment, when most customers globally have held back their capital expenditure programs, we at Welspun Corp have achieved 1 million tonnes of new order bookings for a second consecutive year. For example, Saudi Aramco - one of the largest oil & gas player, has given our Middle East facility probably their single largest pipe order - a record in itself. A continued healthy order book is a testimony of our quality to delivery and first-class customer service. It is with pride that we can say that our products are globally well recognized and amongst the best in the industry.

Business Re-Organization

I take this opportunity to reiterate that during the last one year, Welspun Corp undertook the demerger exercise. Now, the demerger is complete with Infrastructure, Steel, Energy and Oil & Gas businesses becoming a part of Welspun Enterprises Limited. This will enable Welspun Corp to have laser sharp focus on the Line Pipes vertical. It will ring fence the pipes cash flows, which will be used for de-leveraging the Welspun Corp Ltd. as well as enhancing the business without any capital allocation uncertainty.

Financial Performance

During the last financial year we delivered robust pipes sales and production volumes, much in line with the previous year performance, crossing a million tonnes in order book, production and sales for a second consecutive year. Our operational EBITDA and Cash PAT have also improved for the continuing businesses on a post-demerger comparable basis. In continuation to our dividend distribution during the last 6 years, this year the company has declared a 10% dividend.

Corporate Social Responsibility

Welspun as a group is committed to building a sustainable and progressive community. Our social mission is enshrined within the 3E's i.e. Education, Empowerment and Environment & Health. We have been investing in providing quality education by tying up with government schools in Kutch. Through this programme, we reach out to students and teachers in order to help achieve a higher standard of education whilst also working towards their individual training and development. Several vocational centers have been set up to train women in villages with the craft of cutting & stitching, owing to which hundreds of women have enriched and empowered their lives by gaining financial stability. We have also built a drinking water purification RO plant in Vapi, Gujarat which provides purified drinking water to villages in its surrounding areas. Welspun believes in creating a thriving environment and nothing can sustain if we ignore our natural surroundings. Thus, on the basis of this belief, we have hosted many Green World initiatives where we have planted thousands of trees in and around our Anjar facility. All these efforts have been undertaken to give back to our society, and more so to thank the community for their undeterred support throughout our growth journey.

Finally, I express my humble gratitude to all the stakeholders including our lenders, employees, customers and suppliers who have provided their support and co-operation during all these years. I am committed to constantly improve the factors that are in our control and make the best of those factors that are beyond our control to take Welspun Corp Ltd. to the highest level of performance while delivering sustainable shareholder value.

Many Thanks,

B. K. Goenka

directors' report

To,
The Members,
Welspun Corp Limited

Your directors have pleasure in presenting the 19th Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2014.

financial results

(Rs. in million)

Particulars	Standalone		Consolidated	
	For the Year Ended		For the Year Ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Revenue from operations (Net)	48,676.12	66,321.65	77,047.23	90,832.10
Profit before finance cost, depreciation & tax	4,219.72	5,970.50	8,439.16	9,190.62
Less : Finance costs	2,239.81	2,988.98	2,964.04	3583.23
Gross Profit / (Loss)	1,979.91	2,981.52	5475.12	5,607.39
Less: Depreciation/Amortization	2,255.69	2,289.90	4,063.01	3,531.24
Profit before tax for the year	(275.78)	691.62	1,412.11	2,076.15
Less : Provision for taxation				
Current Taxation	-	138.38	414.57	(44.07)
MAT Credit Entitlement	-	(138.38)	-	(138.38)
Deferred Taxation	(100.36)	186.73	17.01	675.31
Profit after tax for the year (after Minority Interest)	(175.42)	504.89	733.90	1404.28
Profit / (loss) before tax from discontinued operations	-	188.03	-	(2,569.96)
Less : Tax expense of discontinued operations	-	162.06	-	(102.55)
Profit / (loss) after tax before share of results of associates and minority interest from discontinued operations	-	25.97	-	(2467.41)
Profit / (loss) for the year from discontinued operations	-	25.97	-	(2107.51)
Profit / (loss) for the year	(175.42)	530.86	733.90	(703.23)
Add : balance brought forward from previous year	14,156.03	13,510.35	17,705.39	18,296.99
Profit available for appropriation	9,988.28	14,041.21	17,536.63	17,593.76
Transfer to Statutory Reserve	-	-	93.01	-
Transfer to General Reserve	-	53.09	-	56.27
Transfer to / (From) Debenture Redemption Reserve	-	(321.92)	-	(321.92)
Proposed Dividend on equity shares & tax	153.81	153.81	153.81	153.81
Equity dividend & tax of earlier years	-	0.20	-	0.20
Balance carried forward to the next year	9,835.49	14,156.03	17,290.82	17,705.39

PERFORMANCE

Production and processing activities highlights for the year under report on standalone basis are as under:

- Pipes: 618,180 MT (631,133 MT).
- Plates: 9,773 MT (260,247 MT). This shows lesser captive consumption of plates for manufacturing.
- H.R. Coils: 12,743 MT (209,546 MT). This shows lesser captive consumption of coils for manufacturing.
- Coating: 3,762 K sqm (4,142 K sqm). This shows less demand for coated pipes.
- Power: 18,456 MWH (122,585 MWH).

(For the above aspects on consolidated basis, refer the Management Discussion and Analysis included in the Annual Report)

Finance Costs reduced mainly due to conversion of Compulsorily Convertible Debentures (CCD) into equity shares during previous year, repayment of ECB and part buyback of FCCB.

DIVIDEND

The Board recommends a dividend @ 10% for the year ended March 31, 2014 i.e. Re. 0.50/- per equity share of Rs.5/- each fully paid-up. In respect of the dividend declared for the previous financial years, Rs. 5.35 million remained unclaimed as on March 31, 2014.

SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER

The Scheme of Arrangement for restructuring of business by transfer of all the assets and the liabilities of the Other Businesses Division comprising of infrastructure business (including energy, water, road), the direct reduced iron (DRI) business, oil and gas, and EPC contracting business (the “Other Businesses”) to Welspun Enterprises Limited (the “Resulting Company”), by the Company with the Appointed Date being April 1, 2012 and the share exchange ratio of 1 (one) equity share of Rs. 10 each fully paid-up of Welspun Enterprises Limited for every 20 (Twenty) equity shares of Rs. 5 each fully paid-up of the Company (the “Scheme”) as sanctioned by the Hon’ble High Court of Gujarat at Ahmedabad vide its order dated January 10, 2014, has been made effective on January 24, 2014.

FUNDS UTILIZATION

The long term funds of Rs. 13,428 million raised during the earlier financial years by issuing Secured Non-Convertible Debentures have been utilized partly for capital expansion and long term working capital requirement, and pending utilization, the balance has been invested in liquid securities.

Out of US$150 million Foreign Currency Convertible Bonds (“FCCB”) issued by the Company during the financial year 2009-10, the Company has bought back and cancelled FCCB of US$ 75 million till the end of the year under review (out of which US$ 6.50 million was bought back during FY 2013-14). The FCCBs outstanding as at the end of the year under review were US$75 million. The proceeds have been utilized for the purpose for which the same was raised, and pending utilization, the balance is lying in bank accounts outside India.

DIRECTORS

Since the last report, no change took place in the Board of Directors.
In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Mandawewala, is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for re-appointment. Pursuant to the provisions of Section 150(2) read with Section 149(10) of the Companies Act, 2013, shareholders’ approval is sought for the appointment of Mr. Rajkumar Jain, Mr. K.H.Viswanathan, Mr. Ramgopal Sharma, Mr. Nirmal Gangwal and Ms. Revathy Ashok as Independent Directors of the Company for a term of five consecutive years, at the forthcoming annual general meeting. Details about them are given in the Notice of the forthcoming Annual General Meeting being sent to the members along with the Annual Report.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your directors hereby confirm that:

(i) in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and there are no material departure from the same;
(ii) the Directors have 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 as at the end of the financial year and of the loss of the Company for the year under review;
(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other

irregularities;

(iv) the Directors have prepared the accounts for the financial year ended March 31, 2014 on a going concern basis.

AUDITORS

M/s. MGB & Co., Chartered Accountants, the Auditors retire at the conclusion of the forthcoming Annual General Meeting and have expressed their unwillingness to be reappointed for a further term.

Hence, the Board of Directors, based on the recommendations of the Audit Committee, propose the appointment of M/s. Price Waterhouse, Chartered Accountants (Firm Reg. No. (012754M), as the Statutory Auditors of the Company to hold office as such upto the conclusion of the 25th Annual General Meeting in place of the retiring Auditors, M/s. MGB & Co., Chartered Accountants, to audit the accounts of the Company for the financial year 2014-15 to 2019-20 subject to ratification by the Members of the Company at every Annual General Meeting.

M/s. Price Waterhouse has confirmed that if appointed, then their said appointment would be in pursuance to the provisions of Section 139 of the Companies Act, 2013.

AUDITORS' REPORT

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

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 2013-14. The Cost Audit Report for the year 2012-13 was -e-filed on August 19, 2013. The Cost Audit for the financial year 2013-14 is in progress and the report will be e-filed to Ministry of Corporate Affairs, Government of India, in due course.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above Rules, your directors are pleased to give the particulars as prescribed therein in the Annexure, which forms a part of the Directors' Report.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of Directors' Report.

SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs vide its General Circular No. 2 / 2011 dated February 8, 2011 (the "Circular") granted general exemption to the companies from attaching a copy of the Balance Sheet, the Profit and Loss Account and other documents of its subsidiary companies as required to be attached under Section 212 of the Companies Act, 1956 to the Balance Sheet of the holding company subject to fulfillment of conditions stipulated in the Circular.

Therefore, the said documents of the following subsidiary companies viz. (1) Welspun Pipes Limited, (2) Welspun Tradings Limited, (3) Welspun Pipes Inc, (4) Welspun Tubular LLC, (5) Welspun Global Trade LLC, (6) Welspun Mauritius Holdings Limited, (7) Welspun Middle East Pipe Coatings Company LLC, (8) Welspun Middle East Pipe Company LLC, (9) Welspun Middle East DMCC is not attached to the Annual Report. However, the aforesaid documents relating to the subsidiary companies and the related detailed information will be made available upon request by any member or investor of the Company. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by a member or an investor at the Registered Office of the Company or the respective subsidiary company. As required under the Circular, a statement containing the requisite information for each subsidiary is attached with this Report.

FIXED DEPOSITS

The Company has not accepted any public deposit within the meaning of the Companies (Acceptance of Deposit) Rules, 1975 and, as such, no amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

LISTING WITH 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 Foreign Currency Convertible Bonds and 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

CORPORATE GOVERNANCE

A separate report on the Corporate Governance is annexed hereto as a part of this Report. A certificate obtained from the Company Secretary in Practice regarding compliance of the conditions of the Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this Report. A separate report on Management Discussion and Analysis is enclosed as a part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by the Clause 32 of the Listing Agreement with the Stock Exchanges and Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 (as applicable for the Financial Year 2013-14 vide the General Circular No. 8/2014 dated April 4, 2014), the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by the ICAI. The Audited Consolidated Financial Statements together with Auditors' Report thereon forms a part of the Report.

ACKNOWLEDGEMENT

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

Place: Mumbai
Date : August 7, 2014

B. K. Goenka
Chairman

FORM – A

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

				2013-2014	2012-2013
A.	POWER AND FUEL CONSUMPTION				
1.	ELECTRICITY				
(A)	Purchased				
	Unit (In '000s) MWH			15,768	47,115
	Total Amount (Rs. In Lacs)			999	3,138
	Rate/Unit (Rs)			6.33	6.66
(B)	Own Generation				
		(I)	Through D.G. Set (CPP)		
			Generated Unit (In '000s) MWH	13,552	16,341
			Units Generated Per Unit Of Fuel	-	-
			Cost/Unit (Rs)	9.58	7.52
		(II)	Through Steam Turbine / Generator		
			Generated Unit (In '000) MWH	4,904	83,587
			Total Amount (Rs. in Lacs)	440	6,532
			Rate / Unit (Rs.)	8.97	7.81
2	COAL (Generation of Steam)				
	Unit (In '000) kg			18,862	293,117
	Total Amount (Rs. in Lacs)			681	10,310
	Rate / Unit (Rs./kg.)			3.61	3.52
	OTHER – LIGNITE & LIME STONE (For Generation of Steam)				
	Unit (In '000) kg			16,200	7,790
	Total Amount (Rs. in Lacs)			434	194
	Rate / Unit (Rs./kg.)			2.68	2.49
3	FURNACE OIL				
	Quantity (K. Ltrs.)			987	-
	Total Amount (Rs. in Lacs)			295	-
	Rate /Unit (Rs./ Ltr.)			29.86	-
4	OTHERS / INTERNAL GENERATION				
a.	Natural Gas				
	Quantity (SCM) (in '000)			-	30,111
	Total Amount (Rs. in Lacs)			-	9,279
	Rate / Unit (Rs. /SCM)			-	30.82
b.	Liquid Petroleum Gas				
	Quantity (MT) (in '000)			-	-
	Total Amount (Rs. in Lacs)			-	-
	Rate / Unit (Rs. SCM/MT)			-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCTS	STANDARD	2013-2014	2012-2013
Name of Product - **Welded Pipes**			
Electricity - (KWH)	-	117.46	230.92
Name of Product – **M.S. Pipes (ERW)**			
Electricity - (KWH)	-	92	114.68
Name of Product – **Power**			
Electricity-(KWH)	-	8.62	8.34
Name of Product – **M. S. Plates**			
Electricity-(KWH)	-	217.53	186.95
Furnace Oil (K. Ltrs)	-	56.36	-
Natural Gas – (SCM/MT)	-	-	64.28
Name of Product – **H. R. Coils**			
Electricity-(KWH)	-	158.57	150.79
LPG (MT)	-	-	-
Furnace Oil (K. Ltrs)	-	56.36	-
Natural Gas – (SCM/MT)	-	-	63.73

FORM B

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

01	Specific areas in which R&D is carried out by the Company		**Anjar Pipe Mill:** During the year, the Company carried out R&D activities and demonstrated the sinter PP coating.
02	Benefits derived as a result of the above R&D.		**Anjar Pipe Mill:** The R&D activity resulted in the improvement in the quality of coating of pipes.
03	Future plan of action		**Anjar Pipe Mill:** The Company has an ongoing program of carrying out research and development which helps the Company to improve production processes and to innovate higher grade products.
04	Expenditure on R&D (a) Capital (b) Recurring (c) Total (d) Total R&D expenditure as a percentage of total turnovers.		 Nil Rs. 1.67 millions Rs. 1.67 millions 0.005%
	Technology Absorption, Adaptation and Innovation		
01	Efforts, in brief, made towards technology absorption, adaptation and innovation.		-
02	Benefits derived as a result of the above efforts, etc. Product improvement, cost reduction, product development, import substitution, etc.		-
03	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		-
	Foreign Exchange Earnings and Outgo		
	Activities relating to exports;		• New markets exploration with region wise teams to enter untapped territories of Africa, Australia, South America, Vietnam and Myanmar. • Participated in exhibitions with top level client meetings. • Explored Australia, Mozambique, Vietnam and few other South American countries and planned to explore more countries.
	Initiatives taken to increase exports;		• In line with the global business ambitions, strengthening the marketing team with induction of personnel with relevant expertise and experience in the marketing. • Marketing office has been set up in Dubai, UAE to tap that region. More representative offices planned in other regions like Mexico. • Agents have been appointed for Australia and South America and are under process for other regions. • Planned to devise strategy to enter new markets based on the market updates from various publications and news sites.
	Development of new export markets for products and services and export plans;		Every concentrated effort had been made during the year to develop and enter new territories and the untapped markets. Results have shown in the form of the new clientele added in the list of our loyal customers, various new accreditations and approvals received, a substantial enquiry base and volume orders from new countries.
	Total foreign exchange used and earned*		Used : Rs. 26,110.43 Mn Earned : Rs. 31,042.73 Mn

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

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 and accounts, general management and business strategy. Except the Chairman, the nominee appointed by EXIM Bank and nominee appointed by Insight Solutions Ltd., all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

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 2013-14	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 Corpo rate	
(01) Mr. B. K. Goenka - Chairman	P, NE	8	No	15	2	6	1C, 8M
(02) Mr. Braja Mishra - Managing Director	E	7	No	-	5	-	-
(03) Mr. Rajesh R.Mandawewala	P, NE	6	No	12	4	13	5M
(04) Mr. K. H. Viswanathan	NE, I	11	Yes	2	4	-	2C, 2M
(05) Mr. Rajkumar Jain	NE, I	11	Yes	3	2	-	4C
(06) Mr. Ram Gopal Sharma	NE, I	11	Yes	5	-	-	3C, 2M
(07) Mr. Nirmal Gangwal	NE, I	7	No	1	3	-	-
(08) Mr. Mukul Sarkar - Nominee EXIM Bank	NE, NI, L	5	No	-	-	-	-
(09) Mr. Mintoo Bhandari - Nominee of the Investor	NE, NI	11*	No	1	2	-	3M
(10) Mr. Utsav Baijal - Nominee of the Investor#	NE, NI	4	No	4	1	-	1M

@ Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee alone considered
* Out of 11 meetings, 4 meetings attended by the Observer.

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

11 meetings of the Board of Directors were held during the financial year 2013-14 on the following dates: May 21, 2013, May 30, 2013 (two meetings), July 9, 2013, August 6, 2013, August 13, 2013, October 5, 2013, October 29, 2013, November 29, 2013, December 24, 2013 and January 27, 2014.

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

III. AUDIT COMMITTEE

The Company has the Audit Committee. The terms of reference, composition etc. of which are as under:

a. 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 292-A of the Companies Act, 1956.

b. Composition

The Committee comprises 4 non-executive directors having accounting and finance back-ground majority of them are independent. The Chairman of the Committee is 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. Rajkumar Jain	Chairman	21
Mr. K. H. Viswanathan	Member	21
Mr. Ram Gopal Sharma	Member	21
Mr. Mintoo Bhandari	Member	3*

* Appointed Observer to attend the remaining 18 meetings of the Committee.

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

21 meetings of the Audit Committee of the Board of Directors were held during the financial year 2013-14 on following dates: April 5, 2013, April 20, 2013, May 13, 2013, May 27, 2013, May 29, 2013, May 30, 2013 (two meetings), June 7, 2013, June 13, 2013, July 30, 2013, August 5, 2013, August 6, 2013, August 16, 2013, August 31, 2013, September 24, 2013, October 28, 2013, October 29, 2013, December 30, 2013, January 20, 2014, January 27, 2014 and February 14, 2014.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted Remuneration Committee consisting of non-executive directors, majority of which are independent directors. To comply with the section 178 of the Companies Act, 2013 the name of the committee was changed to Nomination and Remuneration Committee and scope widened. During the year under review, no meeting of the Committee was held. Terms of Reference, composition, remuneration paid to Executive and Non - Executive Directors are as under:

a. Terms of Reference

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

b. Composition of the Committee

The Committee comprises of 4 non-executive directors as on date of this Report viz. Mr. Rajkumar Jain, Mr. K. H. Viswanathan, Mr. Ram Gopal Sharma and Mr. Mintoo Bhandari.

c. Nomination and Remuneration Policy

Particulars of pecuniary relationship or transactions of the Non-Executive directors vis-à-vis the Company and remuneration to the Executive Directors including the details of remuneration and sitting fees paid/payable to the directors for the financial year 2013-14 are as under:

	Name of the Director	Salary & Allowance	Perquisites	Commission	Service Contract/ Tenure	Notice Period	Severance Fees	Stock Option	Sitting Fees
1	Mr. Braja Mishra - Managing Director	Rs. 39.57 million	Rs. 0.72 million	Nil	Yes	1 month	Nil	Nil	Nil

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

	Name of the Director	Sitting Fees (Rs.)
1	Mr. K. H. Viswanathan	711,000
2	Mr. Rajkumar Jain	681,000
3	Mr. Ram Gopal Sharma	696,000
4	Mr. Nirmal Gangwal	162,000
5	Mr. Mukul Sarkar (Nominee of Exim Bank)	90,000
6	Mr. Mintoo Bhandari	214,000
7	Mr. Utsav Baijal	72,000

The above mentioned sitting fees paid to the Non-Executive Directors was within the limits prescribed under the Companies Act, 1956 for payment of sitting fees. Hence prior approval of the members as stipulated under Clause 49(I)(B) was not required.

None of the directors had any transaction with the Company. However, transactions have taken place with some of the companies in which a director holds directorship. Those transactions took place at the prevailing market value as commercial transactions in ordinary course of business and the same were disclosed to the Board.

The Nomination and Remuneration Policy is being revised in accordance with the section 178 of the Companies Act, 2013.

V. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

a. Composition

The Share Transfer and Investors' Grievance Committee was constituted in accordance with 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.

To comply with the provisions of the Section 178 of the Companies Act, 2013, the Board of Directors reconstituted and renamed the Committee as Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee.

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

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

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

b. Number of Shareholders complaints / requests received during the year

During the year under review, total 50 shareholders complaints were received. Break-up and number of complaints received under different category is given hereunder:

1. Non Receipt of Share Certificate : 1
2. Non Receipt of Dividend : 40
3. Non receipt of Annual Report : 8
4. Others : 1

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, 2014 for more than 30 days. All the shares/debentures received for transfer/transmission were transferred / transmitted and no transfer was pending as at March 31, 2014.

VI. GENERAL BODY MEETINGS

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

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions Passed
16th Annual General Meeting	Thursday, 08.09.2011	10:00 am	Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110	u/s. 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 for appointment of, fixing remuneration to Mr. Rajesh R. Mandawewala as the Managing Director
17^{th} Annual General Meeting	Friday, 14.09. 2012	11:00 am	Same as above	u/s. 31 of the Companies Act, 1956 for alteration of Articles of Association of the Company to provide for meetings and service of documents by electronic mode and increase in maximum number of directors from 11 to 12.
18^{th} Annual General Meeting	Tuesday, 24.09.2013	10:45 am	Same as above	u/s 309 and other applicable provisions of the Companies Act, 1956 for payment of commission @1% of the net profits of the Company as computed under Section 198 read with 349-350 of the Companies Act, 1956 for a period of 5 years starting from the financial year 2012-13 to Mr. B.K.Goenka, Non-executive Chairman

During the year under report, the resolution dated October 22, 2013 u/s. 78, 100-104 of the Companies Act, 1956, for reduction of the securities premium account as mentioned in the Scheme of Arrangement (the Scheme") i.e. upon the Scheme becoming effective, the difference between the amount of assets and liabilities of the Demerged Undertaking (as defined under the Scheme) being transferred to Welspun Enterprises Limited (the "Resulting Company" under the Scheme), shall be adjusted by reducing firstly the securities premium account, secondly the Capital Reserve, thirdly the General Reserve and finally Profit & Loss Account, was passed as a special resolution.

None of the special resolutions were proposed to be conducted through postal ballot.

VII. MANAGEMENT

a. Management Discussion and Analysis

Management Discussion and Analysis of various businesses of the Company is separately given in the Annual Report.

b. Disclosures by the Senior Management to the Board

All details relating to financial and commercial transactions where the Senior Management as defined under Clause 49 of the Listing Agreement with the Stock Exchanges may have a pecuniary interest are provided to the Board, and in case of directors, the interested directors neither participate in the discussion, nor do they vote on such matters.

VIII. DISCLOSURE

a. Related Party Transactions

For related party transactions, refer Note No. 39 of Notes to Accounts annexed to the Balance Sheet and Profit & Loss Account.

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

c. Whistle Blower Policy and Vigil Mechanism

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.

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(I) to 49(VII) of the Listing Agreement to the extent applicable and in addition the Company adopted non-mandatory requirement mentioned at (2) – "Remuneration Committee", (4)- "Audit Qualifications", and (7) – "Whistle Blower Policy" of Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges.

e. 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.

None of the Board members or senior management personnel has informed any non-compliance with the same.

A declaration signed by the Managing Director of the Company is given below:
"I hereby confirm that there was no non-compliance with the Code of Conduct of the Company by any of the Board member or the senior management personnel."

Sd/-
Braja Mishra
Managing Director

f. Certification by Chief Finance Officer

A certificate obtained from Chief Financial Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board and was noted and taken on record by the Board.

g. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out the Reconciliation of Share Capital Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Limited ("NSDL") and Central Depository Services Limited ("CDSL") and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in the physical form and in the demat form held with the Depository.

h. Brief resume of Directors being Appointed / Re-appointed

A brief resume including nature of his/her expertise in specific functional areas, names of companies in which the director is a director or member of Committees of the Board and his shareholdings in the Company, forms part of the Notice of the Annual General Meeting, attached to the Annual Report.

i. Accounting Standards

The Accounting Standards laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of accounts of the Company.

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 Western Times (Gujarati editions), Free Press (English Edition) and Free Press Journal (English edition).

These results are simultaneously posted on the website of the Company at www.welspuncorp.com. The official press release is also available on the website of the Company.

X. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

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 locations of the Company.

No case of sexual harassments was reported to the Internal Complaints Committee during the year under review.

XI. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting** shall be held on Thursday, September 25, 2014 at 10:00 a.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.
2. **Financial Year of the Company** is 1st April to 31st March.
3. **Date of Book Closure:** Monday, June 23, 2014 to Wednesday, June 25, 2014 (both days inclusive).
4. **Dividend Payment Date:** September 29, 2014 or any date thereafter.
5. **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited, Mumbai (BSE), the Secured Redeemable Non-convertible Debentures are listed on Bombay Stock Exchange Limited and the Foreign Currency Convertible Bonds and Global Depository Receipts are listed on the Singapore Securities Trading Limited (SGX-ST)

Annual listing fees for the year 2014-15 have been paid to BSE, NSE and 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 Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited are as under:**

	BSE		NSE	
Month	**High (Rs.)**	**Low (Rs.)**	**High (Rs.)**	**Low (Rs.)**
April-2013	64.20	47.00	63.90	47.10
May-2013	53.55	44.75	53.70	44.00
June-2013	49.75	40.00	53.50	39.85
July-2013	46.75	35.05	47.10	35.00
August-2013	39.60	26.65	39.75	26.80
September-2013	39.70	28.25	39.75	28.20
October-2013	44.40	29.20	44.40	29.10
November-2013	44.30	32.50	43.80	32.05
December-2013	66.30	34.80	66.70	38.70
January-2014	69.20	52.70	69.30	52.60
February-2014	65.90	57.45	66.40	57.20
March-2014	74.00	62.55	74.85	62.05

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-2013	19,504.18	53.05	5,930.20	53.10
May-2013	19,760.30	45.65	5,985.95	45.45
June-2013	19,395.81	43.75	5,842.20	43.60
July-2013	19,345.70	36.00	5,742.00	35.95
August-2013	18,619.72	33.95	5,471.80	34.20
September-2013	19,379.77	29.85	5,735.30	29.90
October-2013	21,164.52	42.55	6,299.15	42.50
November-2013	20,791.93	38.60	6,176.10	38.70
December-2013	21,170.68	63.55	6,304.00	63.50
January-2014	20,513.85	57.90	6,089.50	57.90
February-2014	21,120.12	63.55	6,276.95	63.90
March-2014	22,386.27	67.30	6,704.20	67.60

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
(Formerly known as : Intime Spectrum Registry Limited)
Unit : Welspun Corp Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Email - rnt.helpdesk@linkintime.co.in
Tele. No.: +91-022-25946970
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 shares sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within two weeks.

11. Distribution of Shareholding:

Shareholding Pattern as on March 31, 2014

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	61,309	90.34	6,885,815	2.62
501 -1,000	3,410	5.02	2,682,586	1.02
1,001 -2,000	1,577	2.32	2,378,686	0.90
2,001 -3,000	517	0.76	1,310,804	0.50
3,001 -4,000	241	0.36	866,242	0.33
4,001 -5,000	172	0.25	809,759	0.31
5,001 -10,000	283	0.42	2,098,189	0.80
10,001 and above	362	0.53	245,916,218	93.52
Total	**67,871**	**100.00**	**262,948,299**	**100.00**

12. Shareholding of the Directors of the Company as on March 31, 2014

Name of the Director	No. of shares	%
Mr. B. K. Goenka	140	0.00
Mr. Rajesh R. Mandawewala	200	0.00
Mr. Ram Gopal Sharma	2100	0.00
Mr. Nirmal Gangwal	3,27,004	0.12

None of the other Directors hold any shares or convertible securities in the Company.

13. **De-materialization of Shares and Liquidity:** As on March 31, 2014, 96.96% equity shares have been dematerialized and have reasonable liquidity on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

14. **Outstanding Employee Stock Options, Convertible Bonds and Compulsorily Convertible Debentures, conversion date and likely impact on equity share capital is as under:**

Outstanding as on 31.03.2014	Impact on equity share capital
750 Foreign Currency Convertible Bonds of US $ 100,000 each convertible in to 12,005,000 equity shares during 27.11.2009 -17.10.2014	Increase in equity capital by 12,005,000 equity shares of Rs. 5/- each at a premium of Rs. 295 per share

15. **Disclosure of Shares held in suspense account under Clause 5A of the Listing Agreement.**
There are 54,180 unclaimed Equity Shares lying in the suspense account. The voting rights of the unclaimed equity shares have been freezed.

16. **Plant locations of the Company and its subsidiaries**
   I) Pipe and Plate & Coil 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).

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

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE REPORT

To the Members of
Welspun Corp Limited

We have examined the compliance of conditions of Corporate Governance by Welspun Corp Limited, for the year ended on March 31, 2014, 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, 2014, the Registrars of the Company have certified that as at March 31, 2014, 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 Mansi Damania
Company Secretaries

Mansi Damania
Proprietor
Certificate of Practice No. 8120

Place: Mumbai
Date: August 7, 2014

key management team

Mr. B.K. Goenka
Chairman
(Non-Executive)

Mr. Braja Mishra
Managing Director

Mr. R.R. Mandawewala
Director

Mr. David J. Delie
President
Welspun Pipes Inc.

Mr. Akhil Jindal
*Director
Group Finance
& Strategy

Mr. S. Krishnan
Chief Financial
Officer

Mr. Akbar Umatiya
Vice President
Welspun Middle East

Mr. Prasanta Mukherjee
Chief Technical Officer

Mr. Godfrey John
*Director
Chief Supply Chain Officer

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

Mr. Gaurang Desai
President
BU Head
India and APAC

**Not a member of the Board of Directors*

management discussion and analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statement of Welspun Corp Limited (Welspun" or "WCL" or "the Company"), and the notes thereto for the year ended March 31, 2014. This MD&A covers Welspun's financial position and operations for the year ended March 31, 2014. 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 2013-14. 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

"FY 2013-14 is marked as the year when Welspun Corp reincarnates to its earlier form as a prominent Line Pipe supplier in the world. The demerger came to effect in January 2014 with WCL's focus shifting solely to its Line Pipe business. Sailing through swift in the current challenging business environment, WCL has achieved 1 million metric tonnes of production and sales volumes for a second consecutive year. The HFIW mill in the US has been successfully commissioned and has subsequently received the API certification. Despite its initial foreseen hurdles, WCL is gradually moving towards establishing a capable asset to serve its esteemed customers. WCL aims to further strengthen its foothold in the global markets with emphasis on local presence in key markets and nurturing customer relationships – all done to deliver world class quality and services."

- B K Mishra,
Managing Director, Welspun Corp Limited

COMPANY OVERVIEW

Welspun Corp Ltd (WCL), with its wide product range specifications and modern state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia for Longitudinal (LSAW), Spiral (HSAW) and HFERW / HFI (ERW) pipes, is the leading manufacturer of large diameter pipes globally, with its products manufactured under strict quality standards. Welspun's list of clients includes some of the biggest names from the Oil and Gas sectors viz Shell, Saudi Aramco, TOTAL, Chevron, Exxon Mobile, British Gas, Kinder Morgan to name a few. The Company is an approved supplier to over 50 major oil and gas companies across the world. This enables the Company to participate and bid in key projects across the world.

GLOBAL ECONOMIC OVERVIEW

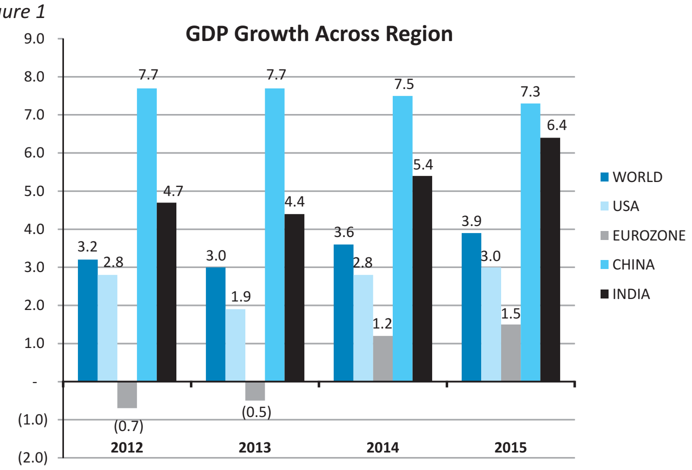
The global economic environment continued to be challenging during the last year. During the course of 2013-14, the global financial markets had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The tapering heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Global growth in CY2013 was reported at 3% levels, almost at the same level as that in CY2012.

For the Indian economy, the slowdown in growth that began in FY12, worsened in FY13 and continued into FY14. India's real GDP growth rate hit decade low levels. The slowdown was broad-based affecting all major sectors of economic activity. The economic growth rate continued to stay around the 5% mark during 2013-14. The turbulence in the global economy only added to the woes of the Indian economy. Like most other emerging markets, India faced capital outflows and intense exchange rate pressures on fears of the US Fed tapering. This prompted the RBI and the government to take several measures to control current account deficit, exchange rate and inflation.

However, the outlook for the global economy appears cautiously optimistic. Global growth, after decelerating for the last three years is poised to improve in CY2014 and CY2015, (see Figure 1) but risks related to uncertainties in timing of unwinding of unconventional monetary policies and possibility of a renewed deflation in the euro area remain. Global GDP growth in CY2014 is likely to be in vicinity of 3.7 percent, an improvement of more than 0.5 percent from CY2013 levels. The expansion in global output is expected to be led by advanced economies, especially the US. However, downside risks to growth trajectory arise from ongoing tapering of quantitative easing in the US, continuing deflation concerns and weak balance sheets in the euro area and, inflationary pressures in the emerging market and developing economies. Weakening growth and financial fragilities in China that have arisen from rapid credit in recent years pose a large risk to global trade and growth.

As far as India is concerned, there is expectation that the pace of reforms will pick up with the formation of a new stable government at the centre. Thanks to policy measures, India's current account deficit has come down drastically in recent months reducing the risk of any external shocks to the economy. With inflation expected to come down as a result of policy reforms, expectations are that the RBI will probably initiate a cycle of rate cuts in FY 14-15.

Figure 1



Source : IMF Report – April 2014

Foreign Exchange

The Indian Rupee was very volatile against the US dollar and other major currencies over the last year. Against the US dollar, the rupee opened the financial year at 54.655 in April 2013. It gradually appreciated to 53.5 levels in May 2013. Post that, it depreciated continuously to reach around 61.104 levels in early July 2013. Though it appreciated to around 59 levels by end of July, the strength in the rupee was short-lived. The sharp depreciation in August saw the rupee reach 68-levels. Post that, the rupee regained some of the losses and traded in the 61-63 range from October 2013 to February 2014. March saw some appreciation in the rupee which closed the year at 59.863 to the dollar. The sharp and sudden volatility through the year created uncertainty for companies, affecting both importers and exporters in equal measure.

Figure 2 shows the price fluctuations during the year.

Figure 2

Source : http://www.oanda.com/currency/historical-rates/

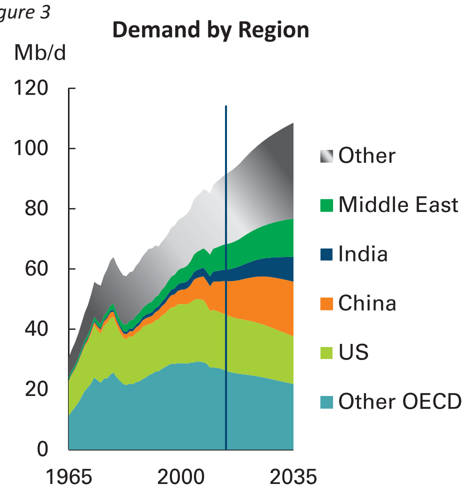
GLOBAL ENERGY DEMAND

The world is still recovering from the effects of the 2008-2009 global recessions. As these effects continue to be felt, many unresolved economic issues add to the uncertainty associated with world energy demand estimates. Currently, there is wide variation in the economic performance of different countries and regions around the world. Among the more mature OECD regions, the pace of growth varies but generally is slow in comparison with the emerging economies of the non-OECD regions.

Global energy demand is expected to increase by over one-third in the period to 2035. Emerging economies are expected to be at the forefront to drive global energy markets with the share of non-OECD energy demand rising from 55% in 2010 to 65% in 2035. China would account for the largest share of the growth in global energy use, with its demand rising 60% by 2035, followed by India (where demand is expected to more than double) and the Middle East. OECD energy demand in 2035 is predicted to be just 3% higher than in 2010.

The rising supply to meet demand growth will come primarily from non-OPEC unconventional sources. By 2035, non-OPEC supply is expected to have increased by 10.8 Mb/d while OPEC production will have expanded by 7.4 Mb/d. The largest increments of non-OPEC supply will come from the countries like US (3.6 Mb/d), Canada (3.4 Mb/d), and Brazil (2.4 Mb/d), which offset declines in mature provinces such as the North Sea. OPEC supply growth will come primarily from Natural Gas Liquids (3.1 Mb/d) and crude oil in Iraq (2.6 Mb/d).

Figure 3



Source : BP Energy Outlook 2035, January 2014 Presentation.

Fossil fuels are expected to continue supplying much of the energy used worldwide. Although liquid fuels—mostly petroleum-based—remain the largest source of energy, the liquids share of world marketed energy consumption is expected to fall from 34 percent in 2010 to 28 percent in 2040, as projected high world oil prices lead many energy users to switch away from liquid fuels when feasible. The fastest growing sources of world energy are expected to be renewables and nuclear power. The renewables share of total energy use rises from 11 percent in 2010 to 15 percent in 2040, and the nuclear share grows from 5 percent to 7 percent.

GLOBAL OIL SCENARIO

Global oil consumption is projected to reach 108.5 Mb/d by 2035 but growth continues to slow (from 1.3% p.a. in 2000-12 to 0.6% for 2025-35). OECD consumption is projected to fall to 40.4 Mb/d in 2035, the lowest since 1985. US demand falls 2.7 Mb/d to 15.8 Mb/d from 2010 to 2035. Non-OECD consumption will reach 68.1 Mb/d by 2035 with demand in China growing by 8 Mb/d to 17.5 Mb/d in 2035, surpassing the US in 2029. 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. During 2030-35, Chinese demand rises by only 1.5 Mb/d (versus 2.3 Mb/d for 2005-10) making India the largest contributor to demand growth (1.7 Mb/d for 2030-35).

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

Figure 4

World Oil Demand Outlook, 2012 – 2035 (mb/d)

	2012	2015	2020	2025	2030	2035
OECD America	23.7	23.9	23.7	23.2	22.6	21.9
OECD Europe	13.8	13.1	12.5	12.1	11.7	11.4
OECD Asia Oceania	8.5	**8.3**	8.0	7.8	7.4	7.1
OECD	**46.0**	**45.2**	**44.2**	**43.1**	**41.8**	**40.4**
Latin America	5.2	5.7	6.2	6.5	6.9	7.2
Middle East & Africa	3.4	3.5	3.9	4.4	4.8	5.3
India	3.7	4.0	5.0	6.2	7.6	9.3
China	9.7	10.8	12.7	14.4	16.0	17.5
Other Asia	7.2	7.6	8.6	9.5	10.3	11.0
OPEC	8.7	9.5	10.2	10.8	11.4	11.9
Developing Countries	**37.8**	**41.1**	**46.6**	**51.8**	**57.0**	**62.1**
Russia	3.4	3.5	3.7	3.7	3.7	3.8
Other Eurasia	1.6	1.7	1.9	2.0	2.1	2.2
Eurasia	**5.0**	**5.3**	**5.5**	**5.7**	**5.8**	**6.0**
World	**88.9**	**91.6**	**96.3**	**100.7**	**104.6**	**108.5**

Source : OPEC - World Oil Outlook 2013 Report, Page 81

GLOBAL GAS SCENARIO

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 to bring greater diversity to global supply. Changes in key suppliers of LNG 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.

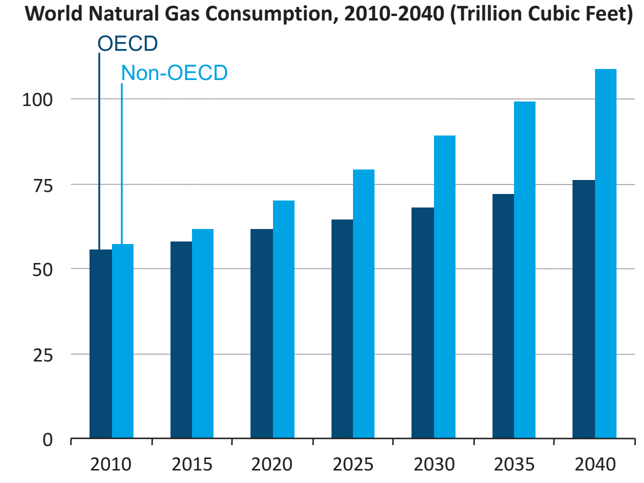
Natural Gas

Natural gas is the world's fastest-growing fossil fuel, with consumption expected to increase from 113 trillion cubic feet in 2010 to 169 trillion cubic feet in 2035 and 185 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. 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.

Liquefied natural gas (LNG) accounts for a growing share of world natural gas trade. World LNG trade more than doubles, from about 10 trillion cubic feet in 2010 to around 20 trillion cubic feet in 2040. Most of the increase in liquefaction capacity occurs in Australia and North America, where a multitude of new liquefaction projects are planned or under construction, many of which will become operational within the next decade. At the same time, existing facilities in North Africa and Southeast Asia have been underutilized or are shutting down because of production declines at many of the older fields associated with the liquefaction facilities, and because domestic natural gas consumption is more highly valued than exports.

Figure 5

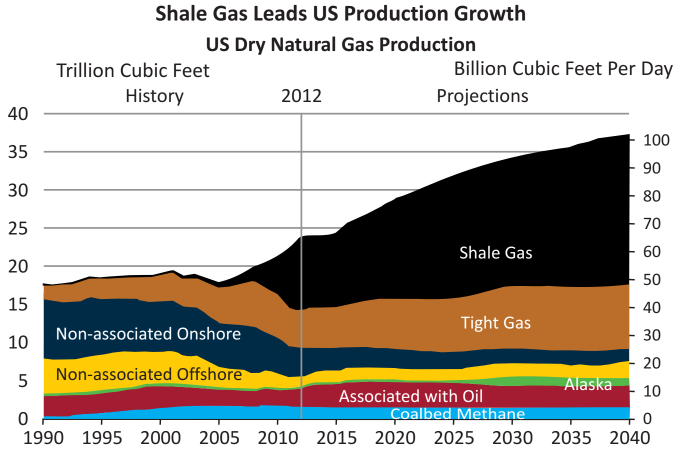


Source : International Energy Outlook 2013

Shale Gas

Unconventional sources such as Shale Gas 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.

Figure 6



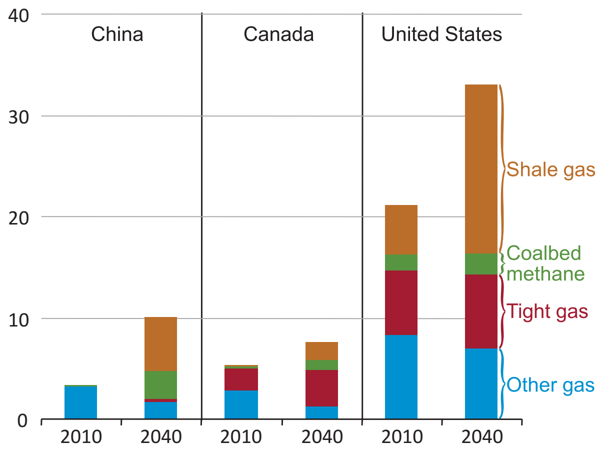
Source : EIA, Annual Energy Outlook 2014 Early Release

In the United States, one of the key reasons for 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 indicates technically recoverable resources of 335 billion barrels of world shale oil resources and 7,795 trillion cubic feet of world shale gas resources. As per the study US Energy Information Administration (IEO 2013), shale gas accounts for 50 percent of U.S. natural gas production in 2040. Tight gas, shale gas, and coalbed methane resources in Canada and China account for more than 80 percent of total production in these countries by 2040.

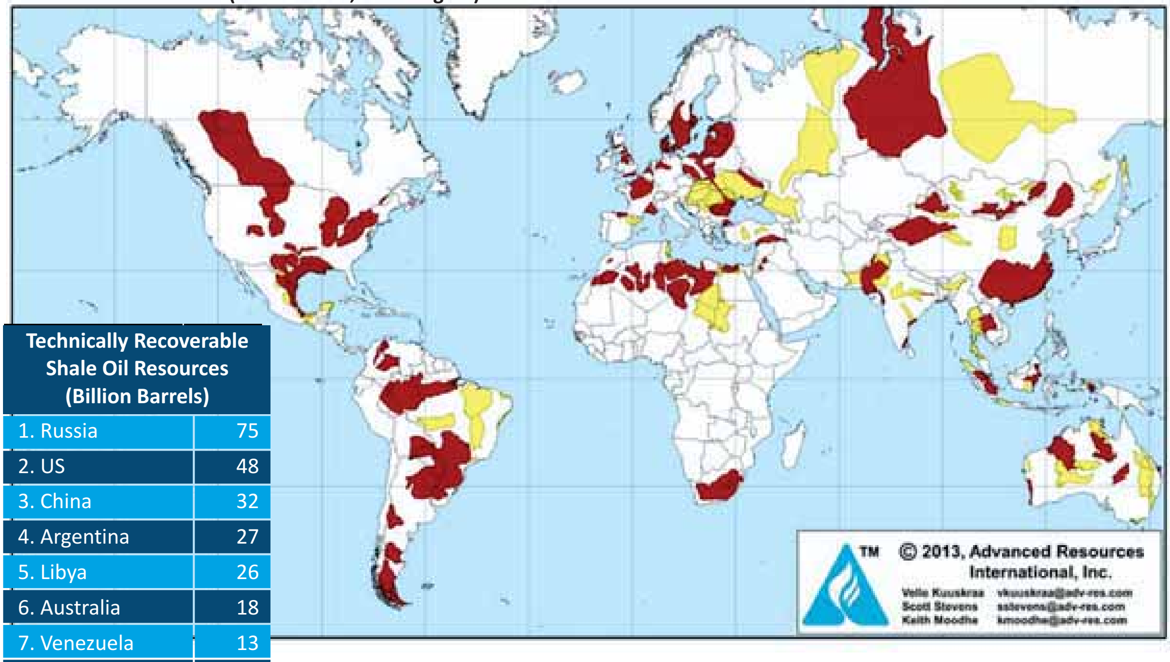
Figure 7

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

Figure 8
Assessed World Shale Gas and Shale Oil Resources (42 Countries, including US)



Technically Recoverable Shale Gas Resources (TCF)		Technically Recoverable Shale Oil Resources (Billion Barrels)	
1. US	1,161	1. Russia	75
2. China	1,115	2. US	48
3. Argentina	802	3. China	32
4. Algeria	707	4. Argentina	27
5. Canada	573	5. Libya	26
6. Mexico	545	6. Australia	18
7. Australia	437	7. Venezuela	13
8. South Africa	390	8. Mexico	13
9. Russia	285	9. Pakistan	9
10. Brazil	245	10. Canada	9
11. Others	1,535	11. Others	65
TOTAL	7,795	TOTAL	335

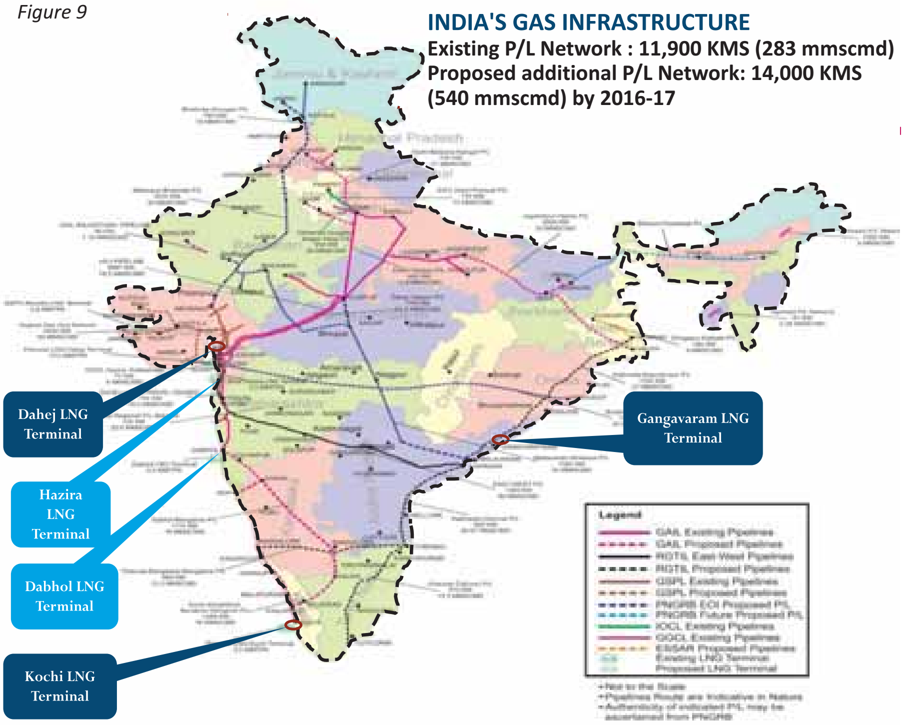
Source : U.S. Energy Information Administration | Technically Recoverable Shale Oil and Shale Gas Resources

Gas Scenario – India

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.

Share of Natural Gas in Indian Energy basket is set to increase from 10% to 20% by 2025. Despite the increase in domestic gas production, dependency on imported gas is expected to increase substantially. LNG, which currently constitutes 30% of the natural gas consumption in the country, is expected to have a share of more than 50% by 2025.

Figure 9



Source : Petronet LNG

In India, although the potential of shale oil and gas has been recognized to some extent, no credible estimates of the actual reserves are available. EIA, USA in April 2011 estimated a Gas-In-Place concentration of 1170 TCF in 4 basins namely Cambay, Krishna-Godavari, Cauvery and Damodar. As such the prospective area for shale gas and oil in these basins are thick, considerable uncertainty exists on the extents of these basins. Taking into account various projections by different agencies, the resource potential in India varies upto 2,100 TCF of shale gas with potential also for shale oil. There have been field experiments for evaluating the shale gas potential in the Gondwana basin and the initial results have been encouraging. It is estimated that India possesses shale deposits across Gujarat, Jharkhand, West Bengal, Andhra Pradesh, Tamil Nadu, Assam, Rajasthan and a few other areas. Studies are in progress in DGH to fine tune the resource assessment of shale gas and shale oil in the country.

GLOBAL STEEL PIPE INDUSTRY

World's transmission pipeline network for crude oil, natural gas and others 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%). (Source : MBR report 2013)

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. (Source MBR study 2013 report).

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. The global pipeline demand as per Simdex for the projects starting from 2014 to 2019 is about 716 projects resulting in an opportunity for supplies of more than US$ 403 billion across geographies as presented in the table below:

Figure 10

Geographical Zone	Number of projects	Total Length in Kms (km in '000)	Business value (billon USD)
North America	231	55	65
Latin America	53	35	55
Europe	119	33	60
Africa	87	30	39
Middle East	105	31	52
Asia	67	48	93
Australasia	54	21	39
TOTAL	**716**	**253**	**403**

Source : Simdex data as on January 2014.

Several large projects are in an advanced stage, which should convert to orders over the next couple of years.

The Replacement Demand – the potential upside

As per MBR study 2013, over 38% of the World's transmission pipeline network is less than 20 years old, a further 25% is between 20 and 40 years old and 37% is over 40 years old. In the USA, federal data indicates that over half the transmission pipe network for Oil and gas is over 50 years old, with an estimated 80,000 kms of transmission pipelines built before 1970 suffering from faulty welds and posing a major safety risk.

Although there have been discussions on replacing these pipelines, there has been no concrete action from the governments or the pipeline operators. This demand, if it materialises, would provide significant growth opportunity for pipeline manufacturers around the world, for many years.

DOMESTIC PIPE DEMAND

India, at present has a network of about ~13,000 km of natural gas transmission pipelines with a capacity of around 337 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 planned additions to the natural gas infrastructure in India during the projected period has been provided in Figure 11 :

Figure 11

Summary of Planned Addition to Pipeline Infrastructure

Pipelines	Design Capacity (mmscmd)	Length (Kms)
Existing till 2012	306	12,144
Expected addition in the 12th plan	416	15,928
Expected addition in the 13th plan	60	3,360
Capacity addition MBBVPL/MBPL/Surat Paradip/pipelines beyond 13th plan & till 2030	33	1,295
TOTAL	**815**	**32,727**

Source : MoPNG

The capacity of pipeline network in India is planned to reach 815 MMSCMD in 2029-30. However, considering the addition of capacity directly linked to the existing/planned sources of natural gas in the country, the gas grid capacity in India (pipeline emanating from source) is expected to reach 582 MMSCMD in 2029-30 from the present 274 MMSCMD. This capacity is expected to take care of the natural gas supply scenario in the projected period. 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 City Gas Distribution (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%.(Source : Report – Vision 2030 Natural Gas infrastructure in India, May 2013 for PNGRB)

Water Pipeline Demand in India

The water sector provides an additional opportunity for the pipes sector, especially HSAW pipes. The water resource potential in India is 186.9 million ha mtrs, mostly from rainfall. Though the annual availability of water is more than utilization, there is a rising demand to fully utilize this potential. Recognizing the criticality, the Centre in its 12th Five Year Plan, has indicated gross budgetary support for development of water resources to Rs. 1,096 bn as against Rs. 414 bn allocated in the 11th Plan.

Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 65 cities in Indian covered under the Urban Infrastructure and Governance (UIG) component of the Mission have prepared comprehensive City Development Plans which include investment plans with a focus on providing citywide urban services, such as water supply, sanitation, drainage, urban transport etc. A total of 650 projects, at an approved cost of Rs. 748 bn for the 65 mission cities spread over 31 states / UTs have been sanctioned. Of the 650 projects, 391 were water supply and sanitation projects (including sewerage and solid waste management).

WELSPUN'S FY14 HIGHLIGHTS

Highest Sales, Production Volume

The Company has achieved all time high sales and production volume of over 1 mn ton in FY14 attributable to the high quality standards and excellent track record, despite the continued challenging market conditions. The Company achieved the 1 million tonne production and sales mark for the second time in a row, a remarkable feat in the pipe industry.

Strong order book position at Rs. 58 billion (900 K MT); Over 1 mn tonnes of Orders Booked during the year

The order book stands at Rs.58 billion (~US$ 950 million), 900 K MT in pipes as on 1st April 2014. This is the highest year-end closing order book in the history of the Company.

80% of pipe orders are from export markets like North America, Middle East, Europe, North Africa and South East Asia. In spite of the difficult market situation, the Company has booked new orders of more than 1.2 million MT during the financial year, with strong order intake from Middle East and India. This demonstrates the Company's leadership position and customer preference for its products.

US HFIW Commissioned

The US HFIW mill of 175K MT has been commissioned in April 2013. The mill will cater mainly towards the demand in the US, arising out of the shale gas finds in the region.

Mandya Plant received the API certification

The Company has completed the capacity expansion of 50K MTPA in Mandya last year that took the total capacity of the plant to 150K MTPA. The facility has received the API certification during FY14 and has been supplying pipes in India to cater to the water pipeline demand.

Saudi Plant receives major order from one of its large O&G customers

During the year the Company has received one of its largest order from its prestigious client Saudi Aramco of more than 400 KMT. Saudi Aramco is one of the oil and gas giants in the Middle East and had approved the Company's Dammam Pipe Facility last year. The order, which will be executed over FY15, provides strong visibility to the Company's Saudi plant.

Amongst the leader in line pipe capacity

The Company's total global pipe capacity has reached 2.425 million MTPA. The Company's LSAW line pipe capacity stands 0.70 million MTPA, catering to the growing market of the deep offshore projects across the globe. Its HSAW line pipe capacity today stands at 1.35 million MTPA.

The current global capacity distribution of the Company is shown in Fig. 12 below:

Figure 12

(In '000 tonnes)

Products	Anjar, India	Dahej, India	Mandya, India	Dammam, SA	Little Rock, US	Total Capacity
LSAW	350	350				**700**
HSAW	500	50	150	300	350	**1,350**
ERW	200				175	**375**
Current Pipe Capacity	**1,050**	**400**	**150**	**300**	**525**	**2,425**
Plate & Coil	**1,500**					**1,500**

Expanded Global Reach

The Company today serves clients in more than 30 countries globally with its presence in India, US and Saudi Arabia through its manufacturing facilities and marketing offices in Dubai and Houston. This gives an advantage to the Company of being close to the customers and provide them end-to-end pipe solutions.

Buyback of FCCB's of USD 75 million out of total of USD 150 mn

During FY13 and FY14, the Company has successfully bought back its FCCB worth USD 75 mn out of USD 150 mn. The buyback was done at an average discount of 6.5% on the accreted value of the bonds. The FCCB outstanding is USD 75 million, which is due in October 2014.

Demerger to create renewed business focus and enhance shareholder value creation

During the year, the Company has successfully demerged its non-Pipes and Plates Business into a separate Company "Welspun Enterprises Limited". Through the de-merger, the DRI/Steel, Infrastructure, Oil & Gas exploration and Energy businesses which were earlier under the Company's umbrella, were transferred to Welspun Enterprises Ltd. The "Scheme of Arrangement" for the demerger was sanctioned by the Hon'ble High Court of Gujarat vide its order dated 10th January 2014 and came into effect on 24th January 2014 with appointed date of 01st April 2012.

SWOT ANALYSIS

STRENGTHS

- Strong brand in global large diameter pipe market
- Proximity to Customers
- Global accreditations
- State of the art technology across all the locations
- Excellent execution track record, including for the most difficult projects.

WEAKNESS

- Capacity utilisation of plate mill low
- Capacity utilisation of domestic HSAW mills low

OPPORTUNITIES

- Strong project pipeline in Canada and Middle East
- New markets of North Africa, South America and South East Asia
- Replacement market potential
- Discovery of abundant shale gas reserves leading to demand rise for the ERW pipes.

THREATS

- Tough macro environment
- Challenging world O&G market scenario
- Raw Material volatility
- High competition resulting in erosion of margins
- Volatile foreign exchange rates

Competitive Strengths

The main competitive strengths of the Company include:

- Ability to develop, design and manufacture technologically advanced products;
- Diversified customer base and strong relationships with major international oil and gas companies around the world,
- Proximity to customers;
- Human resources around the world with their diverse knowledge and skills;
- State-of-the-art, strategically located production facilities with favorable access to raw materials, energy and labor
- Strong order book

The Company will strive to leverage its strengths to consolidate its position as a leader in global pipes.

OUTLOOK

The outlook for the pipe business continues to be challenging in the near term but there are signs of a revival in the medium term.

Outlook for the North American market appears challenging in FY15, but the market is already showing signs of bouncing back. North America is planning several LNG terminals to export LNG to South East Asia and Europe and also develop internal infrastructure to leverage the vast production of Natural Gas liquids and Shale liquids, which should translate into pipeline demand in a couple of years.

Europe promises to be a large potential market going forward as it looks to diversify its gas sources with projects like TANAP to source gas from CIS and Africa. Middle East will continue to remain strong with demand from Saudi Arabia, UAE and even Iraq, a country which is steadily coming up on the path of recovery and stability.

In the Asia-Pacific region, potential demand from Thailand, Malaysia, Vietnam, Myanmar and Indonesia could boost the regional demand. As far as India is concerned, FY15 should present opportunities in the water pipeline segment. The domestic oil and gas pipeline market would be under close watch with large cross country gas pipelines planned for FY16.

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 effect the order book position of the Company in the interim period affecting the capacity utilization, sales and profitability of the Company. The Company has commenced the year with a strong order book position and is capable of withstanding this risk based on its past records.
- **Interest Rate Risks:** 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 the non convertible debentures.
- **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/gas creates 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 exposures are largely denominated in US Dollars. The rupee exchange rate against the major currencies such as the US dollar has been very volatile. Though the Company has implemented a well-defined hedging policy, foreign exchange fluctuations could affect reported results.

HUMAN RESOURCES POLICY – FY 14

Welspun Corp Ltd (WCL) over the past year and half had been working closely with Hay Group globally, to realign their internal organization in order to sustain and support their planned growth. Towards this direction, it has built an organization, which with a more structured and systematic way of working will also empower each employee to execute their responsibilities more effectively.

The newly developed organization, that will take WCL closer to its customers, and enable more efficient and effective service, is where WCL is divided into three business units would be responsible for servicing the customers and would be supported by five global support organizations.

All functions have a critical role to play in sustaining the newly developed organization that drives for achieving excellence in all endeavors in making Welspun Corp Limited a world class organization. In past one year, the HR team at Welspun has also re-organized itself into primarily a decentralized structure, with clearly defined Corporate and Unit level roles and responsibilities. The Business HR team, major focus of the function in this year was to bring synergy within the HR team (across geographies and Units) and uniformity/alignment in process / policies of the business to those of the group.

KEY HIGHLIGHTS

The key initiatives taken in HR during the past few months are as listed below:-

HR Policies and Practices: To bring uniformity in the HR processes, Group HR Manual comprising of standardized group level policies and procedures with a flavor of location level policies has been stabilized. The HR policy manual for the newly set up office in Dubai was also rolled out in early 2014. A big initiative in this direction, of standardization of HR has been the introduction of SAP HR module as an HRMS tool. This enables /empowers employees and their managers to take decision based on real time data. The application is web-enabled which allows employees to access the system even during business trip or outside office in the near future.

Talent Management: To make the Talent Identification process well calibrated and evaluate the existing talent of the organization in a defined scientific manner, WCL undertook the exercise of designing a Skill Directory (defining of functional and behavioral skills along with required competencies) for all the unique roles in the Business. Through this exercise around 562 roles (across Indian locations) got covered and a skill map for each was defined. The next phase was skill Assessment of existing role incumbents of the unique roles. Various tools like 360 degree feedback are being used for completing this. And finally in the last phase Development Plan will be drawn up for each incumbent basis the gaps identified in their current proficiencies v/s the desired ones.

Performance Management System: Goal setting exercise, Mid Term review and Year End Review for all eligible members, were the key activities undertaken last year. Sessions on PMS process were organized at respective locations to make employees and their Managers understand the nitty-gritties of the PMS process & also align the individual goals with the Business objectives. Integration of the PMS process to the SAP tool is currently undergoing.

Leadership Development: Specific leadership development initiatives have been designed and deployed for the middle and senior management teams of WCL to build specific leadership capabilities. Long term programs (for 4 to 6 months) like Achieving Personal Excellence and Leading with English and Posture, were conducted to enable identified leaders and client facing managers sharpen their business etiquettes and English communication.

Employee Engagement: The employee engagement committee TABLET was active during the year. Sub-committees like Fun Tab, Whiz tab, Sport Tab and E – Tab ensured that periodic events happened. Celebrations of key festivals and events practice sessions for Sports Tournament, nominations in Mumbai Marathon and monthly newsletters were the key activities of Tablet. In the Units family days and other engagement activities have also been very well received.

Employee Communication: Different Individual & Group communication forums were active during the year. At the individual level, stay interviews were being conducted as a 'health check' of the Organization and ascertain the level of motivation and engagement in the employee. At the Group level, communication forums like Monthly Departmental Meeting (MDM) and Town hall were started to share business updates with employees and to address any of their concerns.

INTERNAL CONTROL AND ADEQUACY

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

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met twenty one times in FY 14 to review internal audit reports as well as the internal control systems and financial disclosures.

DISCUSSION OF FINANCIAL ANALYSIS

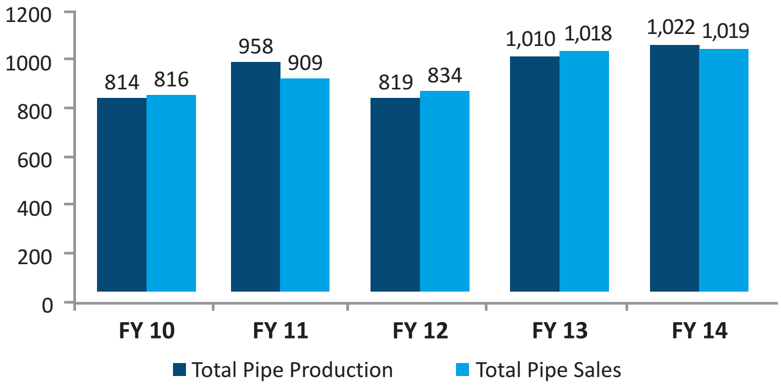
This discussion on Financial Analysis is for consolidated financials of the Company. The Company, together with its subsidiaries, is engaged in the business of production and coating of High Grade Submerged Arc Welded Pipes, Hot Rolled steel plates and coils. During 2013-14 pursuant to scheme of arrangement, the infrastructure business (including energy, water and road), the Direct Reduced Iron (DRI) business, Oil and Gas and EPC contracting business of the Company transferred to the Resulting Company, viz Welspun Enterprises Limited with the appointed date of 1st April 2012. FY13 numbers are shown on comparable basis for all statement of Profit and Loss and Balance Sheet items discussed below, taking into account the demerger impact from 1st April , 2012.

The highlights of the financial year were:

- The scheme of demerger became effective from 24th January, 2014 (Approved by Hon'ble High Court of Gujarat on 10th January, 2014 with appointed date as 1st April, 2012)
- The Company has achieved 1 million MT mark for the second consecutive year in production and Sales in FY14, despite the challenging global macro economic conditions.
- FY14 revenue was at Rs. 77,047 million.
- The new ERW mill of Capacity of 175 KMT in US has been commissioned and has also received API certification.

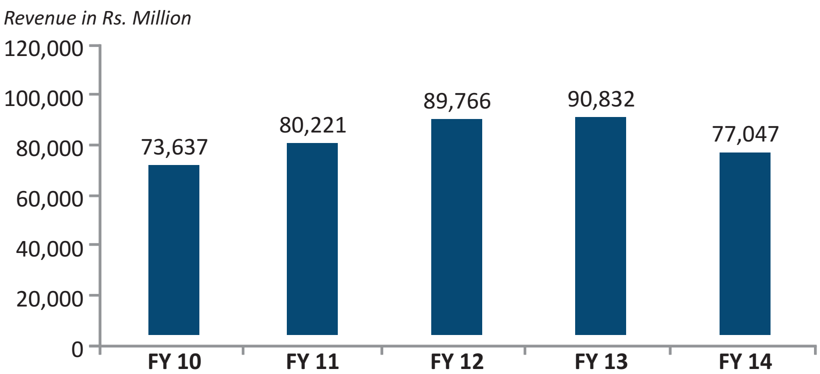
1. REVENUE

Production and Sales in K MT – Pipes



- Pipe production volume for FY14 was is 1,022K MT, highest ever annual production volume achieved by the Company.
- Sales volume for pipes in FY14 was 1,019K MT - highest ever annual sales by the Company as compared to 1018 K MT in FY13.
- In FY14, on an annualized basis, the Company has achieved over 42% capacity utilization against 45% 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.

Consolidated Revenues



Total sales stood at Rs. 77,047 million in FY14 as compared to Rs. 90,832 million in FY13 primarily on account of a significant drop in plate sales in FY14. On account of the fall in plate demand, the margins were severely affected, leading to a temporary shutdown of the plate mill during major part of the year.

2. BREAKUP OF VARIOUS COST ITEMS AS A %AGE OF SALES (CONSOLIDATED)

(Rs. Million)

Particulars	FY 2013-14		FY 2012-13*	
	Amount	(%)	Amount	(%)
Sales	**77,047**	**100%**	**90,832**	**100%**
Cost of Goods Sold	49,698	64.5%	60,173	66.2%
Employee Benefit Expenses	5,313	6.9%	4,625	5.1%
Manufacturing & Other Expenses				
- Store & Spares Consumed	1,357	1.8%	2,368	2.6%
- Coating & Other Job Charges	1,698	2.2%	4,314	4.7%
- Power, Fuel & Water Charges	1,101	1.4%	2,003	2.2%
- Freight Material handling charges	4,733	6.1%	5,460	6.0%
- Product Compensation & Claims	125	0.2%	3	0.0%
- Exchange Difference (Net)	3,610	4.7%	1,099	1.2%
- Other Expenses	2,717	3.5%	3,476	3.8%
Total Manufacturing & Other Expenses	15,341	19.9%	18,723	20.6%
Total Expenses	**70,352**	**91.3%**	**83,520**	**91.9%**
Other Income	1,744	2.3%	1,879	2.1%
Reported EBITDA	**8,439**	**11.0%**	**9,191**	**10.1%**
Finance Costs	2,964	3.8%	3,583	3.9%
Depreciation	4,063	5.3%	3,531	3.9%
PBT (Profit before Tax)	**1,412**	**1.8%**	**2,076**	**2.3%**
Tax Expenses	431	0.6%	493	0.5%
PAT Before Minority Interest	**981**	**1.3%**	**1,583**	**1.7%**
Minority Interest	(247)	(0.3%)	(179)	(0.2%)
Profit After Tax	**734**	**1.0%**	**1,404**	**1.5%**

* Post Demerger Effect showing results of Pipes & Plates business as continuing operations.

a. Cost of Goods Sold

Cost of goods sold decreased by 17.4% to Rs. 49,698 million in FY14 from Rs. 60,173 million in FY13 mainly due to the lower plate production and sales. Cost of goods sold as a percentage to Net Sales has also decreased from 66.2% in FY13 to 64.5% in FY14.

b. Manufacturing and Other Expenses

Manufacturing, transportation and other expenses are Rs. 15,341 million in FY14 lower from Rs. 18,723 million in FY13. The decrease is mainly due to lower coating and other job charges as well Freight and material handling charges.

c. Employee Benefit Expenses increased by 14.9% to Rs. 5,313 million in FY14 from Rs. 4,625 million in FY13 primarily on account of forex translation impact of salaries paid at overseas locations and also increase in headcount at the US HFIW and Saudi operations.

d. Finance Costs

Finance costs decreased by 17.3% to Rs. 2,964 million in FY14 from Rs. 3,583 million in FY13 due to conversion of Compulsorily Convertible Debentures in year end-FY13, partly offset by higher forex translation impact related to foreign currency interest payments.

e. Depreciation/Amortization Charge

Depreciation/amortization charges increased 15% to Rs. 4,063 million in FY14 from Rs. 3,531 million in FY13 mainly due to the commissioning of the HFIW mill in US and forex translational impact.

3. MARGINS

a. EBITDA Margins

Reported EBITDA for FY14 is Rs. 8,439 million, as compared to that of Rs. 9,191 million for FY13. Although EBITDA was lower y-o-y on account of the lower revenues, EBITDA margin was better compared to last year due to change in product mix.

Adjusted for unrealised foreign exchange provision and non-operational income, Operational EBITDA improved to Rs. 7,742 million in FY14 as compared to Rs. 7,079 million in FY13.

b. PAT Margin

Profit after tax in FY14 was at Rs. 734 million as compared to Rs. 1,404 million in FY13. This was on account of lower EBITDA combined with higher depreciation which was partly offset by lower finance costs.

(Rs. Million)

Particulars	FY 2013-14	FY 2012-13*	Change
I. EQUITIES AND LIABILITIES			
Share Holder's Funds			
Share Capital	1,315	1,315	-
Share Capital (Other than Equity)	1,076	-	1,076
Reserve and Surplus	27,178	26,189	989
NETWORTH	**29,569**	**27,504**	**2,065**
Minority Interest	1,012	1,015	(3)
Non-Current Liabilities			
Long-Term Borrowings	28,035	34,293	(6,258)
Deferred Tax Liabilities (Net)	5,609	5,417	192
Other Long Term Liabilities	1,187	2,107	(920)
Long-Term Provisions	92	171	(79)
Current Liabilities			
Short-Term Borrowings	4,168	1,178	2,990
Trade Payables	6,088	24,591	(18,503)
Other Current Liabilities	6,416	11,353	(4,937)
Current Portion of Long Term Debt	5,209	3,436	1,773
Short-Term Provisions	913	1,246	(332)
Total	**88,297**	**112,310**	**(24,013)**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	49,054	48,420	634
Intangible Assets	173	216	(43)
Capital Work-In-Progress	1,146	2,389	(1,243)
Goodwill On Consolidation	5	-	5
TOTAL FIXED ASSETS	**50,377**	**51,025**	**(648)**
Non-Current Investments	256	234	22
Long-Term Loans and Advances	885	924	(39)
Other Non-Current Assets	60	55	5
Current Assets			
Current Investments	11,143	9,848	1,295
Inventories	12,815	23,031	(10,215)
Trade Receivables	6,407	15,461	(9,054)
Cash and Bank Balances	1,447	5,923	(4,476)
Short-Term Loans and Advances	2,938	4,245	(1,307)
Other Current Assets	1,970	1,565	405
Total	**88,297**	**112,310**	**(24,013)**

* Post Demerger Effect showing results of Pipes & Plates business as continuing operations (whereas financial section showing Balance Sheet position as per previous Annual Report of 2012-13).

4. 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 make the balance sheet healthy.

5. Capital Deployment

During FY14, capital deployment decreased from Rs. 112,310 million to Rs. 88,297 million mainly due to reduction in inventories, receivables and payables, mainly due to lower plate mill operations.

6. Networth

Networth at the end of FY14 increased by Rs. 2,065 to Rs. 29,569 million. The Share Capital and Share Capital (other than equity) has increased by Rs. 1,076 million on account of issue of Convertible Preferred Stock (''Convertible Shares'' with voting rights) by USA subsidiary viz. Welspun Pipes Inc. (USA) to Insight Solutions (DE), L.P., during the year. The Reserves and Surplus of the Company has increased by Rs. 989 million in FY14 at Rs. 27,178 million.

The details of Net worth are as under:

a. Share Capital

The no of shares is 262,948,299 (face value of Rs. 5 each) as at 31st March 2014, which is same as at the end of the previous year.

b. Reserves and Surplus

i) Capital Reserve: The balance as of 31st March, 2014 is NIL as the reserve was transferred to Welspun Enterprises Ltd pursuant to Scheme of Arrangement.

ii) Capital Reserve on Consolidation: The balance as of 31st March, 2014 amounted to Rs. 153 million which is same as in the previous financial year.

iii) Securities Premium account stands at Rs. 7,649 million, marginally lower than Rs.7,677 million at end-FY13 due to adjustment of premium on redemption of part FCCB.

iv) Debenture Redemption Reserve: Debenture Redemption Reserve stands at Rs. 1,142 million at the end of FY 14 which is same as in the previous financial year.

v) Statutory Reserve stands at Rs. 93 million (as against nil in FY13); this was created as per the law of Kingdom of Saudi Arabia.

vi) Hedging Reserve Account stands at a positive of Rs. 52 million as at 31st March 2014. The Group has adopted AS-30 on Hedge Accounting and accordingly gain of Rs. 52 million (Loss of Rs. 45 million in FY13) 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.

vii) The Balance in General Reserve as on 31st March 2014 stands at Rs. 53 million which is almost same as in the previous financial year.

viii) Profit and Loss account: The balance retained in the Profit and Loss Account as on 31st March 2014 has increased by Rs. 488 million to Rs. 17,291 million, mainly on account of the profit for the year amounting to Rs. 734 million and appropriation of dividend and dividend distribution tax of Rs. 154 million.

7. Loan Funds

The Gross debt at the end of FY14 stands at Rs. 37,412 million down by Rs. 1,495 million over the previous year. The components included in gross debt are long term borrowings of Rs. 28,035 million, current portion of long term borrowings of Rs. 5,209 million, and short term borrowings of Rs. 4,168 million at the end of FY 14.

Major movements during the year are:

i. The overall long term borrowings and current portion of long term debt has gone down by Rs. 4,485 million, primarily due to repayment of ECB (US$50 million each in April 2013 and March 2014) and buyback of FCCB partially offset by revaluation of foreign currency debt due to the rupee depreciation.

ii. The short term borrowings have gone up by Rs. 2,990 million mainly due to increase in working capital loans.

Cash & Bank Balances and liquid / current investments for FY14 have decreased by Rs. 3,181 million to Rs. 12,590 million from Rs. 15,771 million in FY13.

Net debt stands at Rs. 24,822 million as of 31st March 2014 after accounting for cash & bank balances and liquid / current investments.

Net Debt to Networth ratio is at 0.84x indicating a strong Balance Sheet.

8. Fixed Assets

Net block of fixed assets (including CWIP) decreased by Rs. 648 million to Rs. 50,377 million in FY14. 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.

9. Inventory

The overall inventory decreased by Rs. 10,216 million to Rs. 12,815 million mostly due to decrease in raw materials of Rs. 7,299 million, decrease in finished goods of Rs. 1,230 million, decrease in WIP stock of Rs. 1,918 million and increase in Stores and spares of Rs. 232 million. Main reason for decrease is due to Plate Mill operations being curtailed on account of bleak business opportunities.

The inventory turnover days have decreased from 93 days of Net Sales in FY13 to 61 days of Net Sales in FY14.

10. Trade Receivables

Trade Receivables decreased from Rs. 15,461 million in FY13 to Rs. 6,407 in FY14. Sundry Debtors are at 30 days (62 days in FY13) of net sales during the year.

11. Cash, Bank Balances and Current Investments

Cash, Bank Balances and Current Investments at the end of FY14 stand at Rs. 12,590 million as compared to Rs. 15,826 million at the end of FY13.

12. Long Term Loans and Advances

Long term loans and advances decreased by Rs. 39 million to Rs. 885 million in FY14. Below is the breakup of the change in long term loans and advances from FY13 to FY14.

- Decrease in capital advances by Rs. 129 million to Rs. 41 million.
- Decrease in loans and advances to related parties (incl. share application money) by Rs. 21 million to Rs. 36 million.
- Increase in deposits by Rs. 81 million to Rs. 456 million.
- Increase in other loans and advances recoverable in cash and kind, balances with government authorities (advance taxes) by Rs. 30 million to Rs. 352 million.

13. Short Term Loans and Advances

Short term loans and advances decreased by Rs. 1,307 million to Rs. 2,938 million from FY13 to FY14 mainly due to the following:

- Decrease in advances recoverable in cash or kind by Rs. 170 million.
- Decrease in balances with government authorities on account of direct and Indirect taxes by Rs. 1,189 million.
- Decrease in deposits by Rs. 70 million.
- Increase in pre paid expenses and employee advances by Rs. 35 million.
- Increase in loans and advances to employees by Rs. 87 million.

14. Other Current Assets

Other current assets increased by Rs. 405 million to Rs. 1,970 million mainly due to the following changes from FY13 to FY14.

- Decrease in receivables toward claims by Rs. 201 million.
- Decrease in interest accrued on current investments, fixed deposits and others by Rs. 12 million
- Decrease of export benefit receivables of Rs. 177 million from FY13 to FY14.
- Increase in other receivable from related parties and other parties is Rs. 800 million in FY14 (Nil in FY13).
- Decrease in Unamortised Ancillary borrowing cost by Rs. 5 million.

15. Trade Payables

Trade payables have gone down by Rs. 18,503 million to Rs. 6,088 million in FY14 from Rs. 24,591 million in FY13, primarily on account of decrease in acceptances of Rs. 14,297 million and other creditors by Rs. 4,207 million in FY14. The Company has consciously tried to reduce the level of acceptances, commensurate with the operations. The temporary shutdown of the plate mill also contributed to the decrease in trade payables.

Trade payables are at 29 days (99 days in FY13) of Net Sales.

16. Cash Conversion Cycle

Cash conversion cycle for the current year is 51 days compared to 12 days for FY13.

17. 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.

18. Cash Flows

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

	March 31, 2014
Net cash generated from operating activities	1,885
Net cash used in investing activities	(1,222)
Net cash used in financing activities	(5,139)
Net change in Cash and Bank Balances	(4,476)

a) Operating Activities

Net cash generated from operating activities in FY14 was Rs. 1,885 million. Net cash generated from operating activities before working capital changes and tax is Rs. 6,352 million.

Working capital changes include change in trade and other receivables of Rs. 9,952 million, inventories of Rs. 10,215 million and trade and other payables of Rs. (24,206) million.

b) Investing Activities

Net cash used in investing activities in FY14 was Rs. 1,222 million.

Rs. 92 million from the sale of fixed assets, Rs. 1,426 million for interest received, and Rs. 13 million from dividend income contributed toward investing cash inflows for investing activities during FY14.

Cash outflows for investing activities during FY14 primarily include Rs. 1,666 million for the purchase of fixed assets (including CWIP), Rs. 1,087 million for the purchase of current and non-current investments.

c) Financing Activities

Net cash used in financing activities in FY14 is Rs. 5,139 million.

Cash inflows from financing activities for FY14 primarily include Rs. 1,076 million proceeds from issuance of convertible preference shares by USA subsidiary, Rs. 38 million proceeds from long term borrowings and Rs. 2,990 million as net increase in short term borrowings.

Rs. 153 million for dividends paid including corporate dividend tax, and Rs. 2,554 million towards interest paid, Rs. 6,027 million towards payments of long term borrowings, Rs. 352 million towards prepayment of FCCBs and Rs. 152 million as payment of dividend to minority shareholders contribute toward financing cash outflows during FY14.

Note on Foreign Currency Hedging Policy:

The Company has major part of its revenues and expenses in foreign currency, which provides natural hedge. The value addition is hedged through forward sale of dollars with vanilla products. The long term liabilities in foreign currency are kept un-hedged as the Company is net foreign exchange earner. At any point of time the Company manages the net forex position to an optimum level considering potential forecasted trade exposures.

For the stand alone results, the Note No. 32 In this annual report on page no. 118 deals with "Disclosure of Derivative Instruments and Un-hedged Foreign Currency Exposure" and the table for the current year is reproduced and explained below with the help of superscripts for each numerical item.

(Rs. Million)

Particulars	March 31st 2014	
	Amount Hedged	Amount Un-hedged*
A) In respect of Short term receivables and payables		
i) In respect of Debtors		
a) Existing as on the Balance sheet date		1,750 [(1)]
b) In respect of future forecasted transactions	849 [(2)]	
ii) In respect of Creditors		
a) Existing as on the Balance sheet date	4195 [(4)]	712 [(3)]
b) In respect of future forecasted transactions	42 [(5)]	
B) In respect of Short term receivables and payables existing as on the Balance Sheet date		
i) Borrowings	-	4,494 [(6)]
ii) Other liabilities or payables	-	2,325 [(7)]
iii) Other assets or receivables	-	1,023 [(8)]

C)	**In respect of Long term receivables and payables existing as on the Balance Sheet date** i) Borrowings ii) Other liabilities or payables iii) Other assets or receivables	 - - -	 5977 (9) 998 (10) -
D)	**Other derivative Hedge instruments**	10,977 (11)	

Note : The Net un-hedged short term payables/borrowings as on 31st March 2014 is Rs.4,758 million (as on 31st March 2013 Net un-hedged short term payables/borrowings was Rs. 14,596 million.)

Explanation for A) in respect of Short term receivables and payables :

The above table is reproduced in the form of overall receivables and payables position and provides the net position as on 31st March,2014, with regard to foreign currency exposure and the net un-hedged position.

(Rs. Million)

Particulars	March 31st 2014		
	Receivables	**Payables**	**Difference**
i) In respect of Trade receivables and payables Existing as on the Balance sheet date	1,750 (1)	4,907 (3+4)	
In respect of future forecasted transactions based on orders in hand	16,008	12,299	
Total Trade	**17,758**	**17,206**	**552**
ii) Hedges Existing as on the Balance sheet date		4196 (4)	
In respect of future forecasted transactions	849 (2)	42 (5)	
Total Hedge	**849**	**4,238**	**(3,389)**
Net Un-hedged Trade	**16,909**	**12,968**	**3,942**

Conclusion: The difference between receivables and payables is after including orders in hand and hedges in place. The net un-hedged position is at optimum level, as the Company enjoys the natural hedge.

Explanation for B) in respect of Short term receivables and payables existing as on Balance sheet date

6. Short term borrowings (FCCB) Rs. 4,494 million is partly hedged by un-hedged export receivables.
7. Includes Rs. 832 million for Advance received from customers for future shipments and Rs. 1,055 million for claims payable, Rs. 120 million Agency Fees Payable and Rs. 318 million ECB / FCCB Interest & Premium.
8. Includes Rs. 26 million Short term fixed deposits and balance in foreign currency account and Rs. 300 million advance payment to Subsidiary and Rs. 629 million receivable against Preference Capital Redemption and Others and Rs. 23 million advance payment to vendors and Rs. 45 million receivable against claims.

Explanation for C) in respect of Long term receivables and payables existing as on Balance sheet date

9. Rs. 4,194 million represents ECB loans and Rs. 1,783 million represents foreign currency loan.
10. Rs. 998 million represents claims payable

Explanation for D) in respect of Other derivative Hedge instruments

11. i) Interest Rate Swap: Rs. 5,977 million (equivalent to US $ 99.75 million) floating to fixed for ECB and Foreign currency loan for mitigating interest rate volatility.

    ii) Coupon Only Swap: Rs. 5,000 million (equivalent to US $ 107.28 million) conversion of long term rupee loan into foreign currency loan on notional principal basis. This results into conversion of high cost rupee loan into cost effective LIBOR based foreign currency loan.

Cautionary Statement

Some of the statements in this Management Discussions and Analysis, describing the projections, estimates and expectations may be forward looking statements within the meaning of the applicable laws and regulations. Actual results may differ substantially from those expressed or implied. Important developments that could affect Welspun's operations include a shift in the industry structure, significant changes in political and economic environment in India and globally, tax laws, import duties, litigations and labour relations.

growth at infinity

Revenue

Revenue		
*Rs. 77,047 mn.	2014	- Breaks 'Million Ton' mark in production, sales and order booking for the second consecutive year
*Rs. 90,831 mn.	2013	- Demerger of non-pipe businesses for effective business focus - Achieved 1mn MT mark in production, sales and order booking - New 175,000 tons HFIW mill at Little Rock commissioned and received API certification
Rs. 89,766 mn.	2012	- 350,000 tons LSAW pipe capacity Commissioned - Mandya Plant Capacity Expansion to 150,000 tons - Initiative of Setting up new HFIW Plant of 175,000 tons in US
Rs. 80,236 mn.	2011	- Saudi Plant - capacity of 300,000 tons operational - 100,000 tons HSAW Plant in Karnataka operational
Rs. 73,637 mn.	2010	Foray into infra & pipe laying for O&G and water through MSK Projects India Ltd.
Rs. 57,395 mn.	2009	350,000 tons US Spiral Mill commissioned
Rs. 39,945 mn.	2008	150,000 tons Spiral Mill commissioned Commissioning of Plate Mill & 43 MW Power Plant
Rs. 26,834 mn.	2007	Anjar Facility , *A Key Contributor*
Rs. 18,298 mn.	2006	Approvals from O&G majors for new facility
Rs. 10,385 mn.	2005	New Capacity at Anjar, Gujarat for HSAW & Coating
Rs. 8,277 mn.	2004	Merger of coating J.V. with WCL
Rs. 2,565 mn.	2001	Pipe Coating in JV with EUPEC, Germany
Rs. 585 mn.	2000	LSAW, Dahej, Gujarat
Rs. 180 mn.	1998	HSAW, Dahej, Gujarat
Incorporated	1995	Embarked on a Growth Journey

*Consolidated Pipes & Plates Sales on account of demerger

corporate social responsibility
A Welspun Commitment

> Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success.
>
> **- William Clay Ford**
> Jr. Executive Chairman, Ford Motor Company

At Welspun, we believe that a business can never be successful if the society around them fails. Therefore, it becomes our moral mission to identify and address the needs of our society.

Welspun as a group is committed to building a sustainable and progressive community. Our social mission is enshrined within the 3E's i.e. Education, Empowerment and Environment & Health. A number of projects encompassing the 3E's have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK) that either runs independently powered by Welspun or through nurtured partnership with the local government or non-governmental organizations (NGOs).

EDUCATION – Your Door To The Future

Quality Education Programme in Kutch

The recently enacted 'Right to Education (RTE)' Act, 2009 gives the right to get access to quality education to every child in underprivileged communities. According to the National Education University for Planning and Administration, Anjar has 156 schools in total and almost 80% of these schools are providing primary education. It also states that even though primary school is able to give education to all students and retain them till 8th standard, the dropout rate was 10% at primary level in year 2005 which alarmingly throw challenges in enrolment in secondary level education.

Welspun's CSR approach has initiated a Quality Education Project in Anjar with the Government of Gujarat in 2012 where we worked with 3 government schools i.e. Varsamedi, New Dudhai and Bhadreshwar to make a subtle difference to 28 teachers and 584 students from Std V – VIII. The achievements were measured using pre and post tests.

In 2013 -14, our objective was to reach out to 18 Government Schools from 14 villages (Ajapar, Bhadreshwar, Kumbharia, Shinai, Sinugra, Veera, VidiBaug, Varsamedi, Nagalpar, Vidi, Valadiya, Indraprasth, Kharapasvariya, Khamra), reaching out to 83 Teachers and 3,844 Students.

A Baseline Study was conducted and its observations were as follows:

- In Standard 1 to Standard 8, more than 60% of students did not meet their learning levels in Reading, Writing and Math
- 3% dropout rate noted across Standard 1 to Standard 8 while 8% noted in the migrating community
- 80% of teachers' irregularity observed - teachers report late and leave early
- It was observed that SMCs' (School Monitoring Committee) were not aware of their role in certain schools or not even formed for certain schools
- Non-functional toilets forces students to alternate options such as use open space in the outside areas while girl students prefer going home for the same.

Based on the Baseline Study, deliverables were set and are summarized as below:

	Deliverables Set As Per Baseline Study	List activities planned to achieve the set deliverables	Status as of March '14
1	50% of children to attain 40% learning levels – Reading, Writing, Math	• Workbooks were designed from Standard 1 to 5 based on the curriculum for easy and enhanced learning • Personality Development of students by children's camps. Target-800 students • Pretest post tests in all schools	• Workbooks for std.1-5 children prepared and disseminated. 20 film screening done in 14 schools • 5 one day camps conducted in 5 school in Nov, Feb and March reaching out to 750 students • Art, origami ,quiz etc. conducted in all the schools twice • Pre and post tests conducted in all schools and 27.31% increase in learning levels seen across the 18 schools
2	450 children to be enrolled. 30 from each village at the starting at standard 1.	• No of children enrolled • Number of irregular students to be identified • 1 on 1 counseling to be conducted to ensure attendance across the 18 schools	• 576 children enrolled • 86 irregular students identified in 10 villagers. • All are attending school regularly • 16 drop out children identified in 5 villages • 5 out of 16 children readmitted to school in villages.
3	Teacher Enhancement	• Teacher Training • School timings: 11am-5pm • Teacher Attendance	• Could not be conducted due to DPEO transfer • Monitored by Edu-leaders and all 18 schools functional • Except for few specific incidences in Bhadreshwar and Ajapar, teachers are quite regular. They teach for stipulated hours in the class
4	Formation of SMC's in all 18 schools	• No of SMC formed • No. of Training Provided to SMCs' on their Roles & Responsibilities	• 18 SMC formed • 180 SMC members trained out of 216 • Water connection have been installed in 5 schools • RO plant installed in 3 schools out of 12 schools • New toilet blocks have been constructed in 2 schools. • Mid day meal has been regularized in 1 school as per the new menu • In Veera,4 new rooms has been constructed
5	Edu Leaders empowered with their roles and responsibilities	• No of Edu Leaders Selected • No of training conducted	• 18 Edu-leaders selected • All 18 trained in 24 sessions
6	Bal Panchayat to be formed in all 18 schools	• No of Bal Panchayat formed	• 18 Bal Panchayats formed • 4 Bal Panchayats trained

Sustainability Approach

A formal presentation was given to the District Primary Education Officer, backed by research and implementation plan. After receiving a written approval, Welspun began to execute its plan in over 18 schools.

At the onset, an orientation programme was conducted wherein we invited all the concerned government officials and local community members and briefed them on the program outline and target objectives for the year.

A local member has been appointed from all the 14 villages as an EDU leader who works in co-ordination with the local Panchayat Bodies to monitor activities. He/ She is a volunteer who is passionate about education and wants to see a change in the schools. More so, a monthly review is conducted to understand gaps and shortfalls in the current plans while we also review the momentum of growth regularly.

This project is planned for a period of 3 years for each village. Each school will be guided for 3 years to bring it to a level of quality study resourcefulness, post which the respective community groups will ensure the functioning.

Welspun Vidya Mandir

At Welspun Vidya Mandir, 2 CBSE schools with classes up till 12th standard have been set up at Anjar, Gujarat and Salav, Maharashtra where they provide quality education to over 2060 students and also focus on an all round development

As a part of the community welfare programme, the school organizes regular community service activities where children get the opportunity to visit old age homes, orphanages and even take part in art & craft exhibitions, where the funds collected from sold items is donated to charity.

Balwadis – The pre-primary education center and adult literacy programme

Welspun runs 4 Balwadis in the worker colonies at Anjar and Vapi, Gujarat and Palghar, Maharashtra where a total of 170 children are benefitting from the basic education given at there. We also run Adult Literacy program for interested women in Anjar.

Career Counseling

This initiative is carried out for children belonging to Welspun employees at the Head office (Mumbai) and for students of Std X to XII at Welspun Vidya Mandir (CBSE Board School) at Anjar and Salav. Psychometric tests are administered and one on one counseling is conducted based on the test results.

Educational and motivational sessions for cancer patients and families

As a part of our Employee Volunteering Initiative, 17 Welspun Employees spend quality time (on working Saturdays) at St. Jude’s childcare center, Mumbai in quest of making a qualitative difference to the lives of 38 underprivileged children suffering from cancer and their parents. The group teaches skills like Spoken English, Computer literacy, Art and Craft and also hold motivational sessions/videos; share inspirational stories that help the children and their families cope with distress.

EMPOWERMENT – Enabling Wings To Fly

As we empower our future generations with education, we also see the need to empower families so they can sustain themselves in times to come and move towards growth and prosperity. With this drive to provide a sustainable support to the society, we have focused our attention to the development of women - who is a key influencer in the life cycle and thus becomes our 2nd E to empower women!

A 360 Degree Approach To Women Empowerment

Need Analysis: We conduct surveys in communities surrounding our plants; identify women in need of financial aid who wish to be empowered with an aptitude to learn.

Set Up Stitching Center: We set up a vocational training center for cutting and stitching in their community, which is run like a professional enterprise by our CSR Team. Efficiency is monitored and daily guidance is provided to the women.

Ensure Sustainable Growth: After training them completely for a month, we provide them consistent work orders which ensure these women have enough jobs to get sustainable earnings. We also offer employment to these women at our Textile plant.

Our Mission & Way Forward: We aim to annually increase the number of beneficiaries as well as the individual earnings of the existing beneficiaries. We are in the process of starting one more Vocational Training Center in Sinugra Village, Anjar.

Results Achieved: The chart below quantifies our initiative.

8	Vocational Centers to Train Women in Cutting & Stitching
207	Women were employed at WIL after completion of training at the Vocational Centers
226	Women engaged across our Vocational Centers
610	Women Trained in Stitching at the Vocational Centers
5,045	Average Earning per woman per month across all Vocational Centers
1,37,061	Total Bed sheets Produced till date
4,44,387	Total number of products developed across all Vocational Centers
38,28,544	Total Earnings of Women beneficiaries at the Vocational Centers

This project has encouraged women who have never stepped out of their homes to venture out to learn a new skill and be an equal partner in the family's financial transactions.

Papad Making Workshops

We have also started a women empowerment initiative of Papad making at Palghar, Gujarat based on the local area needs and skill set.

ENVIRONMENT & HEALTH – For A Better Tomorrow

We realize the importance of conservation of natural resources and environment for a sustainable growth of mankind. As the saying goes, Health is Wealth! and with this in mind, we have started the following Initiatives:

Drinking Water Purification

In a survey done in villages near Vapi, Gujarat, it was observed that safe and clean drinking water was a dire need. Most of the water sources were highly polluted with very high PH value, which as per World Health Organization (WHO) standards was beyond permissible.

Therefore, our long-term vision is to provide purified drinking water to the community around our facilities. We have made a beginning by installing a 500LPH RO Plant in Kunta, Vapi which has made potable drinking water available to 6,200 people in the neighboring regions. We intend to further install RO plants post conducting the feasibility studies. At present the study is under progress for 15 locations.

Mobile Health Vans Mumbai

In Mumbai, for the underprivileged section of the society, Welspun aims to provide free access to Primary Health Care Services. To cater to this growing need, we have launched our Mobile Health Van in Association with Wockhardt Foundation. The mobile van is equipped with medicines, a doctor and a paramedic. This project has developed in phases.

- **Phase 1:** This initiative has covered 15532 people in the year 2011-2012 from six communities
- **Phase 2:** In 2012-2013, this initiative listed 25797 beneficiaries from six communities, where we gave more emphasis on Preventive Health Care and various health aspects like mother and child health care, immunization, cardiovascular diseases and other seasonal diseases
- **Phase 3:** In 2013- 2014, our Approach is to outreach to 12 new communities to increase the number of beneficiaries to approximately 50,000

We also plan to start the Mobile Health Van services in Anjar, providing free Primary Health Care services to rural & slum areas in the 10 km radius of Welspun City, Anjar Gujarat. The target for 3 years is to cover all the communities in the 10 km radius.

Anti- Tobacco Program

To create awareness on the ill effects of Tobacco and to make children instrumental in bringing about this change in their neighborhood and families, Welspun has initiated an Anti tobacco Life Skill Project with 33 secondary schools from Alibaug partnering with Salaam Bombay Foundation (NGO). This project covered approximately 10000 students, 100 teachers and 50 Anganwadi Workers.

We have held teachers training workshop, student's capacity building program and culmination event and other workshops were carried out in the year 2011-2012. All these schools continue to implement the life skill anti tobacco activities even today.

Waste Water Recovery Plant

As an example of our effort to grow through a sustainability focus, we have set up a state-of-art, Waste Water Recovery Plant with a capacity of 10 MLD (Million Liters Daily) at Anjar Campus, which takes care of both our Textile and Pipe plant.

It is one of the largest Waste Water Recovery plant in textile industry at a single location having series of treatment stages leading to its designed capacity of 90% recovery. This set-up recycles 100% of our water and we re-use 85% of water during our processing thereby conserving water in our already water-starved location of Anjar.

Nisargruna Biogas Plant

To enhance renewable source of energy at both business and environmental level is vital and with this thought playing an instrumental for our societies wellbeing, Welspun has installed a centralized 'Nisargruna Biogas plant' at WIL, Anjar to handle and process the biodegradable waste materials generated from kitchen, canteen, garden and other biological sludge of Welspun City and Gram, Anjar.

Presently, 2-2.5 MT of biodegradable waste is feed into the Nisargruna Plant, which generates fuel gas equivalent to 40kg of LPG, which in turn is used for cooking in plant canteen.

Tree Plantation

Our current tree plantation campaign deliverables are as follows:
Three years' targets, along with Activities

- 2012 - 2013 landscaping development—10,000 Sq. Meters
- 2013 - 2014 landscaping development—12000 Sq. Meters
- 2014 - 2015 landscaping development—10,000 Sq. Meters

Total number of Saplings planted so far 2,19,994 and actual survived is 1,94,832.
Tree Plantation Target for next 3 years:

- 2012-13: 8000 Trees
- 2013-14: 8000 Trees
- 2014-15: 8000 Trees

Plantation of Jatropha: Under our initiative to convert the desert area of Anjar into a lush and more serene environment, we have undertaken and aforestation drive at Welspun City by planting thousands of saplings of the Jatropha tree. The Jatropha seed oil can be combusted as fuel for simple diesel engines.

Sanitation

As we envision community development in all 3E's (Education, Environment & health, Empowerment), we have a long-term target of having 100% sanitation in all the communities we work in.

We have initiated the process this year by conducting a baseline need assessment in the 15 communities in Gujarat, where we are working on the Quality Education Program.

Miscellaneous

In addition to all these efforts, we also carry out various activities at HO in Mumbai like NGO Exhibition Stalls, Blood Donation Camps, Celebrations of World Environment Day, World No Tobacco Day, Donation Drives, Relief operations for victims of natural calamities.

These little steps in our journey towards sustainable growth are aimed at providing a socio-economic growth to the society which has given us so much in terms of business.

"We make a living by what we get, but we make a life by what we give."

- Sir Winston Churchill

financial section

Consolidated Financials

Standalone Financials

Independent Auditors' Report

To,
The Board of Directors of
Welspun Corp Limited

Report on the consolidated financial statements

1. We have audited the accompanying consolidated financial statements of **Welspun Corp Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and 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. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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.
4. 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 auditor's judgment, 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 of the consolidated financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
   (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

7. We draw attention to Note 38 of the consolidated financial statements, relating to remuneration paid to the Managing Director of the Company for the financial year 2012-13, which turned out to be in excess by Rs. 83.01 million considering the limits approved by the Central Government. The Managing Director holds the said amount in trust and is refundable to the Company. Our opinion is not qualified in respect of this matter.

Other Matter

8. We did not audit the financial statements of certain subsidiaries of the Group whose financial statements reflect revenue of ₹52,145 million, total assets of ₹34,765 million and net cash outflows amounting to ₹700 million for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

   Our opinion is not qualified in respect of this matter.

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

Consolidated Balance Sheet as at 31 March

(₹ in million)

	Notes	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,314.74	1,314.74
Share capital (Other than equity)	2.1	1,076.44	–
Reserves and surplus	3	27,177.60	55,262.91
		29,568.78	**56,577.65**
Minority interest		1,011.78	3,546.02
Non-current liabilities			
Long-term borrowings	4	28,034.54	49,530.77
Deferred tax liabilities (Net)	5 (a)	5,608.87	5,599.91
Other long-term liabilities	6	1,187.41	2,271.00
Long-term provisions	7	92.18	250.72
		34,923.00	**57,652.40**
Current liabilities			
Short-term borrowings	8	4,167.55	2,043.41
Trade payables	9	6,087.70	30,379.65
Other current liabilities	10	11,624.97	17,370.53
Short-term provisions	11	913.02	1,343.93
		22,793.24	51,137.52
	Total	**88,296.80**	**168,913.59**
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		49,053.74	64,197.10
- Intangible assets		172.70	233.32
- Build, Operate and Transfer (BOT)		–	5,127.33
- Intangible assets under development		–	188.62
- Goodwill on consolidation		4.68	10,655.83
- Capital work-in-progress		1,145.73	5,275.84
Non-current investments	13	255.59	1,177.63
Deferred tax assets (Net)	5 (b)	–	88.30
Long-term loans and advances	14	885.37	4,452.08
Other non-current assets	15	59.50	382.90
		51,577.31	**91,778.95**
Current assets			
Current investments	16	11,142.54	17,493.59
Inventories	17	12,815.32	25,668.82
Trade receivables	18	6,407.30	17,614.02
Cash and bank balances	19	1,447.16	6,988.74
Short-term loans and advances	20	2,937.57	5,500.23
Other current assets	21	1,969.60	3,869.24
		36,719.49	**77,134.64**
	Total	**88,296.80**	**168,913.59**

Notes forming part of the consolidated financial statements **1 - 41**

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

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

(₹ in million)

	Notes	2014	2013
Revenue			
Revenue from operations (Gross)	22	78,153.35	95,111.47
Less: Excise duty		1,106.12	4,279.37
Revenue from operations (Net)		**77,047.23**	**90,832.10**
Other income	23	1,743.60	1,878.61
	Total	**78,790.83**	**92,710.71**
Expenditure			
Cost of materials consumed	24	46,549.36	59,430.41
Changes in inventories of finished goods and goods-in-process	25	3,148.24	742.41
Employee benefits expense (Net)	26	5,313.15	4,624.57
Other expenses	27	15,340.92	18,722.69
	Total	**70,351.67**	**83,520.09**
Profit before depreciation/amortization, finance costs and tax		**8,439.16**	**9,190.62**
Less: Depreciation and amortization expense	12	4,063.01	3,531.24
Finance costs	28	2,964.04	3,583.23
Profit before tax		**1,412.11**	**2,076.15**
Tax expense			
- Current tax - Current year		414.57	(45.68)
- Earlier years		–	1.61
- MAT credit entitlement		–	(138.38)
- Deferred tax		17.01	675.31
Profit after tax before minority interest		**980.53**	**1,583.29**
Less: Minority interest		(246.63)	(179.01)
Profit for the year from continuing operations (A)		**733.90**	**1,404.28**
Profit/(loss) before tax from discontinued operations	40	**–**	**(2,569.96)**
Less: Tax expense of discontinued operations		–	(102.55)
Profit / (loss) after tax before share of results of associates and minority interest from discontinued operations		**–**	**(2,467.41)**
Add/(less): Share of profit/(loss) from associates		–	(37.96)
Minority interest		–	397.86
Profit/(loss) for the year from discontinued operations (B)		**–**	**(2,107.51)**
Profit/(loss) for the year (A+B)		**733.90**	**(703.23)**
Earnings per share of ₹5 each fully paid-up (in ₹)	36		
- Basic		2.79	(3.03)
- Diluted		2.79	(3.03)

Notes forming part of the consolidated financial statements **1 - 41**

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Notes forming part of the consolidated financial statements

Note 1: Corporate 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. Pursuant to the Scheme of Arrangement as referred in note 39, the infrastructure business (including energy, water and road), the Direct Reduced Iron (DRI) business, Oil and Gas and EPC contracting business of the Group are transferred to the Resulting Company, viz Welspun Enterprises Limited.

Significant Accounting Policies

I Basis 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 consolidation of the financial statements of the parent company and its subsidiaries is done on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group Financial Statements. All significant inter-group transactions, unrealized inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.

c) CFS are prepared to the extent possible using uniform accounting policies for transactions and other events in similar circumstances except for policy differences for which no adjustments are made in the accounts disclosed as under :-

   i) In case of three subsidiaries, the liability on account of retirement benefits is provided on estimated basis as per local law instead of actuarial basis. The liability represents 69.87 % of the total employee benefits liability of the Group as at the year end.

   ii) In case of a subsidiary, tangible assets are depreciated on written down value method representing 0.01% of total tangible assets of the Group as at the year end.

   iii) In case of a subsidiary, ancillary costs for arrangement of borrowings are amortized over the period of borrowings instead of expensed when incurred. Unamortized balance as at 31 March 2014 is ₹54.55 million.

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

Name of the Subsidiaries	Nature of Business	Country of Incorporation	Extent of Holding
Direct Subsidiaries			
Welspun Pipes Limited	Manufacturer of Steel Pipes	India	100% (100%)
Welspun Pipes Inc	SPV for Steel Pipes Business	USA	100% (100%)
Welspun Tradings Limited	Trading in Steel Products	India	100% (100%)
Welspun Mauritius Holdings Limited	SPV for Steel Pipes Business	Mauritius	89.98% (89.98%)
Welspun Infratech Limited#	Infrastructure Development	India	--- (100%)
Welspun Natural Resources Private Limited#	Oil and Gas Exploration	India	--- (100%)
Welspun Maxsteel Limited#	Manufacturer of Sponge Iron	India	--- (87.35%)
Welspun Enterprises Limited#	SPV for Non-pipe Businesses	India	--- (100%)
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%)
Welspun Middle East DMCC (upto 5 December 2013)	Marketing Company	Dubai, UAE	--- (100%)

Notes forming part of the consolidated financial statements

Name of the Subsidiaries	Nature of Business	Country of Incorporation	Extent of Holding
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 (w.e.f 5 December 2013)	Marketing Company	Dubai, UAE	100% (---)
Held through Welspun Natural Resources Private Limited#			
Welspun Plastics Private Limited	Oil and Gas Exploration	India	--- (100%)
Held through Welspun Infratech Limited#			
Welspun Projects Limited	Infrastructure Development	India	--- (61.12%)
Welspun Road Projects Private Limited	Infrastructure Development	India	--- (100%)
Welspun Infra Projects Private Limited	Infrastructure Development	India	--- (60%)
ARSS Bus Terminal Private Limited	Infrastructure Development	India	--- (49%)
Held through Welspun Projects Limited#			
Welspun BOT Projects Private Limited	Infrastructure Development	India	--- (100%)
Anjar Road Private Limited	Infrastructure Development	India	--- (100%)
MSK Projects (Himmatnagar Bypass) Private Limited	Infrastructure Development	India	--- (100%)
MSK Projects (Kim Mandavi Corridor) Private Limited	Infrastructure Development	India	--- (100%)
Held through Welspun Infra Projects Limited#			
Welspun Energy Transportation Private Limited	Infrastructure Development	India	--- (100%)
Welspun Water Infrastructure Private Limited	Infrastructure Development	India	--- (100%)

Transferred pursuant to the Scheme of Arrangement (Refer note 39)

e) Associates

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

Name of the Companies	Nature of Business	Country of Incorporation	Extent of Holding
Red Lebondal Limited@	SPV for Steel Pipe Marketing	Cyprus	25% (25%)
Welspun Energy Limited*#	Power Generation	India	--- (26%)
Welspun Captive Power Generation Limited^	Power Generation	India	--- (24%)

*Direct and Indirect subsidiaries of Welspun Energy Limited - (an associate company): Welspun Energy Madhya Pradesh Limited, Welspun Energy Anuppur Private Limited , Welspun Energy UP Private Limited , Welspun Urja India Limited, Welspun Energy Chhattisgarh Limited, Welspun Renewable Energy Limited, Welspun Urja Gujarat Private Limited, Welspun Energy Meghalaya Private Limited, Welspun Energy Jharkhand Private Limited, Welspun Energy Orissa Private Limited, Welspun Energy Resources Private Limited, Welspun Solar Park Private Limited, Welspun Energy Park Private Limited, Welspun Solar Tech Private Limited, Welspun Energy Maharashtra Private Limited, Welspun Energy Rajasthan Private Limited , Solarsys Renewable Energy Private Limited, Welspun Solar Madhya Pradesh Private Limited, Welspun Solar Rajasthan Private Limited, Welspun Solar Punjab Private Limited, Welspun Solar UP Private Limited, Welspun Solar AP Private Limited, Unity Power Private Limited, Northwest Energy Private Limited, Dreisatz Mysolar24 Private Limited, SUIL Hydro Power Private Limited, MI Mysolar24 Private Limited, Solarsys Energy Private Limited, Welspun Solar Kannada Private Limited.

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

#Transferred pursuant to the Scheme of Arrangement (Refer note 39)

^ Ceased to be an associate (w.e.f 1 April 2013)

f) Joint Ventures

The Group has adopted and accounted for interest in the following Joint Ventures in this CFS, using the "Proportionate Consolidation Method" as per AS-27 issued by ICAI.

Notes forming part of the consolidated financial statements

Name of the Enterprises	Nature of Business	Country of Incorporation	Extent of Holding
Indirect Joint Ventures			
Held through Welspun Natural Resources Private Limited#			
Adani Welspun Exploration Limited	Oil and Gas Exploration	India	--- (35%)
Held through Welspun Infra Projects Private Limited#			
Leighton Welspun Contractors Private Limited	Infrastructure Development	India	--- (32.38%)
Held through Welspun Projects Limited#			
Dewas Bhopal Corridor Limited	Infrastructure Development	India	--- (50%)
Bul MSK Infrastructure Private Limited	Infrastructure Development	India	--- (50%)
Leighton Welspun Contractors Private Limited	Infrastructure Development	India	--- (7.5%)

Transferred pursuant to the Scheme of Arrangement (Refer note 39)

g) 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. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

II 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.

b) 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. In case of a Joint venture related to oil and gas business, expenditure related to and incurred during the exploration period are included under “Capital work-in-progress” and in case of discovery, the same will be allocated/ transferred to the respective producing properties. However, in case there is no discovery, expenditure incurred for the exploration work will be charged to revenue.

c) Build, Operate and Transfer Project Expenditure - Project Roads pertains to the costs incurred by the Group for construction of roads under the concession agreement entered into between the Group and the respective Authority. These agreements encompass the construction, operation and maintenance of the highway on a Build, Operate and Transfer basis.

d) Intangible assets are carried at cost, net off accumulated amortization and impairment loss, if any.

III Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

IV Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amount of tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

V Depreciation/Amortization on tangible and intangible assets

a) Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV to the Companies

Notes forming part of the consolidated financial statements

Act, 1956 except for certain Plant and Machinery which are depreciated on the basis of estimated useful lives of 13 – 15 years. The company is depreciating computers and mobile phones based on their useful life i.e. 4 years and 3 years respectively. The rates of depreciation derived from these estimated useful lives are higher than those prescribed in Schedule XIV to the Companies Act, 1956.

b) Continuous process plant has been identified on the basis of technical opinion taken by the Company / Expert and appropriate rate of depreciation on such plant and machinery has been charged as prescribed under Schedule XIV to the Companies Act, 1956.

c) Intangible assets are amortized on a straight-line basis over its expected useful life as estimated by the management. BOT Cost (Toll Collection right) is amortized over the period of concession, using revenue based amortization. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each Balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

d) Leasehold improvements are amortized over the period of lease.

e) In case of revalued assets, depreciation will be provided over the residual life of the assets and the difference between the depreciation on revalued amount and the depreciation with respect to historical cost will be recouped out of revaluation reserve.

f) Goodwill arising out of acquisition is amortized over a period of three years from the year of acquisition. Goodwill on consolidation is not amortized. However, the same is tested for impairment as at reporting date.

VI 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.

b) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

VII Revenue recognition

a) Sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Export sales are recognised on the basis of date of bill of lading. Gross sales include excise duty and adjustments for price variations, exclude sales tax/value added tax.

b) Export benefits: Duty Entitlement Pass Book (DEPB), Focus Market and Focus Product Scheme are recognised 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.

d) Dividend income is recognized when the right to receive the dividend is established.

e) Interest income is recognized at the agreed rate on time proportion basis.

f) **Revenue recognition-Infrastructure business**

A) Revenue from Engineering, Procurement and Construction (EPC) Contracts

i) When the outcome of the construction contract can be estimated reliably contract revenue and contract cost associated with the construction contract are recognised as revenue and expense respectively by reference to the stage of completion of the contract activity at the reporting date. The stage of completion of the contract is the proportion that the contract cost incurred for the work performed up to the reporting date bears to the estimated total contract cost. An expected loss on a construction contract is recognised as an expense immediately.

ii) Determination of revenue under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

iii) A variation is included in contract revenue when it is probable that the customer will approve the variation and amount can be measured reliably.

Notes forming part of the consolidated financial statements

iv) A claim is included in contract revenue when negotiations with customer have reached an advance stage such that it is probable that the customer will accept the claim and amount can be measured reliably.

v) Unbilled costs are carried as construction work in progress which includes installation at sites and enabling works and is valued at cost.

B) Revenue from toll collection

Toll revenue from operations of project toll roads is recognised on the basis of actual toll collection.

C) Advances and progress payments and retention

i) Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

ii) Progress payments received are adjusted against receivables from customers in respect of the contract work performed.

iii) Amounts retained by the customers until the satisfactory completion of the contracts are recognized as receivables. Where such retention has been released by the customers against submission of bank guarantee the amount so released is adjusted against receivables from the customers and the value of bank guarantees is disclosed as contingent liability.

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) Steel products business

i) Raw materials, stores and spares – Moving weighted average basis.

ii) Goods-in-process – Cost of materials plus labour and other production overheads.

iiI) Finished goods – Cost of materials plus labour, production overheads and excise duty on such goods.

b) Infrastructure business

i) Raw materials are valued on First-in-First-out (FIFO) basis.

ii) Stores and spares are written off in the year of purchase.

IX Foreign currency transactions

A) Accounting of transactions

i) Transactions in foreign currency are accounted at the exchange rate prevailing on the date of such transactions. Current monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Non-monetary items are carried at cost.

ii) Gains or losses arising on remittance / translations at the year- end are credited / debited to the statement of profit and loss except treatment as per amendment to AS-11 effective till 31 March 2020 [Refer Note 29(b)].

iii) Premium / discount on derivative contracts not relating to firm commitments or highly probable forecasted transactions and not intended for trading or speculation purpose is amortized as income or expense over the life of the contract.

B) Translation and exchange rates

Financial statements of overseas non-integral operations are translated as under:

i) Assets and liabilities are translated at the exchange rate prevailing at the end of the year. Depreciation at the same rate at which assets are converted.

ii) 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.

iii) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

C) Derivative instruments and hedge accounting

The Group uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges and applying the recognition and measurement principles set out in Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS 30). The gain or loss on the effective hedges is recorded in "Hedging Reserve Account" until

Notes forming part of the consolidated financial statements

the transaction is complete. The gain or loss is accounted in statement of profit and loss upon completion of the transaction or when the hedge instrument expires or terminates or ceases to qualify for hedge accounting.

X Employee benefits

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

b) Post employment and other long-term benefits are recognized as an expense in the statement of profit and loss of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques except in case of few overseas subsidiaries, liability for leave encashment and gratuity is provided on estimated basis. Actuarial gains and losses in respect of post employment and other long-term benefits are recognized in the statement of profit and loss. In case of three subsidiaries, the liability on account of retirement benefits is provided on estimated basis [Refer Note 1, I (c)(i)].

c) Payments to defined contribution retirement benefit schemes are charged as an expense as and when they fall due.

XI Employee stock options scheme

In respect of employee stock options granted pursuant to the Stock Option Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period.

XII Accounting for taxes on income

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

b) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using prevailing enacted or substantively enacted tax rates.

XIII Leases

a) Finance lease

Assets acquired under finance lease are capitalised 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

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments/revenue under operating leases are recognized as an expense/income on accrual basis in accordance with the respective lease agreements.

XIV Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (a) the Group will comply with the conditions attached to them, and (b) the grant/subsidy will be received.When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is reduced from the cost of the asset. Grants which are given as equity support are disclosed as promoter contribution under the head Capital Reserve.

XV Provisions, contingent liabilities and contingent assets

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

XVI Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
2. Share capital		
Authorised		
304,000,000 (Previous year 304,000,000) Equity Shares of ₹ 5/- each	1,520.00	1,520.00
98,000,000 (Previous year 98,000,000) Preference Shares of ₹ 10/- each	980.00	980.00
Total	**2,500.00**	**2,500.00**
Issued, subscribed and paid up		
262,948,299 (Previous year 262,948,299) Equity Shares of ₹ 5/- each fully paid up	1,314.74	1,314.74
Total	**1,314.74**	**1,314.74**

a) Reconciliation of the number of shares outstanding

	2014		2013	
	Number of Equity Shares	₹ in million	Number of Equity Shares	₹ in million
At the beginning of the year	262,948,299	1,314.74	227,781,035	1,138.91
Issued during the year				
– Conversion of Compusory Convertible Debentures (CCD)	–	–	35,038,889	175.19
– Equity shares allotted on exercise of Employees Stock Options	–	–	128,375	0.64
Outstanding at the end of the year	**262,948,299**	**1,314.74**	**262,948,299**	**1,314.74**

b) Terms and rights 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.

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	2014		2013	
	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	8.76	23,026,000	8.76
Granele Limited	35,038,889	13.33	35,038,889	13.33
Life Insurance Corporation of India Limited & its Schemes	19,277,980	7.33	19,283,580	7.33
Welspun Wintex Limited	13,336,576	5.07	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.51	13,877,701	5.28
Welspun Fintrade Limited	–	–	18,955,791	7.21
Krishiraj Trading Limited	52,862,858	20.10	26,907,692	10.23

d) 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

Notes forming part of the consolidated financial statements

option) is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expense include credit of ₹0.73 million (Previous year ₹6.60 million) on account of reversal of options lapsed during the year.

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

	Granted during 2006-07	Granted during 2009-10
Exercise price	₹ 80.00	₹ 66.75
Date of grant	8 January 2007	20 April 2009
Vesting period commences on	8 January 2008	20 April 2010
Options outstanding at the beginning of the year	–	32,875
Options exercised during the year	–	–
Options lapsed during the year	–	32,875
Options outstanding as at 31 March 2014	–	–

(₹ in million)

	2014	2013
2.1 Share capital (Other than equity)		
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	–
Total	**1,076.44**	**–**

(₹ in million)

	2014	2013
3. Reserves and surplus		
Capital reserve		
As per last balance sheet	1,057.26	1,057.26
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(1,057.26)	–
	–	**1,057.26**
Capital reserve on consolidation	152.92	152.90
Securities premium		
As per last balance sheet	25,264.84	17,252.74
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(17,587.92)	–
Received during the year	–	8,053.37
Discount on issue of shares under employees stock option scheme	–	3.43
Premium on redemption of foreign currency convertible bonds	(28.35)	11.70
Utilized towards share/debenture issue expenses	–	(56.40)
	7,648.56	**25,264.84**
Debenture redemption reserve		
As per last balance sheet	1,142.36	1,464.29
Add/(Less): Transferred to surplus in statement of profit and loss**	–	(321.92)
	1,142.36	**1,142.36**
Cash subsidy		
As per last balance sheet	1,265.38	1,265.38
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(1,265.38)	–
	–	**1,265.38**
Revaluation reserve		
As per last balance sheet	6,564.12	6,564.12
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(6,564.12)	–
	–	**6,564.12**

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
3. Reserves and surplus (Contd.)		
Statutory reserve	93.01	–
Employees stock options outstanding	–	0.73
Hedging reserve account [Refer note 29(c)]	51.50	(44.84)
Foreign currency monetary item translation difference account [Refer Note 29(b)]	(509.32)	(275.37)
Foreign currency translation reserve	1,254.66	680.94
General reserve		
As per last balance sheet	1,749.20	1,696.11
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(1,696.11)	–
Loss on dilution	–	(3.19)
Appropriated during the year	–	56.27
	53.09	**1,749.20**
Surplus in the statement of profit and loss		
As per last balance sheet	17,705.39	18,296.99
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 39-B)	(902.66)	–
Profit/(loss) for the year	733.90	(703.23)
	17,536.63	**17,593.76**
Add/(Less): Appropriations		
Statutory reserve	(93.01)	–
General reserve	–	(56.27)
Transfer from debenture redemption reserve**	–	321.92
Proposed dividend on equity shares	(131.47)	(131.47)
Tax on proposed dividend	(22.34)	(22.34)
Dividend on equity shares of earlier year	–	(0.20)
Excess provision of tax on dividend of earlier year written back	1.02	–
Total appropriations	**(245.82)**	**111.63**
Net surplus in the Statement of Profit and Loss	**17,290.82**	**17,705.39**
Total	**27,177.60**	**55,262.91**

**No debenture redemption reserve is created in view of loss incurred during the year

(₹ in million)

	Non-current		Current	
	2014	2013	2014	2013
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures	13,428.00	13,428.00	–	–
Non-convertible bonds - City of Little Rocks, Arkansas, Series 2007-A	505.88	482.05	26.16	22.35
External commercial borrowings	4,194.05	7,188.08	–	2,721.68
Term loans from banks	5,954.05	19,745.91	547.32	1,366.33
Term loan from financial institution	471.39	513.96	95.88	65.15
Other loans	18.66	27.73	7.43	6.04
Unsecured				
Foreign currency convertible bonds	–	4,424.23	4,493.63	–
Finance lease obligation	29.62	–	21.95	–
Inter-corporate deposit	3,432.89	3,110.31	–	–
Deferred sales tax loan	-	610.49	16.69	16.69
Total	**28,034.54**	**49,530.77**	**5,209.06**	**4,198.24**

Notes forming part of the consolidated financial statements

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.

No. of Debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	Amount (₹ in million)
5000	1,000,000	September 2025	9.55%	5,000
5000	1,000,000	August 2025	9.55%	5,000
900	1,000,000	November 2022	11.00%	900
328	1,000,000	September 2019	11.15%	328
250	1,000,000	August 2019	11.25%	250
1950	1,000,000	August 2019	11.15%	1,950
			Total	**13,428**

b) External commercial borrowings (ECB) 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 comprises of USD 70 million (Previous year USD 163.45 million) and JPY Nil (Previous year JPY 677.65 million) and carries interest of LIBOR plus 3.50% to 4.50%.

The ECB is repayable as follows:

Repayment schedule	USD (million)	Amount (₹ in million)
April 2015	2.70	161.77
October 2015	2.70	161.77
April 2016	4.00	239.66
October 2016	14.00	838.81
April 2017	4.00	239.66
October 2017	14.00	838.81
April 2018	4.00	239.66
October 2018	14.00	838.81
April 2019	5.30	317.55
October 2019	5.30	317.55
Total	**70.00**	**4,194.05**

c) **Term loan from banks**

i) **In case of Parent Company:** Term loan of US$ 29.75 million equivalent to ₹1,782.47 million (Previous year ₹1,614.98 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. 15 November 2012.

ii) **In case of subsidiary in USA:** Term loan of ₹4,718.90 million (Previous year ₹4,737.45 million) from bank carries interest ranging LIBOR plus 2.71 % to 4.46%. The loan is repayable from June 2014 till November 2018.

d) **Term loan from financial institution:**

In case of subsidiary in Kingdom of Saudi Arabia: Term loan of ₹567.27 million (Previous year ₹579.11 million) from Financial Institution. The loan is repayable from June 2013 till October 2018 [Repayment due within 12 months is ₹95.88 million (₹65.15 million)].

e) **Foreign currency convertible bonds (FCCB)**

i) During the financial year 2009 - 2010, the Company had raised US$ 150 million (Equivalent INR 6,942 million) by way of issue of 1500, 4.5% FCCB of US$ 100,000 each. The Bond holders have an option to convert outstanding bonds (Previous year USD 75.00 million) into 12,005,000 equity shares of ₹5 each fully paid up at an initial conversion price of ₹300 per share with a fixed rate of exchange on conversion of ₹48.02 = US$ 1 at any time on or after 26 November 2009 until 10 days prior to Maturity date (i.e. 17 October 2014). Unless previously converted, redeemed or repurchased and cancelled, the Bonds will be redeemed on

Notes forming part of the consolidated financial statements

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.

The Company has an option to redeem the Bonds at their Early Redemption amount upon occurrence of events specified in the Offering Circular for issue of the Bonds ("Offering Circular"). Further, the Company has an option to mandatorily convert the Bonds after three years as specified in the Offering Circular.

ii) Premium payable on redemption of FCCB aggregating to ₹28.35 million (Previous year credit of ₹11.70 million) has been adjusted against securities premium as per Section 78 of the Companies Act, 1956. In the event, Bond holders exercise the conversion option, the amount of premium utilized from securities premium will be suitably adjusted in respective years.

iii) During the year, the company has repurchased 65, 4.5% FCCB of US$ 100,000 each aggregating to US$ 6.50 million at a discount and gain of ₹12.46 million arising on repurchase of FCCB is shown under "Other income".

iv) Part of the 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 0.40 million equivalent INR 23.97 million (Previous year USD 0.55 million equivalent INR 30.09 million) have been invested in short term deposits.

(₹ in million)

	2014	2013
5. (a) Deferred tax liabilities (net)		
Deferred tax liabilities		
Fiscal allowance on fixed assets	6,603.52	7,132.83
Others	174.43	93.63
	6,777.95	**7,226.47**
Deferred tax assets		
Employee benefits	13.13	18.51
Other disallowances	65.98	737.27
Unabsorbed fiscal allowances	1,089.98	568.90
Fiscal allowance on fixed assets	–	301.87
	1,169.08	**1,626.56**
Total 5 (a)	**5,608.87**	**5,599.91**
(b) Deferred tax assets (net)		
Deferred tax assets		
Fiscal allowance on fixed assets	–	66.09
Other disallowances	–	22.21
Total 5 (b)	**–**	**88.30**

(₹ in million)

	2014	2013
6. Other long-term liabilities		
Liability towards claims	997.58	1,764.26
Trade advances and deposits	189.83	479.64
Other liabilities	–	27.10
Total	**1,187.41**	**2,271.00**

(₹ in million)

	2014	2013
7. Long-term provisions		
Employee benefits	92.18	167.24
Premium payable on redemption of FCCB	–	83.48
Total	**92.18**	**250.72**

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
8. Short-term borrowings		
Secured		
Working capital loans from banks	1,770.95	2,043.41
(Secured by first charge on hypothecation of raw materials, finished goods and goods-in-process, stores & spares and book debts of the group and second charge on entire immovable and movable tangible assets of the group both present and future.)		
Unsecured		
Short-term loan from banks	2,396.60	–
Total	**4,167.55**	**2,043.41**

(₹ in million)

	2014	2013
9. Trade payables		
Acceptances	4,736.58	21,286.94
Others	1,351.12	9,092.71
Total	**6,087.70**	**30,379.65**

(₹ in million)

	2014	2013
10. Other current liabilities		
Current maturities of long-term borrowings (Refer note 4)	5,209.06	4,198.24
Interest accrued but not due on borrowings	657.26	880.64
Interest accrued and due on borrowings	–	4.69
Unclaimed dividend	5.35	5.30
Share application money pending allotment	–	52.45
Other payables		
Acceptances for capital goods	185.58	–
Creditors for		
- Capital goods	105.28	179.76
- Expenses	1,278.07	1,974.32
Trade advances and deposits	2,790.63	8,143.64
Statutory dues	338.04	799.82
Liability towards claims	1,054.75	815.22
Others	0.96	316.45
Total	**11,624.97**	**17,370.53**

(₹ in million)

	2014	2013
11. Short-term provisions		
Employee benefits	39.68	155.39
Others for		
Proposed equity dividend	131.47	131.47
Tax on proposed equity dividend	22.34	22.34
Litigation	79.79	79.79
Liquidated damages	33.50	460.52
Mark to market losses on derivative contracts	311.52	336.51
Premium payable on redemption of FCCB	111.83	–
Taxation (Net of advances)	182.12	156.49
Other provisions	0.75	1.41
Total	**913.02**	**1,343.93**

Notes forming part of the consolidated financial statements

Note 12 - Fixed assets

(₹ in million)

	Gross Block									Depreciation/Amortization									Net Block	
	As at 1 April 2013	Demerger Adjust-ments	As at 1 April 2013 (Post Demerger)	Acquired on Acquisition	Additions	Addition Due to Revaluation	Foreign Currency Fluctuations	Deductions	Ast at 31 March 2014	Upto 31 March 2013	Demerger Adjust-ments	As at 1 April 2013 (Post Demerger)	Acquired on Acquisition	For the Year	Foreign Currency Fluctuations	Deductions	Impairment	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
a) **Tangible assets**																				
Land – Freehold	1,097.75	(637.79)	459.96	–	23.88	–	26.92	–	510.76	–	–	–	–	–	–	–	–	–	510.76	1,097.75
Land – Leasehold	4,944.69	(2,966.70)	1,978.00	–	88.99	–	138.14	706.99	1,498.14	298.37	(18.60)	279.77	–	100.89	23.33	55.88	–	348.10	1,150.04	4,646.33
Buildings	10,663.48	(909.87)	9,753.62	–	810.00	–	467.45	0.61	11,030.46	1,261.49	(47.46)	1,214.02	–	361.46	48.24	0.04	–	1,623.69	9,406.77	9,402.00
Plant and Machinery	62,451.07	(12,911.00)	49,540.07	–	2,418.90	–	1,599.60	158.13	53,400.44	14,289.82	(1,857.56)	12,432.26	–	3,390.41	298.83	70.89	12.26	16,062.87	37,337.57	48,160.45
Construction Assets	238.90	(238.90)	–	–	–		–	–	–	130.30	(130.30)	–	–	–	–	–	–	–	–	108.60
Office and other Equipments	954.02	(145.95)	808.07	–	120.83	–	47.57	13.05	963.42	455.57	(79.18)	376.39	–	94.22	20.17	1.36	0.03	489.44	473.98	498.45
Vehicles	392.11	(262.22)	129.89	–	(13.55)		6.65	18.49	104.51	271.58	(205.16)	66.42	–	(6.10)	3.86	12.79	0.01	51.40	53.11	120.53
Furniture and Fixtures	250.93	(33.46)	217.47	–	28.03	–	8.69	0.88	253.31	109.31	(11.40)	97.91	–	29.32	4.69	0.18	0.15	131.89	121.42	141.61
Leasehold Improvements	31.92	(31.92)	–	–	–	–	–	–	–	10.54	(10.54)	–	–	–	–	–	–	–	–	21.38
Total (a)	**81,024.87**	**(18,137.81)**	**62,887.06**	**–**	**3,477.08**	**–**	**2,295.03**	**898.15**	**67,761.03**	**16,826.97**	**(2,360.20)**	**14,466.77**	**–**	**3,970.19**	**399.12**	**141.14**	**12.45**	**18,707.38**	**49,053.74**	**64,197.10**
b) **Intangible assets**																				
Goodwill	163.26	(15.74)	147.52	–	–	–	15.30	–	162.82	159.44	(11.92)	147.52	–	–	15.30	–	–	162.82	0.00	3.82
Goodwill on Consolidation	10,655.83	(10,655.74)	0.09	–	4.59	–	–	–	4.68	–		–	–	–	–	–	–	–	4.68	10,655.83
Software	546.09	(31.00)	515.10	–	50.68	–	–	–	565.77	316.60	(17.76)	298.84	–	94.23	–	–	–	393.07	172.70	229.49
Build, Operate and Transfer (BOT)	6,054.00	(6,054.00)	–	–	–	–	–	–	–	926.67	(926.67)	–	–	–	–	–	–	–	–	5,127.33
Total (b)	**17,419.19**	**(16,756.48)**	**662.71**	**–**	**55.26**	**–**	**15.30**	**–**	**733.27**	**1,402.72**	**(956.36)**	**446.36**	**–**	**94.23**	**15.30**	**–**	**–**	**555.90**	**177.38**	**16,016.47**
Total (a + b)	**98,444.06**	**(34,894.29)**	**63,549.77**	**–**	**3,532.35**	**–**	**2,310.33**	**898.15**	**68,494.30**	**18,229.69**	**(3,316.55)**	**14,913.14**	**–**	**4,064.42**	**414.42**	**141.14**	**12.45**	**19,263.28**	**49,231.12**	**80,213.57**
Previous year	80,685.42			227.99	8,633.75	8,453.64	1,134.38	691.13	98,444.06	13,442.99			106.14	4,766.92	179.44	371.90	106.09	18,229.69	80,213.57	
Capital work–in–progress																			**1,145.73**	**5,275.84**
Intangible assets under development	188.62	(188.62)	–	–	–	–	–	–	–	–		–	–	–	–	–	–	–	–	188.62

Notes

1) Gross block of Plant and Machinery includes ₹63.49 million (Previous year ₹63.49 million) in respect of expenditure on capital asset, ownership of which does not vest with the Group.
2) Depreciation and amortisation expense for the year includes ₹1.42 million (Previous year ₹5.71 million) transferred to pre-operative expenses.
3) Refer Note 29 (b) for exchange difference capitalised/decapitalised as per amended AS 11.
4) Pre-operative expenses of ₹18.81 million (Previous year ₹52.60 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 ₹12.09 million (Previous year ₹355.91 million).

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
13. Non-current investments		
(Valued at cost unless stated otherwise)		
A. Trade Investments - Unquoted		
Associates {Refer Note 1 (e)}		
i) Red Lebondal Limited		
450 (Previous year 450) Equity Shares of Euro 1 each	0.03	0.03
Add/(Less): Accumulated share of profit/(loss)	–	0.14
Provision for diminution in the value of investment	(0.03)	(0.17)
ii) Welspun Energy Limited#		
Nil (Previous year 60,493,342) equity shares of ₹10 each	–	910.85
Add: Accumulated share of profit/(loss)	–	8.47
Share of profit/(loss) for the year	–	(37.96)
Investment in Joint Ventures	–	28.38
B. Other investments		
i) Quoted		
- Equity shares	–	30.03
- Depository receipts	34.77	34.77
ii) Unquoted		
a) Welspun Captive Power Generation Limited (Ceased to be associate w.e.f. 1 April 2013)		
5,093,426 (Previous year 2,938,427) equity shares of ₹10 each	50.96	29.41
16,976,573 (Previous year 16,976,573) preference shares of ₹10 each fully paid up	169.86	169.86
b) Other investments in equity shares	0.77	1.64
Less: Provision for diminution in the value of investments	(0.77)	(0.85)
C. Investment in Government Securities		
Indira Vikas Patra* [₹500 (500)]	–	0.00
Three (Three) Bonds of ₹10,00,000 Sardar Sarovar Narmada Nigam Limited	–	3.00
National Saving certificate	–	0.03
Total	**255.59**	**1,177.63**
(All the above shares and securities are fully paid up)		
*Denotes figures less than ₹10,000.		
#Transferred pursuant to the Scheme of Arrangement (Refer note 39)		
Aggregate book value of quoted investments	34.77	64.80
Aggregate book value of unquoted investments	221.62	1,113.84
Aggregate market value of quoted investments	38.65	53.95
Aggregate provision for diminution in value of unquoted investments	0.80	1.02

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
14. Long-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Capital advances	45.63	1,715.11
Less: Provision for doubtful advances	4.32	2.96
	41.31	**1,712.15**
Deposits		
- Related parties	348.08	309.60
- Others	110.77	279.48
Less: Provision for doubtful deposits	2.70	9.46
	456.15	**579.62**
Loans and advances to related parties		
Share application money	–	21.55
Other loans and advances	36.08	32.69
	36.08	**54.24**
Other loans and advances		
Advances recoverable in cash or kind	120.80	1,221.03
Prepaid expense	5.51	62.65
Loan to employees	–	0.08
Balances with government authorities		
- Direct tax (net)	40.00	502.63
- Indirect taxes	0.08	114.05
Minimum alternative tax credit entitlement	185.44	205.63
	351.83	**2,106.07**
Total	**885.37**	**4,452.08**

(₹ in million)

	2014	2013
15. Other non-current assets		
(Unsecured considered good unless otherwise stated)		
Long-term trade receivables (including trade receivables on deferred credit terms)	–	291.70
Interest receivable	–	3.55
Margin money deposits	59.50	87.23
Others	–	0.42
Total	**59.50**	**382.90**

(₹ in million)

	2014	2013
16. Current investments		
(Valued at lower of cost and fair value, unless stated otherwise)		
A. Quoted		
i) Bonds	9,876.84	15,391.02
ii) Certificate of deposits	981.97	1,236.27
iii) Mutual funds	283.73	280.97
B. Unquoted		
Bonds	–	585.33
Total	**11,142.54**	**17,493.59**
Aggregate book value of quoted investments	11,142.54	16,908.26
Aggregate book value of unquoted investments	–	585.33
Aggregate market value of quoted investments	11,393.91	17,107.31

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
17. Inventories		
Raw materials [includes goods-in-transit ₹27.66 million (Previous year ₹3,408.23 million)]	4,723.02	13,872.33
Goods-in-process	1,371.64	3,299.48
Finished goods	4,555.98	6,340.35
Stores and spares	2,164.68	2,156.66
Total	**12,815.32**	**25,668.82**

(₹ in million)

	2014	2013
18. Trade receivables		
(Unsecured)		
Over six months		
Considered good	227.42	1,903.32
Considered doubtful	53.76	131.50
Others		
Considered good	6,179.88	15,710.70
Considered doubtful	–	8.01
	6,461.05	**17,753.53**
Less: Provision for doubtful debts	53.76	139.51
Total	**6,407.30**	**17,614.02**

(₹ in million)

	2014	2013
19. Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- Current accounts	831.02	5,739.99
- Deposits having original maturity period of less than three months	23.97	376.54
Cheques on hand	–	1.18
Cash on hand	2.00	22.61
Other bank balances		
Balances with banks - Escrow accounts	1.59	112.78
Unclaimed dividend accounts	5.35	5.30
Deposits having original maturity period of more than three months but less than twelve months	51.88	143.01
Margin money deposits	531.36	587.33
Total	**1,447.16**	**6,988.74**

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
20. Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Deposits		
- Related parties	–	37.28
- Others	0.89	89.88
Inter-corporate deposits	–	356.37
Other loans and advances		
Advances recoverable in cash or kind	727.54	1,430.01
Balance with government authorities		
- Direct tax (net)	–	251.09
- Indirect taxes	2,105.42	3,358.39
Prepaid expenses	225.52	213.45
Loans and advances to employees	103.48	17.62
	3,162.85	**5,754.10**
Less: Provision for doubtful advances	225.28	253.86
Total	**2,937.57**	**5,500.23**

(₹ in million)

	2014	2013
21. Other current assets		
Interest accrued on		
- Current investments	305.61	303.50
- Fixed deposits	22.00	33.61
- Others	26.75	34.65
Receivable towards claim	45.72	400.58
Export benefits receivable	711.17	887.69
Unbilled work-in-progress	–	2,129.32
Unamortized ancillary borrowing costs	54.55	60.38
Assets held for disposal	4.19	19.49
Other receivables from		
- Related parties	675.39	–
- Other parties	124.22	–
Total	**1,969.60**	**3,869.24**

(₹ in million)

	2014	2013
22. Revenue from operations		
Revenue from		
Sale of products	73,967.54	89,464.01
Other operating revenues (Refer note 37)	4,185.81	5,647.47
Revenue from operations (Gross)	**78,153.35**	**95,111.47**
Less: Excise duty	1,106.12	4,279.37
Revenue from operations (Net)	**77,047.23**	**90,832.10**

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
23. Other income		
Interest from		
- Current investments	923.55	571.97
- Fixed deposits	81.57	120.30
- Others	403.48	279.09
Dividend income	12.87	249.46
Profit on sale of current investments	207.81	332.25
Miscellaneous income	114.30	325.53
Total	**1,743.60**	**1,878.61**

(₹ in million)

	2014	2013
24. Cost of materials consumed		
Inventory at the beginning of the year	8,613.62	8,525.14
Add: Purchases	42,631.10	59,518.89
	51,244.72	**68,044.03**
Less: Inventory at the end of the year	4,695.37	8,613.62
Total	**46,549.36**	**59,430.41**

(₹ in million)

	2014	2013
25. Changes in inventories of finished goods and goods-in-process		
Inventories at the end of the year		
Goods-in-process	1,371.64	3,290.32
Finished goods	4,555.98	5,785.55
	5,927.62	**9,075.86**
Inventories at the beginning of the year		
Goods-in-process	3,290.32	1,630.45
Finished goods	5,785.55	8,187.83
	9,075.86	**9,818.28**
Total	**3,148.24**	**742.41**

(₹ in million)

	2014	2013
26. Employee benefits expenses (Net) {Refer note 38 (b)}		
Salaries, wages and bonus	4,775.53	4,265.46
Contribution to provident and other funds	200.32	113.31
Employee compensation expenses	(0.73)	(6.60)
Staff welfare expenses	338.03	252.40
Total	**5,313.15**	**4,624.57**

Notes forming part of the consolidated financial statements

(₹ in million)

	2014	2013
27. Other expenses		
Store and spares consumed	1,357.44	2,368.36
Coating and other job charges	1,697.85	4,313.66
Power, fuel and water charges	1,101.49	2,002.80
Freight, material handling and transportation	4,733.12	5,459.98
Excise duty on (increase)/decrease of finished goods	(206.41)	235.52
Rent	365.18	455.75
Rates and taxes	52.06	58.86
Repairs and maintenance		
- Plant and machinery	233.04	117.36
- Buildings	25.72	25.22
- Others	249.75	135.77
Travelling and conveyance expenses	306.56	343.75
Communication expenses	52.26	49.57
Professional and consultancy fees	425.93	397.61
Insurance	189.71	245.24
Directors' sitting fees	2.82	1.71
Printing and stationery	55.80	36.76
Security charges	49.02	39.59
Membership and subscription	39.27	29.97
Vehicle expenses	23.34	24.84
Exchange difference (net)	3,609.91	1,099.19
Provision for diminution in the value of investment	–	0.94
Loss on sale / discard of tangible assets	1.95	8.29
Provision for impairment of tangible assets	12.45	106.09
Auditors remuneration	7.55	8.89
Product compensation and claims	125.46	3.29
Sales promotion expenses	18.04	29.81
Liquidated damages	12.78	73.21
Commission and discounts on sales	589.02	740.79
Provision for doubtful debts and advances (Net)	(39.71)	59.72
Bad debts and advances written off	96.59	23.14
Miscellaneous expenses	152.93	226.98
Total	**15,340.92**	**18,722.69**

(₹ in million)

	2014	2013
28. Finance costs		
Interest expense		
- Term loans	675.02	530.91
- Debentures/bonds	1,576.86	1,999.76
- Working capital	44.88	44.00
- Others	29.48	32.18
Other borrowing costs	637.79	976.38
Total	**2,964.04**	**3,583.23**

Notes forming part of the consolidated financial statements

29. Foreign exchange differences

a) Loss on account of difference in foreign exchange on realignment/realization and on cancellation of derivative instruments amounting to ₹3,609.91 million (Previous year ₹1,099.19 million) is shown in other expenses other than (b) below.

b) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of AS-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 Group has adjusted exchange difference loss amounting to ₹344.23 million (Previous year ₹361.90 million) to the cost of fixed assets and capital work-in-progress and exchange difference loss of ₹946.89 million (Previous year ₹648.88 million) is 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 ₹437.57 million (Previous year ₹373.50 million) has been adjusted in the current year and loss of ₹509.32 million (Previous year ₹275.37 million) has been carried over and disclosed in shareholders funds.

c) The Group has adopted AS-30 as referred to in Note 1 (i) of the Significant Accounting Policies and accordingly gain of ₹51.50 million (Previous year loss of ₹44.84 million) 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.

30. Finance Lease

Long-term leases, which in economic terms constitute investments financed on a long term basis (finance lease) are recognized as assets and recorded under tangible fixed assets at their cash purchase value. 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 2014 and its present value are as follows:

(₹ in million)

	2014	2013
Minimum lease payments as at		
Not later than one year	23.97	–
Later than one year but not later than five years	31.90	–
Total	**55.87**	**–**
Less: Amount representing interest	4.30	–
Present value of minimum lease payment	51.57	–
Amount due not later than one year	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)

	2014	2013
Lease rental charges for the year	365.18	455.75
Future lease rental obligations payable (under non-cancellable leases)		
Not later than one year	73.28	91.18
Later than one year but not later than five years	15.67	159.18
Later than five years	0.15	20.49

Notes forming part of the consolidated financial statements

32 a) Contingent liabilities not provided for

(₹ in million)

	2014	2013
Performance guarantees/Bid bond given by banks to Group's customers / government authorities etc.	9,306.49	15,630.87
Corporate guarantees given by the group	1,871.47	3,580.76
Bills discounted	–	146.11
Letters of credit outstanding (net of liability provided) for Group's sourcing	9,257.32	4,087.02
Claims against the Group not acknowledged as debts	570.62	450.54
Custom duty on pending export obligation against import of Raw Materials and Machineries	380.81	1,387.25
Disputed direct taxes*	2,000.26	2,009.47
Disputed indirect taxes	84.78	100.73

*Income tax demands mainly include appeals filed by the Group before appellate authorities against disallowances i.e. depreciation/claims/deductions. The management is of the opinion that its tax disputes will be decided in its favour and no material tax liability is likely to be sustained, hence no provision is considered necessary.

b) The Group has challenged before CESTAT, the order of Commissioner of Customs (Kandla) for duty evasion of ₹8,609.82 million (Previous year ₹8,609.82 million) on account of alleged wrong classification of imported raw materials along with penalty of ₹8,609.82 million (Previous year ₹8,609.82 million) and penalty of ₹205 million (Previous year ₹205 million) on directors and officers of the Company. On the same matter and under a different proceeding, the additional DGFT, during the year imposed a penalty of ₹8,609.82 million (Previous year ₹ Nil) which has been unconditionally stayed by the Bombay High Court on petition filed by the Company. Based on DGFT's clarification that, irrespective of whether it is alloy or non-alloy steel, if the grade of import and export is same, the licence can be redeemed. The Joint DGFT, Vadodara has confirmed that the grade of import and export is same, hence the whole amount of duty and penalty referred above may not be sustained and is not considered as contingent liability. However in any case, out of the above, ₹6,706.60 million (Previous year ₹6,706.60 million) is cenvatable duty which is revenue neutral and may not result into recoverable demand and accordingly relevant amount of penalty may not sustain.

c) Capital and other commitments

i) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹120.42 million (Previous year ₹280.26 million).

ii) Other long-term commitments is ₹2,288.64 million (Previous year ₹3,244.28 million).

iii) The parent company has committed to provide continued need based financial support to its subsidiaries .

33. Taxation

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

ii) The Company's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2013. Management continues to believe that its international transactions post March 2014 and the specified domestic transactions covered by the new regulations are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

34. Segment reporting

The Group follows AS 17- Segment reporting relating to the reporting of financial and descriptive information about their operating segments in financial statements.

Notes forming part of the consolidated financial statements

a) Secondary segments - Geographical segments

(₹ in million)

	2014			2013		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations	14,183.67	62,863.56	77,047.23	22,717.16	68,114.94	90,832.10
Carrying amount of segment assets	57,769.40	30,527.40	88,296.81	127,049.48	41,864.10	168,913.59
Capital expenditure	1,412.56	743.78	2,156.34	2,692.21	4,873.13	7,565.33

Notes:

a) Segment revenue in the geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India.

- Revenue outside India includes sales to customers located outside India.

b) Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

c) Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

35. Related party disclosures

a) List of parties where control exists: The list of subsidiaries is disclosed in Note 1, I (d) above.

b) Joint ventures

The list of joint ventures is disclosed in note 1 I (f) above

c) Associates

The list of associates is disclosed in note 1 I (e) above

d) Other related parties with whom transactions have taken place during the year and balances outstanding as on the last day of the year.

Welspun India Limited, Welspun Steel Limited, RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited), Welspun Retail Limited, Welspun Anjar SEZ Limited, Welspun Foundation for Health and Knowledge, Welspun Syntex Limited, Vipuna Trading Limited, Welspun Logistics Limited, Welspun Realty Private Limited, Welspun Global Brands Limited, Welspun Projects Limited, Welspun Captive Power Generation Limited, Welspun Energy Limited, Welspun Enterprises (Cyprus) Limited, Welspun Enterprises Limited, Leighton Welspun Contractors Private Limited (Upto 07 February 2014), Welspun Marine Logistics Limited, Welspun Developers and Infrastructure Private Limited, Welspun Infra Development and Management Private Limited, Welspun Wintex Private limited, Welspun Fin Trade Private Limited, Welspun Mercantile Limited.

e) Directors /Key Management Personnel

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

Notes forming part of the consolidated financial statements

f) Transactions with related parties for the year ended 31 March 2014

(₹ in million)

	Joint Venture	Associates	Other Related Parties	Key Management Personnel	Total
Sale of goods and services	–	–	**837.67**	–	**837.67**
	–	(407.47)	(1,808.52)	–	(2,216.00)
Other income	–	–	**9.03**	–	**9.03**
	–	–	(11.98)	–	(11.98)
Sale of shares	–	–	–	–	–
	–	–	(0.16)	–	(0.16)
Purchase of goods and services	–	–	**356.74**	–	**356.74**
	–	(241.23)	(236.28)	–	(477.51)
Purchase of fixed assets	–	–	**180.77**	–	**180.77**
	–	–	–	–	–
Sale of fixed assets	–	–	**646.05**	–	**646.05**
	–	–	(4.84)	–	(4.84)
Rent and license fees paid	–	–	**61.20**	–	**61.20**
	–	–	(85.48)	–	(85.48)
Donation paid	–	–	**0.60**	–	**0.60**
	–	–	(80.75)	–	(80.75)
Reimbursement of expenses paid (Net)	–	–	**6.60**	–	**6.60**
	–		(13.34)	–	(13.34)
Loans, advances and deposits received	–	–	–	–	–
	–	–	(13.50)	–	(13.50)
Loans, advances and deposits received repaid	–	–	–	–	–
	–	–	(9.87)	–	(9.87)
Investment in shares	–	–	**21.55**	–	**21.55**
	–	(799.56)	(0.10)	–	(799.66)
Share application money given	–	–	–	–	–
	–	(8.00)	–	–	(8.00)
Share application money given repaid / adjusted	–	–	**21.55**	–	**21.55**
	–	(881.21)	–	–	(881.21)
Directors remuneration	–	–	–	**40.29**	**40.29**
	–	–	–	(156.22)	(156.22)

g) Balances with related parties for the year ended 31 March 2014

(₹ in million)

	Joint Venture	Associates	Other Related Parties	Key Management Personnel	Total
Loans and advances, deposits given	–	–	**348.08**	**83.01**	**431.09**
	–	–	(346.88)	–	(346.88)
Corporate guarantees given	–	–	**1,871.47**	–	**1,871.47**
	(2,624.98)	(3,579.30)	(1.46)	–	(6,205.75)
Investment in shares	–	**0.03**	**221.59**	–	**221.62**
	–	(1,110.15)	(0.77)	–	(1,110.92)
Share application money given	–	–	–	–	–
	–	(21.55)	–	–	(21.55)
Trade receivables	–	–	**72.11**	–	**72.11**
	–	(67.00)	(67.03)	–	(134.03)
Trade payables	–	–	**32.20**	–	**32.20**
	–	(26.93)	(118.85)	–	(145.78)
Other receivables	–	–	**675.39**	–	**675.39**
	–	–	–	–	–

Notes forming part of the consolidated financial statements

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

i) Sale of goods and services - Welspun India Limited ₹174.08 million (₹1,269.28 million), Welspun Steel Limited ₹208.42 million (₹515.90 million), Welspun Captive Power Generation Limited ₹48.13 million (₹407.47 million)

ii) Other income includes guarantee commission received from Welspun Energy Limited ₹4.39 million (₹ Nil), Welspun Captive Power Generation Limited ₹4.63 million (₹ Nil), RMG Alloy Steel Limited ₹Nil (₹11.29 million)

iii) Purchase of goods and services - Welspun Logistics Limited ₹38.76 million (₹61.78 million), Welspun Captive Power Generation Limited ₹302.37 million (₹241.23 Million), Welspun Steel Limited ₹6.52 million (₹165.80 million)

iv) Purchase of fixed assets - Welspun Projects Limited ₹180.77 million (₹ Nil)

v) Sale of fixed assets - Welspun India Limited ₹ Nil (₹4.37 million), Welspun Anjar SEZ Limited ₹646.05 million (₹ Nil)

vi) Rent and license fee paid - Welspun Realty Private Limited ₹58.17 million (₹76.66 million)

vii) Donation paid - Welspun Foundation for Health and Knowledge ₹0.60 Million (₹80.75 million) (meant for corporate social responsibility activities).

viii) Reimbursement of expenses (paid) / recovered (net) includes recovered from Welspun Captive Power Generation Limited ₹15.28 million (₹10.71 million), Welspun Steel Limited ₹1.31 million (₹34.66 million), Welspun Syntex Limited ₹0.80 million (₹13.10 million) and paid to Welspun India Limited ₹25.70 million (₹51.37 million)

ix) Loans and advances received from Welspun India Limited ₹Nil (₹13.50 million)

x) Loans and advances received and repaid to Welspun India Limited ₹ Nil (₹9.87 million)

xi) Investment in shares - Welspun Captive Power Generation Limited ₹21.55 million (₹151.45 million),Welspun Energy Limited ₹ Nil (₹648.11 million)

xii) Sale of shares ₹ Nil (Equity shares of Dahej Infrastructure Private Limited and Welspun Infra Development and Management Private Limited to other related parties ₹ 0.16 million)

xiii) Share application money given to Welspun Captive Power Generation Limited ₹ Nil (₹ 8.00 million)

xiv) Share application money given includes repaid / adjusted by Welspun Energy Limited ₹ Nil (₹ 699.76 million), Welspun Captive Power Generation Limited ₹ 21.55 million (₹ 181.45 million)

xv) Details of remuneration paid to key management personnels are disclosed at note 38 below.

Closing balances as at 31 March 2014

i) Loans, advances and deposits given- Welspun Realty Private Limited ₹284.48 million (₹284.48 million), Welspun Logistics Limited ₹52.40 million (₹52.40 million), recoverable from Managing Director ₹83.01 million (₹ Nil).

ii) Corporate guarantees given - Welspun Captive Power Generation Limited ₹600 million (₹600 million), Welspun Energy Limited ₹1,270 million (₹1,270 million), Welspun Urja Gujarat Private Limited ₹ Nil (₹1,709.30 million), Adani Welspun Exploration Limited ₹ Nil (₹2,624.98 million).

iii) Investments held -Welspun Captive Power Generation Limited ₹220.82 million (₹199.27 million), Welspun Energy Limited ₹ Nil (₹ 910.85 million).

iv) Share application money given - Welspun Captive Power Generation Limited ₹ Nil (₹ 21.55 million).

v) Trade receivables - Welspun Steel Limited ₹56.12 million (₹40.15 million), Welspun Captive Power Generation Limited ₹ Nil (₹ 67 million), Welspun India Limited ₹5.11 million (₹15.24 million).

vi) Trade payables - Welspun Captive Power Generation Limited ₹22.27 million (₹26.93 million), Welspun Projects Limited ₹8.06 Million (₹ Nil),Welspun Steel Limited ₹ Nil (₹21.19 million),Welspun India Limited ₹ Nil (₹41.62 million), Welspun Anjar SEZ Limited ₹ Nil (₹50.18 million).

vii) Other receivables - Welspun Enterprises Limited ₹69.37 million (₹ Nil) , Welspun Anjar SEZ Limited ₹595.87 million (₹ Nil).

Note: Figures in brackets pertain to previous year.

Notes forming part of the consolidated financial statements

36. Earnings per share (EPS)

		2014	2013
I)	**Profit after tax for diluted EPS (₹ in million)**	733.90	(703.23)
II)	**Weighted average number of equity shares for EPS computation**		
	a) For Basic EPS (Nos.)	262,948,299	231,836,824
	b) For Diluted EPS (Nos.)	262,948,299	231,836,824
III)	**EPS on Face Value of ₹5/- each**		
	Basic and Diluted (₹)*	2.79	(3.03)

*Foreign currency convertible bonds, Compulsory convertible debentures and Employee stock options plan are anti-dilutive and ignored in the calculation of diluted earnings per share.

37. Other operating revenues

(₹ in million)

	2014	2013
Scrap sales	1,218.50	1,437.23
Value added tax incentive	727.90	1,359.68
Export benefits	992.76	977.02
Insurance claim	–	1,273.04
Excess provisions written back	100.54	–
Others	1,146.11	600.50
Total	**4,185.81**	**5,647.47**

38. Managerial remuneration

a) Remuneration paid/provided to the directors is as under:

(₹ in million)

Name	Relation	2014	2013
B. K. Goenka	Chairman	–	17.38
R. R. Mandawewala	Director	–	0.83
Braja Mishra	Managing Director	40.29	138.01
Total		**40.29**	**156.22**

b) Application made to the Central Government in the year 2012-13 for appointment and remuneration payable to the Managing Director, was approved in March 2014, albeit with a lower remuneration than applied. Consequently, payments made to the Managing Director, based on the agreement and shareholders' approval, has turned out to be in excess of the limits, specified u/s. 198 read with Schedule XIII of the Companies Act, 1956 and the aforesaid Central Government approval for the financial year 2012-13 by ₹83.01 million and the same is netted in employee benefits expense. The Managing Director holds the said amount in trust and it is refundable to the Company.

39. Scheme of Arrangement

A. In case of parent company

a) A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings {viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business} of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL have been transferred by WCL with respective book values w.e.f. appointed date 1 April 2012. The Scheme has been given effect to in these financial statements. However certain assets are under transfer in transferee's name, hence held in the Company's name till then.

Notes forming part of the consolidated financial statements

b) Pursuant to the Scheme:

i) The whole of the assets and liabilities of Other Business undertakings of WCL are transferred to/and are vested with WEL with effect from 1 April 2012 at book values and adjusted to the reserves as under:

(₹ in Million)

i)	Non-current investments	13,242.36
ii)	Loans and advances (including interest receivable and share application money)	2,779.60
iii)	Current investments	6,640.00
iv)	Cash and bank balances	1,310.00
		23,971.97
Adjustment to reserves		
i)	Capital reserve	1,057.26
ii)	Securities premium	17,252.74
iii)	General reserve	1,696.11
iv)	Surplus in the statement of profit and loss	3,965.85
		23,971.97

ii) WEL to issue and allot equity shares to each member of WCL in the ratio of one equity share(s) of ₹10 each in WEL credited as fully paid up for every 20 equity shares of ₹5 each fully paid up held by such member in WCL. Accordingly, WEL to issue and allot 13,147,415 equity shares of ₹10 each to the members of WCL.

iii) The investment in equity shares of WEL of ₹0.5 million held by WCL has been cancelled and adjusted against surplus in the statement of profit and loss.

iv) The net profit after tax of ₹25.97 million for the period from appointed date i.e. 1 April 2012 to 31 March 2013 is adjusted in balance in the statement of profit and loss.

B. In consolidated financial statements

The whole of the assets and liabilities of Other Business undertakings of Group are transferred to WEL with effect from 1 April 2012 and the excess of assets over liabilities of ₹29,073.45 million has been adjusted to the reserves as under:

(₹ in million)

i)	Capital reserve	1,057.26
ii)	Securities premium	17,587.92
iii)	Cash subsidy	1,265.38
iv)	Revaluation reserve	6,564.12
v)	General reserve	1,696.11
vi)	Surplus in the statement of profit and loss (Net of loss for the year 2012-13 of ₹2,107.52 million)	902.66
		29,073.45

40. Discontinued Operations

A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL and the Resulting Company) and their respective shareholders and creditors (the "Scheme") as referred in Note 39 was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL have been transferred by WCL with respective book values w.e.f. appointed date 1 April 2012.

Notes forming part of the consolidated financial statements

(₹ in million)

	For the Year ended 31 March 2014			For the Year ended 31 March 2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Revenue from operations	77,047.23	–	77,047.23	90,832.10	17,868.40	108,700.50
Other Income	1,743.60	–	1,743.60	1,878.61	1,231.80	3,110.40
Total Revenue	**78,790.83**	**–**	**78,790.83**	**92,710.71**	**19,100.20**	**111,810.90**
Total expenses other than finance costs	74,414.68	–	74,414.68	87,051.33	19,231.75	106,283.08
Finance costs	2,964.04	–	2,964.04	3,583.23	1,347.54	4,930.77
Total Expenses	**77,378.71**	**–**	**77,378.71**	**90,634.56**	**20,579.29**	**111,213.85**
Profit / (Loss) before exceptional items and tax	1,412.11	–	1,412.11	2,076.15	(1,479.09)	597.05
Less: Exceptional items	–	–	–	–	1,090.87	1,090.87
Profit / (Loss) before tax	**1,412.11**	**–**	**1,412.11**	**2,076.15**	**(2,569.96)**	**(493.82)**
Tax expenses	431.58	–	431.58	492.86	(102.55)	390.31
Profit / (loss) after tax	**980.53**	**–**	**980.53**	**1,583.29**	**(2,467.41)**	**(884.12)**
Add / (Less) : Share of profit/(loss) from associates	–	–	–	–	(37.96)	(37.96)
Add / (Less) : Minority interest	(246.63)	–	(246.63)	(179.01)	397.86	218.85
Profit / (Loss) for the year	**733.90**	**–**	**733.90**	**1,404.28**	**(2,107.51)**	**(703.23)**

The carrying amount of assets and liabilities pertaining to the discontinued operations are as follows:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Total assets	–	56,872.92
Total liabilities	–	27,799.42

41. Comparatives

Previous years figures have been regrouped, reclassified wherever necessary to correspond with current year's classification / disclosures. The CFS is not comparable, in view of subsidiaries incorporated/acquired/divested during the current and previous year.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March

(₹ in million)

		2014	2013
A)	**Cash flow from operating activities**		
	Profit / (loss) before tax (including profit before tax from discountinued operations)	**1,412.11**	**(493.81)**
	Adjustments for:		
	Depreciation and amortization expense	4,063.01	4,761.21
	Interest expense	2,326.24	3,824.34
	Interest income	(1,408.61)	(1,919.69)
	Loss on sale/discard of tangible assets (Net)	1.95	18.61
	Provision for impairment of tangible assets	12.45	106.09
	Profit on sale of current investments	(207.81)	(368.00)
	Dividend income	(12.87)	(277.23)
	Income from transfer of business	–	(650.15)
	Dilution of stake in joint venture	–	55.18
	Provision for doubtful debts and advances (Net)	(39.68)	96.22
	Provision for diminution in value of non-current investments	–	0.94
	Employee compensation expenses (Net)	(0.73)	(6.60)
	Exchange adjustments (Net)	205.76	(825.51)
	Operating profit before working capital changes	**6,351.83**	**4,321.60**
	Adjustments for:		
	Trade and other receivables	9,952.39	(3,950.57)
	Inventories	10,215.45	(36.40)
	Trade and other payables	(24,206.20)	863.48
	Cash generated from operations	**2,313.47**	**1,198.10**
	Direct taxes paid (net of refunds)	(428.94)	(172.80)
	Net cash from operating activities (A)	**1,884.53**	**1,025.30**
B)	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(1,666.11)	(6,878.34)
	Sale of fixed assets	92.39	300.62
	Investment in joint venture and associates	–	36.32
	Divestment of stake in joint venture	–	0.06
	Sale/(purchase) of current investments (Net)	(1,086.76)	2,304.98
	(Increase)/decrease in share application money given	–	(21.55)
	Dividend received	12.87	277.23
	Interest received	1,426.01	2,308.80
	Net cash used in investing activities (B)	**(1,221.59)**	**(1,671.88)**
C)	**Cash flow from financing activities**		
	Proceeds from issue of equity shares (including securities premium)	–	10.27
	Proceeds from issue of preference shares by subsidiary	1,076.44	–
	Proceeds from issue of debentures	–	3,371.60
	Redemption of debentures	–	(1,700.00)
	Repurchase of foreign currency convertible bonds	(352.85)	(3,484.94)
	Proceeds from long-term borrowings (Net)	38.09	11,926.46
	Repayment of long-term borrowings (Net)	(6,027.43)	(5,048.43)
	Increase/(decrease) in short-term borrowings (Net)	2,989.62	(3,744.73)
	Payment to minority shareholders on acquisition of stake in Subsidiary	(3.44)	–
	Dividend paid to minority shareholders of Subsidiary	(151.88)	–
	Dividend paid (including corporate dividend tax)	(152.74)	(132.47)
	Interest paid	(2,554.32)	(3,845.57)
	Net cash used in financing activities (C)	**(5,138.51)**	**(2,647.81)**
	Net changes in cash and bank balances (A+B+C)	**(4,475.57)**	**(3,294.39)**
	Cash and bank balances at the beginning of the year	6,988.74	10,255.37
	Cash and bank balances transferred pursuant to the Scheme of Arrangement	(1,066.01)	–
	Cash and bank balances taken over on acquisition of subsidiaries and joint venture	–	27.77
	Cash and bank balances at the end of the year	**1,447.16**	**6,988.74**

Notes:
1. Cash and bank balances at the end of the year include unrealised gain of ₹2.48 million (Unrealized loss of ₹8.76 million) which is on account of realignment of current account/fixed deposits held in foreign currency.
2. Transactions pursuant to the Scheme of Arrangement as referred in note 39 is not considered in the above cash flow statement, being non-cash transactions.
3. Cash and bank balances include ₹538.30 million (₹ 716.89 million) which is not available for use by the company.
4. Cash flow in respect of ordinary activities attributable to discontinued operations

	2014	2013
Cash and bank balances transferred pursuant to the Scheme of Arrangement (Refer Note 39)	–	3,488.26
Cash flow from operating activities	–	809.55
Cash flow used in investing activities	–	(1,264.36)
Cash flow used in financing activities	–	(1,967.43)

5. Previous year's figures have been regrouped/recast wherever necessary.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Statement pursuant to general exemption under Section 212 (8) of the Companies Act,1956, relating to Subsidiary Companies

(₹ in million)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Capital and Share Application Money Pending Allotment	Reserves	Total Gross Assets	Total Gross Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	Country
1	Welspun Pipes Inc#	USD	1,038.50	200.96	2,934.29	6,713.31	5,018.48	–	15.18	–	15.18	–	Delaware (U.S)
2	Welspun Tubular LLC#	USD	–	7,069.72	21,273.18	14,203.46	–	21,851.95	974.27	394.87	579.41	–	Delaware (U.S)
3	Welspun Global Trade LLC#	USD	–	(46.19)	306.64	352.83	–	152.00	0.86	–	0.86	–	Delaware (U.S)
4	Welspun Pipes Limited	INR	0.50	(0.07)	596.59	596.15	–	–	(0.07)	–	(0.07)	–	India
5	Welspun Tradings Limited	INR	50.13	385.85	4,181.97	3,745.99	–	21,386.11	107.53	35.66	71.87	–	India
6	Welspun Mauritius Holdings Limited#	USD	3,970.41	315.01	4,802.44	517.02	–	–	277.73	30.17	247.56	–	Maurtius
7	Welspun Middle East DMCC#	USD	3.36	(75.28)	14.82	86.73	–	–	(49.32)	–	(49.32)	–	Dubai
8	Welspun Middle East Pipes Company LLC#	SAR	1,215.18	396.83	7,933.52	6,321.51	–	8,796.14	256.23	59.74	196.49	–	Saudi Arabia
9	Welspun Middle East Pipes Coating Company LLC#	SAR	539.55	(159.28)	2,600.95	2,220.68	–	744.43	(132.86)	11.53	(144.39)	–	Saudi Arabia

#the financial statements of the foreign subsidiaries have been converted into Indian Rupees at the 31st March 2014 exchange rate (1 US$ = ₹ 59.915)

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Mumbai, 29 April 2014

Independent Auditor's Report

To the Members of
Welspun Corp Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Welspun Corp Limited** ("the company") which comprise of balance sheet as at 31 March 2014, the statement of profit and loss, the cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the balance sheet, of the state of affairs of the company as at 31 March 2014;

b. in the case of the statement of profit and loss, of the loss of the company for the year ended on that date; and

c. in the case of the Cash Flow statement, of the cash flows of the company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45(b) of the financial statements, relating to remuneration paid to the Managing Director of the Company for the financial year 2012-13, which turned out to be in excess by ₹83.01 million considering the limits approved by the Central Government. The Managing Director holds the said amount in trust and is refundable to the Company. Our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (ii) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (iii) the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

   (v) On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act;

For **MGB & Co**

Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912
Mumbai, 29 April 2014

Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

(i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification during the year.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed asset during the year and the going concern status of the Company is not affected

(ii) In respect of its inventories:

(a) The inventories have been physically verified by the management during the year except stock lying with the third parties in respect of whom confirmations have been obtained. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

(iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.

(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 purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls systems in respect of the aforesaid areas.

(v) According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required to be entered in the register maintained under section 301 of the Act.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the records of the Company examined by us and information and explanations given to us:

(a) Undisputed statutory dues, including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.

(b) The disputed dues of income tax, sales tax / value added tax, service tax, custom duty and excise duty which have not been deposited are as under:

Name of the Statute (Nature of dues)	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	13.86	FY 2000-01 to FY 2002-03 and FY 2005-06 to FY 2006-07	Gujarat Value Added Tax Tribunal
Sales Tax / Value Added Tax	89.75	FY 2006-07 to FY 2009-2010	Joint Commissioner of Commercial tax (Appeals)
Central Sales Tax Act, 1956	0.92	FY 2001-02	Gujarat Value Added Tax Tribunal
Central Sales Tax	4.39	FY 2008-09 and FY 2009-2010	Joint Commissioner of Commercial tax (Appeals)
Central Excise Act, 1944	0.09	FY 2003-04	High Court
-Excise Duty	6.33	FY 2006-07 to FY 2007-08 and FY 2010-11	Custom Excise and Service Tax Appellate Tribunal
	15.35	FY 2008-09 to FY 2012-13	Commissioner of Central Excise and Customs
	3.55	FY 2007-08 FY 2009-10 and FY 2011-12	Commissioner of Central Excise and Customs (Appeals)
	23.90	FY 2008-09 and 2009-10	Deputy Commissioner of Central Excise and Customs
- Service Tax	10.27	FY 2004-05 to FY 2006-07	Supreme Court of India
	16.99	FY 2006-07 to FY 2011-12	Custom Excise and Service Tax Appellate Tribunal
	95.73	FY 2005-06 to FY 2013-14	Commissioner/Additional Commissioner of Central Excise and Customs
	40.63	FY 2007-08 to FY 2012-13	Commissioner of Central Excise and Customs (Appeals)
	23.05	FY 2008-09 to FY 2012 -13	Deputy / Assistant Commissioner of Central Excise and Customs
	21.34	FY 2006-07, FY 2009-10 to FY 2012-13	Superintendent of Central Excise and Customs
Customs Act, 1962 - Custom duty	8,609.82#	FY 2007-08 to FY 2009-10	Custom Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961 - Income tax	2,190.21	FY 2004-05 to FY 2010-11	Commissioner of Income tax, (Appeals)
	411.88	FY 2009-10 to FY 2012-13	Commissioner of Income tax, (Appeals)

#Does not include penalty of (i) ₹8,609.82 million on Company and ₹205 million on directors and officers of the Company levied by Commissioner of Central Excise and Custom, Mumbai and (ii) ₹8,609.82 million levied by Additional Director General of Foreign Trade (DGFT), Mumbai {Refer note 33(b)}.

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.

(xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

(xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society.

(xiv) The Company is not dealing or trading in securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by subsidiaries and others from banks and financial institutions are prima facie not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, the Company has not raised any term loans during the year.

(xvii) According to the information and explanations given to us and examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short-term basis have not been used for long term investments.

(xviii) During the year, the Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act.

(xix) The Company has created adequate security in respect of debentures issued.

(xx) The Company had raised funds by issue of foreign currency convertible bonds in the earlier years which have been utilized for the purposes for which they are raised except funds pending utilization have been temporarily invested as referred in Note 4(d)(iv).

(xxi) Based on our audit procedures performed and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of our audit

For **MGB & Co**

Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912
Mumbai, 29 April 2014

Balance Sheet as at 31 March

(₹ in million)

	Notes	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,314.74	1,314.74
Reserves and surplus	3	18,221.68	42,715.03
		19,536.42	**44,029.77**
Non-current liabilities			
Long-term borrowings	4	19,423.18	26,053.72
Deferred tax liabilities (Net)	5	3,631.49	3,893.91
Other long-term liabilities	6	997.58	1,764.26
Long-term provisions	7	36.05	130.46
		24,088.30	**31,842.35**
Current liabilities			
Short-term borrowings	8	1,615.10	1,177.93
Trade payables	9	5,100.31	19,083.28
Other current liabilities	10	8,942.19	6,751.66
Short-term provisions	11	703.89	1,122.55
		16,361.49	**28,135.42**
	Total	**59,986.21**	**104,007.54**
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		29,663.88	29,621.82
- Intangible assets		172.68	216.23
- Capital work-in-progress		939.20	1,784.84
Non-current investments	13	3,670.39	19,593.84
Long-term loans and advances	14	1,386.24	3,051.27
Other non-current assets	15	59.50	55.00
		35,891.89	**54,323.00**
Current assets			
Current investments	16	11,142.54	16,908.26
Inventories	17	5,291.47	14,741.86
Trade receivables	18	3,922.01	9,770.79
Cash and bank balances	19	497.57	4,273.63
Short-term loans and advances	20	1,463.81	2,179.28
Other current assets	21	1,776.92	1,810.72
		24,094.32	**49,684.54**
	Total	**59,986.21**	**104,007.54**

Notes forming part of the financial statements **1 - 54**

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Statement of Profit and Loss for the year ended 31 March

(₹ in million)

	Notes	2014	2013
Revenue			
Revenue from operations (Gross)	22	49,782.24	70,601.02
Less: Excise duty		1,106.12	4,279.37
Revenue from operations (Net)		48,676.12	66,321.65
Other income	23	1,748.13	2,244.69
	Total	**50,424.25**	**68,566.34**
Expenditure			
Cost of materials consumed	24	25,919.61	41,559.92
Purchases of traded goods	25	4,953.17	9,207.69
Changes in inventories of finished goods and goods-in-process	26	4,991.42	(1,475.94)
Employee benefits expense (Net)	27	1,467.51	2,191.53
Other expenses	28	8,872.82	11,112.64
	Total	**46,204.53**	**62,595.84**
Profit before depreciation/amortization, finance costs and tax		**4,219.72**	**5,970.50**
Less: Depreciation and amortization expense	12	2,255.69	2,289.90
Finance costs	29	2,239.81	2,988.98
Profit / (loss) before tax		**(275.78)**	**691.62**
Tax expense			
- Current tax		–	138.38
- MAT credit entitlement		–	(138.38)
- Deferred tax		(100.36)	186.73
Profit / (loss) for the year from continuing operations (A)		**(175.42)**	**504.89**
Profit / (loss) before tax from discontinued operations		–	188.03
Tax expense of discontinued operations	53	–	162.06
Profit / (loss) for the year from discontinued operations (B)		**–**	**25.97**
Profit / (loss) for the year (A+B)		**(175.42)**	**530.86**
Earnings per share of ₹5 each fully paid up (in ₹)	43		
- Basic		(0.67)	2.29
- Diluted		(0.67)	2.29

Notes forming part of the financial statements **1 - 54**

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Notes forming part of the financial statements

Note 1 Significant Accounting Policies

I. Basis of preparation of financial statements

The financial statements of the company have been prepared on going concern in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Pursuant to the announcement of the Institute of Chartered Accountants of India (ICAI) on "Accounting for Derivatives" on the early adoption of Accounting Standard (AS-30) "Financial Instruments: Recognition and Measurement", the Company has early adopted the standard w.e.f 1 April 2007 to the extent that the adoption does not conflict with the existing mandatory accounting and other authoritative pronouncements, Company Law and other regulatory requirements.

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. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. 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.

(b) 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.

(c) Intangible assets are carried at cost, net off accumulated amortization and impairment loss, if any.

IV. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. All other borrowing costs are recognised as expense.

V. Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

VI. Depreciation / amortization on tangible and intangible assets

(a) Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for certain Plant and Machinery which are depreciated on the basis of estimated useful lives of 13 – 15 years. The company is depreciating computers and mobile phones based on their useful life i.e. 4 years and 3 years respectively. The rates of depreciation derived from these estimated useful lives are higher than those prescribed in Schedule XIV to the Companies Act, 1956.

(b) Continuous process plant has been identified on the basis of technical opinion taken by the Company / Expert and appropriate rate of depreciation on such plant and machinery has been charged as prescribed under Schedule XIV.

(c) Intangible assets are amortized on a straight-line basis over its expected useful life as estimated by the management.

Notes forming part of the financial statements

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.

b) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

VIII. Revenue recognition

(a) Sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Export sales are recognised on the basis of date of bill of lading. Gross sales include excise duty and adjustments for price variations, exclude sales tax/value added tax.

(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.

(c) Revenue from services is recognized on completion of services.

(d) Dividend income is recognized when the right to receive the dividend is established.

(e) Interest income is recognized at the agreed rate on time proportion basis.

IX. 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 materials plus labour and other production overheads.

(c) Finished goods – Cost of materials plus labour, production overheads and excise duty on such goods.

X. Foreign currency transactions

(a) Transaction in foreign currency are accounted at the exchange rate prevailing on the date of such transactions. Current monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Non-monetary items are carried at cost.

(b) Gains or losses arising on remittance / translations at the year- end are credited / debited to the statement of profit and loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 31 (b)).

(c) Premium / discount on derivative contracts, not relating to firm commitments or highly probable forecasted transactions and not intended for trading or speculation purposes, is amortized as income or expense over the life of the contract.

XI. Derivative instruments and hedge accounting

The Company uses foreign currency derivative contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges and applying the recognition and measurement principles set out in Accounting Standard 30 “Financial Instruments: Recognition and Measurement” (AS 30). The gain or loss on the effective hedges is recorded in “Hedging Reserve Account” until the transaction is complete. The gain or loss is accounted in the statement of Profit and Loss upon completion of the transaction or when the hedge instrument expires or terminates or ceases to qualify for hedge accounting.

XII. Employee benefits

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

(b) Post employment and other long-term benefits are recognized as an expense in the statement of Profit and Loss of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are recognized in the statement of Profit and Loss.

(c) Payments to defined contribution retirement benefit schemes are charged as expenses as and when they fall due.

Notes forming part of the financial statements

XIII. Employee stock options scheme

In respect of employee stock options granted pursuant to the Company's Stock Option Scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period.

XIV. Accounting for taxes on income

(a) Current tax is determined as the amount of tax payable in respect of taxable income for the year computed as per the provisions of the Income Tax Act, 1961.

(b) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

XV. Leases

a) Finance lease

Assets acquired under finance lease are capitalised 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. Intial costs directly attributable to lease are recognized with the asset under lease.

b) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with the respective lease agreements.

XVI. Provisions, contingent liabilities and contingent assets

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements

XVII. Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

(₹ in million)

	2014	2013
2. Share capital		
Authorised		
304,000,000 (Previous year 304,000,000) Equity Shares of ₹ 5/- each	1,520.00	1,520.00
98,000,000 (Previous year 98,000,000) Preference Shares of ₹ 10/- each	980.00	980.00
Total	**2,500.00**	**2,500.00**
Issued, subscribed and paid up		
262,948,299 (Previous year 262,948,299) Equity Shares of ₹ 5/- each fully paid up	1,314.74	1,314.74
Total	**1,314.74**	**1,314.74**

Notes forming part of the financial statements

a) Reconciliation of the number of equity shares outstanding

	2014		2013	
	Number of Equity Shares	₹ in million	Number of Equity Shares	₹ in million
At the beginning of the year	262,948,299	1,314.74	227,781,035	1,138.91
Issued during the year				
– Conversion of Compulsory Convertible Debentures (CCD)	–	–	35,038,889	175.19
– Equity shares allotted on exercise of Employees Stock Options	–	–	128,375	0.64
Outstanding at the end of the year	**262,948,299**	**1,314.74**	**262,948,299**	**1,314.74**

b) Terms and rights 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.

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	2014		2013	
	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	8.76	23,026,000	8.76
Granele Limited	35,038,889	13.33	35,038,889	13.33
Life Insurance Corporation of India Limited & its Schemes	19,277,980	7.33	19,283,580	7.33
Welspun Wintex Limited	13,336,576	5.07	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.51	13,877,701	5.28
Welspun Fintrade Limited	–	–	18,955,791	7.21
Krishiraj Trading Limited	52,862,858	20.10	26,907,692	10.23

d) 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 include credit of ₹0.73 million (Previous year ₹6.60 million) on account of reversal of options lapsed during the year.

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

	Granted during 2006-07	Granted during 2009-10
Exercise price	₹ 80.00	₹ 66.75
Date of grant	8 January 2007	20 April 2009
Vesting period commences on	8 January 2008	20 April 2010
Options outstanding at the beginning of the year	–	32,875
Options exercised during the year	–	–
Options lapsed during the year	–	32,875
Options outstanding as at 31 March 2014	–	–

Notes forming part of the financial statements

(₹ in million)

	2014	2013
3. Reserves and surplus		
Capital reserve		
As per last balance sheet	1,057.26	1,057.26
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 52)	(1,057.26)	–
	–	1,057.26
Securities premium		
As per last balance sheet	24,929.65	17,252.74
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 52)	(17,252.74)	–
Received during the year	–	7,718.18
Discount on issue of shares under employees stock option scheme	–	3.43
Premium on redemption of foreign currency convertible bonds	(28.35)	11.70
Utilized towards share / debenture issue expenses	–	(56.40)
	7,648.56	24,929.65
Debenture redemption reserve		
As per last balance sheet	1,142.37	1,464.29
Add/(Less): Transferred to surplus in statement of profit and loss**	–	(321.92)
	1,142.37	1,142.37
Employee stock options outstanding	–	0.73
Hedging reserve account [Refer note 31(c)]	51.50	(44.84)
Foreign currency monetary item translation difference account [Refer note 31(b)]	(509.32)	(275.37)
General reserve		
As per last balance sheet	1,749.20	1,696.11
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 52)	(1,696.11)	–
Appropriated during the year	–	53.09
	53.09	1,749.20
Surplus in the statement of profit and loss		
As per last balance sheet	14,156.03	13,510.35
Add/(Less): Transferred pursuant to the Scheme of Arrangement (Refer note 52)	(3,965.85)	–
Cancellation of share capital pursuant to the Scheme of Arrangement {Refer note 52(b)(iii)}	(0.50)	–
Adjustment pursuant to the Scheme of Arrangement {Refer note 52(b)(iv)}	(25.97)	–
Profit/(loss) for the year	(175.42)	530.86
	9,988.28	14,041.21
Add/(Less): Appropriations		
General reserve	–	(53.09)
Transfer from debenture redemption reserve**	–	321.92
Proposed dividend on equity shares	(131.47)	(131.47)
Tax on proposed dividend	(22.34)	(22.34)
Dividend on equity shares of earlier year	–	(0.20)
Excess provision of tax on dividend of earlier year written back	1.02	–
Total appropriations	(152.79)	114.82
Net surplus in the statement of profit and loss	9,835.48	14,156.03
Total	**18,221.68**	**42,715.03**

**No debenture redemption reserve is created in view of loss incurred during the year

Notes forming part of the financial statements

(₹ in million)

	Non-current		Current	
	2014	2013	2014	2013
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures	13,428.00	13,428.00	–	–
External commercial borrowings	4,194.05	6,542.09	–	2,721.68
Term loan from a bank	1,782.47	1,614.98	–	–
Other loans	18.66	27.73	7.43	6.04
Unsecured				
Foreign currency convertible bonds	–	4,424.23	4,493.63	–
Deferred sales tax loan	–	16.69	16.69	16.69
Total	**19,423.18**	**26,053.72**	**4,517.75**	**2,744.41**

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.

No. of Debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	Amount (₹ in million)
5000	1,000,000	September 2025	9.55%	5,000
5000	1,000,000	August 2025	9.55%	5,000
900	1,000,000	November 2022	11.00%	900
328	1,000,000	September 2019	11.15%	328
250	1,000,000	August 2019	11.25%	250
1950	1,000,000	August 2019	11.15%	1,950
			Total	**13,428**

b) External commercial borrowings (ECB) 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 comprises of USD 70 million (Previous year USD 163.45 million) and JPY Nil (Previous year JPY 677.65 million) and carries interest of LIBOR plus 3.50% to 4.50%.

The ECB is repayable as follows

Repayment schedule	USD (million)	Amount (₹ in million)
April 2015	2.70	161.77
October 2015	2.70	161.77
April 2016	4.00	239.66
October 2016	14.00	838.81
April 2017	4.00	239.66
October 2017	14.00	838.81
April 2018	4.00	239.66
October 2018	14.00	838.81
April 2019	5.30	317.55
October 2019	5.30	317.55
Total	**70.00**	**4,194.05**

c) Term loan from banks

Term loan of US$ 29.75 million equivalent to ₹1,782.47 million (Previous year ₹1,614.98 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. 15 November 2012.

Notes forming part of the financial statements

d) Foreign currency convertible bonds (FCCB)

i) During the financial year 2009 - 2010, the Company had raised US$ 150 million (Equivalent INR 6,942 million) by way of issue of 1500 4.5% FCCB of US$ 100,000 each. The Bond holders have an option to convert outstanding bonds (USD 75 million) into 12,005,000 equity shares of ₹5 each fully paid up at an initial conversion price of ₹300 per share with a fixed rate of exchange on conversion of ₹48.02 = US$ 1 at any time on or after 26 November 2009 until 10 days prior to Maturity date (i.e. 17 October 2014). Unless previously converted, redeemed or repurchased and cancelled, the Bonds will be 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.

The Company has an option to redeem the Bonds at their Early Redemption amount upon occurrence of events specified in the Offering Circular for issue of the Bonds ("Offering Circular"). Further, the Company has an option to mandatorily convert the Bonds after three years as specified in the Offering Circular.

ii) Premium payable on redemption of FCCB aggregating to ₹28.35 million (Previous year credit of ₹11.70 million) has been adjusted against securities premium as per Section 78 of the Companies Act, 1956. In the event, Bond holders exercise the conversion option, the amount of premium utilized from securities premium will be suitably adjusted in respective years.

iii) During the year, the company has repurchased 65, 4.5% FCCB of US$ 100,000 each aggregating to US$ 6.50 million at a discount and gain of ₹12.46 million arising on repurchase of FCCB is shown under "Other income".

iv) Part of the 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 0.40 million equivalent INR 23.97 million (Previous year USD 0.55 million equivalent INR 30.09 million) have been invested in short-term deposits.

(₹ in million)

	2014	2013
5. Deffered tax liabilities (Net)		
Deferred tax liabilities		
Fiscal allowance on fixed assets	4,627.45	4,466.42
Others	173.12	93.60
	4,800.57	4,560.02
Deferred tax assets		
Employee benefits	13.13	17.47
Provision for doubtful debts and advances	65.98	79.74
Unabsorbed fiscal allowances	1,089.98	568.90
	1,169.08	666.11
Total	**3,631.49**	**3,893.91**

(₹ in million)

	2014	2013
6. Other long-term liabilities		
Liability towards claims	997.58	1,764.26
Total	**997.58**	**1,764.26**

(₹ in million)

	2014	2013
7. Long-term provisions		
Employee benefits	36.05	46.98
Premium payable on redemption of FCCB	–	83.48
Total	**36.05**	**130.46**

Notes forming part of the financial statements

(₹ in million)

	2014	2013
8. Short-term borrowings		
Secured		
Working capital loan from banks	1,615.10	1,177.93
(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.)		
Total	**1,615.10**	**1,177.93**

(₹ in million)

	2014	2013
9. Trade Payables		
Acceptances	4,576.94	17,127.63
Others (Refer note 30)	523.37	1,955.65
Total	**5,100.31**	**19,083.28**

(₹ in million)

	2014	2013
10. Other current liabilities		
Current maturities of long-term borrowings (Refer note 4)	4,517.75	2,744.41
Interest accrued but not due on borrowings	473.38	517.75
Unclaimed dividend	5.35	5.30
Other payables		
Acceptances for capital goods	185.58	–
Creditors for		
- Capital goods	105.28	179.76
- Expenses	625.78	908.53
Trade advances and deposits	1,644.59	1,026.90
Statutory dues	329.74	553.80
Liability towards claims	1,054.75	815.22
Total	**8,942.19**	**6,751.66**

(₹ in million)

	2014	2013
11. Short-term provisions		
Employee benefits	2.57	3.85
Others for		
Proposed equity dividend	131.47	131.47
Tax on proposed equity dividend	22.34	22.34
Litigations	79.79	79.79
Liquidated damages	33.50	461.09
Mark to market losses on derivative contracts	311.53	308.29
Premium payable on redemption of FCCB	111.83	–
Taxation (net of advances)	10.86	115.72
Total	**703.89**	**1,122.55**

Notes forming part of the financial statements

Note 12 - Fixed assets

(₹ in million)

	Gross Block				Depreciation/Amortization/Impairment					Net Block	
	As at 01 April 2013	Additions	Deductions	As at 31 March 2014	Upto 31 March 2013	For the year	Deductions	Impairment	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
a) Tangible assets											
Freehold land	200.37	23.88		224.24	-	-	-	-	-	224.24	200.37
Buildings	5,246.29	678.87	0.61	5,924.55	748.87	150.71	0.04		899.54	5,025.00	4,497.42
Plant and machinery	34,237.97	1,573.26	145.63	35,665.60	9,595.69	1,964.28	65.57	12.26	11,506.66	24,158.94	24,642.28
Office and other equipments	349.25	18.50	13.05	354.70	181.90	32.59	1.36	0.03	213.15	141.55	167.35
Vehicles	62.64	4.15	9.95	56.84	29.16	5.79	6.75	0.01	28.20	28.64	33.48
Furnitures and fixtures	133.43	14.43	0.32	147.53	52.56	9.50	0.18	0.15	62.03	85.50	80.87
Total (a)	**40,229.94**	**2,313.08**	**169.55**	**42,373.47**	**10,608.17**	**2,162.88**	**73.90**	**12.45**	**12,709.59**	**29,663.88**	**29,621.82**
b) Intangible assets											
Software	515.07	50.68	-	565.74	298.83	94.22	-	-	393.06	172.68	216.23
Total (b)	**515.07**	**50.68**	**-**	**565.74**	**298.83**	**94.22**	**-**	**-**	**393.06**	**172.68**	**216.23**
Total (a+b)	**40,745.00**	**2,363.76**	**169.55**	**42,939.21**	**10,907.01**	**2,257.10**	**73.90**	**12.45**	**13,102.65**	**29,836.56**	**29,838.05**
Previous year	39,063.81	1,716.18	34.99	40,745.00	8,529.82	2,290.34	19.24	106.09	10,907.01	29,838.05	
Capital work-in-progress										**939.20**	**1,784.84**

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 ₹1.42 million (Previous year ₹0.43 million) transferred to pre-operative expenses.
3. Refer note 31 (b) for exchange difference capitalised as per amended AS-11.
4. Pre-operative expenses of ₹18.81 million (Previous year ₹52.60 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 ₹12.09 million (Previous year ₹27.73 million).

Notes forming part of the financial statements

(₹ in million)

	2014	2013
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 Infratech Limited#		
Nil (Previous year 48,639,899) equity shares of ₹10 each	–	1,920.85
Nil (Previous year 42,289) 7% unsecured optionally convertible debentures of ₹100,000 each	–	4,228.90
Welspun Tradings Limited	50.22	50.22
5,013,402 (Previous year 5,013,402) equity shares of ₹10 each		
Welspun Natural Resources Private Limited#	–	186.60
Nil (Previous year 1,875,000) equity shares of ₹10 each		
ii) Other subsidiaries		
Welspun Maxsteel Limited#		
Nil (Previous year 113,622,058) equity shares of ₹10 each	–	8,042.17
Nil (Previous year 3,740,000) 0% redeemable preference shares of ₹10 each	–	37.40
Welspun Mauritius Holdings Limited		
102,089 (Previous year 102,089) equity shares of USD 1 each	4.70	4.70
66,154,000 (Previous year 80,009,968) preference shares of USD 1 each	3,358.93	3,976.65
Welspun Enterprises Limited {Refer note 52 (b) (iii)}	–	0.50
Nil (Previous year 50,000) equity shares of ₹10 each		
iii) Associates		
Red Lebondal Limited (Extent of holding 25%)	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)
Welspun Energy Limited#		
Nil (Previous year 60,493,342) equity shares of ₹10 each	–	910.85
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		
C. Other investments - Unquoted		
Welspun Captive Power Generation Limited (Ceased to be associate w.e.f. 1 April 2013)		
5,093,426 (Previous year 2,938,427) equity shares of ₹10 each fully paid up	50.96	29.41
16,976,573 (Previous year 16,976,573) preference shares of ₹10 each fully paid up	169.86	169.86
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	**3,670.39**	**19,593.84**
(All the above shares and securities are fully paid up)		
#Transferred pursuant to the Scheme of Arrangement (Refer note 52)		
Aggregate book value of quoted investments	34.77	34.77
Aggregate book value of unquoted investments	3,636.42	19,559.87
Aggregate market value of quoted investments	38.65	39.58
Aggregate provision for diminution in value of investments	0.80	0.80

Notes forming part of the financial statements

(₹ in million)

	2014	2013
14. Long-term loans and advances		
(Unsecured considered good, unless otherwise stated)		
Capital advances	45.63	119.43
Less: Provision for doubtful advances	4.32	4.68
	41.31	**114.75**
Deposits		
- Related parties (Refer note 39)	348.08	309.60
- Other parties	51.66	68.07
Less: Provision for doubtful deposits	2.70	2.86
	397.04	**374.80**
Loans and advances to related parties (Refer note 39)		
Loan to subsidiary	–	1,618.95
Share application money		
- Subsidiary	596.15	610.59
- Other related parties	–	21.55
	596.15	**2,251.09**
Other loans and advances		
Advances recoverable in cash or kind	120.80	104.31
Prepaid expenses	5.51	8.51
Loan to employees	–	0.08
Balances with government authorities - Direct tax	40.00	–
Minimum alternative tax credit entitlement	185.44	197.73
	351.75	**310.63**
Total	**1,386.24**	**3,051.27**

(₹ in million)

	2014	2013
15. Other non-current assets		
Margin money deposits	59.50	55.00
Total	**59.50**	**55.00**

(₹ in million)

	2014	2013
16. Current Investments		
(Valued at lower of cost and fair value, unless stated otherwise)		
Quoted		
i) Bonds		
8.97% Andhra Pradesh State Development Loan 2022 200,000 (Previous year 200,000) Bonds of ₹100 each	20.03	20.03
8.69% Damodar Valley Corporation 2028 253 (Previous year Nil) Bonds of ₹1,000,000 each	265.90	–
8.80% Food Corporation of India 2028 519 (Previous year Nil) Bonds of ₹1,000,000 each	560.94	–
9.95% Food Corporation of India 2022 60 (Previous year Nil) Bonds of ₹1,000,000 each	60.94	–
7.16% Government of India Loan 2023 3,500,000 (Previous year Nil) Bonds of ₹100 each	315.23	–

Notes forming part of the financial statements

(₹ in million)

	2014	2013
7.40% Government of India Loan 2035 1,035,000 (Previous year Nil) Bonds of ₹100 each	99.16	–
8.15% Government of India Loan 2022 500,000 (Previous year 11,000,000) Bonds of ₹100 each	51.48	1,119.97
8.28% Government of India Loan 2027 1,000,000 (Previous year Nil) Bonds of ₹100 each	95.73	–
8.28% Government of India Loan 2032 2,535,000 (Previous year 2,535,000) Bonds of ₹100 each	259.83	259.83
8.33% Government of India Loan 2026 4,000,000 (Previous year 7,000,000) Bonds of ₹100 each	428.32	723.92
8.33% Government of India Loan 2036 2,500,000 (Previous year 5,000,000) Bonds of ₹100 each	260.20	520.40
8.20% Government of India Loan 2025 500,000 (Previous year 7,000,000) Bonds of ₹100 each	52.01	714.10
8.30% Government of India Loan 2040 2,000,000 (Previous year 4,000,000) Bonds of ₹100 each	207.56	413.55
8.83% Government of India Loan 2041 2,500,000 (Previous year 5,500,000) Bonds of ₹100 each	289.43	599.94
8.97% Government of India Loan 2030 10,058,500 (Previous year 16,614,500) Bonds of ₹100 each	1,152.43	1,811.10
9.15% Government of India Loan 2024 240,000 (Previous year 240,000) Bonds of ₹100 each	26.00	26.00
9.45% Gujarat State Petroleum Corp Limited 2022 106 (Previous year 450) Bonds of ₹1,000,000 each	108.92	465.08
9.80% Gujarat State Petroleum Corp Limited 2073 16 (Previous year 600) Bonds of ₹1,000,000 each	16.16	600.00
10.45% Gujarat State Petroleum Corp Limited 2072 191 (Previous year 531) Bonds of ₹1,000,000 each	206.28	551.80
9.03% Gujarat State Petroleum Corp Limited 2028 13 (Previous year 1,500) Bonds of ₹1,000,000 each	13.47	1,500.36
8.14% Housing And Urban Development Corp Ltd 2018 20 (Previous year Nil) Bonds of ₹1,000,000 each	20.13	–
9.90% Industrial Finance Corporation of India Limited 2022 17,398 (Previous year 8,510) Bonds of ₹25,000 each	440.12	210.56
9.90% Industrial Finance Corporation of India Limited 2027 15,756 (Previous year 29,140) Bonds of ₹25,000 each	398.58	721.00
9.90% Industrial Finance Corporation of India Limited 2032 8,596 (Previous year 16,410) Bonds of ₹25,000 each	217.45	406.03
9.90% Industrial Finance Corporation of India Limited 2037 4,250 (Previous year 26,400) Bonds of ₹25,000 each	107.51	653.21
9.90% Industrial Finance Corporation of India Limited 2021 28 (Previous year 193) Bonds of ₹1,000,000 each	28.80	196.34
10.15% Industrial Finance Corporation of India Limited 2023 Nil (Previous year 430) Bonds of ₹100,000 each	–	43.00

Notes forming part of the financial statements

(₹ in million)

	2014	2013
9.70% Industrial Finance Corporation of India Limited 2030 15 (Previous year 4) Bonds of ₹1,000,000 each	15.00	4.12
9.75% Industrial Finance Corporation of India Limited 2028 787 (Previous year Nil) Bonds of ₹1,000,000 each	817.29	–
Industrial Finance Corporation of India Limited Deep Discount Bond 2031 28,404 (Previous year 28,404) Bonds of ₹25,000 each	184.63	184.63
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 10,150 (Previous year 41,470) Bonds of ₹25,000 each	65.98	269.56
Industrial Finance Corporation of India Limited Deep Discount Bond 2035 4,795 (Previous year 4,795) Bonds of ₹25,000 each	31.17	31.17
Industrial Finance Corporation of India Limited Deep Discount Bond 2036 2,190 (Previous year 2,190) Bonds of ₹25,000 each	14.24	14.24
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 25,270 (Previous year 3,390) Bonds of ₹25,000 each	166.68	22.04
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 34,460 (Previous year 41,470) Bonds of ₹25,000 each	223.99	269.56
Industrial Finance Corporation of India Limited Deep Discount Bond 2040 41,470 (Previous year 41,470) Bonds of ₹25,000 each	269.56	269.56
8.49% Indian Renewable Energy Development Agency 2028 95 (Previous year Nil) Bonds of ₹1,000,000 each	96.76	–
8.60% LIC Housing Finance Limited 2018 129 (Previous year Nil) Bonds of ₹1,000,000 each	127.71	–
8.99% Madhya Pradesh State Development Loan 2022 50,500 (Previous year 50,500) Bonds of ₹100 each	5.06	5.06
11.90% Neelachal Ispat Nigam Limited 2024 100 (Previous year Nil) Bonds of ₹1,000,000 each	100.00	–
9.18% Nuclear Power Corporation of India Ltd 2025 136 (Previous year Nil) Bonds of ₹1,000,000 each	150.50	–
9.18% Nuclear Power Corporation of India Ltd 2026 280 (Previous year Nil) Bonds of ₹1,000,000 each	309.85	–
9.18% Nuclear Power Corporation of India Ltd 2027 220 (Previous year Nil) Bonds of ₹1,000,000 each	243.45	–
9.18% Nuclear Power Corporation of India Ltd 2029 33 (Previous year Nil) Bonds of ₹1,000,000 each	36.52	–
7.93% Power Grid Corporation of India Limited 2017 50 (Previous year Nil) Bonds of ₹1,000,000 each	49.50	–
8.70% Power Grid Corporation of India Limited 2023 50 (Previous year Nil) Bonds of ₹1,000,000 each	50.00	–
8.70% Power Grid Corporation of India Limited 2028 50 (Previous year Nil) Bonds of ₹1,000,000 each	50.00	–
8.80% Power Grid Corporation of India Limited 2023 40 (Previous year Nil) Bonds of ₹1,000,000 each	40.90	–
8.20% Power Finance Corporation Limited 2022 2,000 (Previous year 2,000) Bonds of ₹1,000 each	2.11	2.09

Notes forming part of the financial statements

(₹ in million)

	2014	2013
8.06% Rural Electrification Corporation Limited 2023 650 (Previous year Nil) Bonds of ₹1,000,000 each	650.00	–
8.82% Rural Electrification Corporation Limited 2023 61 (Previous year Nil) Bonds of ₹1,000,000 each	63.31	–
9.90% Reliance Capital Limited 2023 9 (Previous year Nil) Bonds of ₹1,000,000 each	9.36	–
9.95% Reliance Capital Limited 2022 30 (Previous year 30) Bonds of ₹1,000,000 each	30.45	30.00
10.40% Reliance Capital Limited 2022 51 (Previous year 47) Bonds of ₹1,000,000 each	53.89	47.13
10.00% Reliance Capital Limited 2017 15 (Previous year 57) Bonds of ₹1,000,000 each	15.43	57.24
10.10% Reliance Capital Limited 2022 50 (Previous year 21) Bonds of ₹1,000,000 each	50.50	21.16
10.20% Reliance Capital Limited 2022 2 (Previous year Nil) Bonds of ₹1,000,000 each	2.04	–
10.75% Reliance Capital Limited 2021 5 (Previous year Nil) Bonds of ₹1,000,000 each	5.36	–
10.25% Reliance Gas Transportation Infrastructure Limited 2021 42 (Previous year Nil) Bonds of ₹1,000,000 each	46.10	–
9.40% The Great Eastern Shipping Company 2019 32 (Previous year Nil) Bonds of ₹1,000,000 each	33.28	–
9.73% Vijaya Bank 2023 55 (Previous year Nil) Bonds of ₹1,000,000 each	55.00	–
7.50% WSPF 2020 1085 (Previous year Nil) Bonds of ₹100,000 each	108.67	–
7.80% Government of India Loan 2021 Nil (Previous year 500,000) Bonds of ₹100 each	–	49.50
8.30% Government of India Loan 2042 Nil (Previous year 3,500,000) Bonds of ₹100 each	–	358.37
9.60% HDB Financial Services Limited 2023 Nil (Previous year 250) Bonds of ₹1,000,000 each	–	250.00
7.70% Indian Overseas Bank 2016 Nil (Previous year 17) Bonds of ₹1,000,000 each	–	16.65
8.85% IDFC Limited 2016 Nil (Previous year 217) Bonds of ₹1,000,000 each	–	217.00
Industrial Finance Corporation of India Limited Deep Discount Bond 2034 Nil (Previous year 41,470) Bonds of ₹25,000 each	–	269.56
Industrial Finance Corporation of India Limited Deep Discount Bond 2037 Nil (Previous year 17,370) Bonds of ₹25,000 each	–	112.91
Industrial Finance Corporation of India Limited Deep Discount Bond 2038 Nil (Previous year 41,470) Bonds of ₹25,000 each	–	269.56
7.77% Indian Railway Finance Corporation Limited 2026 Nil (Previous year 10) Bonds of ₹100,000 each	–	1.01

Notes forming part of the financial statements

(₹ in million)

		2014	2013
	8.90% Jharkhand State Development Loan 2022 Nil (Previous year 50,000) Bonds of ₹100 each	–	5.04
	9.18% NABARD 2017 Nil (Previous year 100) Bonds of ₹1,000,000 each	–	101.82
	8.85% Power Grid Corporation of India Limited 2027 Nil (Previous year 11) Bonds of ₹1,250,000 each	–	13.78
	9.28% Rural Electrification Corporation Limited 2017 Nil (Previous year 100) Bonds of ₹1,000,000 each	–	102.07
	8.70% Rural Electrification Corporation Limited 2018 Nil (Previous year 150) Bonds of ₹1,000,000 each	–	149.96
	9.85% Reliance Capital Limited 2023 Nil (Previous year 450) Bonds of ₹1,000,000 each	–	450.00
	10.20% SREI Infrastructure Finance Limited 2020 Nil (Previous year 155) Bonds of ₹1,000,000 each	–	155.00
	10.75% SREI Infrastructure Finance Limited 2014 Nil (Previous year 75) Bonds of ₹1,000,000 each	–	75.00
	8.81% West Bengal State Development Loan 2021 Nil (Previous year 100,000) Bonds of ₹100 each	–	10.08
ii)	**Certificate of deposits (CD)**		
	Andhra Bank Limited 2014 5,000 (Previous year Nil) CD of ₹100,000 each	490.31	–
	Syndicate Bank 2014 5,000 (Previous year Nil) CD of ₹100,000 each	491.66	–
	Andhra Bank Limited 2013 Nil (Previous year 2,500) CD of ₹100,000 each	–	244.51
	Indusind Bank Limited 2013 Nil (Previous year 5,000) CD of ₹100,000 each	–	491.75
	Sicom Limited Nil (Previous year 1) CD of ₹500,000,000 each	–	500.00
iii)	**Mutual fund**		
	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	–
	Reliance Liquid Fund - Treasury Plan - Daily Dividend Option	–	280.97
	Total	**11,142.54**	**16,908.26**
Aggregate book value of quoted investments		11,142.54	16,908.26
Aggregate market value of quoted investments		11,393.91	17,107.31

Notes forming part of the financial statements

(₹ in million)

	2014	2013
17. Inventories		
Raw materials (including goods-in-transit of ₹27.66 million (Previous year ₹3,408.23 million))	1,392.45	5,779.37
Goods-in-process	427.93	2,939.08
Finished goods	2,218.28	4,698.54
Stores and spares	1,252.81	1,324.87
Total	**5,291.47**	**14,741.86**
Details of inventories under broad heads		
Raw materials		
H.R. Coils	339.85	946.99
H.R. Plates	503.61	676.00
M.S. Slabs	225.07	474.23
Others	296.26	273.92
Goods-in-transit	27.66	3,408.23
Total	**1,392.45**	**5,779.37**
Goods-in-process		
Welded pipes	8.77	2,099.33
Coating	323.18	364.77
Plates and Coils	68.20	223.79
Others	27.78	251.19
Total	**427.93**	**2,939.08**
Finished goods		
Welded pipes	2,191.88	3,151.20
M.S. Plates	4.15	635.86
H.R Coils	–	743.64
Coating	22.25	167.85
Total	**2,218.28**	**4,698.54**

(₹ in million)

	2014	2013
18. Trade receivables*		
(Unsecured)		
Over six months		
Considered good	212.21	805.79
Considered doubtful	53.76	90.65
Less: Provision for doubtful debts	(53.76)	(90.65)
	212.21	805.79
Others considered good	3,709.80	8,965.00
Total	**3,922.01**	**9,770.79**

*includes receivable from a subsidiary ₹1,497.82 million (Previous year ₹5,667.50 million)

Notes forming part of the financial statements

(₹ in million)

	2014	2013
19. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- Current accounts	28.81	3,579.04
- Deposits having original maturity period of less than three months	23.97	126.14
Cheques on hand	–	0.98
Cash on hand	0.79	1.75
Other bank balances		
Balances with banks - Escrow accounts	1.59	11.48
Unclaimed dividend accounts	5.35	5.30
Margin money deposits	437.06	548.94
Total	**497.57**	**4,273.63**

(₹ in million)

	2014	2013
20. Short-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Deposits		
- Related parties (Refer note 39)	–	37.28
- Others	0.28	1.77
	0.28	**39.05**
Loans and advances to related parties (Refer note 39)		
- Subsidiaries	299.58	271.43
- Other parties	–	3.90
	299.58	**275.33**
Other loans and advances		
Advances recoverable in cash or in kind	106.26	693.17
Balances with government authorities - Indirect taxes	1,143.87	1,341.60
Prepaid expense	43.75	45.29
Loans and advances to employees*	95.34	12.38
	1,389.23	**2,092.44**
Less: Provision for doubtful advances	225.28	227.54
Total	**1,463.81**	**2,179.28**

*Includes ₹83.01 million recoverable from Managing Director {Refer note 45(b)}

(₹ in million)

	2014	2013
21. Other current assets		
Interest accrued on		
- Loan to subsidiary	20.30	102.39
- Current investments	301.50	295.73
- Fixed deposits	22.00	32.96
- Others	26.04	20.55
Receivable towards claim	45.72	244.51
Export benefits receivable	623.42	749.22
Other receivables from related parties (Refer note 39)		
- Subsidiaries	654.24	361.22
- Other parties	79.52	-
Assets held for disposal	4.19	4.13
Total	**1,776.92**	**1,810.72**

Notes forming part of the financial statements

(₹ in million)

	2014	2013
22. Revenue from operations		
Sale of products		
- Finished goods	41,740.43	56,851.45
- Traded goods	5,264.07	9,790.16
Other operating revenues (Refer note 44)	2,777.73	3,959.41
Revenue from operations (Gross)	49,782.24	70,601.02
Less: Excise duty	1,106.12	4,279.37
Revenue from operations (Net)	**48,676.12**	**66,321.65**
Details of sale of products under broad heads		
Finished goods		
Welded pipes	40,078.85	38,144.78
M.S. Plates	1,157.93	8,040.46
H.R. Coils	188.06	6,359.21
Coating	73.80	3,032.76
Steam	127.75	1,096.48
Others	114.04	177.76
	41,740.43	**56,851.45**
Traded goods		
H.R. Coils	5,264.07	9,790.16
	5,264.07	**9,790.16**

(₹ in million)

	2014	2013
23. Other income		
Interest income on		
- Loan to subsidiary	18.54	1.76
- Current investments	923.55	571.97
- Fixed deposits	69.92	79.37
- Others	143.92	279.08
Dividend income on		
- Non-current investment in subsidiary	–	220.38
- Current investments	7.93	249.46
Profit on sale/redemption of		
- Non-current investments	242.55	234.42
- Current investments	207.72	331.08
Miscellaneous income	134.00	277.17
Total	**1,748.13**	**2,244.69**

Notes forming part of the financial statements

(₹ in million)

	2014	2013
24. Cost of materials consumed		
Inventory at the beginning of the year	2,371.15	6,154.42
Add: Purchases	24,913.25	37,776.65
	27,284.40	**43,931.07**
Less: Inventory at the end of the year	1,364.79	2,371.15
Total	**25,919.61**	**41,559.92**
Details of raw materials consumed		
H.R. Coils	10,059.62	10,247.97
H.R. Plates	14,050.16	17,628.10
M.S. Slabs	386.65	11,799.08
Welding and coating materials	1,273.01	1,710.30
Others	150.17	174.47
	25,919.61	**41,559.92**

(₹ in million)

	2014	2013
25. Purchases of traded goods		
Purchases of H.R. Coils	4,953.17	9,207.69
Total	**4,953.17**	**9,207.69**

(₹ in million)

	2014	2013
26. Changes in inventories of finished goods and goods-in-process		
Inventories at the end of the year		
Goods-in-process	427.93	2,939.08
Finished goods	2,218.28	4,698.54
	2,646.20	7,637.62
Inventories at the beginning of the year		
Goods-in-process	2,939.08	1,300.61
Finished goods	4,698.54	4,861.07
	7,637.62	6,161.68
Total	**4,991.42**	**(1,475.94)**

(₹ in million)

	2014	2013
27. Employee benefits expense (Net) {Refer note 45(b)}		
Salaries, wages and bonus	1,325.31	2,009.99
Contribution to provident and other funds	69.54	87.25
Employee compensation expenses	(0.73)	(6.60)
Staff welfare expenses	73.40	100.89
Total	**1,467.51**	**2,191.53**

Notes forming part of the financial statements

(₹ in million)

	2014	2013
28. Other expenses		
Stores and spares consumed	596.03	1,937.48
Coating and other Job charges	1,749.16	3,038.73
Power, fuel and water charges	822.36	1,817.00
Freight, material handling and transportation	763.08	1,099.22
Excise duty on (increase)/decrease of finished goods	(206.41)	235.52
Rent	71.01	85.86
Rates and taxes	5.28	4.60
Repairs and maintenance		
- Plant and machinery	58.72	77.52
- Buildings	14.25	18.41
- Others	143.11	84.91
Travelling and conveyance expenses	186.44	215.68
Communication expenses	17.95	23.44
Professional and consultancy fees	212.65	256.41
Insurance	77.68	96.59
Directors' sitting fees	2.48	1.56
Printing and stationery	15.19	10.56
Security charges	30.70	23.82
Membership and subscription	23.72	25.83
Vehicle expenses	18.90	20.38
Exchange difference (Net)	3,596.73	1,088.64
Auditors remuneration	7.55	8.89
Product compensation and claims	125.46	3.29
Sales promotion expenses	11.23	17.69
Liquidated damages	12.78	73.21
Commission and discount on sales	399.58	564.22
Provision for doubtful debts and advances (Net)	(39.71)	59.72
Bad debts and advances written off	96.59	2.18
Provision for diminution in the value of non-current investments	–	0.80
Provision for impairment of tangible assets	12.45	106.09
Loss on sale / discard of tangible assets	1.95	8.29
Miscellaneous expenses	45.91	106.09
Total	**8,872.82**	**11,112.64**

(₹ in million)

	2014	2013
29. Finance costs		
Interest expense		
- Term loans	342.29	204.13
- Debentures/Bonds	1,576.86	1,999.76
- Working capital	44.88	44.00
- Others	29.48	32.18
Other borrowing costs	246.30	708.91
Total	**2,239.81**	**2,988.98**

Notes forming part of the financial statements

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)

	2014	2013
Principal amount due to suppliers under MSMED Act, 2006	26.85	2.40
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.23	0.19
	27.08	**2.59**
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	26.77	31.34
Interest due and payable to suppliers under MSMED Act, for payments already made	0.24	0.31
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.57	2.10

31. Foreign exchange differences

a) Loss on account of difference in foreign exchange on realignment/realization and on cancellation of derivative instruments of ₹3596.73 million (Previous year ₹1,088.64 million) is shown in other expenses other than (b) below.

b) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of AS-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 difference loss amounting to ₹344.23 million (Previous year ₹361.90 million) to the cost of fixed assets and capital work-in-progress and exchange difference loss of ₹946.89 million (Previous year ₹648.88 million) is 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 ₹ 437.57 million (Previous year ₹373.50 million) has been adjusted in the current year and loss of ₹509.32 million (Previous year ₹275.37 million) has been carried over and disclosed in shareholders funds.

c) The Company has adopted AS-30 as referred to in Note 1 (i) of the Significant Accounting Policies and accordingly gain of ₹51.50 million (Previous year Loss of ₹44.84 million) 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.

32. Disclosure of derivative instruments and unhedged foreign currency exposure as at balance sheet date

(₹ in million)

	2014		2013	
	Amount Hedged	Amount Unhedged*	Amount Hedged	Amount Unhedged*
a) In respect of Short-term receivables and payables				
i) In respect of Trade receivables				
Existing as on the balance sheet date	–	1,749.89	–	720.72
In respect of future forecasted transactions	848.68	–	631.44	–
ii) In respect of Trade payables				
Existing as on the balance sheet date	4,195.31	712.05	4,437.65	13,688.80
In respect of future forecasted transactions	42.20	–	–	–
b) In respect of short-term receivables and payables existing as on the balance sheet date				
i) Borrowings	–	4,493.63	1,813.95	907.73
ii) Other liabilities or payables	–	2,324.90	–	1,606.24
iii) Other assets or receivables	–	1,022.92	–	885.62
c) In respect of long-term receivables and payables existing as on the balance sheet date				
i) Borrowings	–	5,976.52	–	12,581.30
ii) Other liabilities or payables	–	997.58	–	1,764.26
d) Other derivative Hedge instruments**	10,976.52	–	13,872.88	–

Note :

*The net un-hedged short term payables/borrowings as on 31 March 2014 is ₹4,757.76 million (Previous year ₹14,596.42 million) mainly resulting in natural hedge against foreign exchange rate fluctuation.

**Other derivative hedge instruments include Coupon Only Swap for notional Rupee liability of ₹5,000 million (₹5,000 million), Interest Rate Swap for notional foreign currency liability of USD 99.75 million equivalent to ₹5,976.52 million (USD 163.45 million equivalent to ₹8,872.88 million).

Notes forming part of the financial statements

(in million)

Cross Currency Hedges	2014 Amount in Foreign Currency	2013 Amount in Foreign Currency
In respect of short term payables		
EUR / US$	82.83	23.12

33. a) Contingent liabilities not provided for

(₹ in million)

	2014	2013
Performance guarantees/Bid bond given by banks to company's customers / government authorities etc.	9,306.49	15,630.87
Corporate guarantees given by the company (includes ₹ 15,277.48 million (Previous year ₹ 11,998.22 million)) for Loans/Liabilities taken by the subsidiaries. Loans /Liabilities outstanding against these guarantees are ₹ 2,913.06 million (Previous year ₹ 1,772.89 million)	17,148.95	18,203.96
Letters of credit outstanding (net of liability provided) for company's sourcing	9,257.32	4,087.02
Claims against the Company not acknowledged as debts	570.62	450.54
Custom duty on pending export obligation against import of Raw Materials	380.81	1,387.25
Disputed direct taxes*	2,000.26	2,009.47
Disputed indirect taxes	84.78	100.73

*Income tax demands mainly include appeals filed by the Company before appellate authorities against disallowances i.e. depreciation/claims/deductions. The management is of the opinion that its tax disputes will be decided in its favour and no material tax liability is likely to be sustained, hence no provision is considered necessary.

b) The Company has challenged before CESTAT, the order of Commissioner of Customs (Kandla) for duty evasion of ₹8,609.82 million (Previous year ₹8,609.82 million) on account of alleged wrong classification of imported raw materials along with penalty of ₹8,609.82 million (Previous year ₹8,609.82 million) and penalty of ₹205 million (Previous year ₹205 million) on directors and officers of the Company. On the same matter and under a different proceeding, the additional DGFT, during the year imposed a penalty of ₹8,609.82 million (Previous year ₹Nil) which has been unconditionally stayed by the Bombay High Court on petition filed by the Company. Based on DGFT's clarification that, irrespective of whether it is alloy or non-alloy steel, if the grade of import and export is same, the licence can be redeemed. The Joint DGFT, Vadodara has confirmed that the grade of import and export is same, hence the whole amount of duty and penalty referred above may not be sustained and is not considered as contingent liability. However in any case, out of the above, ₹6,706.60 million (Previous year ₹6,706.60 million) is cenvatable duty which is revenue neutral and may not result into recoverable demand and accordingly relevant amount of penalty may not sustain.

34. Capital and Other Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹120.42 million (Previous year ₹ 280.26 million)

b) Other long-term commitments - ₹ 2,000 million (Previous year ₹ 5,250 million)

c) The company has committed to provide continued need based financial support to subsidiaries.

35. Disclosures pursuant to adoption of Accounting Standard 15 (Revised 2005) Employee Benefits

The Employees gratuity fund scheme managed jointly by Kotak Life Insurance Limited and India First Life Insurance Company Limited is a defined benefit plan. The present value of obligation is based on actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

Notes forming part of the financial statements

Defined benefit plan

Details of defined benefit plan of Gratuity (Funded) and Leave Encashment (Non-Funded) are as follows

I. Actuarial assumptions

Economic assumptions

Major assumptions	2014 (%p.a.)	2013 (%p.a.)
Discount rate (p.a.)	9.00	8.25
Expected return on assets	5.00	10.00
Salary escalation rate	6.00	5.75

Demographic assumptions

Major assumptions	
Mortality	Latest Compiled Table of LIC (1994-96)
Retirement age	60 years for all staff and workers (except Presidents and above retirement age is 62 Years)
Attrition rate	2% up to age 44 and 1% thereafter

II. Expenses recognized in the statement of profit and loss

(₹ in million)

	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Current service cost	30.94	77.00	16.73	45.51
Interest cost	9.28	9.15	3.83	3.94
Expected return on plan assets	(8.70)	(8.25)	–	–
Net actuarial (gain)/loss recognized	(35.96)	(61.89)	(21.25)	(31.56)
Expenses recognized in the statement of profit and loss	**(4.44)**	**16.02**	**(0.69)**	**17.90**

III. Present value of defined benefit obligation and the fair value of assets

(₹ in million)

	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Present value of obligation as at 31 March	103.98	119.18	38.62	50.83
Fair value of plan assets as at 31 March	108.59	119.18	–	–
Liability recognized in the balance sheet	**(4.61)**	**–**	**38.62**	**50.83**

IV. Change in the present value of obligation

(₹ in million)

	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
	2014	2013	2014	2013
Present value of obligation as at 1 April	119.18	99.54	50.83	46.75
Current service cost	30.94	77.00	16.73	45.51
Interest cost	9.28	9.15	3.83	3.94
Benefits paid	(14.46)	(6.36)	(11.52)	(13.81)
Actuarial (gain)/loss on obligations	(40.96)	(60.16)	(21.25)	(31.56)
Present value of obligation as at 31 March	**103.98**	**119.18**	**38.62**	**50.83**

Notes forming part of the financial statements

V. Change in fair value of plan assets

(₹ in million)

	Gratuity (Funded) 2014	Gratuity (Funded) 2013
Fair value of plan assets as at 1 April	119.18	99.54
Expected return on plan assets	8.70	8.25
Actuarial gain/(loss) on plan assets	(5.00)	16.02
Contributions	0.16	(6.36)
Benefits paid	(14.46)	1.73
Fair value of plan assets as at 31 March	108.58	119.18

Notes:

i) Amount recognized as an expense and included in Note 27 - Employee benefits expense is: Gratuity-credit of ₹0.06 million (Previous year expense of ₹16.02 million) and Leave Encashment-credit of ₹1.40 million (Previous year expense of ₹17.90 million).

ii) "Contribution to provident and other funds” is recognised as an expense in note 27 of the statement of profit and loss.

36. Segment reporting

i) The Company is engaged in the business of steel products which in the opinion of the management is considered as the only reportable business segment in the context of Accounting Standard – 17 on “Segment Reporting”.

ii) Information about Secondary-Geographical Segment

(₹ in million)

	2014			2013		
	Within India	Outside India	Total	Within India	Outside India	Total
External sales / revenue from operations*	32,279.17	16,396.95	48,676.12	40,555.67	25,765.98	66,321.65
Carrying amount of segment assets	53,611.55	6,374.66	59,986.21	96,210.75	7,796.79	104,007.54
Capital expenditure	1,444.68	–	1,444.68	1,523.75	–	1,523.75

*Sales within India includes deemed exports of ₹ 21,534.17 million (Previous year ₹ 9,505.57 million)

Notes:

a) Segment revenue in the geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India.
- Revenue outside India includes sales to customers located outside India.

b) Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

c) Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

37. Payment to Auditors

(₹ in million)

	2014	2013
Audit fee	5.50	5.50
Tax audit fee	1.00	1.00
Taxation matters	–	1.50
Other services (Certification fees)	0.82	0.78
Out of pocket expenses	0.23	0.11

Notes forming part of the financial statements

38. Operating lease

The Company 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 tenure of lease is generally for eleven months to one twenty months.

(₹ in million)

	2014	2013
Lease rental charges for the year	71.01	85.86
Future lease rental obligations payable (under non-cancelable leases)		
Not Later than one year	63.06	58.25
Later than one year but not later than five years	7.17	119.02
Later than five years	0.15	0.27

39. Related Party Disclosures

a. Particulars of Subsidiaries / Associates / Joint Ventures

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	United States of America	100% (100%)
Welspun Tradings Limited	Trading in Steel Products	India	100% (100%)
Welspun Mauritius Holdings Limited	SPV for Steel Pipes Business	Mauritius	89.98% (89.98%)
Welspun Infratech Limited*	Infrastructure Development	India	--- (100%)
Welspun Natural Resources Private Limited*	Oil and Gas Exploration	India	--- (100%)
Welspun Maxsteel Limited*	Manufacturer of Sponge Iron	India	--- (87.35%)
Welspun Enterprises Limited*	SPV for Non-pipe businesses	India	--- (100%)
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 Steel Pipes	Kingdom of Saudi Arabia	50.01% (50.01%)
Held through Welspun Tradings Limited			
Welspun Middle East DMCC (w.e.f. 5 December 2013, earlier 100% subsidiary of Welspun Mauritius Holdings Limited)	Marketing Company	Dubai, UAE	100% (100%)
Held through Welspun Pipes Inc.			
Welspun Tubular LLC	Manufacturer of Steel Pipes	United States of America	100% (100%)
Welspun Global Trade LLC	Marketing Company	United States of America	100% (100%)
Held through Welspun Natural Resources Private Limited*			
Welspun Plastics Private Limited	Oil and Gas Exploration	India	--- (100%)
Held through Welspun Infratech Limited*			
Welspun Projects Limited	Infrastructure Development	India	--- (61.12%)
Welspun Road Projects Private Limited	Infrastructure Development	India	--- (100%)
Welspun Infra Projects Private Limited	Infrastructure Development	India	--- (60%)
ARSS Bus Terminal Private Limited	Infrastructure Development	India	--- (45%)

Notes forming part of the financial statements

39. Related Party Disclosures (Contd.)

Name of the Subsidiaries	Nature of Business	Country of Incorporation	Extent of Holding (%)
Held through Welspun Projects Limited*			
Anjar Road Private Limited	Infrastructure Development	India	--- (100%)
Welspun BOT Projects Private Limited	Infrastructure Development	India	--- (100%)
MSK Projects (Himmatnagar Bypass) Private Limited	Infrastructure Development	India	--- (100%)
MSK Projects (Kim Mandavi Corridor) Private Limited	Infrastructure Development	India	--- (100%)
Leighton Welspun Contractors Private Limited	Infrastructure Development	India	--- (7.5%)
Held through Welspun Infra Projects Limited*			
Welspun Energy Transportation Private Limited	Infrastructure Development	India	--- (100%)
Welspun Water Infrastructure Private Limited	Infrastructure Development	India	--- (100%)
Associate Companies			
Red Lebondal Limited@	SPV for Steel Pipe Marketing	Cyprus	25% (25%)
Welspun Captive Power Generation Limited (Ceased to be associate w.e.f. 1 April 2013)	Power Generation	India	--- (24%)
Welspun Energy Limited*#	Power Generation	India	--- (26%)
Indirect Joint Ventures			
Held through Welspun Natural Resources Private Limited*			
Adani Welspun Exploration Limited	Oil and Gas Exploration	India	--- (35%)
Held through Welspun Infra Projects Private Limited*			
Leighton Welspun Contractors Private Limited	Infrastructure Development	India	--- (32.38%)
Held through Welspun Projects Limited*			
Dewas Bhopal Corridor Limited	Infrastructure Development	India	--- (50%)
Bul MSK Infrastructure Private Limited	Infrastructure Development	India	--- (50%)

*Transferred pursuant to the Scheme of Arrangement (Refer note 52)

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

#Direct and Indirect subsidiaries of Welspun Energy Limited - (an associate company): Welspun Energy Madhya Pradesh Limited, Welspun Energy Anuppur Private Limited , Welspun Energy UP Private Limited , Welspun Urja India Limited, Welspun Energy Chhattisgarh Limited, Welspun Renewable Energy Limited, Welspun Urja Gujarat Private Limited, Welspun Energy Meghalaya Private Limited, Welspun Energy Jharkhand Private Limited, Welspun Energy Orissa Private Limited, Welspun Energy Resources Private Limited, Welspun Solar Park Private Limited, Welspun Energy Park Private Limited, Welspun Solar Tech Private Limited , Welspun Energy Maharashtra Private Limited, Welspun Energy Rajasthan Private Limited , Solarsys Renewable Energy Private Limited, Welspun Solar Madhya Pradesh Private Limited, Welspun Solar Rajasthan Private Limited, Welspun Solar Punjab Private Limited, Welspun Solar UP Private Limited, Welspun Solar AP Private Limited, Unity Power Private Limited, Northwest Energy Private Limited, Dreisatz Mysolar24 Private Limited, SUIL Hydro Power Private Limited, MI Mysolar24 Private Limited, Solarsys Energy Private Limited, Welspun Solar Kannada Private Limited.

b. Other related parties with whom transactions have taken place during the year and/or balances outstanding as on the last day of the year.

Welspun India Limited, Welspun Steel Limited, RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited), Welspun Retail Limited, Welspun Anjar SEZ Limited, Welspun Foundation for Health and Knowledge, Welspun Syntex Limited, Vipuna Trading Limited, Welspun Logistics Limited, Welspun Realty Private Limited, Welspun Global Brands Limited, Welspun Projects Limited, Welspun Captive Power Generation Limited, Welspun Energy Limited., Welspun Enterprises (Cyprus) Limited, Welspun Enterprises Limited, Leighton Welspun Contractors Private Limited (Upto 07 February 2014), Welspun Marine Logistics Limited.

c. Directors / Key Management Personnel

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

Notes forming part of the financial statements

d. Transactions with related parties for the year

(₹ in million)

	Subsidiaries	Associate/ Joint Venture	Other Related Parties	Key Management Personnel	Total
Sale of goods and services	**24,998.34**	**–**	**803.00**	**–**	**25,801.35**
	(36,927.53)	(3.73)	(1,640.63)	–	(38,571.89)
Interest and other income	**87.47**	**–**	**9.03**	**–**	**96.49**
	(139.24)	–	(0.44)	–	(139.68)
Dividend received	**–**	**–**	**–**	**–**	**–**
	(220.38)	–	–	–	(220.38)
Sale/redemption of shares	**860.28**	**–**	**–**	**–**	**860.28**
	(879.92)	–	(0.06)	–	(879.98)
Purchase of goods and services	**38.04**	**–**	**356.74**	**–**	**394.78**
	(125.67)	(238.04)	(71.03)	–	(434.75)
Purchase of fixed assets	**–**	**–**	**180.77**	**–**	**180.77**
	(290.40)	–	–	–	(290.40)
Sale of fixed assets	**–**	**–**	**–**	**–**	**–**
	(0.07)	–	(4.84)	–	(4.91)
Rent and license fees paid	**–**	**–**	**61.09**	**–**	**61.09**
	–	–	(67.72)	–	(67.72)
Donation paid	**–**	**–**	**–**	**–**	**–**
	–	–	(80.75)	–	(80.75)
Reimbursement of expenses (paid) / recovered (Net)	**138.75**	**–**	**(6.60)**	**–**	**132.15**
	(1,137.89)	17.99	(31.33)	–	(1,151.23)
Loans, advances and deposits given	**–**	**–**	**–**	**–**	**–**
	(4,376.34)	–	–	–	(4,376.34)
Loans, advances and deposits given repaid / adjusted	**–**	**–**	**–**	**–**	**–**
	(2,694.11)	–	–	–	(2,694.11)
Advances and deposits taken	**2.00**	**–**	**–**	**–**	**2.00**
	–	–	–	–	–
Investment in shares / optionally convertible debentures	**62.31**	**–**	**21.55**	**–**	**83.86**
	(4,732.92)	(799.56)	–	–	(5,532.47)
Share application money given	**47.97**	**–**	**–**	**–**	**47.97**
	(2,581.03)	(8.00)	–	–	(2,589.03)
Share application money given repaid / adjusted	**–**	**–**	**21.55**	**–**	**21.55**
	(4,777.68)	(881.21)	–	–	(5,658.89)
Directors remuneration	**–**	**–**	**–**	**40.29**	**40.29**
	–	–	–	(154.42)	(154.42)

Notes forming part of the financial statements

e. Closing balances as at 31 March 2014

(₹ in million)

	Subsidiaries	Associate/ Joint Venture	Other Related Parties	Key Management Personnel	Total
Loans, advances and deposits given	**299.58**	**–**	**348.08**	**83.01**	**730.67**
	(1,890.37)	–	(350.78)	–	(2,241.15)
Corporate guarantees given	**15,277.48**	**–**	**1,871.47**	**–**	**17,148.95**
	(11,998.22)	(6,204.28)	(1.46)	–	(18,203.96)
Investments in shares/optionally convertible debentures	**3,414.80**	**0.03**	**221.59**	**–**	**3,636.42**
	(18,448.94)	(1,110.15)	(0.77)	–	(19,559.86)
Share application money given	**596.15**	**–**	**–**	**–**	**596.15**
	(610.59)	(21.55)	–	–	(632.14)
Trade receivables	**1,497.82**	**–**	**72.11**	**–**	**1,569.93**
	(5,667.50)	–	(27.06)	–	(5,694.56)
Interest receivable	**20.30**	**–**	**–**	**–**	**20.30**
	(102.39)	–	–	–	(102.39)
Advances and deposits taken	**735.90**	**–**	**–**	**–**	**735.90**
	–	–	–	–	–
Trade payables	**–**	**–**	**32.20**	**–**	**32.20**
	(1.48)	(26.94)	(19.85)	–	(48.26)
Other receivables	**654.24**	**–**	**79.52**	**–**	**733.76**
	(361.22)	–	–	–	(361.22)

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

i Sale of goods and services - Welspun Tradings Limited ₹19,710.20 million (₹26,642.57 million), Welspun Tubular LLC ₹5,288.14 million (₹9,958.35 million)

ii Interest and other income includes - Interest received from Welspun Natural Resources Private Limited ₹Nil (₹111.77 million), interest and guarantee commission received from Welspun Pipes Inc ₹25.13 million (₹27.43 million), guarantee commission received from Welspun Middle East Pipe Company LLC ₹58.56 million (₹Nil).

iii Dividend received - Welspun Pipes Inc ₹Nil (₹220.38 million)

iv Redemption of preference shares of - Welspun Mauritius Holdings Limited ₹860.28 million (₹Nil) and Welspun Pipes Inc ₹Nil (₹879.92 million)

v Purchase of goods and services - Welspun Tubular LLC ₹7.50 million (₹124.05 million), Welspun Logistics Limited ₹38.76 million (₹54.74 million), Welspun Captive Power Generation Limited ₹302.37 million (₹238.04 million)

vi Purchase of fixed assets - Welspun Projects Limited ₹180.77 million (₹290.34 million)

vii Sale of fixed assets - Welspun India Limited ₹Nil (₹4.37 million)

viii Rent and license fees paid - Welspun Realty Private Limited ₹58.06 million (₹58.99 million)

ix Donation paid - Welspun Foundation for Health and Knowledge ₹Nil (₹80.75 million) (meant for Corporate Social Responsibility activities)

x Reimbursement of expenses (paid) / recovered (net) includes recovered from Welspun Pipes Inc ₹36.52 million (₹Nil), Welspun Tubular LLC ₹34.31 million (₹37.01 million), Welspun Tradings Limited ₹28.08 million (paid ₹1,186.56 million), Welspun Middle East Pipe Coating Company LLC ₹32.37 million (₹0.15 million), Welspun Captive Power Generation Limited ₹15.28 million (₹10.71 million) and paid to Welspun India Limited ₹25.70 million (₹51.37 million),

Notes forming part of the financial statements

xi Loans, advances and deposits given - Welspun Natural Resources Private Limited ₹Nil (₹1,333.36 million), Welspun Pipes Inc ₹Nil (₹271.43 million), Welspun Tradings Limited ₹Nil (₹2,721.72 million)

xii Loans, advances and deposits given repaid / adjusted - Welspun Natural Resources Private Limited ₹Nil (₹932.06 million), Welspun Tradings Limited ₹Nil (₹1,762.05 million), Welspun Maxsteel Limited ₹Nil (₹1,085.48 million).

xiii Deposits taken - Welspun Tradings Limited ₹2 million (₹Nil).

xiv Investment in shares of - Welspun Mauritius Holdings Limited ₹62.31 million (₹3,296.62 million), Welspun Energy Limited ₹Nil (₹648.11 million), Welspun Captive Power Generation Limited ₹21.55 million (₹151.45 million) and investment in optionally convertible debentures issued by Welspun Infratech Limited ₹Nil (₹1,398.90 million).

xv Share application money given - Welspun Pipes Limited ₹39.51 million (₹Nil), Welspun Infratech Limited ₹Nil (₹706.56 million), Welspun Mauritius Holdings Limited ₹8.46 million (₹1837.07 million).

xvi Share application money given includes repaid / adjusted by - Welspun Energy Limited ₹Nil (₹699.76 million), Welspun Infratech Limited ₹Nil (₹1,421.66 million), Welspun Mauritius Holding Limited ₹Nil (₹3,296.62 million), Welspun Captive power Generation Limited ₹21.55 million (₹181.45 million).

xvii Directors Remuneration

(₹ in million)

Name	Relation	2014	2013
B. K. Goenka	Chairman	–	15.58
R. R. Mandawewala	Director	–	0.83
Braja Mishra	Managing Director	40.29	138.01
	Total	**40.29**	**154.42**

Disclosure of closing balances as at 31 March 2014

i Loans, advances and deposits given - Welspun Logistics Limited ₹52.40 million (₹52.40 million), Welspun Realty Private Limited ₹284.48 million (₹284.48 million), Welspun Natural Resources Private Limited ₹Nil (₹1,583.57 million), Welspun Pipes Inc ₹299.58 million (₹271.43 million), recoverable from Managing Director ₹83.01 million (₹Nil) {Refer note 45(b)}.

ii Corporate guarantees given - Welspun Pipes Inc ₹1,797.45 million (₹1,628.55 million), Welspun Urja Private Limited ₹Nil (₹1,709.30 million), Welspun Middle East Pipes Company LLC ₹4,172.91 million (₹5,357.31 million), Welspun Energy Limited ₹1,270 million (₹1,270 million), Adani Welspun Exploration Limited ₹Nil (₹2,624.98 million), Welspun Tradings Limited ₹8,927.55 million (₹4,668.51 million).

iii Investments held - Welspun Infratech Limited ₹Nil (₹1,920.85 million), Welspun Maxsteel Limited ₹Nil (₹8,079.57 million), Welspun Mauritius Holdings Limited ₹3,363.63 million (₹3,981.36 million), Welspun Infratech Limited - optionally convertible debentures ₹Nil (₹4,228.90 million).

iv Share application money given - Welspun Pipes Limited ₹596.15 million (₹556.64 million).

v Trade receivables - Welspun Tubular LLC ₹1,497.82 million (₹214.06 million), Welspun Tradings Limited ₹Nil (₹5,031.14 million).

vi Interest receivable from Welspun Natural Resources Private Limited - ₹Nil (₹100.59 million), Welspun Pipes Inc ₹20.30 million (₹1.76 million).

vii Advance and deposits taken from Welspun Tradings Limited ₹735.90 million (₹Nil).

viii Trade payables - Welspun India Limited ₹Nil (₹19.35 million), Welspun Captive power Generation Limited ₹22.27 million (₹26.93 million), Welspun Projects Limited ₹9.01 million (₹Nil).

ix Other receivables - Welspun Pipes Inc ₹6.35 million (₹220.38 million), Welspun Mauritius Holdings Limited ₹511 million (₹Nil), Welspun Middle East Pipes Company LLC ₹134.23 million (₹140.85 million).

Note: Figures in bracket pertain to previous year.

Notes forming part of the financial statements

40. Disclosure pursuant to Clause 32 of the listing agreement :

(₹ in million)

	Balance as on 31 March		Maximum amount outstanding during the year	
	2014	2013	2014	2013
Loans and advances in the nature of loans to subsidiaries:				
- Welspun Natural Resources Private Limited	–	1583.57	–	1955.74
- Welspun Plastic Private Limited	–	35.38	–	35.38
- Welspun Pipes Inc	299.58	271.43	299.58	271.43

41. The Company's management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2013. Management continues to believe that its international transactions post March 2014 and the specified domestic transactions covered by the new regulations are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

42. Net dividend remitted in foreign exchange

Year of remittance (ending on)	2014	2013
Period to which it relates	2012 - 2013	2011 - 2012
Number of non-resident shareholders	20	23
Number of equity shares held on which dividend was due	57,156,754	22,119,265
Amount remitted (₹ in million)	28.58	11.06

43. Earnings Per Share (EPS)

	2014	2013
I) Profit after tax for diluted EPS (₹ in million)	(175.42)	530.86
II) Weighted average number of equity shares for EPS computation		
a) For Basic EPS (Nos)	262,948,299	231,836,824
b) For Diluted EPS (Nos)*	262,948,299	231,836,824
III) EPS on Face Value of ₹ 5 each		
Basic and Diluted (₹)*	(0.67)	2.29

*Foreign currency convertible bonds, Compulsory convertible debentures and Employee stock options plan are anti-dilutive and ignored in the calculation of diluted earnings per share.

44. Other operating revenues

(₹ in million)

	2014	2013
Scrap sales	925.95	1,262.78
Value added tax incentive	727.90	1,359.68
Export benefits	992.76	977.02
Excess provisions written back	100.54	–
Others	30.58	359.93
Total	**2,777.73**	**3,959.41**

Notes forming part of the financial statements

45. Managerial Remuneration

a) Remuneration paid or provided in accordance with section 198 of the Companies Act , 1956 to the Directors is as under:

(₹ in million)

	2014		2013	
	Chairman	Managing Director	Chairman	Managing Director
Salaries and Allowances	–	36.79	3.71	131.34
Commission	–	–	11.87	–
Perquisites / Contribution to Provident Fund	–	3.50	–	7.50
Total	**–**	**40.29**	**15.58**	**138.84**

b) Application made to the Central Government in the year 2012-13 for appointment and remuneration payable to the Managing Director, was approved in March 2014, albeit with a lower remuneration than applied. Consequently, payments made to the Managing Director, based on the agreement and shareholders' approval, has turned out to be in excess of the limits, specified u/s. 198 read with Schedule XIII of the Companies Act, 1956 and the aforesaid Central Government approval for the financial year 2012-13 by ₹83.01 million and the same is netted in employee benefits expense. The Managing Director holds the said amount in trust and it is refundable to the Company.

46. Value of raw materials consumed

	2014		2013	
	₹ in million	% of Consumption	₹ in million	% of Consumption
Imported	18,131.97	69.95	33,873.23	81.50
Indigenous	7,787.64	30.05	7,686.69	18.50
Total	**25,919.61**	**100.00**	**41,559.92**	**100.00**

47. Value of stores and spares consumed

	2014		2013	
	₹ in million	% of Consumption	₹ in million	% of Consumption
Imported	95.09	15.95	228.47	11.79
Indigenous	500.94	84.05	1,709.01	88.21
Total	**596.03**	**100.00**	**1,937.48**	**100.00**

48. Value of imports on CIF basis in respect of

(₹ in million)

	2014	2013
Raw materials	14,598.14	28,884.68
Capital goods	275.51	51.36
Stores and spares	209.41	295.61
Traded goods	4,965.17	9,296.01
Coal	57.16	576.93

Notes forming part of the financial statements

49. Expenditure in foreign currency

(₹ in million)

	2014	2013
Freight, material handling and transportation expenses	302.63	534.90
Membership and other fees	11.75	8.12
Sales commission	377.13	521.37
Finance cost (including bank charges)	687.67	1,339.96
Professional and consultancy fees	52.33	75.88
Coating and other Job work charges	1,579.39	2,533.62
Others	18.91	98.54

50. Earnings in foreign exchange

(₹ in million)

	2014	2013
FOB value of exports (including goods-in-transit)	11,304.01	20,993.22
Job work charges	58.49	5,729.98
Interest received	19.01	1.76
Guarantee commission / Assignment fees	67.82	77.15

51. The company has been getting export/domestic orders and executing those orders through one of its subsidiaries. The realisation, income/benefits/claims, or expenses relating to such transactions i.e. risks and reward of these transactions are all on company's account, hence the said subsidiary is allowed to retain a small percentage as profit of turnover.

52. Scheme of Arrangement

a) A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings {viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business} of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL have been transferred by WCL with respective book values w.e.f. appointed date 1 April 2012. The Scheme has been given effect to in these financial statements. However certain assets are under transfer in transferee's name, hence held in the Company's name till then.

b) Pursuant to the Scheme:

i) The whole of the assets and liabilities of Other Business undertakings of WCL are transferred to/and are vested with WEL with effect from 1 April 2012 at book values and adjusted to the reserves as under:

(₹ in million)

i)	Non-current investments	13,242.36
ii)	Loans and advances (including interest receivable and share application money)	2,779.60
iii)	Current investments	6,640.00
iv)	Cash and bank balances	1,310.00
		23,971.96
Adjustment to reserves		
i)	Capital reserve	1,057.26
ii)	Securities premium	17,252.74
iii)	General reserve	1,696.11
iv)	Surplus in the statement of profit and loss	3,965.85
		23,971.96

ii) WEL to issue and allot equity shares to each member of WCL in the ratio of one equity share(s) of ₹10 each in WEL credited as fully paid up for every 20 equity shares of ₹5 each fully paid up held by such member in WCL. Accordingly, WEL to issue and allot 13,147,415 equity shares of ₹10 each to the members of WCL.

Notes forming part of the financial statements

iii) The investment in equity shares of WEL of ₹0.5 million held by WCL has been cancelled and adjusted against surplus in the statement of profit and loss.

iv) The net profit after tax of ₹25.97 million for the period from appointed date i.e. 1 April 2012 to 31 March 2013 is adjusted in balance in the statement of profit and loss.

53. Discontinued Operations

A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL and the Resulting Company) and their respective shareholders and creditors (the “Scheme”) as referred in Note 52 was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL have been transferred by WCL with respective book values w.e.f. appointed date 1 April 2012.

Details of Profit / (Loss) from continuing and discontinued operations ;

(₹ in million)

	For the Year ended 31 March 2014			For the Year ended 31 March 2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Revenue						
Revenue from operations (Net)	48,676.12	–	48,676.12	66,321.65	–	66,321.65
Other income	1,748.13	–	1,748.13	2,244.69	759.08	3,003.77
Total	**50,424.25**	**–**	**50,424.25**	**68,566.35**	**759.08**	**69,325.42**
Expenditure						
Total expenditure other than finance costs	48,460.22	–	48,460.22	64,885.75	32.85	64,918.60
Finance costs	2,239.81	–	2,239.81	2,988.98	–	2,988.98
Total	**50,700.03**	**–**	**50,700.03**	**67,874.73**	**32.85**	**67,907.58**
Profit / (loss) before tax and exceptional item	**(275.78)**	**–**	**(275.78)**	**691.62**	**726.23**	**1,417.84**
Less: Exceptional item	–	–	–	–	538.20	538.20
Profit / (loss) before tax	**(275.78)**	**–**	**(275.78)**	**691.62**	**188.03**	**879.65**
Tax expense	(100.36)	–	(100.36)	186.73	162.06	348.79
Profit / (loss) for the year	**(175.42)**	**–**	**(175.42)**	**504.89**	**25.97**	**530.86**

The carrying amount of assets and liabilities pertaining to the discontinued operations are as follows:

(₹ in million)

	As at 31 March 2014	As at 31 March 2013
Total assets	–	23,997.94
Total liabilities	–	–

54. Previous years figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosures and are not comparable with the current year’s figure in view of reasons stated in note 52 above.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Notes forming part of the financial statements

(₹ in million)

		2014	2013
A)	**Cash flow from operating activities**		
	Profit/(loss) before tax (including profit before tax from discontinued operations)	**(275.78)**	**879.65**
	Adjustments for		
	Depreciation and amortisation expense	2,255.69	2,289.91
	Interest expense	1,993.51	2,280.07
	Interest income	(1,155.94)	(1,691.27)
	Loss on sale/discard of tangible assets (net)	1.95	8.29
	Provision for impairment of tangible assets	12.45	106.09
	Profit on sale/redemption of		
	- Current investments	(207.72)	(331.08)
	- Non-current investment in subsidiary	(242.55)	(234.42)
	Dividend income on		
	- Non-current investment in subsidiary	–	(220.38)
	- Current investments	(7.93)	(249.46)
	Provision for doubtful debts and advances (Net)	(39.71)	57.11
	Provision for diminution in value of non-current investments	–	0.80
	Employee compensation expenses (Net)	(0.73)	(6.60)
	Exchange adjustments (Net)	672.75	(235.50)
	Operating profit before working capital changes	**3,005.99**	**2,653.20**
	Adjustments for		
	Trade and other receivables	6,375.83	1,286.41
	Inventories	9,450.39	1,756.65
	Trade and other payables	(14,786.74)	(6,349.55)
	Cash generated from operations	**4,045.47**	**(653.29)**
	Direct taxes paid (net of refunds)	(144.86)	(147.44)
	Net cash from/(used in) operating activities (A)	**3,900.61**	**(800.73)**
B)	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(950.54)	(1,309.20)
	Sale of fixed assets (Net)	22.23	7.45
	Purchase of long-term investments in subsidiaries	(8.46)	(1,877.79)
	Sale/redemption of long-term investments in		
	- Subsidiary	366.25	878.96
	- Joint Venture	–	0.06
	Sale of current investments (Net)	(750.03)	2,802.75
	(Increase)/decrease in share application money given to		
	- Subsidiaries	(47.96)	(610.59)
	- Others	–	(21.55)
	Loan given to subsidiary	–	(502.63)
	Dividend received	228.30	249.46
	Interest received	1,061.28	2,167.68
	Net cash from investing activities (B)	**(78.92)**	**1,784.60**
C)	**Cash flow from financing activities**		
	Proceeds from issue of equity shares (including securities premium)	–	10.27
	Proceeds from issue of debentures (Net of issue expenses)	–	3,371.60
	Redemption of debentures	–	(1,700.00)
	Repurchase of foreign currency convertible bonds	(352.85)	(3,484.94)
	Proceeds from long-term borrowings	–	5,498.00
	Repayment of long-term borrowings	(5,491.44)	(2,611.70)
	Increase/(decrease) in short-term borrowings (Net)	437.17	(1,750.25)
	Interest paid	(2,037.89)	(2,320.18)
	Dividend paid (including corporate dividend tax)	(152.74)	(132.47)
	Net cash used in financing activities (C)	**(7,597.75)**	**(3,119.67)**
	Net changes in cash and bank balances (A+B+C)	**(3,776.06)**	**(2,135.80)**
	Cash and bank balances at the beginning of the year	4,273.63	6,409.43
	Cash and bank balances at the end of the year	**497.57**	**4,273.63**

Notes:
1. Cash and bank balances at the end of the year include unrealised gain of ₹2.48 million (Unrealized loss of ₹8.76 million) which is on account of realignment of current account/fixed deposits held in foreign currency.
2. Transactions pursuant to the Scheme of Arrangement as referred in note 52 is not considered in the above cash flow statement, being non-cash transactions.
3. Cash and bank balances include ₹444.00 million (₹565.72 million) which is not available for use by the company.
4. Cash flow in respect of ordinary activities attributable to discontinued operations.

	2014	2013
Cash and bank balances transferred pursuant to the Scheme of Arrangement (Refer Note 52)	–	1,310.00
Cash flow from operating activities	–	(552.45)
Cash flow from investing activities	–	(757.55)
Cash flow from financing activities	–	–

5. Previous year figures have been regrouped/recast wherever necessary.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Mohan Bhandari
Partner
Membership Number 12912

Mumbai, 29 April 2014

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Statement Pursuant to Section 212 of the Companies Act,1956, related to Subsidiary Companies

Name of The Subsidiary Company	Welspun Pipes Inc	Welspun Tubular LLC	Welspun Global Trade LLC	Welspun Pipes Ltd.	Welspun Tradings Ltd.	Welspun Mauritius Holdings Ltd	Welspun Middle East DMCC	Welspun Middle East Pipes Company LLC	Welspun Middle East Pipes Coatings Company LLC
Financial Year of the Subsidiary ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
Shares of the Subsidiary Company held on the above date and extent of holding									
(i) Equity shares	1,000 Common Stock of $.0001 par value each	----	----	50,000 equity shares of ₹10 each	50,13,402 equity shares of ₹10 each	1,02,089 equity shares of US$ 1 each	----	----	----
(ii) Preference Stock	----	----	----	----	----	66,154,000 preference shares of US$ 1 each	----	----	----
(iii) Extent of holding / Control	100%	100%	100%	100%	100%	89.98%	100%	50.01%	50.01%
Net aggregate amount of profit / (losses) of subsidiary for the above financial year so far as they concern members of the Company									
(i) Dealt with in the accounts of the Company for the year ended 31 March 2014 (₹million)									
(ii) Not dealt with in the accounts of the Company for the year ended 31 March 2014 (₹ million)	15.18	579.41	0.86	(0.07)	71.87	222.75	(49.32)	98.26	(72.21)
Net aggregate amount of profits / (losses) for previous financial year the subsidiary as far as it concern the members of the Company									
(i) Dealt with in accounts of the Company									
(ii) Not dealt with in the accounts of the Company	25.13	276.68	9.72	–	63.97	(234.46)	(9.18)	0.20	90.47

For and on behalf of the Board

B.K.Goenka
Chairman

Braja Mishra
Managing Director

S. Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

Mumbai, 29 April 2014

glossary of terms

2B	Tubular
5L	Line
API	American Petroleum Institute
bn	Billion
BOT	Build Operate & Transfer
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis and Research Limited
CIS	Commonwealth of Independent States
CRISIL	Credit Rating Information Services of India Limited
CT	Casing and Tubular
CGD	City Gas Distribution
CCD	Compulsorily Convertible Debentures
CapEx	Capital Expenditure
EBITDA	Earnings Before Interest Tax Depreciation & Amortization
ECB	External Commercial Borrowing
ERW	Electric Resistant Welded
EPS	Earnings per Share
EIA	Energy Information Administration
EPC	Engineering, Procurement & Construction
EEPC	Engineering Export Promotion Council
FCCB	Foreign Currency Convertible Bonds
FDI	Foreign Direct Investment
FSU	Former Soviet Union
GAIL	Gas Authority of India Limited
GSPL	Gujarat State Petroleum Limited
GSPC	Gujarat State Petroleum Corporation
GDP	Gross Domestic Product
GDR	Global Depository Receipts
GmBH	Gesellschaft mit beschränkter Haftung
HRC	Hot Rolling Coil
HFIW	High Frequency Induction Welded
HSAW	Helical Submerged Arc Welded

IACC	Indo American Chamber of Commerce
INR	Indian Rupee (Rs.)
ISO	International Organization for Standardization
IEA	International Energy Agency
JPY	Japanese Yen
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
LSAW	Longitudinal Subillionerged Arc Welded
mn	Million
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
MTOE	Million Tonnes of Oil Equivalent
MMSCMD	Million Metric Standard Cubic Meter Per Day
NELP	New Exploratory Licensing policy
OCTG	Oil Country Tubular Goods
OECD	Organisation for Economic Co-operation and Development
OHSAS	Occupational Health and Safety Advisory Services
ONGC	Oil and Natural Gas Corporation
Q	Quarter
QIP	Qualified Institutional Placements
RGTIL	Reliance Gas Transportation Infrastructure Limited.
RBI	Reserve Bank of India
SAW	Subillionerged Arc Welded
TPA	Tonnes Per Annum
UK	United Kingdom
US	United States of America
US$	US Dollar
VAI	Voest Alpine Industries
VAT	Value added Tax
WCL	Welspun Corp Limited
WEPL	Welspun Enterprises Ltd

YEAR	AWARD/RECOGNITION	BESTOWED BY
2013	Excellence In Global Trade	Governor's Award
2013	IPLOCA CSR Award (Runner Up)	TOTAL
2011	Top Export for the Year 2010-11 - Gold Trophy	EEPC
2011	Star Performer	GAIL (India) Ltd.
2011	Best Indian Manufacturing Company in the US	IACC 2011
2010	Star Performer Award for the year 2008-09 – All India Export Excellence Awards	EEPC 2010
2010	Top Indian Company under 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
2008	Emerging Company of the Year	Economic Times Corporate Excellence Award
2008	2nd Largest Steel Pipe Producer in the World (Large Diameter)	Financial Times (UK)

WELSPUN

Dare to Commit

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