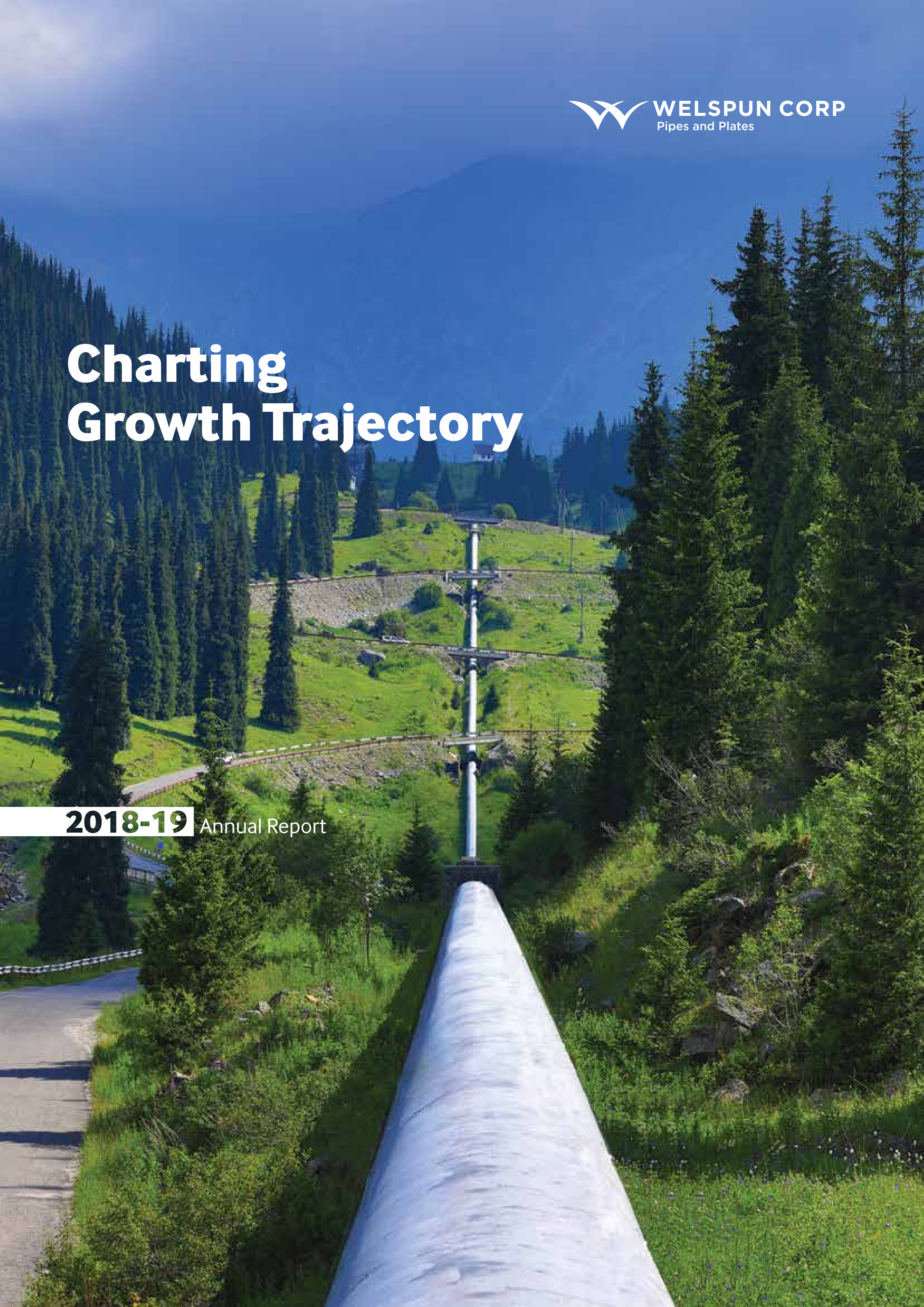
WELSPUN CORP
Pipes and Plates

Charting Growth Trajectory



2018-19 Annual Report

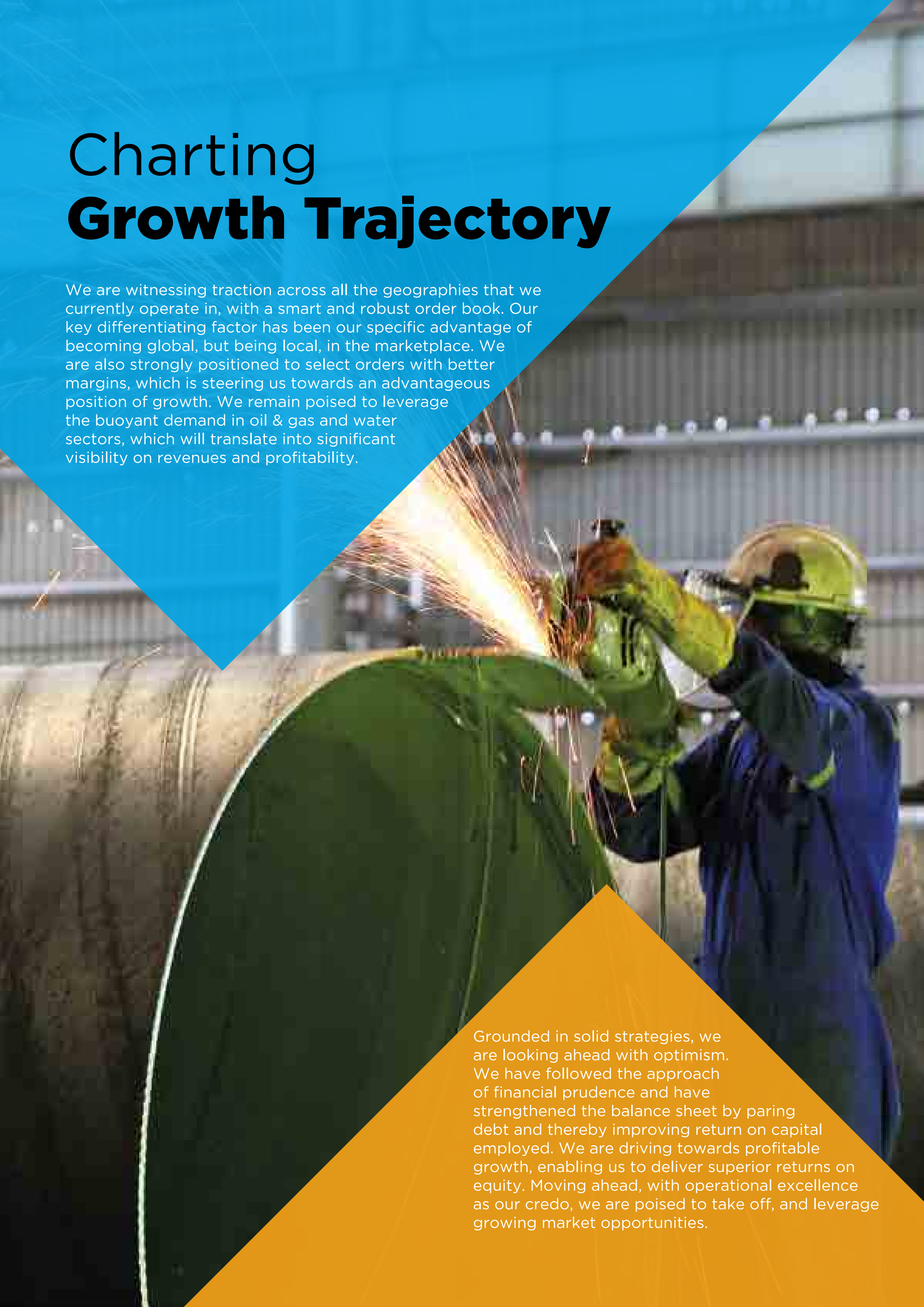
Contents

Forward-looking Statements

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

Charting **Growth Trajectory**

We are witnessing traction across all the geographies that we currently operate in, with a smart and robust order book. Our key differentiating factor has been our specific advantage of becoming global, but being local, in the marketplace. We are also strongly positioned to select orders with better margins, which is steering us towards an advantageous position of growth. We remain poised to leverage the buoyant demand in oil & gas and water sectors, which will translate into significant visibility on revenues and profitability.



Grounded in solid strategies, we are looking ahead with optimism. We have followed the approach of financial prudence and have strengthened the balance sheet by paring debt and thereby improving return on capital employed. We are driving towards profitable growth, enabling us to deliver superior returns on equity. Moving ahead, with operational excellence as our credo, we are poised to take off, and leverage growing market opportunities.

Welspun Corp
- At a Glance

Welspun Corp Ltd. (WCL) is the flagship company of the USD 2.7 billion Welspun Group. We are a one-stop service provider of welded line pipes, offering complete solutions and capabilities to manufacture a variety of pipes, catering to sectors like oil & gas and water resource management. Our aggregate order book stands at an all- time high at 1.7 million tonnes, valued at USD 2.15 billion.

- **Strong balance sheet**
  Minimal net debt; Asset sale to result in net cash
- **Focus on free cash flows**
  Only maintenance capex; minimal working capital
- **Value to shareholders**
  Through regular dividends and buyback

FINANCIAL STRENGTH

Attractive industry outlook leading to all-time high order book at 1.7 million tonnes (USD 2.15 billion)

OPERATIONAL EXCELLENCE

- **'Global but Local'**
  World-class facilities in key geographies for all line pipe requirements
- **Impeccable track record of flawless execution**
  Complex projects delivered on time
- **Global approvals and accreditations**
  from marquee customers

With an aggregate capacity of 2.55 million MTPA and a culture of 'Engineering Excellence' and credible clientele, we supply pipes to some of the most challenging projects.

We are...

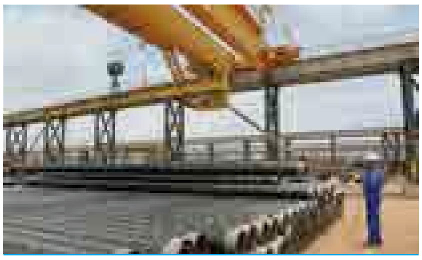
- One of the world's largest welded line pipe manufacturing company
- Preferred supplier of Line Pipes to many of Oil & Gas companies part of Fortune 100

Current Order Book
1.7 million tonnes

Our Manufacturing Facilities

Country: **India**
Region: Dahej, Anjar, Mandya and Bhopal
Capacity: 1,655 KMT

Country: **United States**
Region: Little Rock
Capacity: 525 KMT



Country: **Saudi Arabia**
Region: Dammam
Capacity: 375 KMT

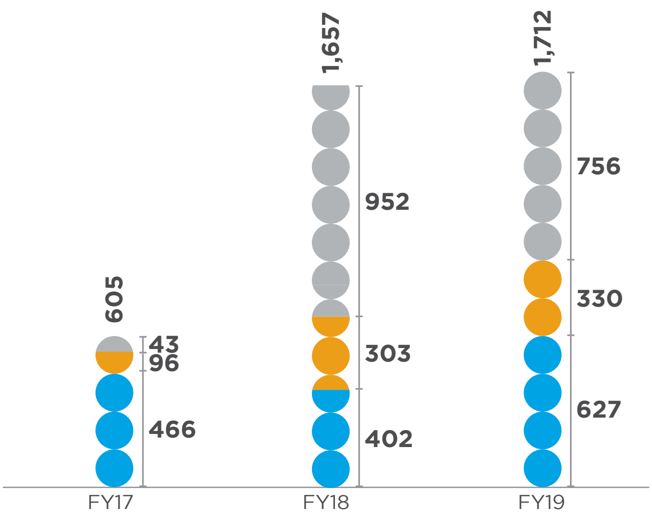
Our Competitive Strengths

- End-to-end products and solutions
- Diversified global presence
- Advanced technological prowess
- Focus on R&D and pipeline technology
- Expertise in complex projects
- Partnership with global giants
- Experienced professional team

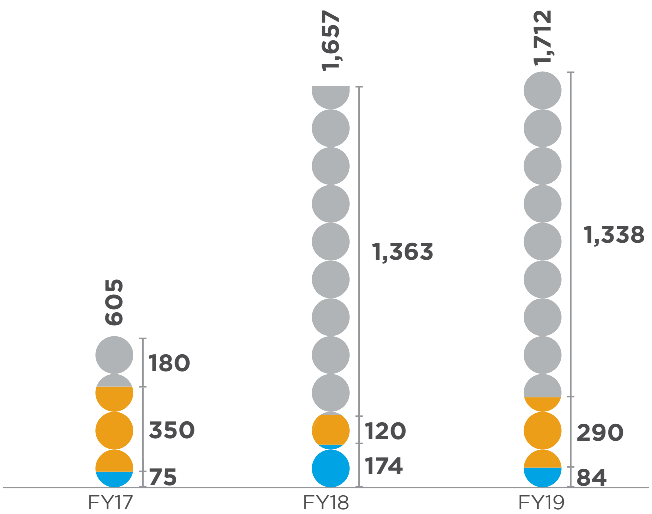
Our Prestigious Projects

- Amongst the deepest pipeline project in the Gulf of Mexico, US
- Amongst the heaviest pipeline project in Persian Gulf
- Amongst the highest gas pipeline project in Latin America
- Amongst the longest pipeline project from Canada to US
- Amongst the longest offshore pipeline in the Arabian Gulf

Order book by Region (KMT)



Order book by Type (KMT)



Our Diversified
Product Portfolio

With comprehensive knowledge, extensive experience and continuous innovation, we have created a diversified, yet synergistic products offering. Our products are woven around strong design and execution proficiency, driving innovation and cost-efficiency.

HSAW Line Pipes

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

LSAW Line Pipes

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

ERW/HFIW Line Pipes

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

Plates & Coils

- Produces plates and coil for pipe manufacturing and other applications like wind tower

Coating Systems

- External 3-Layer Polyethylene (3LPE), 3-Layer Polypropylene System (3LPP), Single & Dual Layer Fusion Bonded Epoxy (FBE/DFBE), Internal Solvent, Solvent Free Coating, Coal Tar Enamel and Inside Cement Mortar Lining and Concrete Weight Coating

Ancillary Services

- Pipe Bending
- Double Jointing
- Dump Site & Inventory Management

Corporate
Journey and Milestone

Our Milestones

1997
- Diversified into the pipes business – Submerged Arc Welded (SAW) pipe unit at Dahej, Gujarat, India

1998
- Established the first 50,000 MTPA HSAW mill at Dahej, Gujarat

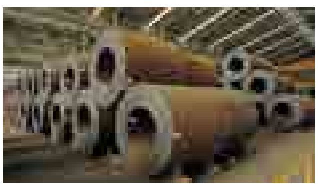
2000
- Commissioned a 200,000 MTPA LSAW mill at Dahej with Mannesmann Germany

2001
- Embarked on a Joint Venture (JV) with Eupec Coatings GmbH, Germany
- Set up a pipe coating facility in Dahej, Gujarat

2005
- Established Welspun City at Anjar, Gujarat
- Expanded pipe facilities at Anjar, Gujarat

2007
- Bagged a 1,700 km keystone project from Trans Canada

2008
- Integrated plate and coil mill at Anjar, Gujarat
- Set up 150,000 MTPA HSAW mill at Anjar, Gujarat
- Achieved Level II automation, rolled X-70API Grade of 4.5 meters wide



2009
- Commissioned a 350,000 MTPA HSAW pipes facility in Arkansas, US
- Started a coil mill at Anjar, Gujarat

2010
- Rechristened as 'Welspun Corp Limited'
- Increased capacity for LSAW by 350,000 MTPA in Anjar, Gujarat and for HSAW by 100,000 MTPA in Mandya, Karnataka
- Completed investment in the Middle East with a 300,000 MTPA HSAW facility in Saudi Arabia

2011
- Established Welspun Middle East in Dubai
- Acquired 35% stake in Leighton Contractors (India) Private Limited
- Raised USD 290 million through GDRs & CCDs

2012
- Commenced the installation of a 175,000 MTPA HFIW mill in Arkansas, US
- Enhanced the existing capacity of 100,000 MTPA HSAW in Mandya, Karnataka, further by 50%

2013
- Achieved the highest-ever pipe production, sales volumes and order booking at 1 million MTPA
- Commissioned a 175,000 MTPA small diameter HFIW mill in the US to cater to the shale gas business
- Demerged non-pipe businesses into Welspun Enterprises
- Strengthened the core-pipe business management team with several new professional CXO-level hires

2014
- Received the first order from Shell USA, single-largest order from Saudi Arabia and strategic orders from Statoil, TOTAL and South Stream
- Commissioned a double jointing plant and internal and external coating plants in Saudi Arabia and Anjar (Gujarat), respectively
- Sustained 1 million MTPA in pipe production, sales volumes and order booking

2015
- Recorded high production and sales volumes at the Saudi Arabia facility with significantly improved financial performance
- Stabilized the HFIW mill and streamlined operations at the US facility
- Revitalized operations at LSAW, and Plate and Coil Mills in India

2016
- Surpassed 1 million MTPA in pipe production and sales volumes for the 4th consecutive year; order book at record high
- Set-up Concrete Weight Coating (CWC) plant at Anjar, Gujarat in JV with Wasco Energy Ltd.

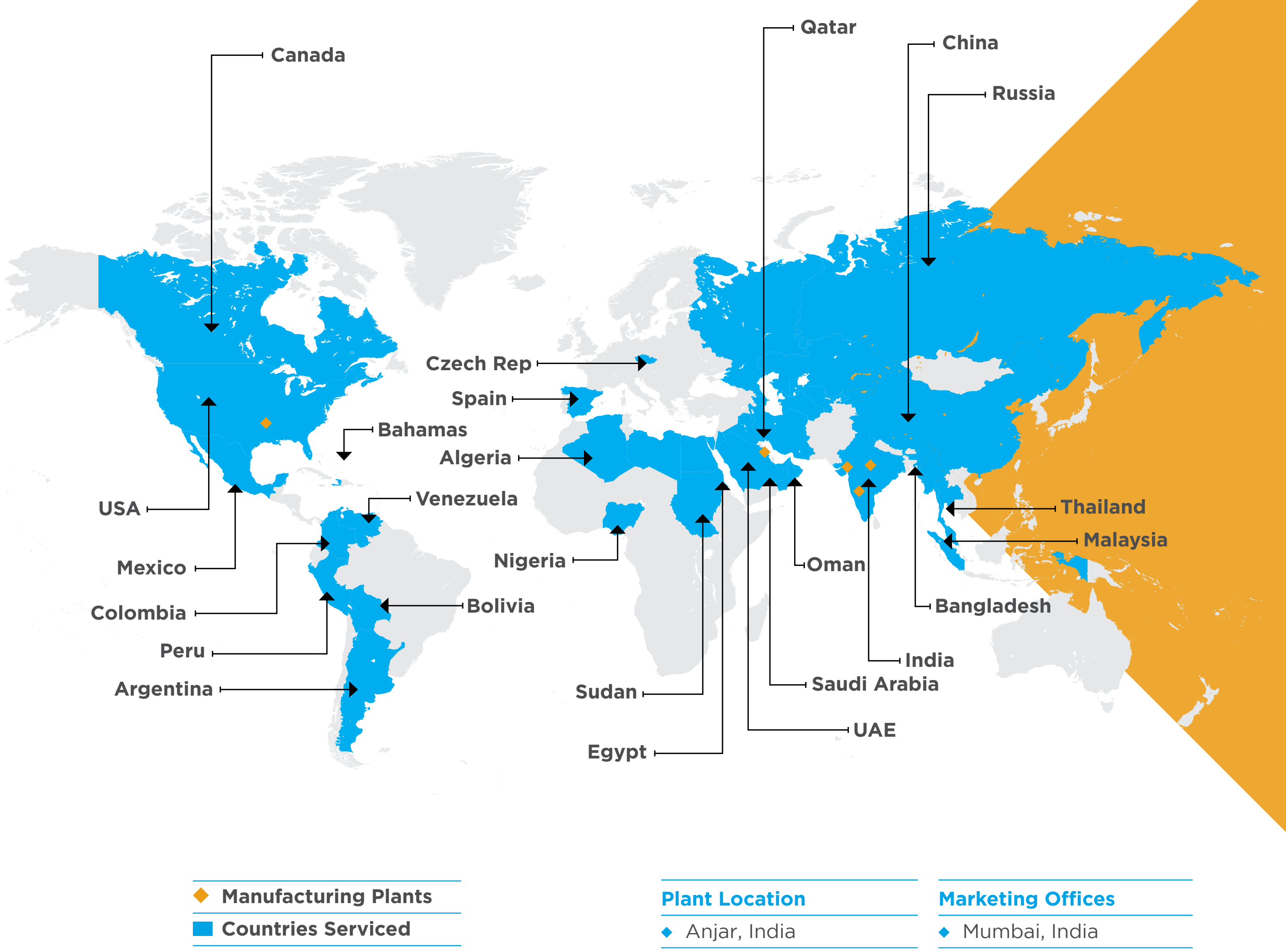
2017
- Started production at the Concrete Weight Coating plant at Anjar, Gujarat

2018
- Surpassed 1 million MTPA in pipe production and sales volumes for the 5th time in last 6 years

2019
- WCL completed the establishment of an HSAW Line Pipe Manufacturing facility at Bhopal, MP
- WCL announced the divestment of its Plates and Coil Mill Division (PCMD)

A Diversified
Global Presence

Our operations are spread across India, USA and Saudi Arabia. We remain poised to leverage the buoyant demand in oil & gas and water sectors, gaining significant visibility on revenues and profitability.



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

Marketing Offices
- Mumbai, India
- Houston, USA
- Dammam, Saudi Arabia

Our Manufacturing Capacities (In 000' Metric Tonnes)

India (1)

LSAW: 700
HSAW: 755
ERW/HFIW: 200
Coating Systems: ✔

United States (2)

LSAW: -
HSAW: 350
ERW/HFIW: 175
Coating Systems: ✔

Saudi Arabia (3)

LSAW: -
HSAW: 375
ERW/HFIW: -
Coating Systems: ✔

2.55 **million**
Metric Tonnes
Total Combined Installed Capacity

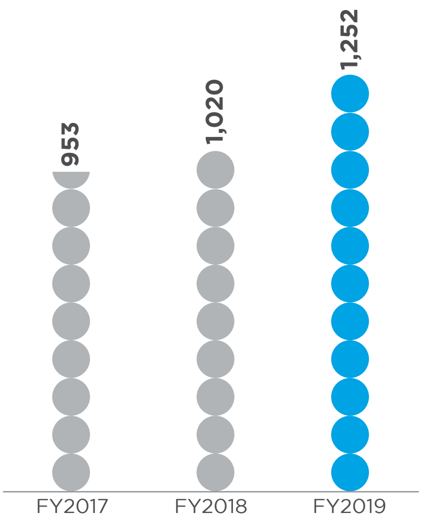
Our Operational **Highlights**

Key Highlights of FY2019:

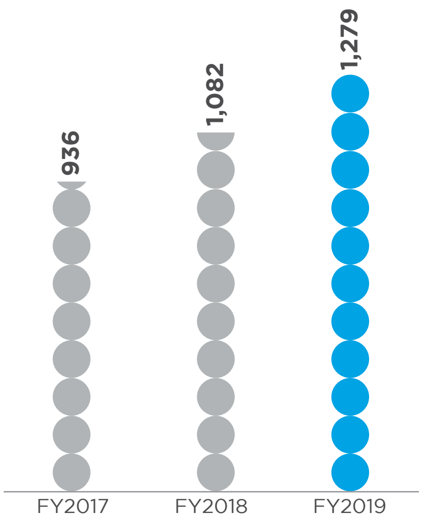
Current order book stands at
1,712 KMT

Orders won during the year on a global basis
1,334 KMT

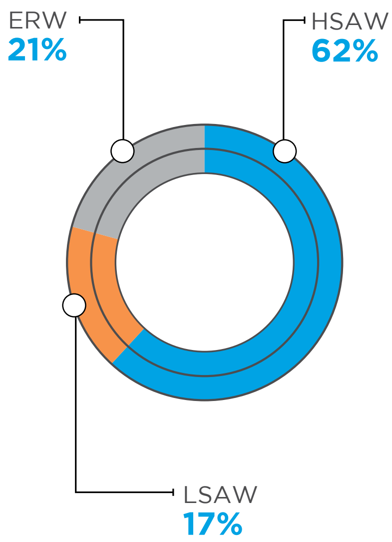
Production of Pipes (KMT)



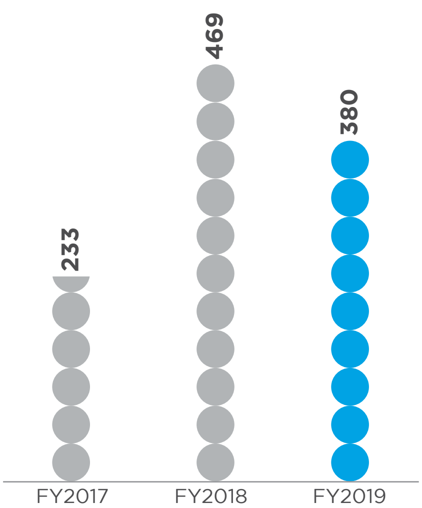
Sale of Pipes (KMT)



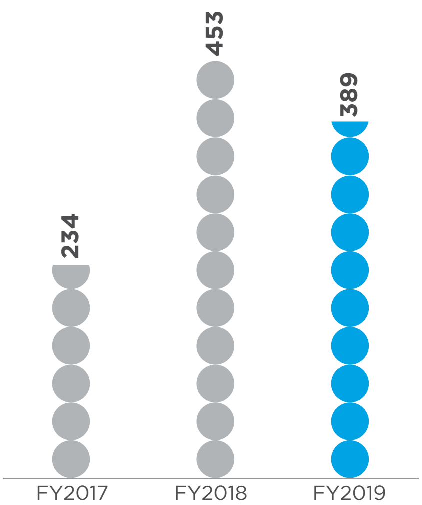
Sales by Type



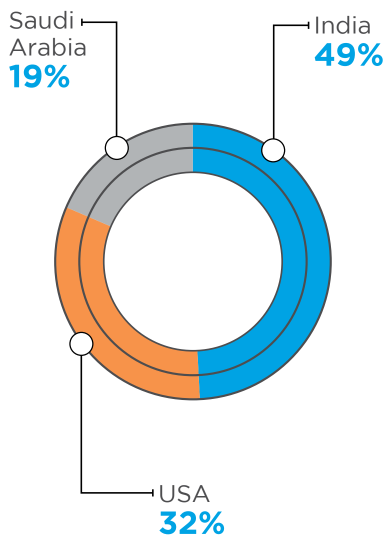
Production of Plates/Coils (KMT)



Sale of Plates/Coils (KMT)

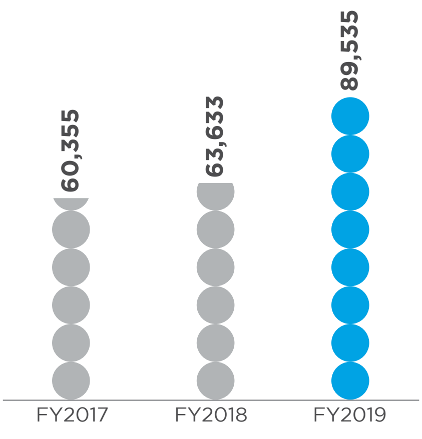


Sales by Plant

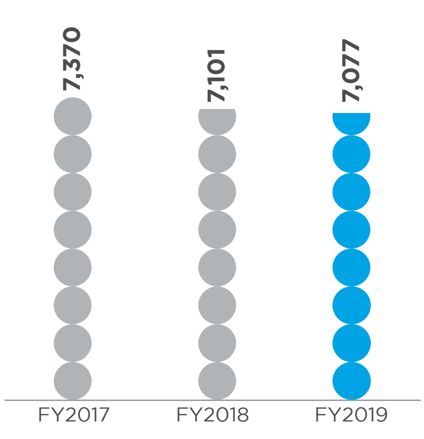


Our Financial **Performance**

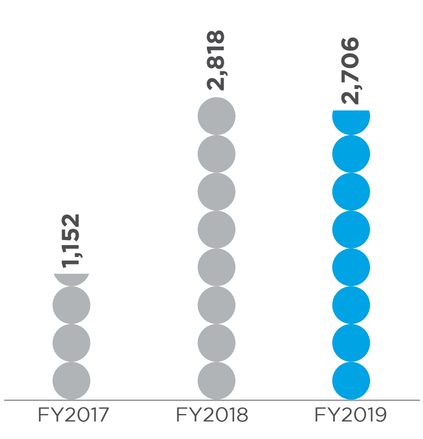
Revenue (In ₹ million)



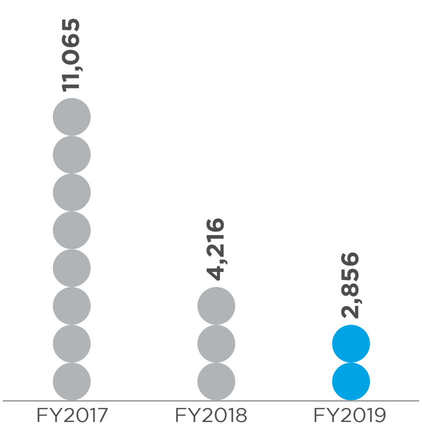
EBITDA (In ₹ million)



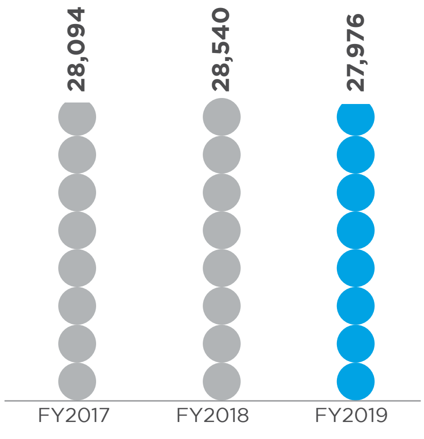
PBT (In ₹ million)



Net Debt (In ₹ million)



Net Worth (In ₹ million)



Our Strategic **Priorities**

Building a future-ready organization

Over the years, we have transformed exponentially by cultivating our capabilities and growing our market share. As a future-ready organization, we now aim to drive execution and governance by embracing international regulatory changes and creating best-in-class governance standards.

Growing product portfolio

We have been consistently adding relevant offerings to our product basket to meet customer requirements. We are further focusing on innovation to meet the evolving demands of the industry.

Targeting Operational Excellence

We have an excellent track record of maintaining high quality and compliance standards. We have leveraged our capabilities globally to offer solutions for some of the world's most challenging projects.

Developing a sustainable business model

We continue to fortify our position globally with unique customer-centric solutions. With sustainability at the core of our business, our strategy remains to strengthen our business drivers, which will allow us to deliver value for all our stakeholders.

Adapting Technology

- Efficient robotic systems
- Highly automated plant process line
- Integrated pipe traceability system
- Precision dimensional control
- Laser based automatic pipe dimension measurement system
- Heavy press for higher thickness (low D/T) line pipes
- Triple random pipe lengths (LSAW, HSAW and ERW/HFW in triple random lengths)

Oil and Gas **Opportunities**

Adapting to the evolving energy landscape

- The oil and gas industry currently provide ~30% of the global energy mix, as the demand for energy increases year-on-year
- While the industry is ramping up production to meet this rising demand, at WCL, we confidently assert our prowess in delivering these products. We are poised to tap the upcoming opportunities by capitalizing on our capabilities and experience
- By 2040, the world population is expected to reach 9.2 billion, which is likely to enhance the need for energy across the world
- The growth in demand is expected to be led by the emerging markets in non-OECD (Organization for Economic Cooperation and Development) nations, especially the expanding economies of Asia-Pacific. By 2040, India is expected to be the largest contributor to the world's energy demand growth (~30%), accounting for 11% of global energy demand. (Source: BP Energy Outlook 2040)
- Despite the consistently evolving international energy mix, oil and gas and coal will remain the dominant energy sources for the next 20 years. However, the energy mix is expected to be more diversified by 2040, owing to the adoption of renewables and natural gas

Strengthening global demand for oil

- According to OPEC World Oil Outlook (2018), a robust world economy is expected to increase the global long-term oil demand by 14.5 mb/d, rising to 117.1 mb/d in 2040. Moreover, the demand for oil in emerging economies is likely to increase by ~22.2 mb/d. from 2017 to 2040
- India's oil demand is expected to increase from 4.5 mb/d in 2017 to 10.4 mb/d in 2040 thus, significantly contributing to overall increase in global oil demand. India is anticipated to retain its high dependency on oil imports due to rise in demand from transportation sector. Moreover, with rising income levels, demand for vehicles is also expected to increase, which in turn will increase the demand for oil and gas
- In FY2019, the oil refining capacity of India stood at 249.4 million tonnes, making it the second largest refiner in Asia. The total refining capacity is expected to increase to 667 MTPA by CY2040
- By 2040, the OECD is expected to represent ~34.6% while developing countries will account for 59.6% of the global oil demand

Expanding consumption of oil in India

Improving Liquefied Natural Gas (LNG) consumption trend

- LNG continues to be the fastest-growing gas supply source, with an expected CAGR of 4% a year till CY2035
- Europe remains a key market, both as a balancing market for LNG supplies and a key hub of gas-on-gas competition between LNG and pipeline gas
- Asia continues to be the dominant market for LNG imports, although the pattern of imports within Asia shifts, with China, India and Other Asia overtaking the more established markets of Japan and Korea and accounting for around half of all LNG imports by CY2040. China is leading in terms of growth and have become the world's largest gas importer, with LNG imports doubling over the last two years
- US and Qatar continue to emerge as the main centers of LNG, accounting for around 40% of all LNG exports by CY2040

Changing overview of India's LNG segment

- India's LNG imports during FY2019 reached 20.3 MMT. Going forward, it intends to increase its LNG import capacity to 50 million tonnes
- Power, Fertilizer and City Gas are the key consuming sector of LNG in India

Growing opportunities in the USA

- In the oil and gas industry, the shale revolution has changed the business in multiple ways. Due to the emergence of shale, the U.S. has been transformed from one of the world's leading oil importers into the world's largest producer of oil and gas
- The total U.S. crude oil output is about 12 million barrels per day (MMb/d), out of which roughly one third is from Permian basin (now exceeds 4 MMb/d). It is expected that by 2024, Permian Basin oil production will increase to 7.6 MMb/d and gas production to 16.2 Bcf/d, while the pipeline capacity is not enough to cope with it

Moving ahead

At WCL, we are aware of the transformations across the energy sector and are gearing to leverage the upcoming opportunities. We are confident of our abilities to design solutions that are ready for the challenges of tomorrow. Going forward, our focus will continue to remain on providing our end users excellent products and services that add value to their lives.

Water **Opportunities**

Helping secure water for all

Water is an essential resource that enables life on earth. It is one of the world's most critical resources that is depleting fast. The global population is expected to increase from 7.4 billion in 2017 to 9.2 billion by 2040, with two-thirds of the population living in cities. Global water demand is projected to increase by 55% globally between 2000 and 2050.

Therefore, water security and distribution will be a major concern, going forward. At WCL, we are cognizant of this trend and are confident of the efficiency of our products that will help transport water even to remote areas, thereby enabling and empowering communities and people. Currently, we see sound growth opportunities in the water sectors of India and the Middle East.

Understanding India's water scenario

- According to the NITI Aayog Report of June 2018, India is suffering from the worst water crisis in its history
- Currently, 600 million Indians face high to extreme water stress due to inadequate access to safe water. If this continues, it is estimated that by year 2030, 40% of the India's population may not have access to drinking water, eventually resulting into about 6% loss in the country's GDP
- In order to combat this degrading situation, India will have a cumulative investment requirement from 2016 to 2040 of USD 373 billion in water infrastructure
- India is set to embark on an ambitious exercise to link over 70 of its rivers. Central government's ambitious ₹ 5.5 lakh crore Rivers Inter-link plan is a large-scale civil engineering project that aims to link rivers

- Growing opportunities in the Middle East
- The Middle East is one of the key demand areas for the water segment with consumption of 18.3 bn cubic meters
- Government research initiatives are focusing on industrial wastewater reuse, injection of treated wastewater into aquifers and the use of desalinated seawater for irrigation. The countries in the Middle East are strengthening their water availability, thereby ensuring better agriculture and food security
- The opportunity for pipelines lies in the fact that producing/processing plants are far from the consumption centers
- Pipelines will be required for water distribution from desalination plants to all cities with an average distance between 300 km and 500 km for each pipeline

Moving ahead

We are uniquely placed to help regional governments in India and the Middle East to address the prevalent water crisis. Our wide range of line pipes are designed with a view towards long-term water health, which helps provide sustainable supply of water. Moreover, a track record of successful project execution in difficult terrains and quick turnaround times underlines our customer-centric engineering innovation. Going forward, we will endeavor to be a key enabler in the global journey towards water security.

Chairman's **Message**

Our Dear Shareholders,

I am sharing with you our Annual Report for the financial year ended March 2019 with deep humility and great pride. In the last few years, Welspun Corp has transformed into a much stronger and better organization and this journey continues. Last year, I had mentioned that, FY2018 was a year of inflection for Welspun Corp. FY2019 has strengthened my belief that we are on the right path and over the next few years, we could create significant value for our stakeholders.

Year in Review

I would like to begin by sharing with you some key updates on our operational performance. FY2019 was a year in which we created some enviable records. Pipe Sales for the year stood at 1.28 million tonnes, the highest annual sales tonnage achieved by the Company in its history. We also booked orders of around 1.3 million tonnes thus ensuring that our book remained at record levels – close to 1.7 million tonnes – in spite of the record execution. Our Operational EBITDA was close to ₹ 9 bn, almost a 50% jump over the FY2018 levels. The US business was our star performer, with capacity utilization at close to 80% and EBITDA/ton at close to USD 200/ton. India was also stable with good mix of domestic oil & gas, water and export orders. In Saudi Arabia, we witnessed a turnaround in our operations, with the order mix also changing in our favour, leading to profitable progress; we reduced losses quarter-on-quarter and turned EBITDA positive by the year end. Operationally, this was indeed, a most satisfying year.

During the year, we also took a strategic decision to divest our Plate and Coil Mill Division (PCMD) and the 43 MW Power Division. We had identified these as non-core assets and in order to focus on our core pipes business, we have entered into agreements to divest these. Our aim is to move to an asset-light model and we believe this deal, once concluded, will pave the way for that. We will also see an improvement in profitability ratios and return ratios, as these assets were not being utilized fully, leading to a drag on the return on capital employed. Further, the transaction will strengthen the balance sheet by providing significant liquidity to the Company and deleveraging the balance sheet.

This deal notwithstanding, we have been successful in reducing the net debt in FY2019. We have also pre-paid debt wherever possible, in the last few years and we continue to do that. We have pre-paid USD 50 million worth of loans in March & April 2019 in our US subsidiary.

The year, though, was not without challenges. Exchange rate of the Indian rupee was very volatile against the US Dollar. However, we have a well-defined forex hedging policy which kept us in good stead through these swings. The second half of the year, also saw, what many describe as India's Lehman moment. Default on loans by a major infrastructure financing company, caused a ripple effect across the economy, resulting in a virtual standstill in the credit market. This eventually resulted in many NBFCs and other highly leveraged companies struggling to repay their debt, as well. As part of our treasury investments, we had invested in some of these companies which were rated very highly by credit rating agencies, but have since defaulted or been significantly downgraded. We have been completely transparent with our stakeholders about our exposure and have provided full-impairment of any investments on which we had concerns. We have also taken steps to tighten our treasury management and risk management, considering the safety, liquidity and risk of the investments, so that such events do not occur in the future. This also accelerates our efforts to pre-pay debt in order to reduce the cash and cash equivalents.

Future Outlook

I am very excited about the future prospects of the pipes business. We are geared up for strong growth in all the three geographies in tandem, with improved performance driven by robust order books and strong execution capabilities. Local manufacturing capabilities, proven execution track record and excellent relationships with large customers and steel suppliers will accelerate our journey. We see continued strong market in the US driven by Oil and Gas projects; and we expect both Oil and Gas as well as Water segments to remain strong in both Saudi Arabia as well as India.

United States is our most important market today. With rising fracking in the Permian basin, US oil & gas production is booming. US is now the largest oil as well as natural gas producer in the world and they need pipelines to evacuate this production. In fact, pipeline constraint is one of the key reasons which is preventing the US from further increasing its production. With crude prices being in the profitable range, there is a push to drill more and eventually, to evacuate more. In addition to this, there are also restrictions on import of steel pipes into the US in the form of tariffs and quotas. This has helped the local US plants to command better volumes and higher margins. We have one of the finest and largest pipe plants in the US, with an excellent track record and accreditation by all major clients.

In Saudi Arabia, we see strong demand in both oil & gas as well as water sectors, driven by large projects from Saudi Aramco and SWCC respectively. In the medium term, we see big potential from the recent find of shale gas in Saudi Arabia as well as the intent to connect the entire GCC and Middle East nations through a pipeline network. Our Saudi JV has close to two years of visibility in terms of order book. The strong order book gives us the capability to be selective in picking up orders with better margins. We have also streamlined capacities by de-bottlenecking. With the better order mix and higher capacity utilization, we expect to have a significant improvement in our profitability in this geography.

We are also optimistic about the scenario in India with strong demand for both oil & gas as well as water pipelines. On the O&G side, demand is driven by various pipeline projects being undertaken by Oil Marketing Companies, development of a national gas grid by GAIL and last-mile connectivity picking up speed in City Gas Distribution (CGD) projects. Also, there is resurgence in the water infrastructure segment. Water irrigation pipelines by various state governments such as Madhya Pradesh, Karnataka and Andhra Pradesh continue to provide a robust demand situation. We foresee huge business potential in and around Madhya Pradesh. Hence, your company has also re-located some of its spiral capacity to Bhopal to benefit from the large business opportunities in the State. We are also anticipating massive opportunities in the National River Linking project aiming at inter-basin water transfer.

WCL is also well-placed to service export demand for LSAW pipes from its Indian plants. We see strong demand from the Middle East, South East Asia, Australia and East Africa. WCL plants have global approvals and accreditations and an impeccable track record of supplying pipes for complex projects for Oil & Gas across the globe. This makes us one of the top suppliers of choice, for any LSAW requirement.

Coming to our prospects for FY2020, we have an all-time high starting order book of around 1.7 million tonnes which gives us very strong visibility. Profitability associated with

> During the year, we also took a strategic decision to divest our Plate and Coil Mill Division (PCMD) and the 43 MW power division. We had identified these as non-core assets and in order to focus on our core pipes business, we have entered into agreements to divest these.

current order book is significantly higher than the recent profitability trends and we expect this to continue at least for the medium term. With value unlocking from the divestment from non-core assets like PCMD & 43 MW power plant, the focus now remains on the relatively asset-light pipe business. We have adequate capacities across the globe and we do not foresee any significant capex. We have also worked on optimising our working capital. Therefore, the focus will be on free cash flow generation and further strengthening of balance sheet through debt reduction. We are on track to achieve a status of being zero net debt by the end of FY2020.

Our focus will also be to utilise the Company's surplus cash reserves, in order to enhance shareholder value. We have recently announced plans for buyback of shares, which will further make the balance sheet leaner. We look forward to reward our shareholders regularly, whether it is through dividends or buybacks.

My sincere thanks

I want to congratulate and thank the management team and all our dedicated employees who have worked tirelessly to create a stronger organization.

I also take this opportunity to express my heartfelt gratitude to our Board of Directors, Customers, Suppliers, Bankers and Investors. This strong position is possible only because of your continued support. I am confident that our team of talented people with exceptional expertise and a passion to envision and build a bright future will give me a chance to talk about an even brighter FY2020 when I pen down my views next year.

Thank you for your support and your confidence in Welspun Corp.

Regards,

Balkrishan Goenka
Chairman
Welspun Group

Building Scale and Strength **Across Geographies**

We have a robust order book across all the three geographies that we operate in, offering us clear visibility and giving us a tremendous amount of comfort. We have a healthy order book of 1.7 million tonnes to be executed over the next 1-2 years. We are single-mindedly strengthening and sharpening business in each of these regions through focused strategies.

We are leveraging the changing market dynamics, growing potential and increasing industry opportunities to convert that into growth in the Company. We are expecting good order inflows on account of high energy prices, expansion of national grid in India and several water projects being planned in India and Saudi Arabia.

1 India

Leveraging Fresh Opportunities

We are capitalizing on the vast infrastructure potential in India and exploring the massive opportunity in oil & gas and water infrastructure projects. The large diameter oil & gas pipe demand is driven by gas grid development by Gas Authority of India and oil pipeline network by Indian Oil Corporation. The small diameter segment is witnessing significant demand from City Gas Distribution projects. We are exploring opportunities with new water infrastructure projects being awarded by several states and the National River Linking project aiming at inter-basin water transfer. Our new pipe facility for water pipes at Bhopal is expected to commence production in FY2020, and is fully geared to meet local demand.

2 UNITED STATES

Capitalizing on Changing Market Dynamics

We have a robust order book in the United States led by a dramatic change in the market scenario. With our own manufacturing facility in US, we leveraged the significant competitive advantage post-imposition of anti-dumping duty on imports of large diameter welded pipes into the country. This also facilitated in preventing the facility from getting impacted by cheap imports. Also, US becoming the world's largest oil producer and facing infrastructural bottlenecks in the evacuation of oil & gas, is driving pipeline demand. The recent rebound in oil prices and expectation of higher oil production, as well as restrictions on pipe imports is benefiting our US operations substantially.

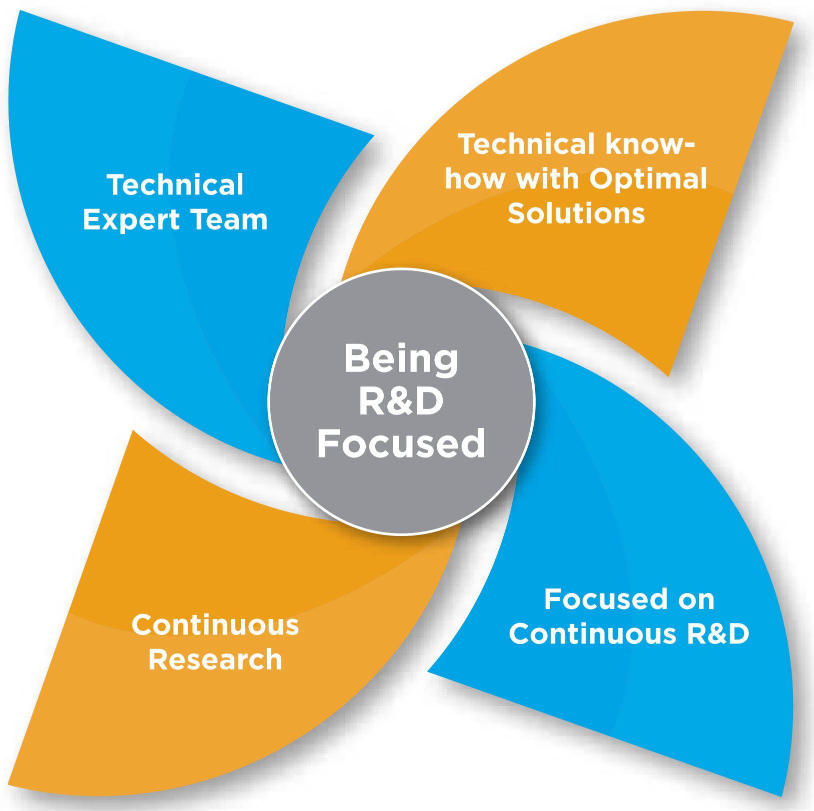
3 SAUDI ARABIA

Turning Around Operations, Gaining Visibility

The Saudi Arabia operations have a dominant share of the total order book in tonnage terms and production volumes have moved higher. The order mix is now changing in our favor, which has led to a turnaround in our operations in Saudi Arabia. Also, strong and rising demand from oil & gas and water gives us better order book visibility. Confirmed orders of 756K tonnes is expected to engage our total capacity for a couple of years. Further, with market potential in Oil & Gas segment improving and Saudi Aramco as well as SWCC awarding multi-billion-dollar projects, we are poised to explore further opportunities.

Value Delivery through **Operational Excellence**

Our decades of experience in line pipe manufacturing is well supported by our state-of-the-art facilities and global scale operations. We have a proud legacy of executing some of the most challenging projects with difficult topographies and terrains. This has been possible due to our 360-degrees capabilities, performance-driven culture and a clear focus on operational excellence.



Modern Facilities... with Minimum Maintenance

- Port-based facilities

- Best-in-Class and proven equipment and practices

- In-house capabilities to manufacture critical technology sensitive equipment

- All major certifications/ accreditations including API5L, OHSAS:18001, ISO:9001, ISO:14001, ISO:17025 (NABL)

Demonstrating Execution Excellence in Complex Projects

AMONGST DEEPEST

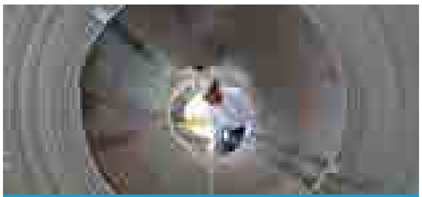
Independence Trail
233 Kms, 24-inch deep sea gas transmission pipeline in the Gulf of Mexico

Complexity: High collapse resistance

AMONGST HEAVIEST

IGAT-IV
100 Kms, 56-inch high pressure gas transmission pipeline in Persian Gulf

Complexity: Large diameter high wall thickness, X70 grade of steel



AMONGST HIGHEST

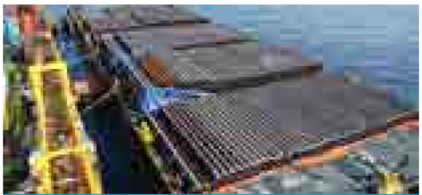
Peru LNG Project
118 Kms, 34-inch gas transmission pipeline

Complexity: Pipeline in service at very high altitude

AMONGST LONGEST

Keystone Pipeline
Sole supplier, Canada to USA Crude Oil pipeline (1,700 Kms, 36-inch)

Complexity: Very long-distance hydrocarbon pipeline supplied by a single manufacturer



OFFSHORE

Arabiyah-Hasbah (Wasit Gas Program)
100 Kms, 36-inch gas pipeline in Saudi Arabia

Complexity: Highly sour gas

STRINGENT TOLERANCE LEVEL

Stampede Oil Export SCR* Pipeline
32 Kms, 18-inch pipeline in Gulf of Mexico

Complexity: Only WCL could match specifications

*SCR – Steel Catenary Riser

Strong Customer Relationships across the Value Chain

Oil & Gas

Transportation

Others

Reaping Benefits of **Prudent Financial Management**

To further strengthen our balance sheet, we managed the Company with great financial prudence. We efficiently employed the available capital, reduced debts, deleveraged the balance sheet and kept the operations light. These steps led us to improve the return on capital employed and expand the overall profitability, even as our order book gave us enough visibility for strong revenue growth.

As part of our business strategy, we took several steps towards prudent management of our finances in order to optimize growth. We identified some assets that were heavy on our capital employed, but weren't viable enough or contributing greatly to our profits, and took strategic steps to sell them off. Towards this move, we agreed to sell our Plate & Coil Mill division and the 43-megawatt power plant, which will help us unlock value and lower the asset base. This enables us to keep our operations asset-light and focus on core assets. With this, we are reducing capital employed to facilitate the same amount of profitability, thereby resulting in a phenomenal improvement in ROCE.

In addition to this, we retired a significant amount of debt during the year, thereby reducing our liabilities. We lowered our net debt to negligible levels. Going ahead, we have a stated aim to continuously monitor and reduce our debt. Our aim is to make Welspun Corp a 'debt-free' company by 2020. We are also improving our liquidity position, through the asset sale.

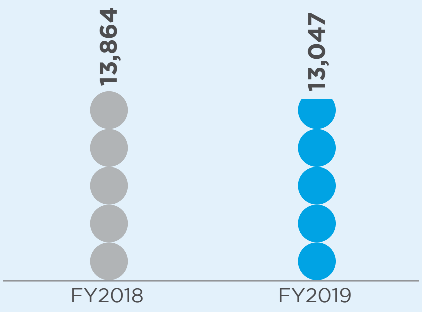
This financial re-engineering enabled us to improve the ROCE, profitability and return ratios, and advance the overall financial performance.

Re-Engineering the Balance Sheet:

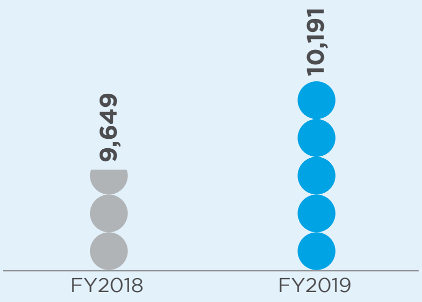
- Reduced Net Debt from ₹ 4,216 million to ₹ 2,856 million
- Improved Net Debt to Equity and Net Debt to EBITDA Ratio

Growth supported by a Healthy Balance Sheet

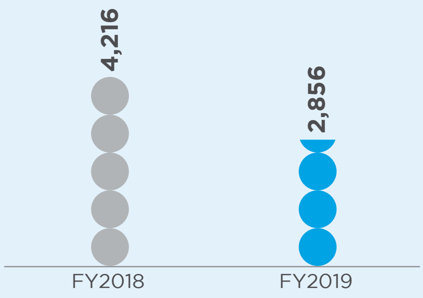
Gross Debt (In ₹ million)



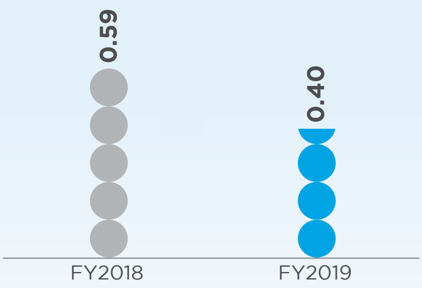
Cash & Cash Equivalent (In ₹ million)



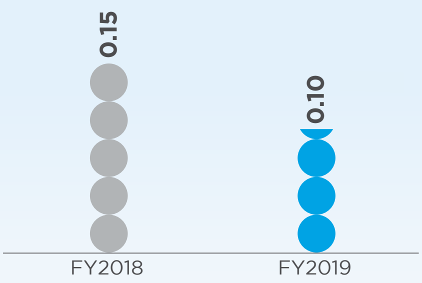
Net Debt (In ₹ million)



Net Debt/EBITDA



Net Debt/Equity



Pride of **Parentage**

The USD 2.7 billion Welspun Group is one of India's fastest growing conglomerates. It is a fully integrated player with expertise in Pipes, Plates & Coils and Home Textiles, while it also has a presence in Steel, Infrastructure and Energy.

Welspun Group is one of India's fastest growing conglomerates with businesses in large diameter line pipes, home textiles, infrastructure, advanced textiles and flooring solutions. Welspun has made its mark within the line pipe and the home textiles sector to become one of the most recognized global leaders with a strong foothold in over 50 countries with 25,000+ employees.

Welspun Group - Key Highlights (FY2019)

₹ 61 **billion**
Total Asset Base

₹ 185 **billion**
FY2019 Revenue

₹ 25 **billion**
FY2019 EBITDA

₹ 32 **billion**
FY2019 Net Debt

Over 25,000+
No. of Employees

Our Vision

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

Our Mission

By 2020, we aim to be amongst:

- Top 2 value creators in each of our businesses
- Top 10 most respected Indian brands
- Top 50 Groups in India in terms of market value

Our Key Achievements

- Track record of delivering quality projects – on or before time
- History of designing and building manufacturing plants and projects valued at USD 3 billion-plus
- Successfully built Anjar Welspun City, spread across 2,500 acres in Gujarat
- Built renewable energy portfolio of 1,000 MW valuing ₹ 10,000 crore
- Successfully built one-of-a-kind anciliarization model in Textiles
- Unlocked value of over ₹ 130 billion in past 5 years

WELSPUN ENTERPRISES
Infrastructure and Energy

INDIA'S FASTEST GROWING INFRASTRUCTURE PLAYER

Completed India's first 14-lane Expressway in a record time of 18 months

WELSPUN CORP
Pipes and Plates

GLOBAL LEADER IN LINE PIPES

Global leader in Line Pipes with manufacturing facilities in India, Saudi Arabia and US

WELSPUN INDIA
Home Textiles

GLOBAL LEADER IN HOME TEXTILES

Global leader in Home textiles with presence in more than 50 countries & strategic partner to top retailers

Towards
Employee Welfare

We firmly believe that people are our greatest asset and we adopt best practices to ensure healthy employee relations, employee growth and development as well as work satisfaction. We believe in providing continuous skill and competence upgrading to all employees by providing access to necessary learning opportunities.

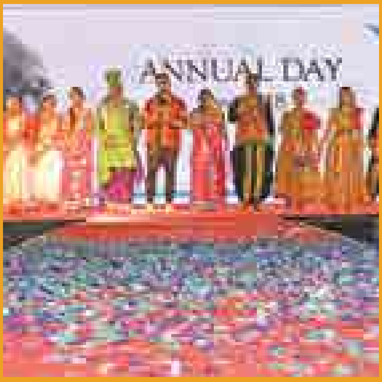
Our people are the primary source of our competitiveness. We are continuously upgrading the competencies of our employees by enabling them access to necessary learning opportunities. We adopt the best practices to ensure healthy employee relations, employee growth and development and work satisfaction. Our belief in employee welfare is corroborated in the several ‘firsts’ in employee welfare measures that we have introduced over time. During the year, we launched online behavioral courses facilitating learning on digital platform. We also concluded the Frontline Managers program which has been designed for critical employees to upskill them and make them become better managers.

Technical Center

We launched the Technical Center of Excellence at Anjar, which is committed to providing specific technical training to GETs, Staff, Associates, and those deployed through NEEM and Apprentices scheme. The Training includes classroom sessions, followed by on-the-job training at the designated workstations for an overall learning experience and skill development.

We-Talk

An employee connect app was launched on 11th May, 2018 to cater to all the employees, staff and workmen. The app is designed to provide the latest announcements, celebrations and events across locations. It also provides the user a platform to share views through "Your Voice" module and conduct Surveys. This is an initiative to foster two-way communication between the management and employees and to create employee connect across all locations by sharing news, announcement, celebrations and awards received by employees. The app reaches out to the staff and also to the associate workers, which reduces the communication gap.



Employee Engagement

As part of the employee engagement drive, Annual Day programs were celebrated across locations. The employees were awarded under various categories including Best Managers; Teams making the most significant contribution; Awards to CSR Initiatives Taken; Yuva Puraskar Award for newcomers making significant contribution. Among all group companies, Welspun Corp won the "Best Company Award" during this year. Other engagement drives were conducted through Townhalls and New Joiners meet.

Inclusive **Growth For All**

The Welspun Group ensures a strong commitment towards all-round social progress, as well as sustainable development that balances the needs of the present with those of the future. 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.

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

Our corporate values epitomize our vision to achieve inclusive growth for all. We continue to consistently deliver on the expectations and needs of our stakeholder fraternity across our operations. We seek to strengthen our initiatives through a focus on partnership, innovation and impact to create a sustainable value for the community at large.

The Welspun commitment to delivering impactful value goes beyond business, to impact every stakeholder, including the communities around which we work. With sustainable social progress embedded in every facet of the way we do business, we continue to work dedicatedly towards addressing the deep-rooted aspirations of the communities.

Education

Project Gyankunj:

Objective: To enhance the teaching and learning process for teachers and students with the use of technology.

About: In partnership with the Gujarat Government, we have taken up the initiative to digitalize Government primary school classrooms and make them more conducive for learning.
Gyankunj is a school digitalization program to enhance classroom interactivity and teaching-learning processes with the help of technology tools such as projectors, interactive boards, computer systems, speakers, and UPS, among others.

Current Reach: 3 Districts, 116 Schools, 961 Teachers Trained and 55,750 Students.

Empowerment

Welspun Super Sports Women:

Objective: To identify and support female athletes in achieving their sporting endeavors through scholarships.

About: Welspun Foundation supports sportswomen from varied sporting disciplines who come from challenging backgrounds to enable them to strive for excellence in their sport by consistently giving remarkable performances. Passionate and talented young girls with high potential of making a difference in their field of sport are selected and supported.

Current Reach: 14 Sports Women.

Project: Menstrual Hygiene through Women Entrepreneurship:

Objective: To empower women by creating livelihood opportunities, thereby improving their health.

About: The program is initiated on addressing health issues among adolescent girls and women through livelihood opportunities and entrepreneurship. Self Help Groups are created across villages and Women Entrepreneurs are trained to create awareness and sell sanitary pads.

Current Reach: Welspun has enabled 48 women entrepreneurs from 23 villages reaching out to 8,000 women across Anjar, Vapi, Dewas and Saharanpur.

Project Model Village:

Objective: To create a sustainable rural community that generates and maintains the resources to improve its level of well-being and happiness without depleting economic, social and environmental values.

About: Model Village is an integrated intervention in a comprehensive approach in the areas of self-sustainability, Health, with a special focus on mother & child, education - majorly focusing on girl child education, women empowerment, livelihood / income generation activities, creating awareness on clean and safe environment in the village. The flagship model village project is conceived with a view to transform the living conditions of villages and rural settlements surrounding the factories.

Current Reach: 5 Villages and 19,600 People.

Awards & **Recognition**

Sufi Steel Awards 2018
Steel CEO of the Year -
Mr. Vipul Mathur, MD & CEO

4th EKDKN Exceed Award 2018
GOLD - Environment Preservation Category in Manufacturing Sector

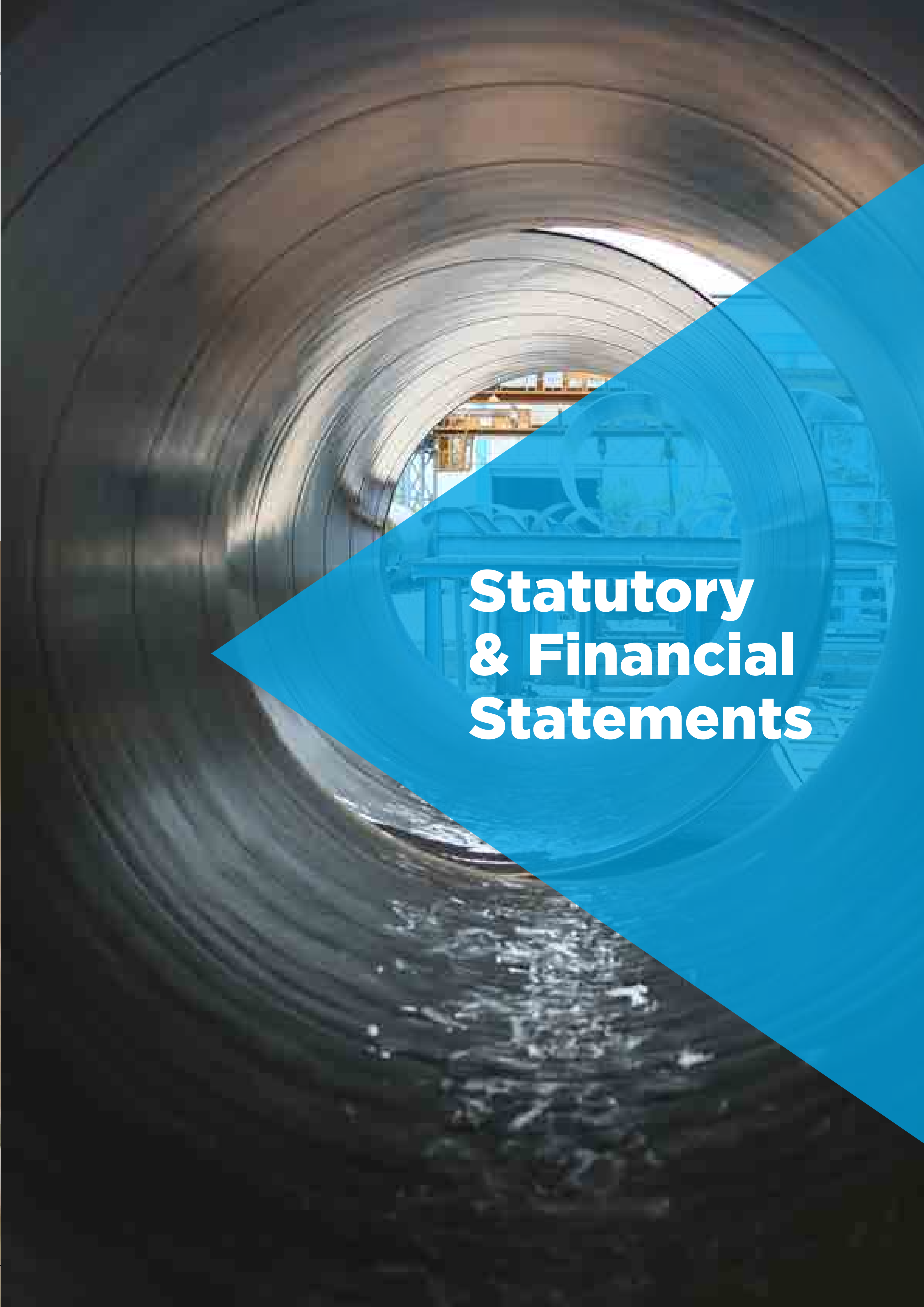
Kaizen Award 2018
By Quality Council of India

National Awards for Manufacturing Competitiveness 2017-18
Gold Medal by International Research Institute for Manufacturing (IRIM)

18th Annual Green Tech Environment Gold Award 2018
First ever in the field of Environment

Golden Bird Excellence Award 2018
For Quality Excellence under Platinum category

2nd Annual EKDKN EXCEED Award 2018
Best Energy Practices



Statutory & Financial Statements

Management Discussion and Analysis

"Our advantage of being "Global but Local" is becoming an important differentiating factor in the current environment of local sourcing by customers. We are in a unique position where we are witnessing traction in all the three geographies (USA, Saudi Arabia and India) where we enjoy leadership position as a local player. We begin the financial year with the highest opening order book in our history, which gives us significant visibility and confidence that we are at the cusp of a significant growth in profitability."

Vipul Mathur
MD & CEO

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Corp Limited ("Welspun" or "WCL" or the "Company"), and the notes thereto for the year ended March 31, 2019. This MD&A covers Welspun's financial position and operations for FY2019. Legal tender is stated in Indian Rupees unless indicated otherwise. The numbers used in the analysis are on a consolidated basis, the corresponding number for the previous year have been regrouped and reclassified wherever necessary.

Forward Looking Statement

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

Company Overview

Welspun Corp Ltd. is a leading manufacturer of large diameter pipes globally, offering a one-stop solution for all line pipe related requirements with its wide range of high grade line pipes. The Longitudinal (LSAW), Spiral (HSAW) and ERW / HFIW pipes, produced at its advanced state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia meet stringent specifications.

The Company's distinguished clients (Fortune 100 companies) comprise bellwethers of the oil and gas sector (Shell, Saudi Aramco, TOTAL, Chevron, Energy Transfer, South Oil Company, ExxonMobil, Kinder Morgan, TransCanada, Enbridge to name a few). The Company is approved by over 50 major oil and gas companies, enhancing its ability to participate and bid in key projects globally. The Company's local presence in major markets and ability to quickly respond to customer requirements across many markets has made the Company a supplier of choice for most customers.

Global Economic Overview

The global economy continues to expand at a healthy pace. The global GDP grew by 3.7% in CY2018 even on the backdrop of weakening global financial market sentiment, trade policy uncertainty, and concerns about China's outlook. During the year, the global financing conditions tightened, industrial production moderated, trade tensions remained elevated, and some large emerging market and developing economies experienced significant financial market stress.

In CY2018, economic activity in advanced economies grew at 2.3%, lower from CY2017. Bolstered by fiscal stimulus, the growth in the United States has remained solid by increasing to 2.9% from 2.2% year-on-year. In contrast, activity in the Euro Area has been somewhat weaker at 1.8% in CY2018 as compared to 2.4% last year. This is owing to several factors such as soft private consumption, weak industrial production, higher borrowing costs, negative impact of worker protests and prolonged uncertainty about the Brexit outcome.

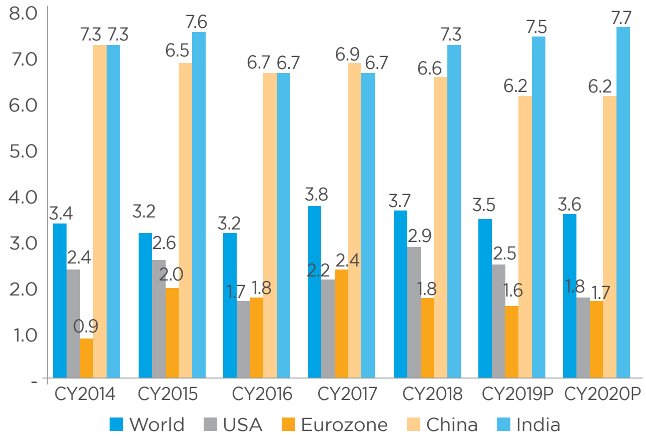
Also, Emerging Market & Developing Economies (EMDE) growth edged down to an estimated 4.2% in CY2018 as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. EMDE got majorly impacted by the volatile crude oil prices and depreciation of domestic currency. With the recent drop in oil prices, the emerging market economies' inflationary pressures are easing but it has been partially offset by the pass-through of currency depreciations to domestic prices. Central banks in many of these EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

Due to subdued demand from China, the prices of metals and agricultural commodities have softened slightly, posing renewed headwinds for commodity exporters.

As per IMF World Economic Outlook, the global growth is projected to moderate to 3.5% in CY2019 before picking up to 3.6% in CY2020. This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels, together with a temporary decline in the growth rate for EMDEs in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

Statistics Source: *IMF World Economic Outlook January 2019, World Bank Global Economic Prospects January 2019*

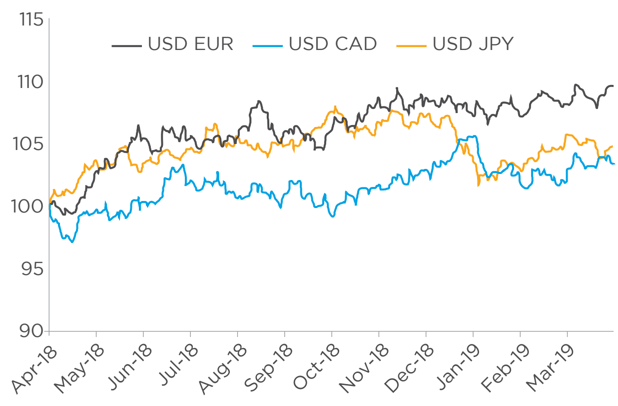
Fig. 1: GDP Growth Across Region



Foreign Exchange

During FY2019, US Dollar appreciated against major developed market currencies, including Euro (EUR), Japanese Yen (JPY) and Canadian Dollar (CAD). Highest USD appreciation was seen against the Euro (EUR). The JPY remained volatile during the financial year as it depreciated during the first nine months but appreciated in the last quarter of the year.

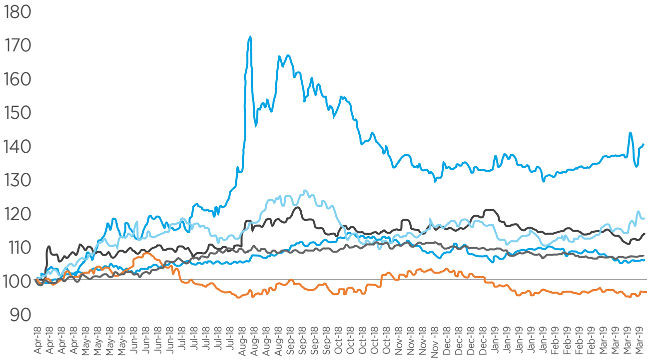
Fig. 2: Change in Major Developed Market Currencies (Indexed)



Source: Bloomberg

During FY2019, almost all emerging market currencies depreciated against the US dollar enhancing the competitive edge of suppliers from these markets. Among these, the Turkish Lira (TRY) saw the maximum depreciation benefiting the Turkish exporters. India's currency saw substantial depreciation vis-à-vis the US dollar, particularly in the first half of the financial year by falling nearly 14% during the period from April 2018 to October 2018. It reached ₹ 74+ levels but the level was short-lived as the rupee appreciated and came back to settle at ₹ 70-72 levels. It further appreciated in March 2019 to breach ₹ 70 levels and finally closed at ₹ 68.97 by end of FY2019.

Fig. 3: Change in Major Emerging Market Currencies (Indexed)



Source: Bloomberg

Global Energy Demand

Energy is essential to every aspect of modern life. The growth of energy is directly linked to well-being and prosperity across the globe. People rely on energy as it is a primary input for almost all activities and is, therefore, vital for improvement in quality of life. Its use in diverse sector such as industry, commerce, transport, telecommunications, wide range of agriculture and household services has driven up the global energy demand.

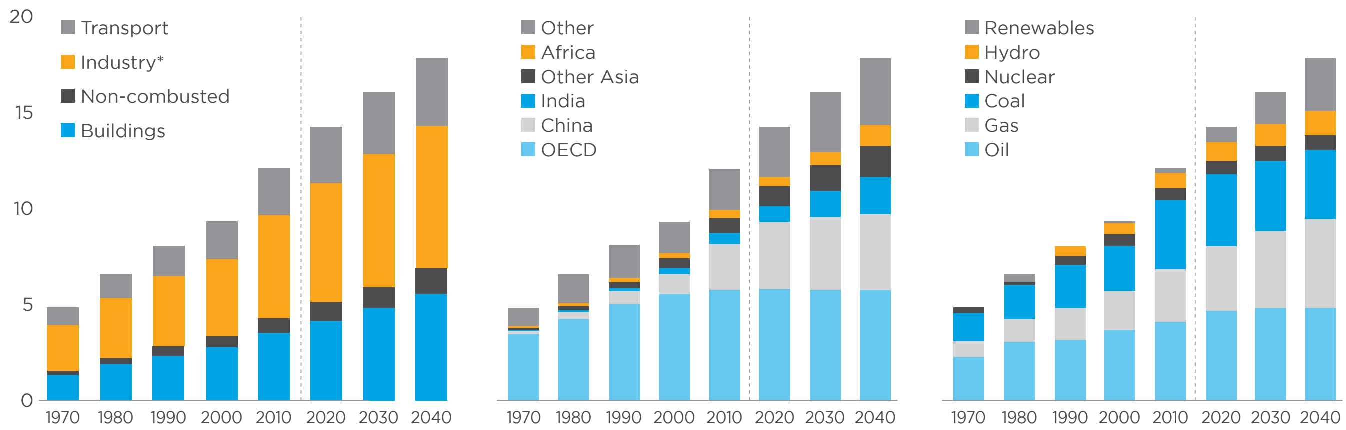
Global energy demand is largely determined by growth in population and GDP as well as industrial activities. The global population is projected to increase from a level of around 7.7 billion in 2019 to 9.2 billion, by CY2040. Over that same period, global GDP is likely to double by CY2040, aided by growing prosperity and rising standard of living. Over that same period, Global energy demand is expected to rise by about 25%. All energy production must increase to meet this exceptional rise in demand from both developed and developing countries. Meeting the growing demand for energy in environmentally responsible manner is a key challenge today. Energy is needed at a global level in increasing quantities to support economic and social progress and build a better quality of life, particularly in developing countries.

Energy consumption in non-OECD countries began exceeding OECD consumption since 2007 and is estimated to continue witnessing high level of demand by CY2040. Asia-Pacific region is projected to have the largest increase in energy use of non-OECD regions. This increase is led by China and India, the fastest growing developing economies, to have reliable energy support in expanding industry, modernizing agriculture, pursuing business endeavors, increasing trade and improving transportation. China, India, Africa and other emerging Asian countries account for about two-thirds of the contribution to energy demand growth.

The growth in energy consumption is broad-based across all the main sectors of the economy, with industry and buildings accounting for three-quarters of the overall increase in energy demand. The industrial sector (including the non-combusted use of fuels) currently consumes around half of all global energy and feedstock fuels. The importance of energy used within buildings expands, as growing prosperity in developing economies leads to significant increases in power demand, for space cooling, lighting and electrical appliances.

The world is evolving eternally in fuels, although oil, gas and coal would remain the most demanded sources of energy for next couple of decades. With further expansion in renewables and natural gas, the energy mix by CY2040 is expected to be varied at a global level.

Fig. 4: Primary energy demand



*Industry excludes non-combusted use to fuels

Source: BP Energy Outlook 2040, 2019 edition

The Oil Scenario

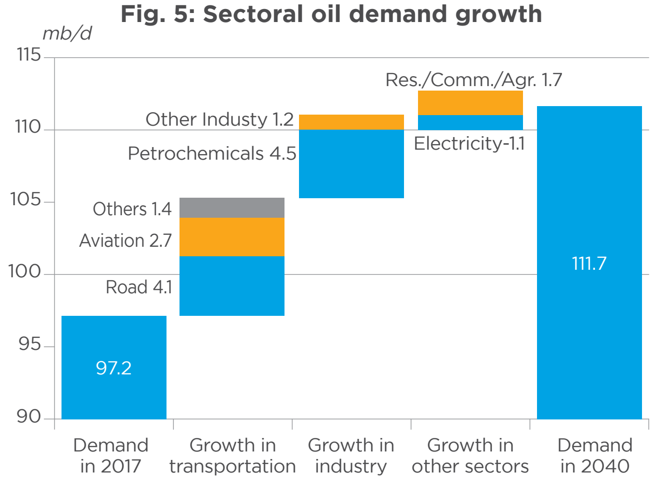
Oil demand at the global level is anticipated to continue growing at healthy rates over the long-term. By CY2040, global long-term oil demand is expected to increase by 14.5 mb/d, to 111.7 mb/d. This demand growth is strongly derived from the emerging economies as a result of rising population growth rates, standard of living and growing prosperity. Oil demand in developing countries is expected to increase by 22 mb/d, rising to 66.6 mb/d in CY2040, with India and China continuing to be the most important contributors to this growth.

China is anticipated to be the largest oil consumer over this period, adding 5.1 mb/d to reach 17.4 mb/d by CY2040. In terms of incremental demand over the period, India is projected to be the country with the fastest demand growth (3.7% p.a. on average), as well as the largest additional demand (5.8 mb/d), with demand passing the 10 mb/d mark by CY2040.

The global liquid supply is anticipated to increase by 16 Mb/d. Supply of liquids will be escalated initially by US tight oil production, which is expected to increase to 13.3 Mb/d in CY2023, with Organization of the Petroleum Exporting Countries (OPEC), to be the next main source of incremental supply. The increase in OPEC production is driven by rise in abundance of global oil resources by reforming their economies and reducing their dependency on oil, allowing them gradually to adopt a more competitive strategy of increasing their market share. By 2040, OPEC output is expected to rise by around 4 Mb/d and non-OPEC by 6Mb/d, led by the US (5 Mb/d), Brazil (2 Mb/d) and Russia (1 Mb/d) offset by declines in higher-cost, mature basins.

Trends in sectoral oil demand outlined in the medium-term will broadly continue in the long-term too, although the longer timespan will make these trends increasingly visible. The transportation sector will evidently be a major source of additional oil demand. Between 2017 and 2040, the transportation sector is estimated to account for 56% of the additional barrels consumed. Among all transport modes, the largest demand for oil comes from road transportation, and is significantly expected to increase in the long-term with an additional 4.1 mb/d to reach 47.8 mb/d by 2040. The industrial use of oil is expected to increase, driven mainly by petrochemical and other industries though at a slower rate than in the transportation sector.

Fig. 5: Sectoral oil demand growth



Source: OPEC – World Oil Outlook 2018 Report

Interestingly, while demand in the OECD region in 2017 accounted for 49% of global oil demand and that of developing countries accounted for 46%, by 2040 the situation is anticipated to change significantly. The

OECD is expected to represent just 35% and developing countries 60% of global oil demand. The outlook for long-term oil demand is presented in the Table below:

Fig. 6: Long-term oil demand by region

Mb/d

	2017	2020	2025	2030	2035	2040	Growth 2017-2040
OECD America	25	25.7	25.2	23.9	22.5	20.9	-4.1
OECD Europe	14.3	14.5	13.9	13.1	12.4	11.6	-2.7
OECD Asia Oceania	8.1	8.0	7.6	7.2	6.7	6.2	-1.9
OECD	**47.3**	**48.3**	**46.8**	**44.2**	**41.5**	**38.7**	**-8.7**
Latin America	5.7	6.0	6.4	6.8	7.1	7.3	1.5
Middle East & Africa	3.8	4.1	4.6	5.1	5.7	6.3	2.5
India	4.5	5.2	6.4	7.6	9.0	10.4	5.8
China	12.3	13.4	14.7	15.8	16.6	17.4	5.1
Other Asia	8.7	9.4	10.3	11.3	12.2	12.9	4.2
OPEC	9.3	9.8	10.7	11.5	12.0	12.3	3.0
Developing Countries	**44.4**	**47.9**	**53.1**	**58.1**	**62.6**	**66.6**	**22.2**
Russia	3.5	3.7	3.9	3.9	3.9	3.9	0.4
Other Eurasia	1.9	2.1	2.2	2.3	2.4	2.5	0.6
Eurasia	5.4	5.8	6.1	6.3	6.4	6.4	1.0
World	**97.2**	**101.9**	**106**	**108.6**	**110.5**	**111.7**	**14.5**

Source: OPEC – World Oil Outlook 2018 Report

The Gas Scenario

Gas constitutes around a quarter share in the global primary energy mix, behind oil and coal. The United States, Russia, China and Iran represent the world's largest gas consumers. The largest producers are Russia, the United States, Canada, Qatar and Iran. More and more countries are improving their gas markets to expand the utilization of gas and to draw in new investments. Countries like Mexico, China and Egypt, are modifying their gas market, which will enable them to engage in the supply, transport and promotion of gas.

The long-term potential for gas in the global energy mix remains strong. Three major shifts are anticipated to shape the evolution of global natural gas markets which are: a) growing imports by China which is driven by continuous economic growth and strong policy support; it accounts for 37% of the global increase in natural gas consumption between 2017 and 2023, which is more than any other country, b) greater industrial demand; emerging markets (primarily in Asia) account for the bulk of this increase, and c) rising production from United States; it is already the world's top producer, and accounts for almost 45% of the growth in global production.

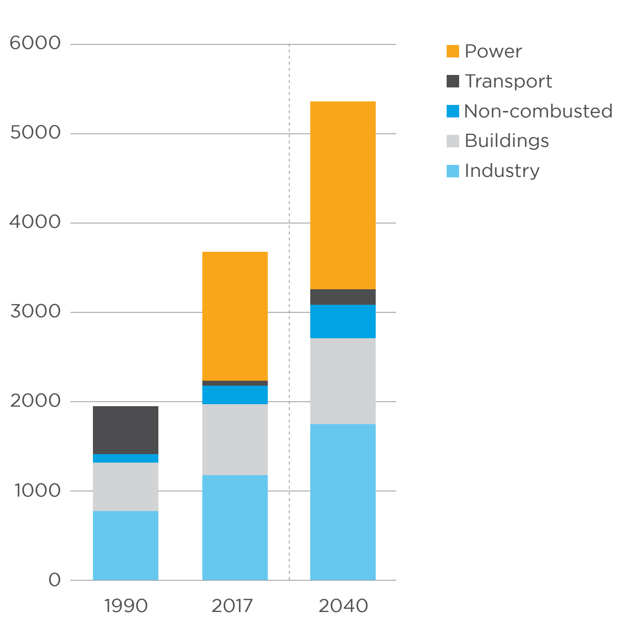
The increase in the consumption of gas will continue to be led by industry and power sector. Also, the demand of gas in transport sector is increasing at a fast growth rate due to its high usage rate in marine and trucking transport, though at a slower pace than industry and power sector.

The increase in industrial demand for gas is largely driven by developing economies (as they continue to industrialize) and in regions with large gas resources (particularly in Middle East and Africa). Coal-to-gas switching as industry energy source (especially in China) also supports gas demand in industry.

The gas consumption in non-OECD countries is expected to grow by an average of 2.3% per year till CY2040, which will account for over 61% of global gas consumption by CY2040, as opposed to 53% today. Consumption in non-OECD Asia will increase, accounting for nearly 40% of global growth. Other anticipated high-growth regions include Africa, where consumption is projected to increase by 3.5% a year and the Middle East, with expected growth of 2.2% a year, by CY2040. With OPEC capacity growing only modestly, more attention is focused on the non-OPEC countries.

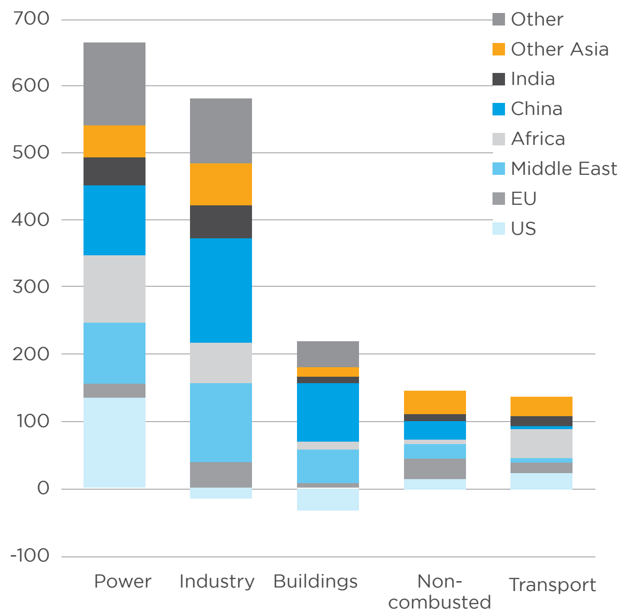
Global gas production is led by the US and Middle East (Qatar and Iran) who together are expected to continue their contribution for around 50% of the growth in gas production supported by strong increases in output in both China and Russia. US is expected to become more dominant in the global oil market and is expected to grow its output by 3.7 Mb/d, by CY2040 which is more than half of the total global production capacity growth of 6.4 mb/d expected by then. Total liquids production in the United States will reach nearly 17 mb/d, easily making it the top global producer, and nearly matching the level of its domestic products demand. Brazil, Canada and Norway will also contribute to supply growth and along with the United States are expected to provide nearly all the non-OPEC increase. Technological advances, such as hydraulic fracturing and horizontal drilling, have resulted in great expansion of extracting the unconventional resources, particularly in US. The expected escalation in global gas supplies witness a rapid growth of more than 50% over the FY2019-40 period.

Fig. 7: Gas consumption: By sector



Source: BP Energy Outlook 2040, 2019 Edition

Fig. 8: Gas consumption: Growth by sector and region, 2017-2040



Source: BP Energy Outlook 2040, 2019 Edition

Liquefied Natural Gas (LNG)

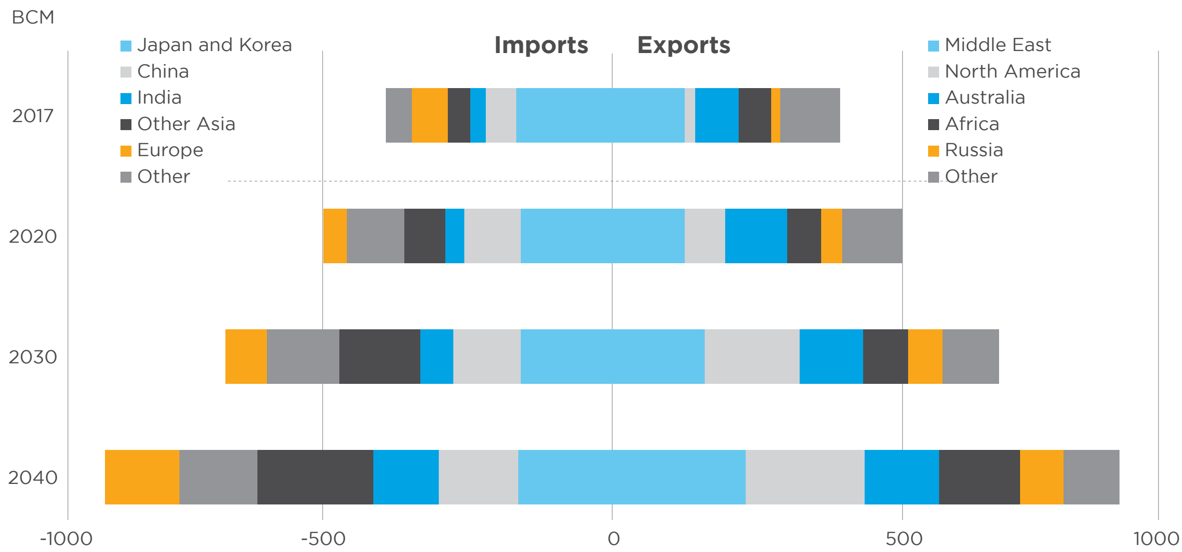
Global LNG volumes are set to expand substantially, leading to a more competitive, globally-integrated gas market. LNG continues to be the fastest-growing gas supply source, with an expected CAGR of 4% a year till CY2035.

The global LNG export demand has continued to grow around the world, led by North America, followed by the Middle East, Africa and Russia. US and Qatar continue to emerge as the main centers of LNG, accounting for around 40% of all LNG exports by CY2040.

LNG being reliable, affordable and cleaner energy, is increasing acceptability at the global level with more than 42 countries now importing LNG. In CY2019, about 35 million tonnes of additional LNG imports are expected to be absorbed by both Europe and Asia alone. Europe remains a key market, both as a balancing market for LNG supplies and a key hub of gas-on-gas competition between LNG and pipeline gas. On the other hand, Asia continues to be the dominant market for LNG imports, although the pattern of imports within Asia shifts, with China, India and Other Asia overtaking the more established markets of Japan and Korea and accounting for around half of all LNG imports by CY2040.

China is still leading in terms of growth and has become the world's largest gas importer, with LNG imports doubling over the last two years. This demand has been driven by industrial use (+44%) and residential and commercial use (+38%), out of which more than half of the gas demand growth is met by LNG. India also uses LNG to meet its increasing needs for a secure energy supply. With the drop in domestic gas production and consistent hike in demand for LNG gas, India continues to import LNG at the highest level in FY2018-19 (up 10% year-on-year). LNG's share of India's total gas supply mix exceeded 50% for the first time in 2018.

Fig. 9: LNG imports and exports



Source: BP Energy Outlook 2040, 2019 Edition

Shale Gas

The emergence of shale gas and shale oil has quickly changed the landscape of energy opportunities in different regions of the world. Shale gas is considered a new generation for unconventional resource of natural gas and oil. Innovation in hydraulic fracturing and horizontal drilling techniques is driving the rapid development of shale resources. These non-conventional sources of natural gas and oil are capable of increasing production to a much higher level and seen as a major game changer for the global petroleum industry.

The increasing popularity of shale gas in various industries has advocated a growing awareness regarding the benefits of shale gas as an energy resource. Shale gas emits less carbon content compared to coal; therefore, it could be used as a cleaner energy option for many countries that are presently depending on coal, as an energy source. The significant number of shale reserves all over the globe and the competitive price of shale gas are key factors, which supplement the growth of the shale gas market.

The largest component of natural gas production from shale resource is expected to reach 5.0 million bpdoe in CY2023. Natural gas production from shale gas and tight oil plays as a share of total US natural gas production is projected to continue to grow in both share and absolute volume because of the large size of the associated resources, which extends to over more than 500,000 square miles.

Tight oil and shale gas in North America (both US and Canada), is anticipated to continue as the highest concentration of production and reserves in unconventional sources. Central and South America also host significant reserves and production centers, comprising heavy and extra heavy oil and deep-water and ultra-deep-water oil resources in Brazil, Colombia, Ecuador, and Venezuela. China is expected to grow at a fast pace, accounting for the highest CAGR of 38.2% (in terms of volume) in the world shale gas market.

In terms of end-users, the power generation sector accounts for one-third market share, both in terms of revenue and volume. This is mainly due to the abundance and low carbon footprint of shale gas compared to coal-fired plants. Industrial sector will be one of the fastest growing segments at a CAGR of 15.3% by CY2023. Due to its low price, shale gas is replacing the existing conventional energy sources in many industries like chemical and fertilizer.

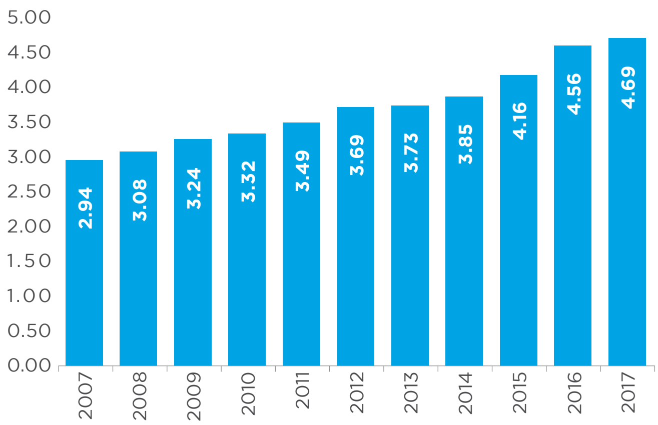
The key risk lies in the regulatory barriers that are identified with environmental concerns, including water supply quality and the requirement for expensive tailoring of fracking to the more complex nature of rock in certain places. Few countries have gone so extreme as to ban all exploration and generation of shale oil. By and large, the worldwide diversion of Shale oil generation remains unsure, adding to broader uncertainty about the global oil supply view.

Oil and Gas in India

In FY2018, the production of oil and gas in India had reached 35.68 Mt and 31.83 bcm respectively. India's energy demand is expected to double to 1,516 Mtoe by CY2035 from 753.7 Mtoe in CY2017. Moreover, the country's share in global primary energy consumption is projected to increase by two-folds by CY2035. India's consumption of petroleum products increased by 4.1% to 210 MMT in CY2018.

India is now one of the fastest growing large economies of the world and energy is one of the important catalysts for accelerated sustained growth. Today, India is the 3rd largest energy consumer of crude oil and petroleum products in the world after USA and China. Oil consumption has expanded at a CAGR of 4.78% and is expected to increase over 150% to 10.1 million tonnes per day by CY2040. India is anticipated to retain its high dependency on oil imports.

Fig. 10: Oil consumption in India (2007-17) (mbpd)

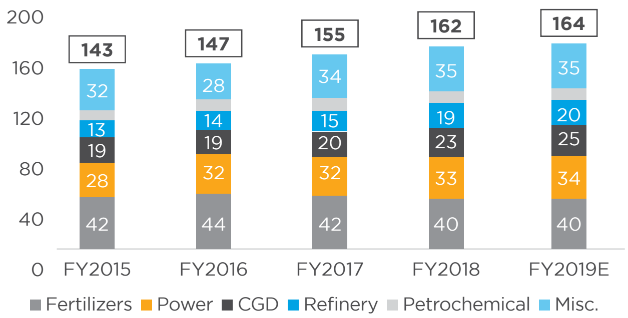


Source: Ministry of Petroleum and Natural Gas

The demand for natural gas in India has increased significantly. India's natural gas imports has increased at a CAGR of 10.53% during FY2010–FY2018 and the demand is expected to grow more at 3.5% CAGR between CY2018 and CY2023 to reach 191-193 MMSCMD. To meet this rising demand, the country plans to increase its LNG import capacity in the coming years. India progressively depends on imported LNG with the country being the 4th largest LNG importer. LNG imports during CY2018 reached 12.4 MMT.

The overall gas demand is diversified across all the main segments, with fertilizer, city gas distribution (CGD) and power segments contributing to the bulk of natural gas demand in India. Fertilizer industry remains a major contributor to the natural gas demand in the country though at a stable rate. Gas demand for CGD sector has increased at a CAGR of ~7% during FY2015-19 due to the addition of gas networks in new cities, price advantage of CNG and increased use of PNG in domestic, industrial and commercial sectors. On the other hand, growth in power generation demand is increased by a lower figure at a CAGR of ~5% in the same period, due to its accessibility and affordability challenges.

Fig. 11 : Gas Demand in India



Source: CRISIL Research

Indian gas market is anticipated to grow six times by CY2030 from the current levels, with LNG expected to be the largest contributor. LNG imports during FY2018 reached 12.4 MMT, constituting 5.68% of worldwide imports. LNG import terminal capacity is also expected to double to 47.5 MMT by CY2022.

To meet the growing demand, diminish reliance on imports and improve investments in the country, the Indian government permits 100% Foreign Direct Investment (FDI) in upstream and private segment refining ventures. Government has taken a series of policy decisions to promote exploration and production of oil and gas. They include - Open Acreage Licensing Policy (OALP) and Coal Bed Methane (CBM) policy to encourage investment, setting up of National Data Repository (NDR) to make Exploration and Production (E&P) data available for commercial exploitation and R&D, policy to promote and incentivize enhanced oil discovery methods, free market pricing of gas for new fields etc.

To strengthen its unconventional resource base, India till now has identified six basins as areas for shale gas exploration: Cambay (Gujarat), Assam-Arakan (North East), Gondwana (Central India), Krishna Godavari onshore (East Coast), Cauvery onshore, and Indo-Gangetic basins. India has technically recoverable shale gas of 96 trillion cubic feet. In addition to shale gas, India has reserves of other unconventional natural gases like Coal Bed Methane (CBM), Coal Mine Methane (CMM), and Tight Gas. The country has 9.9 trillion cubic feet of recoverable CBM. In this scenario where India's energy needs are growing and with the advent of new technologies, there is a great opportunity to explore and exploit shale gas and other unconventional natural gases along with conventional crude oil and gas.

Water

Global water use keeps on developing consistently at a rate of about 1% every year and is expected to continue to increase at the global level, due to population growth, economic advancement and changing consumption patterns, among different elements. The world population is projected to increase from a level of around 7.7 billion in CY2019 to 9.2 billion by CY2040, with two-thirds of the population living in cities. More than half of this anticipated growth is expected to occur in Africa (+1.3 billion), with Asia (+0.75 billion) expected to be the second-largest contributor to future population growth. Contemporary global water demand has been estimated at about 4,600 km^3 per year and projected to increase by 20%–30% to between 5,500 and 6,000 km^3 per year by CY2050. The major factors contributing to the increased water demand will be the increasing number of people living in river basins under severe water stress and ground water depletion.

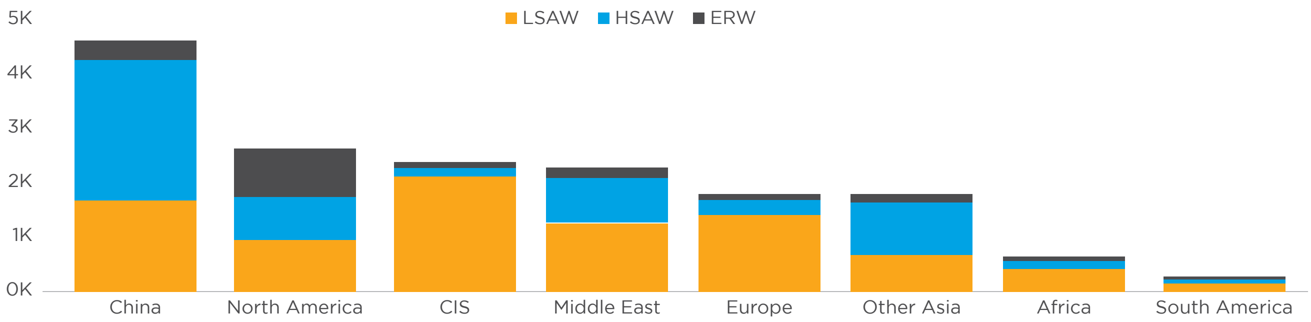
As per the G20 Global Infrastructure Outlook, water infrastructure will require a total of USD 6.4 trillion in order to provide adequate infrastructure to the increasing water demand. A part of water infrastructure will require setup of pipelines to transport water from surplus to deficit areas. It is estimated that the global water and wastewater pipe market will grow at a CAGR of ~5% over the next five years. Asia-Pacific is anticipated to remain the largest market over the period due to high growth in construction and infrastructure development, especially in China and India. North America on the other hand is expected to witness good growth because of growing infrastructural development activities and replacement of aging pipelines.

Global Large Diameter Pipe (LDP) Market

Global LDP demand in CY2018 was around 16.1 million tonnes, slightly higher than 2017 levels. The demand is expected to rise further to 16.7 million tonnes in CY2019.

China retained its position as the number one LDP market during the year and is forecast to hold this position even in 2019. The CIS, which was often the largest market in the world in FY2010-15, was pushed to the third spot by North America and is expected to remain there in 2019. On the other hand, the European market is forecast to see a significant decline in LDP demand into 2019, and by 2020 dropping to just 600,000 tonnes (this compares to over 2 million tonnes in 2017). The decline has been due to the completion of major pipeline infrastructure projects such as Nord Stream 2 and EUGAL.

Fig. 12: Global consumption by region, 2018, K Tonnes



*Other Asia includes India, Australia and Trans-ASEAN
Source: MBR

Global LSAW market

The Global LSAW line pipe market was at 8.5 million tonnes in CY2018. In CY2019, it is expected to stay stable at the CY2018 levels.

The CIS, led by Russia is the largest market for LSAW line pipe globally at around 2.1 million tonnes in CY2018 and close to 2.3 million tonnes in CY2019E. Russian LSAW demand has increased as Gazprom's requirements have improved largely on the back of looping requirements for the Power of Siberia pipeline.

China and the Middle East are also forecast to be significant consumers of LSAW line pipe in CY2019. China is seeing an increased use of LSAW in a number of large-scale projects. In the Middle East, Saudi Arabia has seen sustained strong demand for LSAW line pipes for offshore oil and gas field developments combined with onshore gas lines. The UAE and Qatar are forecasted to see LSAW line pipe demand increase, as they have undertaken offshore gas field developments.

Global HSAW market

Global API HSAW consumption increased in CY2018 by around 300 K tonnes y-o-y to 5.9 million tonnes. It is expected to grow further to 6.5 million tonnes in CY2019.

China leads the market and is expected to consume around 2.9 million tonnes of HSAW line pipe in CY2019. Multiple large-scale projects in the country from Sinopec and CNPC are forecast to drive this demand. Behind China, the wider Asia markets are also forecasted to consume more than 1.1 million tonnes of HSAW line pipe in CY2019. India is expected to be a major consumer here for oil and slurry projects with Bangladesh and Pakistan also providing opportunities.

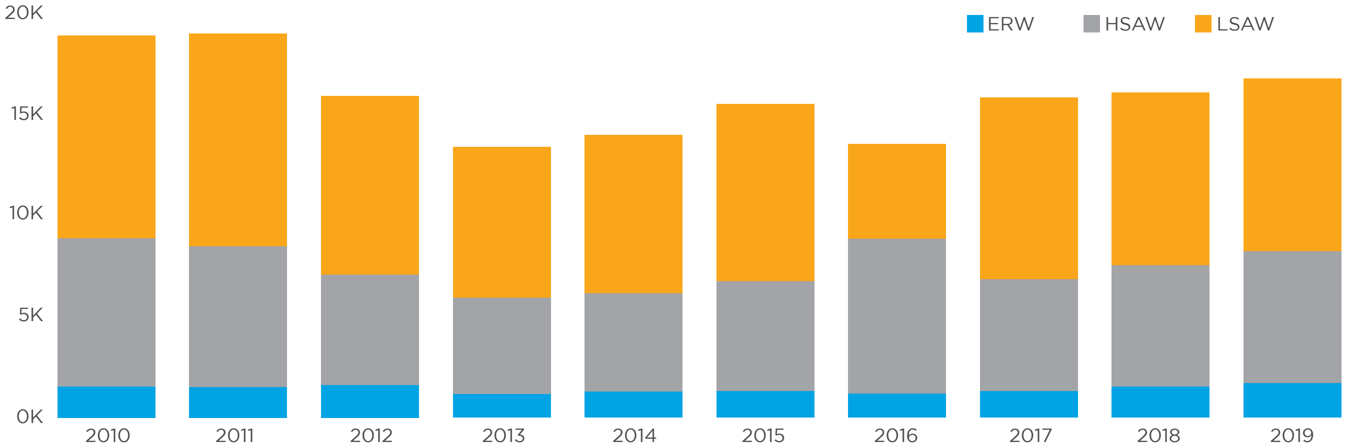
Away from Asia, both North America (particularly USA) and the Middle East are also expected to remain major HSAW line pipe consumers in CY2019 - at 800-900 K tonnes. In the Middle East, there is a very strong Saudi Arabian market for HSAW line pipes, primarily for desalination lines.

Global ERW line pipe market

Global ERW line pipe demand has strengthened strongly in CY2018 and is expected to further improve in CY2019 from 1.7 million tonnes to 1.8 million tonnes. This is a significant improvement compared to CY2017 demand at around 1.4 million tonnes. North America is single-handedly dominating this market, with ERW line pipe demand over 16" surging from 554 K tonnes in CY2017 through to 838 K tonnes in 2018 and an expected demand of 878 K tonnes in 2019.

The US market is seeing large demand for oil pipelines, especially from regions like the Permian. The diameters required for these pipelines are on the higher side, i.e. 16" to 24" OD.

Fig. 13: Global LDP Consumption by product across years ('000 MT)



Source: MBR

Welspun Corp

Welspun Corp (WCL) is a one-stop service provider offering complete pipe solutions. WCL has the capability to manufacture line pipes ranging from 1 1/2 inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.55 million MTPA spread across India (Dahej, Anjar, Mandya and Bhopal), USA (Little Rock) and Kingdom of Saudi Arabia (Dammam), Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360-degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the Company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations.

FY2019 Performance Highlights

Highest Ever Sales Volume:

After achieving an average 1 million+ average sales and production in last 5 years, FY2019 was a milestone year when the Company achieved its highest ever yearly sales in volume terms by selling 1,279 KMT of pipes through its plants in USA, Saudi Arabia and India.

Historic High Closing Order Book:

The Company ended the financial year 2019 with a historic high closing order book position of 1,712 KMT (₹ 150 billion). This has been made possible by the Company's global manufacturing base and reach across major key markets. The all-time high order book sets a strong foundation for robust production and sales volumes in FY2020.

Details of order book:

Fig. 14: Order book by Type (KMT)

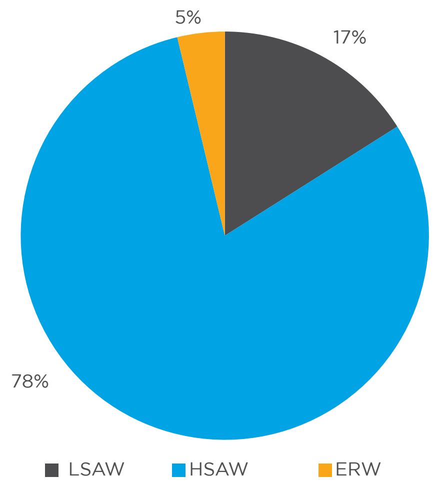
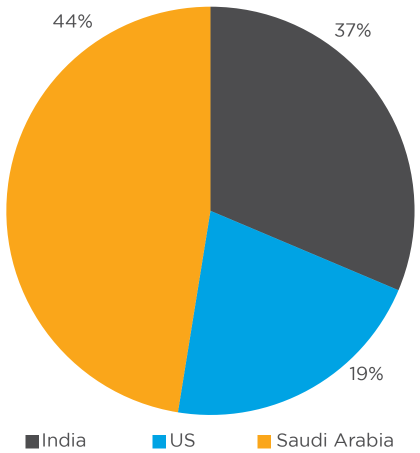


Fig. 15: Order book by Region



Divestment from PCMD & 43MW Power Division:

FY2019 marked an important strategic step - value unlocking of approx. ₹ 9.4 billion through the divestment of its Plate and Coil Mill Division (PCMD) and its 43 MW Power Division. These two assets were identified as non-core assets for the Company and hence the decision to divest them. By selling these divisions, the Company is expected to move towards an asset-light model, thus achieving improvement in its profitability ratios and return ratios. Further, the transaction will strengthen the balance sheet by providing significant liquidity to the Company and deleveraging the balance sheet.

The Company entered into a Business Transfer Agreement (BTA) for slump sale of business undertaking PCMD to Laptev Finance Pvt. Ltd at a receivable consideration of ₹ 8.49 billion (plus adjustments pertaining to Net Current Assets as of closing Date). The Closing date is expected to be not later than December 31, 2019. The Company also entered into another BTA for slump sale of business undertaking of 43 MW power plant to Welspun Captive Power Generation Ltd at a consideration of ₹ 669 million.

Pre-payment of debt

The Company is constantly trying to reduce its gross debt levels by pre-paying debt wherever permitted. In line with this endeavor, the Company has pre-paid USD 25 million of loans in the US subsidiary on March 2019. An additional USD 25 million of loan was repaid in April 2019.

Buyback of shares:

Welspun Corp announced its plans to buy back its shares for a maximum aggregate consideration of ₹ 3.9 billion at a price not exceeding ₹ 140 per share. The Board has arrived at this decision with a view of utilizing the Company's surplus cash reserves and in order to enhance shareholder value. The buyback would be subject to shareholders' approval.

The Promoter Group (including the foreign promoters) have indicated their intention to participate in the proposed buyback up to the extent of 5% of the paid-up capital.

Awards

WCL won several awards during the financial year 2019:

- **Sufi Steel Awards 2018 -** Steel CEO of the Year - Mr. Vipul Mathur, MD & CEO
- **EKDKN Exceed Award 2018 GOLD -** Environment Preservation Category (Manufacturing Sector)
- **Kaizen Award 2018 -** By Quality Council of India
- **National Awards for Manufacturing Competitiveness 2017-18 -** Gold Medal by International Research Institute for Manufacturing (IRIM)
- **18th Annual Green Tech Environment Gold Award 2018 -** First ever in the field of Environment
- **Golden Bird Excellence Award 2018 -** For Quality Excellence under Platinum category
- **2nd Annual EKDKN EXCEED Award 2018 -** Best Energy Practices

Welspun Corp Differentiators:

Multi-location line pipe manufacturing facilities complemented with coating capability

The Company's multi-locational line pipe capacity stands at 2.55 million MTPA (as tabulated below). The Company has coating facilities in all three countries, details as below:

Capacity (in K MT)	India				USA	Saudi Arabia	Total
Products	**Anjar**	**Dahej**	**Mandya**	**Bhopal**	**Little Rock**	**Dammam**	
LSAW	350	350					700
HSAW	380	50	150	175	350	375	1,480
ERW/HFIW	200				175		375
Total	**930**	**400**	**150**	**175**	**525**	**375**	**2,555**

Focus on R&D and Pipeline Technology

1. Technical Knowhow - Experience of delivering pipe with stringent specifications gives an edge for prestigious and challenging projects.

2. Dedicated R&D Facility - Fully equipped growth machine shop facilities to facilitate capability enhancement, capacity expansion, de-bottlenecking, automation and product development programs.

3. Continuous Research - Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems helps in continuous improvement.

4. Technical Expert Team - Technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for line pipe durability.

Advanced Technological Prowess

1. Efficient robotic systems
2. Highly automated plant process line
3. Integrated pipe traceability system
4. Precision dimensional control
5. Laser-based automatic pipe dimension measurement system
6. Heavy press for heavy thickness, low diameter/ thickness pipes
7. Triple random length (LSAW, HSAW and ERW/ HFW in triple random length)

Continuous Improvement in Operations and Service Offerings

Pipe ID Machining

- Exclusive facility to carry out internal boring up to 6 inch at both ends of pipe (Dia-48 inch, 28.6 mm thick, Grade-X70M)

Automatic Pipe Dimension Measurement System

- 100% automatic laser based, non-contact type, precise pipe dimension measurement system at LSAW-Anjar plant; integrated with climate controlled automatic calibration system

Automatic Pipe Traceability System

- Ensure end-to-end traceability right from raw material to finished goods at Little Rock facility

Integration of Machines with SAP for Direct Data Transfer

- Critical machines at LSAW – Anjar and Spiral – Dammam plants are integrated with SAP to automatically transfer important process parameters without any human intervention

Automatic Pipe Hot Induction Bend Facility

- Upgraded with automatic parameter control, heating and quenching, and dynamic stabilizer to have pipe bends with uniform properties throughout the length & thickness

Online Auto Tack Repair System

- Avoids manual repair work and saves time & resources

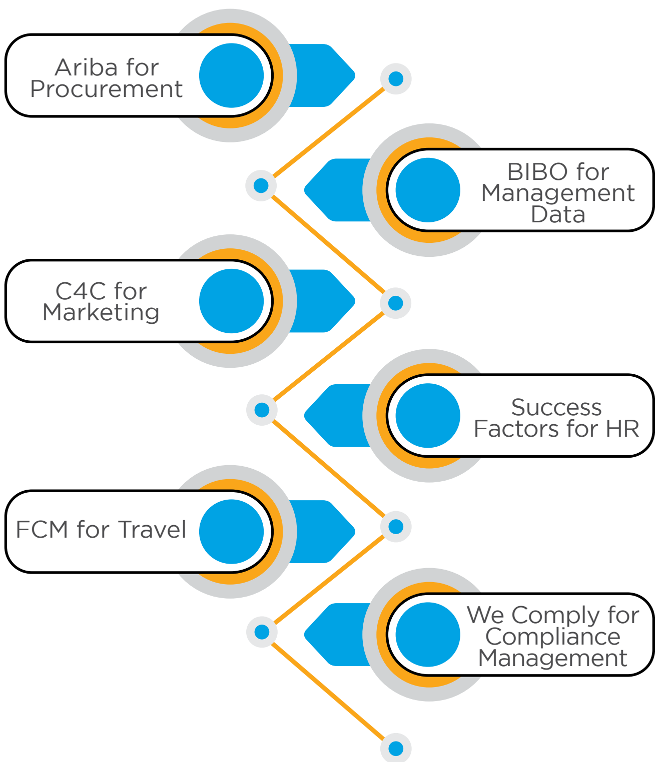
Automated Tab Joining and Robotic Bead Milling

- Developed for consistent and sustainable quality; avoids human error and fatigue during operations

Concrete Weight Coating

- Welspun Wasco Coatings Private Limited (JV between Welspun and Wasco) set up concrete weight coating facility with capability of concrete thickness up to 150 mm and 18 m long pipe with higher shear strength (>0.4 Mpa)

Fig. 16: Focus on Technology



Opportunities for the Company

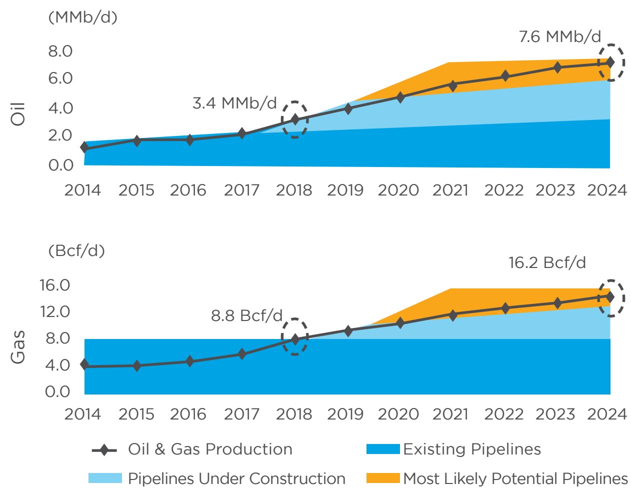
This section describes the potential opportunities for the Company to grow the business and create shareholder value.

North America:

In the oil and gas industry, the shale revolution has changed the business in multiple ways. Due to the emergence of shale, the U.S. has been transformed from one of the world's leading oil importers into the world's largest producer of oil and gas. The total U.S. crude oil output is about 12 million barrels per day (MMb/d), out of which roughly one-third comes from the Permian basin (now exceeds 4 MMb/d). It is expected that Permian Basin oil production will increase to 7.6 MMb/d and gas production to 16.2 Bcf/d.

Rising fracking in the Permian basin has created bottlenecks as the existing infrastructure, especially pipelines, cannot cope with rising production. Producers are not able to transport the oil and gas to customers. This also explains why the WTI benchmark trades at a discount to its international counterparts.

Fig. 17: Permian Production Forecast: Need for Pipeline

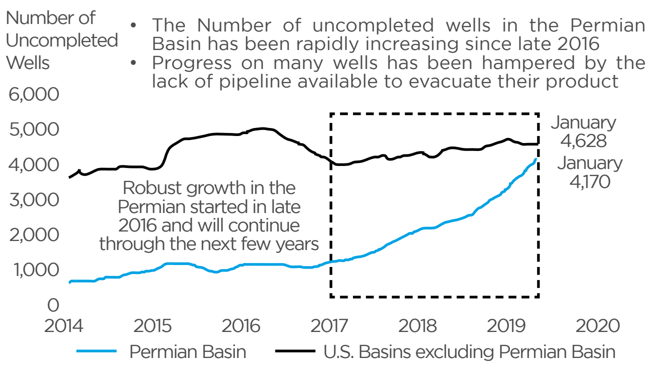


Source: Industry research

Major oil operators have laid out plans to significantly raise pipeline capacity over the next two years to overcome this constraint. Several new pipelines are expected to come on line at the end of this year and in 2020 and 2021. These pipelines are set to ease bottlenecks and reduce the price discounts of the oil in the Permian to the oil priced at Cushing or the U.S. Gulf Coast. With the need for additional pipelines rising fast, Texas has become the epicenter of a booming industry. In Texas, companies are investing USD 40 billion in building or expanding 10,000 miles of pipeline, which is enough pipeline to reach China from West Texas.

The shortage of adequate pipeline network can be seen from the increased drilled but uncompleted wells in the Permian basin. There has been a substantial increase of uncompleted wells since 2016 (see fig 18).

Fig. 18: Drilled but Uncompleted Wells



Source: Federal Reserve Bank of Dallas, March 2019 Energy Slideshow

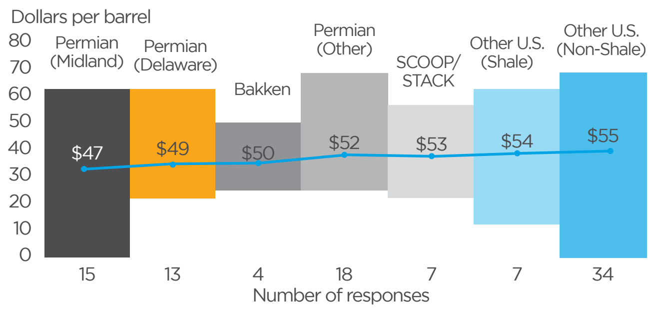
Going forward, it is expected that bottlenecks for crude oil will expand beyond the Permian. Crude oil drilling in the Rockies is expected to increase more than 5% this year with operators reporting low-cost assets there. By 2020, the expectation is that pipeline infrastructure will be inadequate for the potential production. Eagle Ford is also reporting increasing bottlenecks in infrastructure.

A significant part of the demand for pipes in the US was met through imports till early part of 2018. However, duties imposed on imported pipes in 2018, has brought down imports significantly. Section 232 tariffs/quotas and Anti-dumping (AD)/Countervailing duties (CVD) on pipe imports are giving the local pipeline manufacturers an advantage against imports and helping them earn higher margins due to reduced supply options. These tariffs are expected to dent imports in the coming years, as well.

The growth in drilling in the discussed regions depend on the pipeline capacity as well as on the profitability of drilling. The profitability is directly related to the oil price which has shown an increasing trend in last 3 years while in FY2019 it was volatile. During FY2019, WTI crude ranged between USD 45 and USD 73 per barrel. As per the energy survey conducted by Dallas Fed, operators are comfortable drilling new wells in the Permian even if WTI Midland oil price is around USD 45 a barrel. (see figure 19)

Fig. 19: Breakeven Prices for New Wells

Dallas Fed Energy Survey-In the top two areas in which your firm is active: What WTI oil price does your firm need to profitably drill a new well?

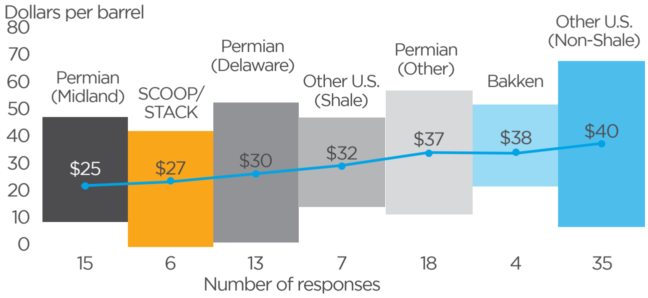


Notes: Line shows the mean, and bars show the range of responses. 65 E&P firms answered this question from March 14-22, 2018.

Source: Federal Reserve Bank of Dallas, March 2019 Energy Slideshow

Fig. 20: Shut-in Prices for Existing Wells

Dallas Fed Energy Survey-In the top two areas in which your firm is active: What WTI oil price does your firm need to cover operating expenses for existing well?

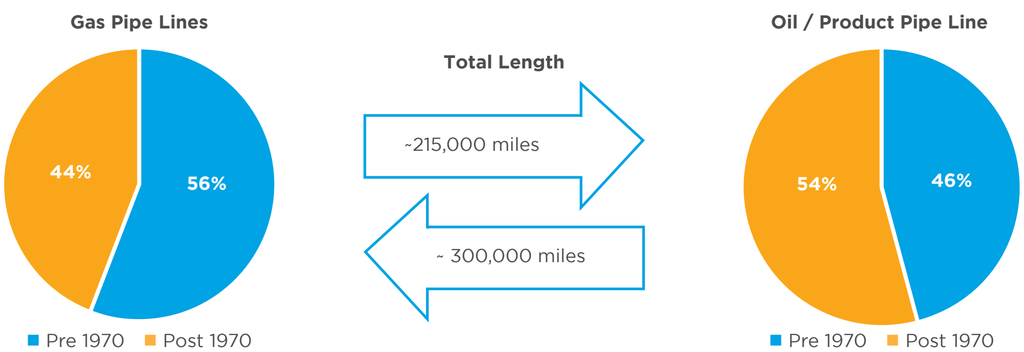


Notes: Line shows the mean, and bars show the range of responses. 66 E&P firms answered this question from March 14-22, 2018.

Source: Federal Reserve Bank of Dallas, March 2019 Energy Slideshow

Apart from the new capacity requirements, replacement of aging pipeline infrastructure offers huge potential for the pipe manufacturers. Around 56% of gas pipelines and 46% of oil pipelines currently in use have been commissioned prior to 1970; ~12,000 miles of gas pipelines and ~16,000 miles of liquid pipelines are more than 80 years old and with safety norms getting more and more stringent, more pipelines are expected to come up for replacement.

Fig. 21: Replacement Market Potential



Source: PHMSA

Middle East

The Middle East is a major market in the world for large-diameter line pipe activity. The region has the world's largest concentration of energy resources. Current estimates suggest that in the Gulf Cooperation Council (GCC) alone, the existing oil and gas pipeline network is some 21,000 kms in length. Outside of the GCC, Iran has an extensive gas network, one of the largest in the world. The country has some 30,000 kms of high-pressure gas pipelines. As the region continues to look to diversify its economies away from oil, there are ongoing plans to invest billions of dollars in new pipelines and associated infrastructure to allow gas to be distributed to new industrial regions and also allow for increased exports of oil and gas to markets such as Europe and Asia.

Saudi Arabia has over 300 recognized oil reserves and has the largest oilfield in the world, Ghawar. The country's oil and gas pipeline infrastructure has been heavily focused to the east of the country around oil and gas fields, although there are three pipelines traversing across to the West of the country (East-West Pipeline, Abqaiq-Yanbu LNG pipeline and the IPSA natural gas pipeline). Saudi Arabian Oil Company (Saudi Aramco) is responsible for the construction of all oil and gas pipelines in the country. Saudi has 16% of the world's proven oil reserves and is the largest exporter of total petroleum liquids in the world. In total, the country has more than 90 pipelines and 12,000 miles of crude oil and petroleum product pipelines through the country.

With the world's fourth-largest gas reserves, Saudi Arabia is now working to rapidly develop its gas reserves to increase the growth of the petrochemical sector and provide fuel for power generation and water desalination in the country. Saudi Aramco is looking to double its gas production in the next decade from the development of offshore fields, and unconventional drilling in places such as the Empty Quarter. The development of gas fields and reserves in Saudi Arabia will drive pipeline infrastructure construction in Saudi Arabia. This will include both offshore pipelines along with onshore developments such as the Master Gas System.

Local pipe manufacturers are expected to benefit due to the barriers to entry into the market in the form of approvals and accreditations required to supply pipes. In CY2012, Saudi Arabia issued a royal decree to encourage local manufacturers; only those products for which capabilities do not exist in Saudi Arabia are to be imported by the region. In addition to this, local pipe manufacturers get a price preference of 10-15%.

Water Segment in Middle East

With demand growth rates in Saudi for potable water expected to remain robust at about 5% a year until 2032, according to regulator Electricity Cogeneration Regulatory Authority (ECRA), there is a requirement for additional desalination capacity. It is estimated that Saudi Arabia will need to boost its installed seawater desalination capacity by 785 million imperial gallons a day to meet the predicted demand. Taking this into consideration, Saudi Arabia's water sector has undergone numerous changes in recent years, with the establishment of a new water ministry and numerous privatisation initiatives launched under Saudi Vision 2030.

In line with Vision 2030, most of the capital costs involved in the kingdom's new desalination and sewage treatment capacity will be met by the private sector. Water infrastructure projects are rapidly being constructed, expanded, and upgraded across the Middle East, as the region seeks to expand its critical utilities infrastructure to meet future demand expectations.

The opportunity for pipelines lies in the fact that most of the producing / processing plants are at quite a distance from the consuming centers. Pipelines will be required for distribution of water from desalination plants to all cities, with average distance between 300 to 500 kms for each pipeline.

India

India's domestic oil and gas production is mainly owned by NOCs although the Government has opened up the market to 100% foreign ownership. The country is a large LNG importer and its natural gas consumption is on the rise to serve as a replacement for coal. India's demand for liquefied natural gas (LNG) is set to rise by about 10% this year even as the country adds import capacity at a faster clip; however, infrastructure constraints hinder availability of gas to consumers. India had four terminals receiving LNG last year, taking in 21 million to 23 million tonnes, up nearly 10 to 13% from 2017. Over the next seven years, the Government plans to build another 11 terminals. With the terminals, essential pipeline infrastructures are needed to connect natural gas supplies to markets that currently lack access. The pipeline network in India is still in need of further expansion and improvement to maintain its growing gas consumption and to minimize the risk of constraining gas supply. For the same, the Indian Government remains committed by expanding its National Gas Grid, with plans to add a further 14,239 km of gas pipeline to the country's existing 16,788 km network.

Under the current situation, oil pipelines in India are mostly delivering oil from ports as well as from producing areas (particularly from Gujarat) to major oil refineries in Gujarat, Uttar Pradesh, and Haryana. There are 12 major crude oil ports and 16 ports handling finished products, mostly on the northwest coast. On the eastern part of the country, pipelines run from West Bengal to the Paradip oil refinery. There is a large network of oil pipelines in the west of India around the Gujarat region going north towards Delhi. Pipelines to other regions add to the potential opportunity.

Fig. 22: Crude Oil and LPG Pipelines of India

Fig. 23: Gas Pipelines (India)

Source: PNGRB

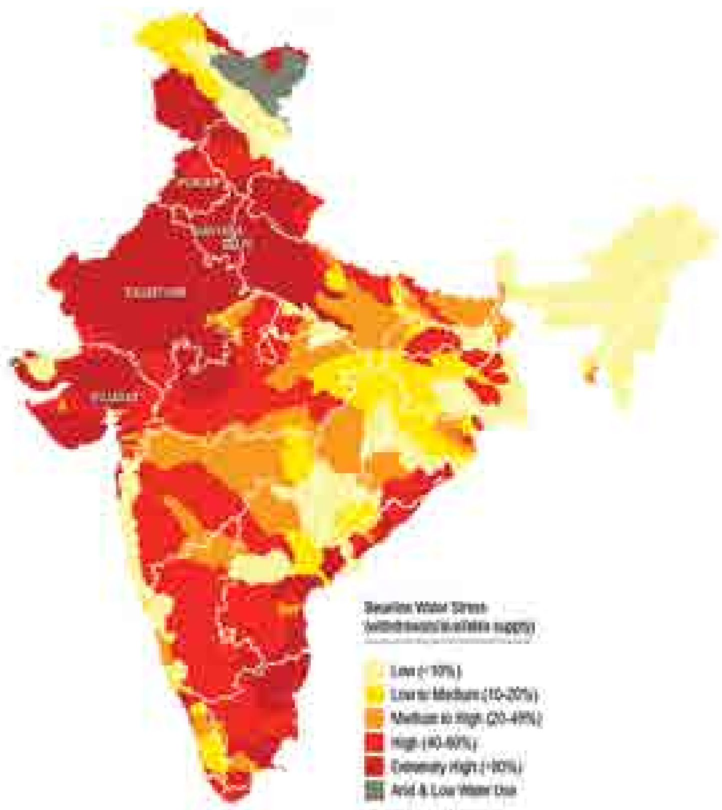
In addition to the pipeline opportunity from LNG increase, the strongest growth rate is expected in city gas demand, primarily due to an increase in consumption by commercial users on the back of growth in city-gas infrastructure. India is expected to get an investment of around ₹ 1.1 trillion in city gas distribution (CGD) over the next 10 years. The investment will come in areas allotted during the ninth round of auctions and 50 areas that will be allotted under the 10th round of bidding. Investment of around ₹ 700 billion in the ninth round is expected and another ₹ 400 billion during the tenth round. This is compared to nearly ₹ 180 billion invested in India so far during the first eight rounds. The move is part of the Government's strategy to increase the share of natural gas in India's energy basket from 6.5% now to 15% by 2030.

Water Segment in India:

According to the NITI Aayog Report of June 2018, India is suffering from the worst water crisis in its history. Currently, 600 million Indians face high-to-extreme water stress due to inadequate access to safe water. If this continues, it is estimated that by year 2030, 40% of the India's population may not have access to drinking water, eventually resulting in about 6% loss in the country's GDP. The severity of current baseline water stress can be seen all across the country. (refer Fig. 24)

Fig. 24: Baseline water stress in India

(Ratio of total withdrawals and total flow)



Source: Niti Aayog

In order to combat this degrading situation, India will need a cumulative investment requirement from 2016 to 2040 of USD 373 billion in water infrastructure. To overcome the lack of efficient infrastructure, Indian Government is coming up with overall improvement plans for the sector. India is set to embark on an ambitious exercise to link over 70 of its rivers. Central government's ambitious ₹ 5.5 lakh crore Rivers Inter-link plan is a large-scale civil engineering project that aims to link rivers. The mission of this program is to ensure greater equity in the distribution of water by enhancing its availability in drought-prone and rainfed areas. This will provide significant potential demand on the water pipe business.

Corporate Overview

Statutory Reports

Financial Statements

Fig. 25: Inter Basin Water Transfer Links

Source: National Water Development Agency

Risks and Concerns

The Company's key risks are:

Economic Risks: The macroeconomic outlook has been volatile in India as well as in other key markets where the Company operates. Economic slowdown could affect the Company's order book position, affecting capacity utilisation, sales and profitability. Increasing global trade protectionism has resulted in an advantage to the Company in the markets in which it has manufacturing facilities, but has made it tougher to export to other geographies. Due to its impeccable track record and superior performance on quality and timely delivery, the Company has been able to build a record high order book position at the end of FY2019. The order book gives significant visibility for FY2020, thus reducing risks due to an economic downturn.

Volatile crude oil and gas prices: Volatility in crude oil and very low gas prices create uncertainty for oil & gas producers, regarding the viability of new exploration. This, in turn, could create an uncertain future demand for line pipes in the oil & gas segment. With the increase in oil and gas prices from the lows of 2015, the demand for line pipes has improved both domestically and internationally. However, a significant drop in oil and gas prices from current levels could reduce future inflows.

Steel prices: The Company faces risk on steel pricing (the basic raw material) which it considers in bidding for any project or tender; and more so as the business is a long gestation one with minimum time taken from bid submission to award, varying from 4/6 months to even a year or two. The Company tries to mitigate this risk by way of arranging back-to-back pre-tender tie-ups with its selected group of pre-approved steel mills (directly or through their nominated trading channel) at the time of bidding for a project or tender - on price as well as quantity allocation, with the tacit understanding that in case the Company happens to be the successful bidder, the Company will immediately confirm its order of steel. The Company undertakes channel sales where it is exposed to steel price fluctuations; however, the contribution of such business to overall revenue is not significant. The increase or decrease in the steel prices has direct relation to the increase or decrease in pipe pricing.

Competition: Increased competition in all segments may have an impact on business and profitability. While the potential demand for new oil and gas pipelines remains high in most of the Company's markets, there have been considerable delays in decisions in many projects owing to policy uncertainty and environmental concerns, among others. This had led to fewer than expected projects coming to the market in certain years, leading to high level of competition. However, the current demand scenario for large diameter pipes is encouraging across all the three key geographies. Moreover, the Company has significant visibility of capacity utilisation for FY2020, due to its strong order book.

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

Although the Company has implemented a well-defined hedging policy, foreign exchange fluctuations could affect reported results.

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

Interest Rate Risk: Interest expenses are part of the finance costs. Therefore, any major upward fluctuation in interest rates leads to an increase in the cost of debt for the Company. The interest rate risks are mitigated to an extent through fixed interest rates on its rupee borrowings. The Company over the last year has reduced its high cost debt and is the process of further reducing its debt.

Legal Risks related to tax structure: The Company is liable to pay tax on profits, GST, sales tax, excise duty, service tax, custom duty and other applicable taxes. Any changes in tax legislation could lead to an increase in tax payments and lower financial results.

SWOT

STRENGTHS

- Established Brand Equity in the global large diameter pipe market
- Global reach, clientele and supply chain base
- Technical capability (Deep water and Sour service capability) and strong execution track record
- Technological leadership
- Local presence in major markets
- Robust order book
- Strong balance sheet and minimal net debt
- Diversified product portfolio
- Experienced management team

WEAKNESS

- Low capacity utilization and ROCE in PCMD (which is held for sale)
- Relatively low capacity utilization in the Indian mills
- Saudi Arabian orders exposed to steel price fluctuations, to some extent

OPPORTUNITIES

- New products/applications (including CWC)
- New markets in Latin America, Africa, Australia
- Ability to deliver on technologically challenging specifications
- Replacement pipe demand potential

THREATS

- Volatile Commodity Prices (Oil and Gas, Steel)
- Excess capacity and aggressive competition in India
- Preference for local producers and tariff / non tariff barriers in many export markets
- Potential delays in large projects

Human Resource

WCL's Human Resource Strategy continues to evolve around the Group Philosophy of Welspun 2.0. The Company strives to further reinforce the core values of Customer-Centricity, Collaboration, Technology and Inclusive Growth.

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

During FY2018-19, WCL has made significant progress in enhancing its HR delivery by adopting the latest best practices for people development and technology-oriented HR.

- Online Behavioral courses launched facilitating learning on digital platform
- Concluded successfully Frontline Managers program designed for critical employees to become better managers. The Program has been designed to upskill its first time managers and make them better managers

- In Anjar, the Technical Center of Excellence was launched, which is committed to provide specific technical training to GETs, Staff, Associates, those deployed through NEEM and Apprentices scheme. The Training includes Classroom sessions followed by On-the-Job trainings at the designated workstations for an overall learning experience resulting in skill development of its participants. The Participants were spread across all the locations

- We-Talk, an employee connect app was launched in May 2018, catering to all Employees, Staff and Workmen, as part of employee engagement drive. The app is designed to provide latest announcements, celebrations and events in the organization across locations. It also provides the user a platform to share his/her views through “Your Voice” module. Surveys can also be conducted through this app

- Employee Engagement forums through Townhalls, New Joiners’ Meet etc. were facilitated

- Annual day programs were celebrated in all locations, with employees awarded in various categories including Best Manager, Teams making the most significant contribution, CSR Initiatives Taken, Yuva Puraskar Award for newcomers

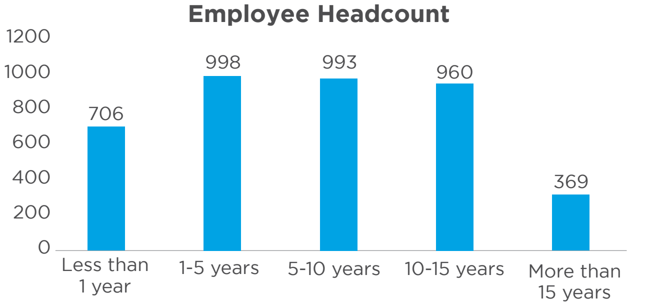
- Welspun is committed to Cleanliness and its Swach Welspun Abhiyaan is testimony to it. Weekly SWA awareness, audit and drives are carried out in every location

- As part of its commitment towards the environment, WCL initiated the No Plastic Usage initiatives in all locations which has seen great success with minimal or no plastic use across all locations

Employee Count for FY2018-19

Particulars	Emp. Count (Nos.)
Staff + Workmen	4,026
Contract Labor	1,293

More than 58% employees have over 5 years of experience.



Internal Control & Adequacy

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

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met seventeen times during this year to review, among others, the 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 during FY2018-19. The Company, together with its subsidiaries, is engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes. The FY2018 numbers are shown on comparable basis for all Profit and Loss statement and Balance Sheet items discussed below.

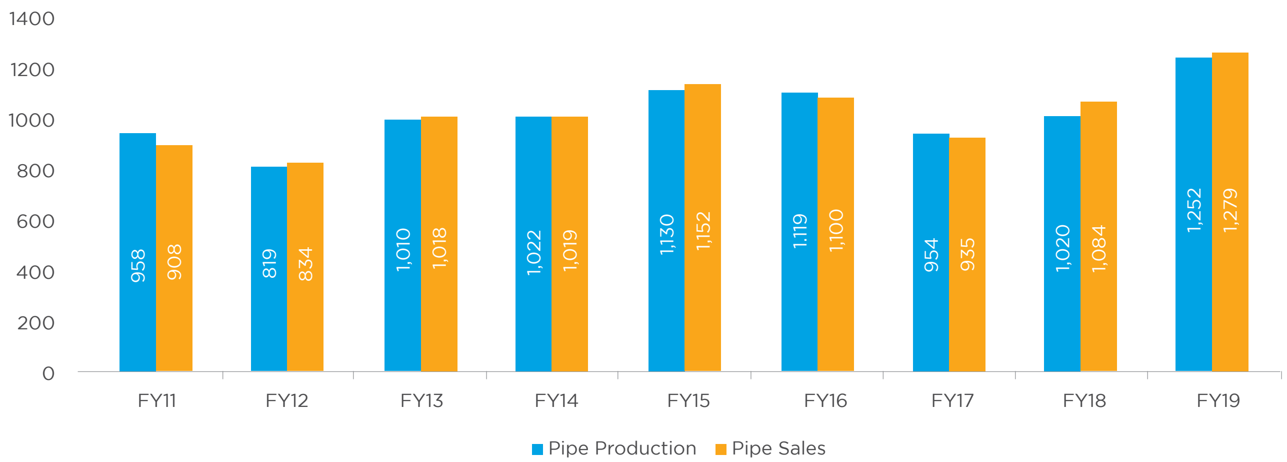
All P&L figures including prior period figures refer to the continuing pipes operations unless stated otherwise. PCMD and 43 MW have been treated as discontinued operations in the March-19 financials as well as in the prior periods.

Highlights of the financial year:

- Highest annual sales tonnage achieved by the Company in its history
- Net Debt reduced by ₹ 1,360 million during the year
- FY2019 revenue was at ₹ 89,535 million

Volumes

Fig. 25: Production and Sales in K MT – Pipes (including Saudi Arabian JV)



- Pipe production volume for FY2019 (including Saudi Arabian JV) stood at 1,252 KMT, up 23% Y-o-Y. Ex-Saudi production volume was 989 K tonnes, up 4% Y-o-Y
- Pipe Sales volume (including Saudi Arabian JV) for FY2019 stood at 1,279 KMT up 18% Y-o-Y. Ex-Saudi sales volume was 1,042 K tonnes, up 6% Y-o-Y
- Including Saudi Arabian JV, the capacity utilization was over 50% against 42% (FY2018). The overall installed capacity of pipes is 2.55 million MTPA, making the Company one of the largest line pipe companies in the world

Consolidated Revenues

Revenue

Total sales stood at ₹ 89,535 million in FY2019 as compared to ₹ 63,633 million in FY2018, an increase of 41%, on account of higher volumes and better realisations, especially at the US plant.

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

Particulars	FY2018-19		FY2017-18	
	₹ (million)	(%)	₹ (million)	(%)
Sales	89,535	100.00%	63,633	100.00%
Cost of goods sold	62,768	70.10%	43,997	69.14%
Employee Benefit Expenses	5,720	6.39%	4,172	6.56%
Manufacturing & Other Expenses				
- Store & spares consumed	1,886	2.11%	1,279	2.01%
- Coating & other Job charges	201	0.22%	163	0.26%
- Power, fuel & water charges	1,133	1.27%	913	1.44%
- Freight material handling charges	5,866	6.55%	4,610	7.24%
- Other expenses	6,230	6.96%	2,687	4.22%
Total Manufacturing & Other Expenses	15,317	17.11%	9,651	15.17%
Total Expenses	83,804	93.60%	57,820	90.87%
Other Income	1,347	1.50%	1,288	2.02%
EBITDA	7,077	7.90%	7,101	11.16%
Finance Costs	1,774	1.98%	1,702	2.67%
Depreciation	2,597	2.90%	2,582	4.06%
PBT (Profit before Tax)	2,706	3.02%	2,818	4.43%
Tax Expenses	1,223	1.37%	202	0.32%
Net Loss of Joint Venture	885	0.99%	859	1.35%
Non Controlling Interest	(84)	-0.09%	(53)	-0.08%
PAT after Minorities, Associates & JVs (Continuing Operations)	682	0.76%	1,810	2.84%
Profit After Tax (Discontinued Operations)	(815)	-0.91%	(227)	-0.36%
Profit for the Year	(132)	-0.15%	1,583	2.49%

a. Cost of goods sold

In line with the Revenue increase, the Cost of goods sold increased by 43% to ₹ 62,768 million in FY2019. Cost of material consumed as a percentage to Net Sales has increased from 69.14% in FY2018 to 70.10% in FY2019, mainly due to the increase in the steel price, especially in the US.

b. Manufacturing and other expenses

Manufacturing and other expenses increased by 59% which stood at ₹ 15,317 million in FY2019. The increase is mainly on account of higher production volume during the year as well as provisions of ₹ 2,376 million relating to fair valuation and MTM of certain bond investments, where credit ratings have been downgraded.

c. Employee Benefit Expenses was at ₹ 5,720 million in FY2019, 37% up YoY, mainly on account of increase in operations in the US subsidiary.

d. Finance Costs

Finance costs increased by 4% to ₹ 1,774 million in FY2019.

e. Depreciation/Amortization charge

Depreciation/amortization charges were flat at ₹ 2,597 million in FY2019.

f. EBITDA

EBITDA for FY2019 is ₹ 7,077 million, as compared to ₹ 7,101 million for FY2018. FY2019 EBITDA was after one-time provisions relating to fair valuation and MTM of certain bond investments. Due to the same, EBITDA margin decreased to 7.8% in FY2019 from 10.9% in FY2018.

FY2019 Operating EBITDA (after adjusting EBITDA for Treasury income and one-offs) stands at ₹ 8,968 million vs. ₹ 6,008 million in FY2018, up 49% YoY. Operating EBITDA margin stood at 10.0% vs. 9.4% in FY 18

g. Net profit (Continuing Operations)

PAT after Minorities, Associates & JVs (Continuing Operations) was at ₹ 682 million in FY2019 as compared to ₹ 1,810 million in FY2018.

h. Net profit (Incl. Discontinued Operations)

PAT after Minorities, Associates & JVs (Incl. Discontinued Operations) was ₹ (132) million in FY2019 as compared to ₹ 1,583 million in FY2018. Net profit margin stood at -0.24% in FY2019 vs. 2.36% in FY2018.

The decrease was on account of one-time provisions relating to fair valuation and MTM of bonds as well as those taken for the discontinued PCMD business.

2. Table: Balance Sheet (Consolidated)

(₹ million)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	15,518	30,326
Capital work-in-progress	465	144
Investment property	51	8
Goodwill on consolidation	-	5
Other intangible assets	105	119
Intangible assets under development	5	21
Investments accounted for using the equity method	596	1,144
Financial assets		
Investments	673	365
Loans	2,284	2,238
Other financial assets	312	150
Deferred tax assets (net)	3	4
Other non-current assets	428	1,185
Total non-current assets	**20,439**	**35,709**
Current assets		
Inventories	22,228	15,119
Financial assets	-	-
Investments	3,487	3,367
Trade receivables	11,807	13,141
Cash and cash equivalents	5,847	5,526
Bank balances other than cash and cash equivalents	857	756
Loans	5	6
Other financial assets	958	590
Current tax assets (net)	-	205
Other current assets	1,874	2,509
Assets or disposal groups classified as held for sale	14,499	6
Total current assets	**61,562**	**41,224**
	-	-
Total assets	**82,000**	**76,933**
EQUITY AND LIABILITIES		
Equity	-	-
Equity share capital	1,326	1,326
Other equity	-	-
Reserves and surplus	26,066	27,095
Other reserves	585	119
Equity attributable to owners of Welspun Corp Limited	**27,976**	**28,540**
Non-controlling interests	(51)	566
Total equity	**27,926**	**29,107**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	10,778	12,717
Other financial liabilities	2	2
Provisions	328	341
Deferred tax liabilities (net)	2,181	3,438
Government grants	1,318	3,650
Other non-current liabilities	-	-
Total non-current liabilities	**14,607**	**20,147**

(₹ million)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
Current liabilities		
Financial liabilities		
Borrowings	1,750	126
Trade payables	0	0
Total outstanding dues of micro and small enterprises	7	11
Total outstanding dues other than above	15,790	21,329
Other financial liabilities	1,989	2,437
Provisions	259	247
Government grants	205	463
Current tax liabilities (net)	1,980	1,799
Other current liabilities	14,632	1,268
Liabilities directly associated with disposal groups classified as held for sale	2,857	-
Total current liabilities	**39,468**	**27,680**
Total liabilities	**54,075**	**47,827**
Total equity and liabilities	**82,000**	**76,933**

3. Networth

Networth at the end of FY2019 was at ₹ 27,976 million vs. ₹ 28,540 million at the end of FY2018.

The details of Net worth are as under:

a. Share Capital
The number of shares is 265,226,109 (face value of ₹ 5 each) as at March 31, 2019; same as in the previous financial year.

b. Reserves and Surplus

i) Capital Reserve on Consolidation: The balance as of Ma^rc^h 31,, 2019 amounted to ₹ 153 million which is same as in the previous financial year.

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

iii) Debenture Redemption Reserve: Debenture Redemption Reserve stands at ₹ 506 million, which is same as in the previous financial year.

iv) The Balance in General Reserve as on March 31, 2019 stands at ₹ 354 million, which is same as in the previous financial year.

v) Profit and Loss account: The balance retained in the Profit and Loss Account as on March 31, 2019 was ₹ 17,256 million vs. ₹ 18,348 million at FY2018-end.

vi) Cash Flow Hedging Reserve as on March 31, 2019 was at ₹ 89 million vs. ₹ 11 million last year.

4. Loan funds

The Gross Debt at the end of FY2019 stands at ₹ 13,047 million. The components included in Gross Debt are long term borrowings of ₹ 10,778 million, current portion of long term borrowings of ₹ 519 million, and short term borrowings of ₹ 1,750 million at the end of FY2019.

Major movements during the year are:

i. The overall long term borrowings and current portion of long term debt has gone down by ₹ 2,441 million, primarily due to pre-payments of loans in the US subsidiary.

ii. The short term borrowings have increased by ₹ 1,624 million mainly due to increase in working capital requirement at India operations.

Cash & Bank Balances and liquid/current investments at FY2019-end was ₹ 10,191 million.

Net debt decreased by ₹ 1,360 million and stands at ₹ 2,856 million as of March 31, 2019 after accounting for cash & bank balances and liquid investments.

5. Debt Equity Ratio

Gross debt to equity improved slightly to 0.47x at FY2019-end from 0.48x at FY2018-end.

Net Debt to Equity ratio improved to 0.10x at FY2019 end vs. 0.15x at FY2018-end.

6. **Property, Plant and Equipment (including CWIP and intangibles)**

Net block of fixed assets (including CWIP) excluding asset held for sale was at ₹ 16,144 million in FY2019.

7. **Inventory**

The overall inventory increased by ₹ 7,109 million to ₹ 22,228 million mostly due to increase in raw material by ₹ 3,576 million and Goods-in-transit for raw material by ₹ 5,107 million.

On account of the above, the inventory turnover days have increased from 73 days of Net Sales in FY2018 to 91 days of Net Sales in FY2019. The increase was primarily on account of increased business activity in US facility.

8. **Trade Receivables/Debtors**

Trade Receivables was at ₹ 11,807 million in FY2019 resulting in receivable days of 48 days. In FY2018, trade receivables (including the discontinuing operations) was at ₹ 13,199 million (63 days). The reduction was primarily on account of reclassification of discontinuing business (PCMD) which had higher receivable days than the pipe business.

9. **Other Financial Assets**

Total financial assets (current and non-current) increased by ₹ 368 million to ₹ 958 million.

10. **Other Current Assets**

Other current assets decreased by ₹ 626 million to ₹ 1,883 million in FY2019. The change was largely due to ₹ 1,085 million decreases in balance with statutory authorities.

11. **Trade Payables**

Trade payables have reduced by ₹ 5,543 million to ₹ 15,797 million in FY2019 from ₹ 21,340 million in FY2018, primarily on account reclassification of discontinuing business trade payables.

Trade payables are at 64 days (103 days in FY2018) of Sales.

12. **Trade advances**

Trade advances have increased significantly by ₹ 13,084 million to ₹ 13,926 million in FY2019 from ₹ 842 million in FY2019. This is primarily on account of advances received from customers, primarily in the US.

Trade advances are at 57 days (vs. 4 days in FY2018) of Sales.

13. **Cash Conversion Cycle**

Cash conversion cycle (after accounting for Trade Advances) for the current year decreased to 18 days compared to 30 days for FY2018.

14. **Current Ratio**

Current ratio improved to 1.56x at FY2019 end vs. 1.49x at FY2018 end.

15. **Interest Coverage Ratio**

Interest coverage ratio was at 2.53x in FY2019 as compared to 2.66x in FY2018. The decrease was on account of reduced EBIT due to the one-time provisions relating to fair valuation and MTM of bonds.

16. **Liquidity**

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

17. **Cash Flows**

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

	FY2019	FY2018
Net cash generated from operating activities	6,087	9,814
Net cash generated from investing activities	(2,676)	1,823
Net cash used in financing activities	(3,353)	(7,609)
Net change in cash and cash equivalents	58	4,028

18. **Return on net worth**

Return on net worth was -0.5% in FY2019 vs. 5.5% on FY2018. The decrease was on account of one-time provisions relating to fair valuation and MTM of bonds as well as those taken for the discontinued PCMD business.

Directors' Report

To,
The Members,
Welspun Corp Limited

Your directors have pleasure in presenting the 24th Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2019.

1. Financial Results

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total income	42,620.61	41,636.96	90,881.24	64,921.15
Profit before finance cost, depreciation & tax	572.58	4,745.06	7,077.33	7,101.13
Less : Finance costs	1,179.73	1,305.81	1,773.71	1,701.53
Profit/(loss) before depreciation & tax	**(606.15)**	**3,439.25**	**5,303.62**	**5,399.60**
Less: Depreciation/Amortization	1,129.53	1,163.81	2,597.33	2,581.56
Add: Share of net loss of joint ventures accounted for using the equity method	-	-	(885.32)	(859.14)
Profit/(loss) before tax from continuing operations	**(1,736.68)**	**2,275.44**	**1,820.97**	**1,958.90**
Less : Provision for tax				
Current Tax	134.45	1,037.76	1,216.01	1,024.90
Deferred Tax	86.11	(247.17)	6.54	(822.76)
Profit/(Loss) after taxes before Non-controlling interests from continuing operations	**(1,957.14)**	**1,484.85**	**598.42**	**1,756.76**
Profit/ (loss) before tax from discontinued operations	**(2,196.24)**	**(316.92)**	**(2,196.24)**	**(316.92)**
Tax expense from discontinued operations	(1,381.31)	(90.25)	(1,381.31)	(90.25)
Profit/ (loss) from discontinued operations	**(814.93)**	**(226.67)**	**(814.93)**	**(226.67)**
Less :Non-controlling interests	-	-	(83.93)	(52.94)
Profit/(loss) after tax for the year (after Non-controlling interests)	**(2,772.07)**	**1,258.18**	**(132.58)**	**1,583.03**
Add : balance brought forward from previous year	9,226.12	7,127.14	18,348.17	16,820.00
Re-measurements of post-employment benefit (net of tax)	5.25	(10.95)	(9.54)	(10.96)
Dividend on equity shares	(132.61)	(132.61)	(132.61)	(132.61)
Tax on dividend	(27.26)	(27.00)	(27.26)	(27.00)
Premium on redemption of NCI's share	-	-	(790.43)	(895.65)
Transfer to Debenture Redemption Reserve	-	1,137.26	-	1,137.26
Transfer to General reserve	-	(125.90)	-	(125.90)
Balance carried forward to the next year	**6,299.43**	**9,226.12**	**17,255.75**	**18,348.17**

2. Highlights of the year

(a) Production highlights for the year under the Report are as under:

Product	Standalone (in MT)		Consolidated(in MT)	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Pipes	553,208	737,711	989,047	951,516
H. R. Plates & Coils	379,994	468,682	379,994	468,682

(b) New Facilities in Madhya Pradesh:

The Company is setting up new facilities near Bhopal in Madhya Pradesh for manufacturing of up to 175 KMTA Spiral pipes with outer diameter of 24" to 140" for water segment pipes and 2 Mn Sqr mtrs/ annum of Coating facilities. The commercial production for pipe manufacturing facility is expected to commence in first quarter of FY 2019-20.

(c) Sale of the Plate & Coil Mill Division ("PCMD") and the 43 MW Power Plant:

The Company periodically reviews its business strategy and as a part of that, has decided to focus on its core assets and look at strategic options for non-core assets, so as to keep its operations asset-light. PCMD and 43 MW Power Division have been identified as non-core assets and the Company has entered into agreements to divest these. By selling these divisions, the Company is expected to move towards an asset-light model, thus achieving improvement in its profitability ratios and return ratios. Further, the transaction will strengthen the balance sheet by providing significant liquidity to the Company and deleveraging the balance sheet. The sale consideration for the PCMD is ₹ 848.5 crores, and closing adjustments pertaining to Net Current Assets as of the Closing Date (expected to be approx. ₹ 25 crores), taking the total expected consideration to ₹ 873.5 crores. The 43 MW Power Division is being sold at ₹66.9 crores.

(d) Scheme of Amalgamation:

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 10, 2019 sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') with Welspun Corp Limited ('WCL' or 'the Transferee Company') and their respective shareholders and creditors ('the Scheme'). The Scheme has become effective on May 10, 2019, being the date of sanction of the Scheme by the NCLT. Pursuant to the Scheme, all the assets and liabilities of the Transferor Company as on the Appointed Date of January 25, 2019 stood transferred to the Company and in consideration thereof 110,449,818 fully paid up equity share of ₹ 5 each of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in proportion of their holding in the Transferor Company. Further, pursuant to the Scheme, the authorized share capital of the Company stand increased to ₹ 250.05 crores due to combination of authorized share capital of the Transferor Company.

(e) Buyback of Equity Shares :

The Board of Directors, subject to approval of the shareholders and other regulatory approvals, have approved buyback of the Company's fully paid equity shares of ₹ 5 each (Equity Share) at a price to be finalized by the Buyback Committee subject to a maximum price of ₹ 140 per equity share payable in cash, for a maximum aggregate amount up to ₹ 3,900 million (excluding transaction costs), being less than 25% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company as on March 31, 2019 (hereinafter referred to as the Buyback) from the shareholders of the Company on a proportionate basis through the tender offer route. The total number of equity shares to be bought back would hence be 27,857,142 Equity Shares (representing 10.50% of the total paid up equity share capital of the Company) or such other number depending upon the final Buyback Price fixed by the Buyback Committee. The Promoters and Promoter Group of the Company have expressed their intention to tender up to a maximum of 13,260,000 Equity Shares (aggregating to 5% of the equity share capital of the Company.

(f) Reclassification of Co-Promoter as Public Shareholder:

The Company's foreign co-promoter viz. Intech Metals SA has applied for re-classification as public shareholder. The reclassification application is pending approval of the stock exchanges.

3. Reserves, Dividend & Dividend Policy.

The Board is pleased to recommend a dividend @ 10% for the year ended March 31, 2019 i.e. ₹ 0.50 per equity share of ₹5/- each fully paid-up out of the accumulated profits. The Dividend Distribution Tax on the proposed dividend is ₹ 27.26 million. In respect of the dividend declared for the previous financial years, ₹ 2.674 million remained unclaimed as on March 31, 2019. During the year under Report, the Company has transferred dividend of ₹ 917,942 remaining unclaimed for the financial year 2010-11 to the Investor Education and Protection Fund. Detail of unclaimed dividend is available on the website of the Company at "www.welspuncorp.com".

The Company has appointed Mr. Pradeep Joshi, Company Secretary as the Nodal Officer for the purpose of co-ordination with Investor Education and Protection Fund Authority. Details of the Nodal Officer are available on the website of the Company at www.welspuncop.com.

In view of the losses during the reporting period, the Board does not propose to transfer any amount to General Reserves and Debenture Redemption Reserve.

In terms of the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors approved and adopted Dividend Distribution Policy of the Company setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders and/ or retaining the profits earned by the Company. The Policy is annexed to this Report as Annexure – 1 and is also available on your Company's website at:
http://www.welspuncorp.com/system/downloads/attachments/000/000/338/original/Dividend_Distribution_Policy_08.05.2017.pdf?1494308856

4. Internal Controls

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material impact on your Company's operation. The controls were tested during the year under Report and no reportable material weaknesses either in their design or operations were observed.

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

A report on the performance and financial position of each of the subsidiaries and joint venture companies included in the consolidated financial statement is presented in Form AOC-1 annexed to this Report as Annexure - 2.

During the year under Report, the Board of the Company's wholly-owned subsidiary viz. Welspun Tradings Limited approved closure of business operation of its step-down subsidiary i.e. Welspun Middle East DMCC ("WME DMCC") operating in the United Arab Emirates. Necessary steps to voluntarily wind up business operations of WME DMCC has been initiated.

6. Deposits

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

7. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under Report, no funds were raised through preferential allotment or qualified institutional placement.

8. Auditors

i) Statutory Auditors:

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

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under Report is ₹ 25.49 million.

ii) Cost Auditors:

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

iii) Secretarial Auditors:

The Board of Directors has re-appointed M/s. M Siroya and Company, Practicing Company Secretary, as the Secretarial Auditor of your Company for the financial year 2019-20.

9. Auditor's Report

(a) Statutory Auditors' Report:

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

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

(b) Cost Audit Report :

As required under the Companies (Accounts) Rules, 2014, the cost accounting records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 were made and maintained by the Company.

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of the Company for auditing cost accounting records for the financial year 2018-19. The Cost Audit Report for the year 2017-18 was e-filed on July 31, 2018. The Cost Audit for the financial year 2018-19 is in progress and the report will be e-filed to the Ministry of Corporate Affairs, Government of India, in due course.

(c) Secretarial Audit Report :

Secretarial Audit Report given by M/s. M Siroya and Company, Company Secretaries is annexed with the Report as Annexure 3.

10. Share Capital & Listing

A) The Company does not have any equity shares with differential rights and hence disclosures as required under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required. Further, the Company has not issued any sweat equity and hence no disclosure is required under Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.

The Company granted stock options during the year under Report, disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(I)	**A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -**	
(a)	Name of the ESOP Plan	Welspun Employee Stock Option Plan
(b)	Date of shareholders' approval	September 30, 2005
(c)	Total number of options approved under ESOS	5,614,752
(d)	Vesting requirements	Vesting: 30% on end of one year from the date of grant; 35% on end of second year from the date of grant and 35% on end of third year from the date of grant.
(e)	Exercise price or pricing formula	At the discount up to 25% to the latest available closing market price of the equity shares of the Company rounded off to the nearest higher rupee, prior to the date of grant.
(f)	Maximum term of options granted	3 years
(g)	Source of shares (primary, secondary or combination)	Primary
(h)	Variation in terms of options	No modifications were made to the schemes during the year.
(II)	**Method used to account for ESOS - Intrinsic or fair value.**	The Company has recognized compensation cost using fair value method of accounting. The Company has recognized stock option compensation cost of ₹ 41.94 million in the statement of profit and loss for the financial year 2018-19

(III) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company accounted for employee compensation cost on the basis of fair value of the options.
(IV) Option movement during the year	
Number of options outstanding at the beginning of the period	Nil
Options granted	2,350,000
Options vested	Nil
Options exercised	Nil
The total number of shares arising as a result of exercise of option	Not Applicable
Options forfeited / lapsed	None
The exercise price	₹ 100/-
Money realized by exercise of options	Not Applicable
Loan repaid by the Trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	2,350,000
Number of options exercisable at the end of the year	Nil
Employee wise details of options granted to:-	
• Key managerial personnel	Mr. Vipul Mathur, MD & CEO – 1,500,000
• Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	• Mr. Lal Hotwani - Head- Corporate Accounts & Taxation : 150,000 • Mr. Godfrey John- BuH - E, MENA, India & APAC : 150,000 • Mr. T.S.Kathayat- President - Quality & Technical Services: 150,000 • Mr. Piyush Thakor- Vice President – India Mfg Head: 150,000 • Mr. Chintan Thaker- Head - Corporate Affairs and Strategic Planning Cell: 150,000
• Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 “Earnings Per Share”.	No options were exercisable during the year 2018-19.
Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company accounted for employee compensation cost on the basis of fair value of the options.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted-average exercise prices – ₹ 100 weighted-average fair value – ₹ 52.01

A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
(i) risk-free interest rate	7.49% to 7.85%
(ii) expected life	1.43 years
(iii) expected volatility	50.00%
(iv) expected dividends	0.55%
(v) the price of the underlying share in market at the time of option grant.	₹ 126.10

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

Outstanding Balance in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Transferred/Credited during the year		Balance outstanding	
No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares
45	15,190	2	280	2	280	43	14,910

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

(VI) Listing with the stock exchanges

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

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

11. Extract of the Annual Return

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure – 4 and is also placed on the website of the Company and can be accessed at www.welspuncorp.com.

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

01. Conservation of energy:

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

Sr. No.	Description of Energy Efficiency Improvement Measure	Energy Savings [kWh/Annum]	Savings [₹ In million/ Annum]
	At Plate & Coil Mill, Anjar		
1	Fuel Saving with Recuperator replacement in RHF-2. (Unit –SCM/Annum) (SCM 214,664)	828,571	5.80
2	Impeller Trimming in ICW pumps 10A & 10C, interconnection of water circuit of P9 & P10 and stopped running of one pump.	822,030	5.75
3	Optimization in Down Coiler Hydraulic “E” System by modification in sequence of the wrapper rolls operation coming inside.	167,585	1.17
4	Optimization in RH Furnace walking beam Hydraulic “A” system with installation of proportional relief valve.	22,729	0.16
5	Conventional lighting fixture replacement with LED. [200 no street light & 15 no workshop]	41,685	0.29
6	Pre-leveller motor replacement	2,102	0.01
7	Installation of thermal Glass wool insulation on false ceiling has been done to reduce heat loss. Canvas connection installed in duct branch to diffuser to reduce chilled air losses.	3,190	0.02
	At Pipe Mill, Anjar		
8	Replacement of LED lights in SPIRAL-3, Coatig-1, L-Saw & L-Saw Coating Plant	131,505	0.85
9	Modification done in Tube mill smoke blower (Plasma) 120” and by switching Off the HPMV shade Lights at SPIRAL-2 Plant.	59,904	0.39
10	By replacing direct starter to VFDs in Un-coiler machine and submersible pump in ERW Plant.	20,154	0.13
11	By doing conveyor interlocking with pipe cutting at ERW Plant.	13,692	0.09
12	Installation of low rating motor in Cut-off power pack at ERW Plant	46,769	0.3
13	Brushing M/c motor replacement from 7.5 Kw to 0.4 kw	4,629	0.03
14	By Installing VFD in L-SAW Expander Pre/Post washing pumps	179,170	1.16
15	Provision of Timer for Epoxy dust collector system at L-SAW Coating Plant	7,500	0.05
16	Installation of Energy efficient Air compressors at ERW Plants	287,270	1.86
17	Air boosting device installation at Plasma cutting machine of SP-2 and SP-3	18,381	0.11
	At Dahej Plant		
18	Installation of 30 Nos 165 W LED fixtures (High bay lights) at “LSAW Shed Lights” in place of 400 W HPSV Fixtures.	25,732	0.16
	Total	**1,854,027**	**18.33**

02. Technology absorption :

- **a.** Adoption of Intermediate Seam UT at LSAW pipe mill for instant feedback to welding engineers.
- **b.** Adoption of SAP based BIBO system for paper-less business review.
- **c.** Adoption of de-magnetizer system to reduce residual magnetism for filed weld joints.

03. Research & Development

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

Anjar Pipe Mill:

- Development of heavy wall deep offshore severe sour low hardness L415M PSL2 grade SAWL pipes.
- Establishment of welding consumables to obtain higher all-weld elongation to meet the strain capacity in weld metal
- Development of API 5L X65MS large diameter HSAW pipes for onshore sour service applications.
- Development of API 5L X80M/CSA 550 grade large diameter heavy wall LSAW pipes for onshore sweet service applications.
- Development of hot induction bends without offline heat treatments with uniform properties along the length using Thermo-Mechanically Controlled hot rolled steels.
- Development of very low diameter/ thickness ratio L450 SAWL pipes for offshore sweet service applications.
- Development of domestic steel mill for supply of API 5L X70M hot rolled coils.
- Development of low carbon-manganese and high niobium hot rolled plates for the production of LSAW pipes used for strong onshore and offshore sour service applications.

Dahej Pipe Mill and Coating:-

- CTOD facility upgraded to conduct the tests up to +90 °C temp.
- Establishment of KISSC test facility as per NACE 0175
- Establishment of welding consumables to obtain higher all-weld elongation to meet the strain capacity in weld metal.
- Development of API 5L X80M/CSA 550 grade large diameter heavy wall LSAW pipes for onshore sweet service applications.
- Development of very low diameter/ thickness ratio L450 SAWL pipes for offshore sweet service applications.
- Internal coating Capacity enhanced for 18” pipe sizes.

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

Anjar Pipe Mill:

- Ability to cater stringent requirements of pipelines for transportation of gas from severe corrosive fields.
- Improvement in the weld integrity of pipelines subjected to the adverse conditions during laying and operation.
- Ability to cater large diameters HSAW pipelines for the economic reasons and non-availability of wider plates.
- Higher strength-to-weight ratio to facilitate field laying at mountains and lower project cost.
- Low cost and eco-friendly hot induction bends from Thermo-Mechanically Controlled hot rolled steel plates without heat treatments.
- Ability to cater collapse resistant pipelines for transportation of gas from deep sea fields.
- Availability of higher grade hot rolled coils for the country’s economic growth and implementation of Make-in-India.
- Ability to cater LSAW pipelines as a substitute for expansive alloyed steel pipes.

Dahej Pipe Mill:

- Improvement in CTOD test facility to meet the prestigious client requirements
- Establishment of KISSC test facility to meet the prestigious client requirements
- Improvement in the weld integrity of pipelines subjected to the adverse conditions during laying and operation.
- Higher strength-to-weight ratio to facilitate field laying at mountains and lower project cost.
- Ability to cater collapse resistant pipelines for transportation of gas from deep sea fields.

C. Future plan of action

Anjar Pipe Mill:

- Development of higher strength-to-weight ratio hot induction bends using TMCP steel for API X80M onshore sweet service gas pipelines.
- Development of heavy wall low diameter-to-thickness ratio L450 SFDUP SAWL pipes deep offshore severe sour service applications.

- Development of API 5L X70M PSL2 strain-based design pipes for pipelines to be laid in high seismic zones.
- Use of new wire and flux for pipelines requiring low temperature toughness and very low hardness.
- Development of clad/CRA lined pipes for special sour service applications.
- Development of API 5L X70M plates for SAWL pipes used for onshore sweet service applications.
- Development of clad plates for clad/ CRA lined pipes for special sour service applications.

Plate and Coil Mill:

- Development of API 5L X70M plates for SAWL pipes used for onshore sweet service applications.
- Development of clad plates for clad/ CRA lined pipes for special sour service applications.

Dahej Pipe Mill:

- Development & installation of APDMS (Automatic Pipe Dimensions Measurement System) to cater the customer requirement during pipe laying.
- New Plate UT machine (USIPxx Electronics) installation to meet the new standard requirement.
- Use of new wire and flux for pipelines requiring low temperature toughness and very low hardness.

04. Expenditure on R&D

(a) Capital : Nil

(b) Recurring : ₹ 44.63 million

(c) Total : ₹ 44.63 million

(d) Total R&D expenditure as a percentage of revenue from operations : 0.11%

Total Foreign exchange:

Used - ₹ 24,611.61 million

Earned- ₹ 8,181.13 million

13. Corporate Social Responsibility (CSR)

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as Annexure 5.

14. Directors and Key Managerial Personnel

A) Changes in Directors and Key Managerial Personnel

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

- Mr. S. Krishnan, Executive Director and Chief Financial Officer & Chief Executive Officer (Plate and Coil Mill Division) stepped down from the position of the Chief Financial Officer with effect from June 11, 2018.
- Mr. Percy Birdy was appointed as the Chief Financial Officer of the Company with effect from June 11, 2018.
- Mr. Mintoo Bhandari – Nominee of Insight Solutions Limited ceased to be a director with effect from August 01, 2018 due to withdrawal of nomination.
- Mr. Kaushik Subramaniam was appointed as a director being the nominee of Insight Solutions Limited with effect from August 21, 2018.
- Mr. Ramgopal Sharma resigned from the directorship with effect from September 05, 2018 due to indifferent health.
- Mr. Dhruv Kaji was appointed as an additional independent director with effect from September 05, 2018.
- Re-appointment of Mr. Rajkumar Jain, Mr. K.H.Viswanathan and Ms. Revathy Ashok as independent directors for second term of five consecutive years with effect from April 01, 2019.

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

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

B) Independent Directors

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

Your Board confirms that in their opinion the independent directors fulfill the conditions prescribed under the SEBI (LODR), 2015 and they are independent of the management.

C) Formal Annual Evaluation

The performance evaluation of the Directors was conducted by the entire Board (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions and governance.

For the financial year 2018-19, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

D) Committees of the Board of Directors

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, Risk Management Committee and meetings of those committees held during the year under Report is given in the Corporate Governance Report annexed to the Annual Report as Annexure 7.

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

(₹ in million)

Name of the Entity / beneficiary	Investment	Corporate Guarantee	Loans
Welspun Pipes Inc.	0.44	6,915.50	-
Welspun Tradings Limited	50.22	5,618.22	-
Welspun Captive Power Generation Limited*	656.71	-	-
Welspun Mauritius Holdings Limited*	1,814.02	-	-
Welspun Wasco Coatings Private Limited	254.65	54.25	247.01
Standard Chartered Bank ADR*	16.16	-	-
Bonds*	2,317.58	-	-
Welspun Middle East Pipes Company LLC	-	8,080.27	-
Welspun Middle East Pipe Coating Company LLC	-	368.90	-

* Investment carried at fair value through profit and loss.

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

16. Particulars of contracts or arrangements with related parties

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

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

Save and except as disclosed in the financial statements, none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Disclosures as required under the Companies Act, 2013 are given in Form AOC-2 annexed as **Annexure 6** to this Report.

17. Managerial Remuneration

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Director's name	for the period	Ratio with reference to median remuneration of the employees
Mr. Vipul Mathur	01.04.2018 to 31.03.2019	145
Mr. S. Krishnan	01.04.2018 to 31.03.2019	96

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended March 31, 2019 : Managing Director & CEO: 12.5%, ED & CEO (PCMD) : 0%, CFO : NA and CS : 10.5%.

(iii) The percentage increase in the median remuneration of employees in the financial year: 8.96%.

(iv) The number of permanent employees on the rolls of the Company: 2,740.

(v) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year : The market cap of the Company increased from ₹ 35,779.00 million to ₹ 36,123.80 million. The P/ E ratio changed from 28.46 times to negative. The share price increased by 853.40% in comparison to the rate at which the Company came out with the public issue in February, 1997 (after taking in to consideration the reorganization of share capital done in March, 2005 but without considering other corporate actions not resulting in to any change in the share capital).

(vi) Average percentile increase /(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/ (decrease) in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : Aggregate remuneration of employees excluding KMP increased by 14.02%. Change in the remuneration of the KMP reduced by 5.62%.

(vii) The key parameters for any variable component of remuneration availed by the directors:

1) Total Production (as per Business Plan approved by the Board)

2) Revenue (as per Business Plan approved by the Board)

3) Profit Before Tax (as per Business Plan approved by the Board)

4) Operating Cash Flow (as per Business Plan approved by the Board)

(viii) Affirmation that the remuneration is as per the remuneration policy of the Company: YES, Employees increment in remuneration is based on the individual performance and the Company performance for the Financial Year.

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

Name	Designation	DOB	Age	DOJ	Remuneration	Previous Company	Qualification	Nature of Employment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company
Vipul Mathur	Managing Director & CEO	21/03/1970	49	02/02/2001	51,557,660	Man Industries (India) Ltd	MBA	Permanent	Negligible	No
S. Krishnan	Executive Director & CEO (PCMD)	17/07/1962	56	03/06/2013	34,054,703	UPL Limited	M. Com/ LLB-Part I/ A.C.A/ A.C.S/ A.I.C.W.A	Permanent	Negligible	No
Lal Hotwani	Director#	05/05/1953	66	01/01/2000	22,013,496	Gammon	B.Com	Permanent	Negligible	No
Godfrey John	Director #	30/08/1965	54	11/06/2012	21,415,740	Ferro Tech India Pvt. Ltd.	MBA	Permanent	Negligible	No
Percy Birdy	CFO	22/01/1968	51	11/06/2018	10,644,484	Allanasons Group	CA	Permanent	Nil	No
Tribhuwan Singh Kathayat	President	10/01/1971	48	20/06/1996	11,499,996	Jindal Organisation	BSC/DME/MBA	Permanent	Negligible	No
Suresh Chander Darak	President	02/01/1968	51	02/01/2008	10,090,152	Reliance Industries Ltd.	B Com/ DITM	Permanent	Nil	No
Piush Kothari	Senior Vice President	15/03/1979	40	03/12/2018	4,265,698	Aditya Birla Idea Payments Bank	PGDM	Permanent	Nil	No
Navin Agarwal	Senior Vice President	01/01/1972	47	02/06/2008	9,863,052	Mahindra & Mahindra Ltd.	PGDBM Finance/B. Com (Hons)	Permanent	Nil	No
Atul Trivedi	Senior Vice President	03/01/1974	45	14/05/2007	8,954,268	Tata Consultancy Services	CA	Permanent	Nil	No
Paras Jain	President	25/07/1958	61	16/01/2006	8,783,616	Moral Overseas Ltd.	CA	Permanent	Nil	No
Gaurav Merchant	Vice President	11/09/1973	46	15/01/2014	8,298,720	Essar Steel Limited	B Com/MBA	Permanent	Nil	No
Rupak Ghosh	Senior Vice President	17/10/1969	49	29/10/2007	7,903,008	Blue Star Limited	ICWA/ CA	Permanent	Nil	No
Nitin Agarwal	Vice President	06/02/1983	36	20/04/2007	7,656,996	Welspun Tubular LLC	MBA/PGDM	Permanent	Nil	No
Ketan Patel	Senior Vice President	31/07/1970	49	03/11/2015	7,520,748	JSW Steel Ltd.	CA/ICWA/ B Com	Permanent	Negligible	No
Piyush Thakor	Senior Vice President	03/04/1976	43	01/02/2018	7,500,000	Zenith Birla India Ltd	Diploma-Mechanical Engineering	Permanent	Nil	No

Not on the board of the Company.

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

d. Particulars of remuneration to the executive directors including the details of remuneration paid/payable to the executive directors for the financial year 2018-19 are as under:

	Name of the Director	Salary & Allowance	Perquisites	Commission	Service Contract/ Tenure	performance linked incentives	Notice Period	Severance Fees	Stock Option	Pension
1	Mr. Vipul Mathur*	₹ 42.47 million^	6.19 million	Nil	5 years	2.90 miilion	1 month	Nil	Refer note below	Nil
2	Mr. S. Krishnan	₹ 32.6 million^	Nil	Nil	5 Years	1.45 million	1 month	Nil	Nil	Nil

* 15,00,000 Employee Stock Options granted during FY 2018-19 at an exercise price of ₹ 100 per option and can be exercised as per the vesting schedule given under the Welspun Employee Stock Option Plan which is 30%, 35% and 35% each year, from the end of 1st year from the grant date.

^ In addition to salary & allowance, entitled for other benefits as per the Company's policy.

Mr. Balkrishan Goenka, Non-Executive Chairman was paid Commission of ₹ 18.95 million i.e. @1% of the Net Profits in terms of the approval granted by the members of the Company at the Annual General Meeting held on September 20, 2017.

No remuneration or perquisite was paid to, and no service contract was entered into with, or stock options granted to any non-executive director, but the sitting fees were paid / payable to the following directors for attending meetings of Board / Committees of the Board and General Meetings.

	Name of the Director	(₹)		Name of the Director	(₹)
1	Mr. Atul Desai	548,000	6	Mr. Rajkumar Jain	1,311,000
2	Mr. Desh Raj Dogra	697,000	7	Mr. Ram Gopal Sharma	330,000
3	Mr. K. H. Viswanathan	1,440,000	8	Mrs. Revathy Ashok	467,000
4	Mr. Mintoo Bhandari	50,000	9	Mr. Utsav Baijal	368,000
5.	Mr. Dhruv Kaji	271,000	10	Mr. Kaushik Subramaniam	250,000

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

18. Shareholding of the Directors of the Company as on March 31, 2019

Refer Corporate Governance Report for detail of shareholding of the directors.

Except as mentioned in the Corporate Governance Report, none of the other directors hold any shares or convertible securities in the Company.

19. Corporate Governance Certificate

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

20. Risk management policy

With its fast and continuous expansion in different areas of businesses across the globe, the Company is exposed to plethora of risks which may adversely impact growth and profitability. The Company recognizes that risk management is of concern to all levels of the businesses and requires a structured risk management policy and process involving all personnel. With this objective, the Company had formulated structured Risk Management Policy thereby to effectively address such risks namely, strategic, business, regulatory and operational risks. The Policy envisages identification of risks by each business segment and location, together with the impact that these may have on the business objectives. It also provides a mechanism for categorization of risks into Low, Medium and High according to the severity of risks. The risks identified are reviewed by a committee of the Managing Director & CEO of the Company and the relevant senior executives and the appropriate actions for mitigation of risks are advised; the risk profile is updated on the basis of change in the business environment.

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

21. Familiarization program for Independent Directors

The details of familiarization program (for independent directors) are disclosed on the Company's website and a web link thereto is:

http://www.welspuncorp.com/system/downloads/attachments/000/000/556/original/Familiarisation_program_-Final.pdf?1555669692.

22. Code of Conduct

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

All Board members and Senior Management Personnel have affirmed compliance of the same.

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

"I hereby confirm that the Company has obtained from all the members of the Board and the Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19."

Sd/-
Vipul Mathur
Managing Director& CEO
DIN: 07990476

23. Miscellaneous Disclosures

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

Except as mentioned in this Report, no material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

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

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

The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC comprises of internal as well external members.

Disclosure of number of complaints filed, disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on the end of the financial year under Report are as under:

- number of complaints filed during the financial year - Nil
- number of complaints disposed of during the financial year – Not applicable
- number of complaints pending as on end of the financial year - Nil

24. Directors' Responsibility Statement

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

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

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

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

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

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

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

Acknowledgements

Your directors acknowledge and place on record its sincere gratitude to 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 a partner in your company's progress and achievement of its objectives.

For and on behalf of the Board of Directors

Vipul Mathur
Managing Director & CEO
DIN : 07990476

S. Krishnan
Executive Director and CEO (PCMD)
DIN: 06829167

Date : May 15, 2019
Place : Mumbai

Annexure 1

Welspun Corp Limited's Dividend Distribution Policy

1. REGULATORY FRAMEWORK

The Securities Exchange Board of India ("SEBI") on July 08, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

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

2. OBJECTIVE & PHILOSOPHY

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

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

3. DIVEDEND DECLARATION - CIRCUMSTANCES AND FINANCIAL PARAMETERS.

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

The shareholders may expect dividend in following circumstances:

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

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

c. No event has happened which may have long term material effect on the business of the Company.

e. In such circumstances, dividend may be recommended or declared at the discretion of the Board.

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

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

4. FACTORS FOR DETERMINING DIVIDEND

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

A. Internal Factors	B. External Factors
i) Stability / trends of earnings	i) Prevailing legal requirements, tax rules, Government policies, Statutory conditions or restrictions as may be provided under applicable laws
ii) Liquidity of funds	ii) State of the industry or economy of the country
iii) Need for additional capital	iii) Capital market scenario
iv) Acquisitions and/or any other potential strategic action	iv) Financial covenants stipulated by the lenders
v) Expansion of business	v) Covenants in agreement with shareholding group(s)
vi) Past dividend trends	
vii) Dividend type and time of its payment	

5. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHARES

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

6. UTILIZATION OF RETAINED EARNINGS

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

a. Maintain existing operations;
b. Acquisitions, expansion or diversification;
c. Funding organic and inorganic growth;
d. Short-term investment in risk-free instruments with moderate returns;
e. Repayment of borrowings;
f. Meet contingent and other liabilities;
g. Issue of Bonus Shares;
h. Buyback of securities;
i. Investment in Subsidiaries;
j. Research and Development;
k. Innovation;
l. Acquisition of Intellectual Property Rights;
m. Any other purpose as the Board may deem appropriate in the best interest of the Company.

7. AMENDMENTS / MODIFICATIONS

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

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

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

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

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

Approved & adopted by the Board of Directors at its meeting held on May 08, 2017.

Annexure 2

Form AOC-I

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

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

Part "A": Subsidiaries

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

1.	Sl. No.	1	2	3	4
2	**Name of the subsidiary**	**Welspun Tradings Limited**	**Welspun Mauritius Holdings Limited**	**Welspun Pipes Inc. (see note 3)**	**Welspun Middle East DMCC**
3.	The date since when subsidiary was acquired	30.03.2010	19.04.2010	16.08.2006	02.03.2011
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period :	N.A.	N.A.	N.A.	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. :	INR	USD*	USD*	USD*
6.	Share capital :	50.13	1,627.18	0.00	3.36
7.	Reserves & surplus:	810.19	400.20	11,766.15	2.10
8.	Total assets :	1,485.47	3,068.17	38,199.79	5.46
9.	Total Liabilities :	625.15	1,040.79	26,433.65	0.00
10.	Investments@ :	124.40	Nil	Nil	Nil
11.	Turnover	8,740.17	Nil	48,432.13	Nil
12.	Profit/ (Loss) before taxation :	75.66	38.47	4,213.39	(16.47)
13.	Provision for taxation:	26.59	3.74	981.88	Nil
14.	Profit/ (Loss) after taxation:	49.07	34.73	3,231.51	(16.47)
15.	Proposed Dividend:	Nil	Nil	Nil	Nil
16.	% of shareholding	100.00%	89.98%	100.00%	100.00%

@ Excluding investments in subsidiaries.

*USD

Closing Rate USD 1=69.155 INR

Average Rate USD 1=69.889 INR

1. Names of associates or joint ventures which are yet to commence operations. - Nil
2. Names of subsidiaries which have been liquidated or sold during the year – Nil
3. Includes performance of step down subsidiaries viz. Welspun Tubular LLC and Welspun Global Trade LLC.

Part "B": Joint Ventures

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

Sl. No.		1	2	3
Name of the joint ventures		Welspun Middle East Pipes LLC#*	Welspun Middle East Pipes Coating LLC#*	Welspun Wasco Coatings Private Limited
1.	Latest audited Balance Sheet date	31.03.2019	31.03.2019	31.03.2019
2.	Date on which the Associate or Joint Venture was associated or Acquired	17.10.2010	17.10.2010	30.09.2015
3.	Shares of Associate/Joint Ventures held by the company on the year end			
	Numbers of Shares	38,031,042	16,886,189	25,465,014
	Amount of Investments	701.44	311.45	254.65
	Extend of Holding %	50.01%	50.01%	51.00%
4.	Description of how there is significant influence	NA	NA	NA
5.	Reason why the associate/joint venture is not consolidated	NA	NA	NA
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	754.38	(1,048.59)	179.88
7.	Profit / Loss for the year			
	Considered in Consolidation	(647.07)	(169.09)	(69.16)
	Not Considered in Consolidation	(646.81)	(169.03)	(66.45)

Reporting currency #SAR
* Un-audited

Closing Rate : SAR 1=18.444 INR

Average Rate : SAR 1= 18.639 INR

1. Names of associates or joint ventures which are yet to commence operations. - NA

2. Names of associates or joint ventures which have been liquidated or sold during the year. - NA

For and on behalf of the Board

Vipul Mathur
Managing Director & CEO
DIN : 07990476

S. Krishnan
Executive Director and CEO (PCMD)
DIN: 06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Date : May 15, 2019
Place : Mumbai

Annexure -3

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2019

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

To,
The Members,
Welspun Corp Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

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

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

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

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

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

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

(iii) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We observe that the compliance mechanism for SEBI Insider Trading Regulations needs to be further strengthened.

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

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

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

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

(iv) Acts prescribed under environmental protection;

(v) Land Revenues Act of respective States;

(vi) Labour Welfare Act of respective States; and

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

(i) Board of Directors at their meeting held on May 02, 2018, inter-alia, approved the setting up of a greenfield project by way of shifting of Spiral No.4 Plant from Anjar (Gujarat) to Bhopal (Madhya Pradesh) and setting up coating facilities, subject to requisite approvals;

(ii) Members at the Annual General Meeting held on August 14, 2018 inter-alia approved the following:

- Approved final dividend @10% per equity share (i.e. ₹ 0.50 per Equity Share) of ₹ 5 each;
- Special Resolution for appointment of Mr. Vipul Mathur as Managing Director and Chief Executive Officer of the Company;
- Special Resolution for appointment of Mr. S. Krishnan as the Executive Director & Chief Executive Officer (Plate and Coil Mill Division) of the Company; and
- Special Resolution to borrow by way of issuing securities but not limited to secured/ unsecured, redeemable, Non-Convertible Debentures (NCDs)/ and / or Commercial Papers (CPs) to be issued on Private Placement basis, in domestic and/or international market up to an amount not exceeding ₹ 700 crores (Rupees Seven Hundred crores only).

(iii) Board of Directors at their meeting held on November 01, 2018, inter alia, approved donation of amounts upto ₹ 2.5 million per annum to political parties and charitable organizations.

(iv) Board of Directors at their meeting held on February 7, 2019 inter alia approved the following:

a) Acquisition of 18% equity shares of Welspun Captive Power Generation Limited from Welspun India Limited; and

b) Conversion of loan amounting to ₹ 107.10 million given to Welspun Wasco Coatings Private Limited into 10,710,000 Equity Shares of ₹ 10 each.

(v) Members & Creditors at the NCLT convened Meetings held on March 7, 2019 approved the amalgamation embodied in the Scheme of Amalgamation of Welspun Pipes Limited ("WPL" or "Transferor Company") with Welspun Corp Limited ("WCL" or "Transferee Company" or "Company") and their respective shareholders and creditors;

(vi) Members at the Extra Ordinary General Meeting held on March 19, 2019 inter-alia approved the following:

a) Special Resolution for Revision in the remuneration of Mr. Vipul Mathur, Managing Director and Chief Executive Officer of the Company;

b) Special Resolutions for appointment of Mr. Rajkumar Jain, Mr. K.H.Viswanathan and Mrs. Revathy Ashok as independent directors for second term w.e.f. April 01, 2019; and

c) Special Resolution for re-classification of "Intech Metals SA", Co-Promoter of the Company from "Promoter" category to "Public" category.

(vii) Board of Directors at their meeting held on March 30, 2019, inter alia, approved the following:

a) Sale and transfer the Company's Plates & Coil Mill Division as "going concern" and by way of a slump sale to Laptev Finance Private Limited for a lump sum consideration of ₹848.50 crores and closing adjustments pertaining to net current assets as of closing date;

b) Sale and transfer the Company's 43 MW Power Plant Division as "going concern" and by way of a slump sale to Welspun Captive Power Generation Limited for a lump sum consideration of ₹ 66.90 crores and closing adjustments; and

c) Contributions or donations by purchasing electoral bonds issued under and pursuant to the Electoral Bond Scheme announced in the Union Budget 2017 of ₹ 100 million in one or more tranches during the financial year 2019-20.

For M Siroya and Company

Company Secretaries

Sd/-

Mukesh Siroya

Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 15, 2019
Place: Gangtok

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

'Annexure A'

To,
The Members,
Welspun Corp Limited

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

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

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

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

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

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

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

For M Siroya and Company

Company Secretaries

Sd/-

Mukesh Siroya

Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 15, 2019
Place: Gangtok

Annexure 4

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

i. CIN :- L27100GJ1995PLC025609

ii. Registration Date : April 26, 1995

iii. Name of the Company : Welspun Corp Limited

iv. Category / Sub Category of the Company : Public Company/ Company having Share Capital and Limited by Shares

v. Address of the Registered office and contact details: Welspun City, Village Versamedi, Taluka Anjar. Dist. Kutch, Gujarat-370110.

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

vi. Whether listed company: Yes.

vii. Name, address and contact details of Registrar and Transfer Agent, if any.

M/s. Link Intime India Private Limited
(Formerly known as: Intime Spectrum Registry Limited)
Unit : Welspun Corp Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083
Tel No: +91 22 49186000, Fax: +91 22 49186060
Email - rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are Welded Pipes (NIC code – 2431), 76.00% to Revenue from operations of the Company. Plate and Coil (NIC Code -2431) 24.00% to Revenue from operations of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Welspun Tradings Limited, India	U72200GJ2001PLC039513	Subsidiary	100%	2(87)(ii)
2	Welspun Pipes Inc, U.S.A	Not Applicable	Subsidiary	100%	2(87)(ii)
3	Welspun Tubular LLC, U.S.A	Not Applicable	Subsidiary	100%	2(87)(ii)
4	Welspun Global Trade LLC, U.S.A	Not Applicable	Subsidiary	100%	2(87)(ii)
5	Welspun Middle East DMCC, Dubai	Not Applicable	Subsidiary	100%	2(87)(ii)
6	Welspun Middle East Pipes LLC, Saudi Arabia	Not Applicable	Subsidiary	50.01.%	2(87)(ii)
7	Welspun Middle East Pipe Coating LLC, Saudi Arabia	Not Applicable	Subsidiary	50.01%	2(87)(ii)
8	Welspun Mauritius Holdings Limited, Mauritius	Not Applicable	Subsidiary	89.98%	2(87)(ii)
9	Welspun Wasco Coatings Private Limited, India	U28920GJ2015PTC084632	Subsidiary	51%	2(87)(ii)

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

i. Category-wise share holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	342	-	342	-	342	-	342	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	121,682,823	-	121,682,823	45.88	123,887,823	-	123,887,823	46.71	0.83
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	**121,683,165**	**-**	**121,683,165**	**45.88**	**123,888,165**	**-**	**123,888,165**	**46.71**	**0.83**
2	**Foreign**									
a	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	6,300,000	-	6,300,000	2.38	6,010,850	-	6,010,850	2.27	(0.11)
c	Other individual	-	-	-	-	-	-	-	-	-
d	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	**6,300,000**	**-**	**6,300,000**	**2.38**	**6,010,850**	**-**	**6,010,850**	**2.27**	**(0.11)**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**127,983,165**	**-**	**127,983,165**	**48.25**	**129,899,015**	**-**	**129,899,015**	**48.98**	**0.73**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	-	-	-	-	8,25,898	-	8,25,898	0.31	0.31
(b)	Financial Institutions / Banks	21,124,737	-	21,124,737	7.96	14,618,578	-	14,618,578	5.51	(2.45)
(c)	Central Government/ State Government(s)	129,505	-	129,505	0.05	-	-	-	-	(0.05)
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	270,000	-	270,000	0.10	270,000	-	270,000	0.10	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
*	Foreign Portfolio Investors	16,408,031	-	16,408,031	6.19	17,038,376	-	17,038,376	6.42	0.24
*	Alternate Investment Funds	708,328	-	708,328	0.27	766,712	-	766,712	0.29	0.02
	Sub-Total (B)(1)	**38,640,601**	**-**	**38,640,601**	**14.57**	**33,519,564**	**-**	**33,519,564**	**12.64**	**(1.88)**
B 2	**Non-institutions**									
(a)	Bodies Corporate									
	(i) Indian	11,014,317	9,310	11,023,627	4.16	24,868,868	5,810	24,874,678	9.38	5.22
	(ii) Overseas	42,153,584	-	42,153,584	15.89	20,343,007	-	20,343,007	7.67	(8.22)
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	19,179,006	184,787	19,363,793	7.29	19,556,710	274,644	19,831,354	7.48	0.19
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	19,049,695	-	19,049,695	7.18	26,625,927	-	26,625,927	10.04	2.86
(c)	NBFCs registered with RBI	-	-	-	-	532,828	-	532,828	0.20	0.20
(d)	Any Other (specify)									
(d-i)	Unclaimed Shares	15,190	-	15,190	0.01	14,910	-	14,910	0.01	-
(d-ii)	Clearing member	676,587	-	676,587	0.26	1,695,573	-	1,695,573	0.64	0.38
(d-iii)	Non Resident Indians	4,054,919	53,970	4,108,889	1.55	3,762,484	53,970	3,816,454	1.44	(0.11)
(d-iv)	Hindu Undivided Family	2,067,780	-	2,067,780	0.78	3,817,376	-	3,817,376	1.44	0.66
(d-v)	Trust	13,693	-	13,693	0.00	12,285	-	12,285	0.00	-
(d-vi)	Foreign Portfolio Investor (Individual)	-	-	-	-	95,760	-	95,760	0.04	0.04
(d-vii)	IEPF	16,758	112,747	129,505	0.05	147,378	-	147,378	0.06	0.01
(B)	**Sub-Total (B)(2)**	**98,241,529**	**360,814**	**98,602,343**	**37.18**	**101,473,106**	**334,424**	**101,807,530**	**38.39**	**1.21**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**136,882,130**	**360,814**	**137,242,944**	**51.75**	**134,992,670**	**334,424**	**135,327,094**	**51.02**	**(0.73)**
	TOTAL (A)+(B)	**264,865,295**	**360,814**	**265,226,109**	**100.00**	**264,891,685**	**334,424**	**265,226,109**	**100.00**	**-**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**264,865,295**	**360,814**	**265,226,109**	**100.00**	**264,891,685**	**334,424**	**265,226,109**	**100.00**	**-**

ii. Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged / encumbered to total shares	% change in shareholding during the year
1	B.K.Goenka	140	Negligible	-	140	Negligible	-	-
2	R.R.Mandawewala	200	Negligible	-	200	Negligible	-	-
3	Dipali Goenka	2	Negligible	-	2	Negligible	-	-
4	B.K.Goenka (Beneficial Owner - B.K.Goenka Family Trust)	5	Negligible	-	5	Negligible	-	-
5	Welspun Investments and Commercials Ltd.	5,233,000	1.97	-	6,523,000	2.46	-	0.49
6	MGN Agro Properties Private Limited	6,000,000	2.26	-	6,915,000	2.61	-	0.35
7	Welspun Pipes Limited (Refer Note 1)	110,449,818	41.64	-	110,449,818	41.64	-	-
	Total of Co-Promoters (A)	**121,683,165**	**45.88**	**-**	**123,888,165**	**46.71**	**-**	**0.83**
8	Intech Metals S. A.	6,300,000	2.38	-	6,010,850	2.27	-	(0.11)
	Total of Co-Promoters (B)	**6,300,000**	**2.38**	**-**	**6,010,850**	**2.27**	**-**	**(0.11)**
	Total of Promoters (A+B)	**127,983,165**	**48.25**	**-**	**129,899,015**	**48.98**	**-**	**0.73**

Note 1 - Under and pursuant to the Scheme of Amalgamation between Welspun Pipes Limited with Welspun Corp Limited and their respective shareholders and creditors as approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 10, 2019, the shareholders of Welspun Pipes Limited i.e. Welspun Group Master Trust has become the shareholder of the Company by operation of law.

iii. Change in Promoters' shareholding

Sr. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A	**MGN AGRO PROPERTIES PRIVATE LIMITED**				
	At the beginning of the year	6,000,000	2.26		
	Equity shares acquired on 08.01.2019	915,000	0.35	6,915,000	2.61
	At the end of the year.	-	-	6,915,000	2.61
B	**WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**				
	At the beginning of the year	5,233,000	1.97		
	Equity shares acquired on 26.07.2018	1,290,000	0.47	6,523,000	2.46
	At the end of the year.	-	-	6,523,000	2.46
C	**INTECH METALS S. A.**				
	At the beginning of the year	6,300,000	2.38		
	Equity shares sold on 26.12.2018	(9,779)	0.00	6,290,221	2.38
	Equity shares sold on 27.12.2018	(17,897)	0.01	6,272,324	2.37
	Equity shares sold on 07.01.2019	(92,134)	0.03	6,180,190	2.34
	Equity shares sold on 08.01.2019	(69,020)	0.03	6,111,170	2.31
	Equity shares sold on 09.01.2019	(26,218)	0.01	6,084,952	2.30
	Equity shares sold on 11.01.2019	(74,102)	0.03	6,010,850	2.27
	At the end of the year.			6,010,850	2.27
D	**Welspun Pipes Limited**				
	At the beginning of the year	110,449,818	41.64		
	Equity shares cancelled on 10.05.2019 (Refer Note 1)	(110,449,818)	(41.64)	-	-
	At the end of the year.			-	-

Sr. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
E	**Welspun Group Master Trust**				
	At the beginning of the year	-	-		
	Equity shares acquired on 10.05.2019 (Refer Note 1)	110,449,818	41.64	110,449,818	41.64
	At the end of the year.			110,449,818	41.64

Note 1 - Under and pursuant to the Scheme of Amalgamation between Welspun Pipes Limited and Welspun Corp Limited and their respective shareholders and creditors as approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated May 10, 2019, the shareholders of Welspun Pipes Limited i.e. Welspun Group Master Trust has become the shareholder of the Company by operation of law.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	GRANELE LIMITED	19,127,584	7.21			19,127,584	7.21
	AT THE END OF THE YEAR					19,127,584	7.21
2	LIFE INSURANCE CORPORATION OF INDIA	19,277,980	7.27			19,277,980	7.27
	Transfer			18 Jan 2019	469,905	18,808,075	7.09
	Transfer			25 Jan 2019	(746,356)	18,061,719	6.81
	Transfer			01 Feb 2019	(676,344)	17,385,375	6.55
	Transfer			08 Feb 2019	(883,849)	16,501,526	6.22
	Transfer			15 Feb 2019	(959,709)	15,541,817	5.86
	Transfer			22 Feb 2019	(776,585)	14,765,232	5.57
	Transfer			01 Mar 2019	(71,828)	14,693,404	5.54
	Transfer			08 Mar 2019	(597,165)	14,096,239	5.31
	Transfer			15 Mar 2019	(827,907)	13,268,332	5.00
	Transfer			22 Mar 2019	(650,644)	12,617,688	4.76
	Transfer			29 Mar 2019	(574,932)	12,042,756	4.54
	AT THE END OF THE YEAR					12,042,756	4.54
3	AKASH BHANSHALI	7,865,716	2.97			7,865,716	2.97
	Transfer			03 Aug 2018	100,000	7,965,716	3.00
	Transfer			15 Feb 2019	12,225	7,977,941	3.01
	AT THE END OF THE YEAR					7,977,941	3.01
4	MENTOR CAPITAL LIMITED	1,739,555	0.66			1,739,555	0.66
	Transfer			20 Jul 2018	38,235	1,777,790	0.67
	Transfer			31 Aug 2018	(15,000)	1,762,790	0.66
	Transfer			07 Sep 2018	(25,647)	1,737,143	0.66
	Transfer			05 Oct 2018	20,096	1,757,239	0.66
	Transfer			16 Nov 2018	(1,654,020)	103,219	0.04
	Transfer			23 Nov 2018	(2,500)	100,719	0.04
	Transfer			07 Dec 2018	2,200,000	2,300,719	0.87
	Transfer			21 Dec 2018	(1,000,000)	1,300,719	0.49
	Transfer			01 Feb 2019	(13,567)	1,287,152	0.49
	Transfer			08 Feb 2019	99,987	1,387,139	0.52
	Transfer			22 Feb 2019	56,764	1,443,903	0.54
	Transfer			01 Mar 2019	(1,576)	1,442,327	0.54
	Transfer			15 Mar 2019	2,654,595	4,096,922	1.54
	Transfer			22 Mar 2019	1,075,941	5,172,863	1.95
	AT THE END OF THE YEAR					5,172,863	1.95

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
5	ALPANA S DANGI	5,351,224	2.02			5,351,224	2.02
	Transfer			16 Nov 2018	(71,710)	5,279,514	1.99
	Transfer			23 Nov 2018	(105,996)	5,173,518	1.95
	Transfer			30 Nov 2018	(14,554)	5,158,964	1.95
	Transfer			07 Dec 2018	(550,630)	4,608,334	1.74
	Transfer			14 Dec 2018	(13,662)	4,594,672	1.73
	Transfer			18 Jan 2019	(49,090)	4,545,582	1.71
	Transfer			25 Jan 2019	(1,561,903)	2,983,679	1.13
	Transfer			30 Mar 2019	1,667,545	4,651,224	1.75
	AT THE END OF THE YEAR					4,651,224	1.75
6	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	-	-			-	-
	Transfer			12 Oct 2018	632,170	632,170	0.24
	Transfer			19 Oct 2018	154,327	786,497	0.30
	Transfer			26 Oct 2018	144,179	930,676	0.35
	Transfer			02 Nov 2018	147,500	1,078,176	0.41
	Transfer			09 Nov 2018	29,324	1,107,500	0.42
	Transfer			16 Nov 2018	25,933	1,133,433	0.43
	Transfer			23 Nov 2018	30,000	1,163,433	0.44
	Transfer			30 Nov 2018	979,774	2,143,207	0.81
	Transfer			07 Dec 2018	108,630	2,251,837	0.85
	Transfer			22 Feb 2019	200,000	2,451,837	0.92
	AT THE END OF THE YEAR					2,451,837	0.92
7	MANEK BHANSHALI	716,729	0.27			716,729	0.27
	Transfer			03 Aug 2018	1,300,000	2,016,729	0.76
	Transfer			23 Nov 2018	(46,838)	1,969,891	0.74
	Transfer			30 Nov 2018	(92,850)	1,877,041	0.71
	AT THE END OF THE YEAR					1,877,041	0.71
8	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,670,300	0.63			1,670,300	0.63
	Transfer			03 Aug 2018	33,119	1,703,419	0.64
	Transfer			10 Aug 2018	156,524	1,859,943	0.70
	AT THE END OF THE YEAR					1,859,943	0.70
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	1,668,231	0.63			1,668,231	0.63
	Transfer			01 Feb 2019	15,428	1,683,659	0.63
	Transfer			08 Feb 2019	49,210	1,732,869	0.65
	Transfer			29 Mar 2019	7,797	1,740,666	0.66
	AT THE END OF THE YEAR					1,740,666	0.66
10	AADI FINANCIAL ADVISORS LLP	547,055	0.21			547,055	0.21
	Transfer			27 Jul 2018	(547,055)	-	-
	Transfer			03 Aug 2018	1,300,000	1,300,000	0.49
	Transfer			12 Oct 2018	150,000	1,450,000	0.55
	AT THE END OF THE YEAR					1,450,000	0.55

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
11	INSIGHT SOLUTIONS LTD	23,026,000	8.68			23,026,000	8.68
	Transfer			27 Jul 2018	(18,000,000)	5,026,000	1.90
	Transfer			03 Aug 2018	(3,500,000)	1,526,000	0.58
	Transfer			07 Sep 2018	(310,577)	1,215,423	0.46
	AT THE END OF THE YEAR					1,215,423	0.46
12	K INDIA OPPORTUNITIES FUND LIMITED - CLASS G	1,593,189	0.60			1,593,189	0.60
	Transfer			21 Sep 2018	(348,215)	1,244,974	0.47
	Transfer			29 Sep 2018	(36,637)	1,208,337	0.46
	Transfer			05 Oct 2018	(11,100)	1,197,237	0.45
	Transfer			19 Oct 2018	(94,048)	1,103,189	0.42
	Transfer			31 Dec 2018	(21,513)	1,081,676	0.41
	Transfer			04 Jan 2019	(63,933)	1,017,743	0.38
	Transfer			11 Jan 2019	(7,137)	1,010,606	0.38
	Transfer			18 Jan 2019	(11,647)	998,959	0.38
	Transfer			25 Jan 2019	(108,727)	890,232	0.34
	Transfer			01 Feb 2019	(180,644)	709,588	0.27
	AT THE END OF THE YEAR					709,588	0.27
13	JM FINANCIAL COMMTRADE LTD	2,200,000	0.83			2,200,000	0.83
	Transfer			07 Dec 2018	(2,200,000)	-	-
	Transfer			21 Dec 2018	1,000,000	1,000,000	0.38
	Transfer			22 Mar 2019	(1,000,000)	-	-
	AT THE END OF THE YEAR					-	-

v. **Shareholding of Directors and Key Managerial Personnel :**

S. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.).	Cumulative shareholding during the year.		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors								
1	B.K.Goenka	140	Negligible	-	140	Negligible	140	Negligible
2	Atul Desai	200	Negligible	-	200	Negligible	200	Negligible
3	Desh Raj Dogra	-	-	-	-	-	-	-
4	Dhruv Kaji#	-	-	-	-	-	-	-
5	K.H.Viswanathan	-	-	-	-	-	-	-
6	Kaushik Subramaniam@	-	-	-	-	-	-	-
7	Rajkumar Jain	-	-	-	-	-	-	-
8	Rajesh Mandawewala	200	Negligible	-	200	Negligible	200	Negligible
9	Revathy Ashok	-	-	-	-	-	-	-
10	S Krishnan	12,000	Negligible	-	12,000	Negligible	12,000	Negligible
11	Utsav Baijal	-	-	-	-	-	-	-
12	Vipul Mathur	11,000	Negligible	-	11,000	Negligible	11,000	Negligible
13	Mintoo Bhandari$	-	-	-	NA	NA	NA	NA
14	Ramgopal Sharma&	2,100	Negligible	-	-	-	2,100	Negligible
Key Managerial Personnel								
15	Pradeep Joshi-CS	1	Negligible	-	1	Negligible	1	Negligible
16	Percy Birdy-CFO*	-	-	-	-	-	-	-

appointed with effect from September 05, 2018

@ appointed with effect from August 21, 2018

$ Ceased to be a director with effect from August 01, 2018

& Ceased to be a director with effect from September 05, 2018

* appointed with effect from June 11, 2018

V. INDEBTEDNESS

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

(₹ in Million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	6,960.91	-	-	6,960.91
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	128.89	-	-	128.89
Total (i + ii + iii)	**7,089.80**	**-**	**-**	**7,089.80**
change in indebtedness during the financial year.				
• Addition	-	1,750.00	-	1,750.00
• Reduction	1,248.83		-	1,248.83
Net change	**(1,248.83)**	**1,750.00**	**-**	**525.43**
Indebtedness at the end of the financial year				
i. Principal Amount	5,736.34	1,750.00	-	7,486.34
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	104.63		-	104.63
Total (i+ii+iii)	**5,840.97**	**1,750.00**	**-**	**7,590.97**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of the Managing Director & CEO Mr. Vipul Mathur	Name of the Executive Director and CEO (PCMD) Mr. S. Krishnan
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	36.78	26.16
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	6.19	Nil
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2	Stock Option	15,00,000 (Refer Note 1)	Nil
3	Sweat equity	Nil	Nil
4	Commission As % of profit	Nil	Nil
5	Others, please specify (variable pay)	2.90	1.45
6	Others, please specify (LTA)	1.76	3.71
7	Others, please specify (Leave Encashment)	3.93	2.73
	Total (A)	**51.56^**	**34.05^**
	Ceiling as per the Act	11% of the Net profits of the Company i.e. ₹ 204.75 million (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed ₹ One lakh per meeting of the Board or committee thereof.) However, in terms of the amendment dated September 12, 2016 in the Schedule V to the Companies Act, 2013, ceiling on remuneration to the Managerial Personnel shall not apply as the Managing Director & CEO and the ED & CEO (PCMD) falls under the category of persons exempted from the limit on remuneration without seeking Central Government's approval.	

Note 1

Options granted during the year can be exercised as per the vesting schedule given under the Welspun Employee Stock Option Plan which is 30%, 35% and 35% each year from the end of 1st year from the date of grant.

^ In additon to Salay & Allowances, entitled for other beneifts as per the Company policy.

B. Remuneration to other directors **(₹ in Million)**

Sr. No.	Particulars of Remuneration	Name of Directors							Total amount
		AD	DRD	KHV	RKJ	RA	DK	RGS	
1	Independent Directors								
	Fee for attending board & committee meetings	0.55	0.70	1.44	1.31	0.47	0.27	0.33	5.07
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**0.55**	**0.70**	**1.44**	**1.31**	**0.47**	**0.27**	**0.33**	**5.07**

Sr. No.	Particulars of Remuneration	Name of Directors					Total amount
		UB	BKG	RRM	KS	MB	
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	0.37	Nil	Nil	0.25	0.05	0.67
	Commission	-	18.61*	-	-	-	18.61
	Others, please specify			-	-	-	-
	Total (2)	0.37	18.61	Nil	0.25	0.05	19.28
	Total (B) = (1 + 2)						24.35
	Total Managerial Remuneration						₹ 104.35 million
	Overall Ceiling as per the Act.	1% of the Net profits of the Company i.e. ₹ 18.61 million (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rupees One lakh per meeting of the Board or committee thereof.)					

* Commission @1% payable for FY 2018-19.

AD – Atul Desai
BKG – Balkrishan Goenka
DRD – Desh Raj Dogra
DK- Dhruv Kaji
MB – Mintoo Bhandari
RKJ – Rajkumar Jain
RGS – Ramgopal Sharma
KS- Kaushik Subramaniam
RA- Revathy Ashok
UB – Utsav Baijal
KHV – K.H.Viswanathan
RRM- Rajesh Mandawewala

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE-TIME DIRECTOR.

(₹ in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO*	CFO$	Company Secretary
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	36.78	10.64	4.46
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	6.19	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	15,00,000 (Refer Note 1)	Nil	Nil
3	Sweat equity	Nil	Nil	Nil
4	Commission As % of profit	Nil	Nil	Nil
5	Others, please specify (variable pay)	2.90	0	Nil
6	Others, please specify (LTA)	1.76	0	Nil
7	Others, please specify (Leave Encashment)	3.93	0	Nil
	Total (A)	51.56^	10.64	4.46

* The Managing Director is also the CEO of the Company.

$ Mr. Percy Birdy has been appointed as the CFO with effect from June 11, 2018. The remuneration is for the period from 11.06.2018 to 31.03.2019. Mr. S. Krishnan, Executive Director & CEO (Plate and Coil Mill Division) stepped down from the position of the CFO with effect from June 11, 2018. Remuneration paid to Mr. Krishnan as the CFO is included in the VI-A above.

^ In addition to salary & allowances, entitled for the other benefits as per the Company policy.

Note 1 : Options granted during the year 2018-19 can be exercised as per the vesting schedule given under the Welspun Employee Stock Plan which is 30%, 35% and 35% each year from the end of 1st year from the date of grant.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Annexure 5

Corporate Social Responsibility (CSR)

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

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

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

   These 3E's are implemented through:

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

   The Company's CSR Policy is disclosed on the website of the Company, a web-link of which is as under:

   http://www.welspuncorp.com/system/downloads/attachments/000/000/075/original/WCL-CSR_Policy.pdf

2. **The Composition of the CSR Committee.**

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

3. Average net profit / (loss) of the Company for last three financial years: ₹ 1,028.84 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹20.58 million.

5. **Details of CSR spent during the financial year.**

   a. Total amount to be spent for the financial year: ₹ 205.79 lakh

   b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below:

(₹ In lakhs)

Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure. up to the date reporting period	Amount spent : Direct or through implementing agency
1	Fodder security lively hood program for farmers	Empowerment of socially backward	Gujarat/ Dist- Kutch/ Anjar	--	29.41	29.41	Agency
2	Construction of Toilets in Villages Kukuma & Anjar	Sanitation Project	Gujarat/ Dist. Kutch	--	10.78	10.78	Agency
3	Providing Safe Drinking Water	Empowerment of Socially backward	Gujarat/ Dist. Kutch Anjar & Vapi	--	2.94	2.94	Agency
4	Horticulture Development & Plantation of Trees	Promoting Environmental Development	Gujarat/ Dist. Kutch Anjar	--	67.45	67.45	Agency
5	Providing Infrastructure like cattle shed, benches, Street Light providing dustbins etc at Anjar & Vapi	Empowerment of Socially backward	Gujarat Anjar & Vapi	--	24.24	24.24	Agency
6	Infrastructure development for Vocational Training	Enhancing Vocational Skill	Gujarat/ Dist. Kutch Anjar	--	44.18	44.18	Agency
7	Conducting Health Camps at Anjar	Promoting Healthcare	Gujarat/ Dist. Kutch Anjar	--	2.37	2.37	Agency
8	Sponsorship to Sports Person	Empowering Women	Maharashtra	--	14.64	14.64	Agency
9	Staff Salaries Staff Welfare and other Administrative Expense	CSR capacity building of own personnel	Gujarat/ Dist- Kutch/ Anjar & Vapi & Mumbai	--	9.78	9.78	Agency
			Total			**205.79**	

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

For and on Behalf of the Board

Vipul Mathur
Managing Director & CEO
DIN : 07990476

K.H.Viswanathan
Chairman of the CSR Committee
DIN : 00391263

Date: May 15, 2019
Place: Mumbai

Annexure 6

FORM NO. AOC-2

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

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

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

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

Name(s) of the related party and nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Amount (₹ Million)
1) Sale of goods					
Welspun Tradings Limited	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	8,356.17
2) Interest Income					
Welspun Wasco Coatings Private Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilization	Based on transfer pricing guidelines	25.06.2015	Nil	38.07
3) Guarantee Commission received					
Welspun Pipes Inc.	5 Years	Based on transfer pricing guidelines	25.10.2016	Nil	107.29
Welspun Middle East Pipes LLC	5 Years	Based on transfer pricing guidelines	30.06.2012/ 08.02.2018/ 27.01.2014	Nil	28.31
Welspun Wasco Coatings Private Limited	2 Years	Based on transfer pricing guidelines	10.02.2017	Nil	1.28
4) Purchase of goods and services					
Welspun Captive Power Generation Limited	Ongoing	Based on transfer pricing guidelines	28.01.2015	Nil	344.76
Welspun India Ltd	Ongoing	Based on transfer pricing guidelines	25.04.2018	Nil	103.18
5) Purchase of Fixed Assets					
Welspun Tubular LLC	One time	Based on transfer pricing guidelines	25.04.2018	Nil	2.05
Welspun India Limited	One time	Based on transfer pricing guidelines	25.04.2018	Nil	0.51
6) Rent paid					
Welspun Realty Private Limited	3 years	Based on transfer pricing guidelines	23.05.2016	Nil	53.37

Name(s) of the related party and nature of relationship		Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Amount (₹ Million)
7)	Rent Received					
	Welspun Wasco Coatings Private Limited	10 years	Based on transfer pricing guidelines	21.07.2015	Nil	7.78
8)	Addition of Corporate Guarantee					
	Welspun Middle East Pipe LLC	One time	Based on transfer pricing guidelines	08.02.2018	Nil	5,532.40
9)	Purchase of Non-Current Investments					
	Welspun Captive Power Generation Ltd	One time	Based on transfer pricing guidelines	07.02.2019	Nil	384.19
10)	Conversion of Loan into Equity shares					
	Welspun Wasco Coatings Private Limited	One time	Based on transfer pricing guidelines	25.01.2019	Nil	107.10
11)	Sale of Non-Current Investments					
	Welspun Captive Power Generation Ltd (Equity)	One time	Based on transfer pricing guidelines	15.11.2018	Nil	383.77

Note: The above transactions are material as per SEBI Regulations, 2015. Other transactions which are not material transactions but entered into in the ordinary course of business and on arm's length basis are mentioned in the note no. 42 of the audited financial statements.

For and on Behalf of the Board

Vipul Mathur
Managing Director & CEO
DIN : 07990476

S. Krishnan
Executive Director and CEO (PCMD)
DIN : 06829167

Date: May 15, 2019
Place: Mumbai

Annexure 7

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 of good Corporate Governance practice, the Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

The Company's Board comprises of the required blend of Independent and Non-Independent Directors with considerable experience in diverse fields such as finance, accounts, legal and general management, business strategy and pipes industry. Further, the Board has mix of executive and non-executive directors. Except a nominee appointed by Insight Solutions Limited (an Investor) and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

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

	Name of the Director(s)	Category	Board Meetings Attended during the Year 2018-19	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)@	Number of Shares in the Company
					Pub.	Pvt.	Other Body Corporate		
1	Mr. Balkrishan Goenka	NE, P	8/9	No	9	-	9	1C, 1M	140
2	Mr. Atul Desai	NE, I	8/9	No	7	-	-	5C, 3M	200
3	Mr. Desh Raj Dogra	NE, I	7/9	Yes	5	1	-	3C, 4M	-
4	Mr. Dhruv Kaji&	NE, I	3/5	No	7	1	3	4M, 3C	-
5	Mr. K.H.Viswanathan	NE, I	9/9	Yes	6	-	-	3M, 5C	-
6	Mr. Kaushik Subramaniam$	NE, NI	5/5	No	-	-	-	-	-
7	Mr. Rajkumar Jain	NE, I	9/9	Yes	9	1	-	7M, 2C	-
8	Mr. Rajesh R. Mandawewala	NE, P	6/9	Yes	8	3	2	5M	200
9	Mrs. Revathy Ashok	NE, I	8/9	Yes	8	2	-	2M, 5C	-
10	Mr. S. Krishnan	E, NI	8/9	No	1	-	4	-	10,000
11	Mr. Utsav Baijal- Nominee of the Investor	NE, NI	5/9	No	1	2	-	-	-
12	Mr. Vipul Mathur	E, NI	8/9	Yes	1	-	6	-	11,000
13	Mr. Mintoo Bhandari – Nominee of the Investor#	NE, NI	1*/4	No	-	-	-	-	-
14	Mr. Ram Gopal Sharma^	NE, I	2/4	No	-	-	-	-	-

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

& appointed w.e.f. September 05, 2018.

ceased to be a director w.e.f. August 01, 2018.

$ Appointed w.e.f. August 21, 2018.

^ ceased to be a director w.e.f. September 05, 2018.

* 3 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.

9 Meetings of the Board of Directors were held during the financial year 2018-19 on the following dates: 25.04.2018, 02.05.2018, 08.06.2018, 23.07.2018, 05.09.2018, 01.11.2018, 07.02.2019, 26.03.2019 and 30.03.2019.

In addition to the above, a meeting of the Independent Directors was held on March 14, 2019 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said meeting was attended by Mr. Atul Desai, Mr. Dhruv Kaji, Mr. K. H. Viswanathan, Mr. Rajkumar Jain, Mrs. Revathy Ashok.

It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. Further, there is no relationship between the directors inter-se.

The names of the listed entities where the person is a director and the category of directorship and matrix of the skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and directors who have such skills / expertise / competence. Details of current members of the Board is given below:

	Name of the Director(s)	Skills/expertise/ competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
1	Mr. Balkrishan Goenka	Leading figure in textile and steel industry, Strategy and Business Management	Welspun India Limited, Welspun Enterprises Limited and RMG Alloy Steel Limited	Non-Independent	N.A.
2	Mr. Atul Desai	Litigation, Arbitration	AYM Syntex (Formerly known as Welspun Syntex Limited), JSW Holdings Limited, RMG Alloy Steel Limited, Welspun Investments and Commercials Limited, TCFC Finance Limited	Independent	N.A.
3	Mr. Desh Raj Dogra	Financial sector in the areas of banking and credit rating	S.Chand and Company Limited, Sintex Plastics Technology Limited.	Independent	N.A.
4	Mr. Dhruv Kaji	Evaluating and guiding business projects in India and abroad, Strategic planning, Finance	Network18 Media & Investments Limited, TV18 Broadcast Limited, Welspun Enterprises Limited, Ceinsys Tech Limited, HDFC Asset Management Company Limited	Independent	N.A.

	Name of the Director(s)	Skills/expertise/ competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
5	Mr. K. H. Viswanathan	Corporate Tax and Legal, Transaction advisory and structuring, Internal, Management and Due-diligence audits, formulation of business strategy, mergers and acquisitions etc.	AYM Syntex Limited	Independent	N.A.
6	Mr. Kaushik Subramaniam	Private equity investing	-	Non-Independent	N.A.
7	Mr. Rajkumar Jain	Accounts, finance & Taxation	Welspun Investments and Commercials Limited, Gujarat Borosil Limited	Independent	N.A.
8	Mr. Rajesh R. Mandawewala	Leading figure in textiles and Steel, believes in driving innovation through Continuous research and product developments, Strategy and Business Management	Welspun India Limited, AYM Syntex Limited (Formerly known as Welspun Syntex Limited) and Welspun Enterprises Limited	Non-Independent	N.A.
9	Mrs. Revathy Ashok	Capital Raising, Business Development, Finance, Commercial and other strategic general management	ADC India Communications Limited, Quess Corp Limited, Astrazeneca Pharma India Limited	Independent	N.A.
10	Mr. S. Krishnan	Global finance, global investor relation and business development, internal control, auditing, project management, mergers & acquisitions, contract manufacturing, Product supply & marketing.	-	Non-Independent	N.A.
11	Mr. Utsav Baijal-Nominee of the Investor	Distressed investments, Corporate M&A	-	Non-Independent	N.A.
12	Mr. Vipul Mathur	Rich experience in heavy electrical equipment, manufacturing of pipes, Oil & gas etc. Management, Marketing, Operations and manufacturing efficiencies, excellent managerial skills, leadership quality, Strategy and Business Management	-	Non-Independent	N.A.

Name of the Director(s)		Skills/expertise/ competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
13	Mr. Ramgpal Sharma*	-	-	Independent	Resigned due to indifferent Health
14	Mr. Mintoo Bhandari^	-	-	Non-Independent	Nomination withdrawn by the nominating investor

* Resigned w.e.f. September 05, 2019

^ Nomination withdrawn w.e.f. August 01, 2018

Skills and expertise required by the Company are mainly Knowledge & Steel & Pipe market, Strategy and Business Management, Accounts & Finance and Auditing, Legal & Compliance.

The directors who ceased to be a member of the Board have confirmed that that there were no other material reasons other than those provided in the resignation letter submitted to the Company.

III. AUDIT COMMITTEE

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

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. K. H. Viswanathan	Chairman	17/17
Mr. Deshraj Dogra$	Member	9/9
Mr. Rajkumar Jain	Member	17/17
Mr. Utsav Baijal@	Member	3&/11
Mr. Mintoo Bhandari#	Member	Nil*/6
Mr. Ram Gopal Sharma^	Member	3/6

$ Appointed as a member w.e.f. October 12, 2018

^ ceased to be a member w.e.f. September 05, 2018

ceased to be a member w.e.f. August 01, 2018

@ appointed as a member w.e.f. August 03, 2018

* Appointed an observer to attend 6 meetings of the Committee.

& appointed an observer to attend 8 meetings of the Committee.

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

17 Meetings of the Audit Committee were held during the financial year 2018-19 on following dates: 25.04.2018, 02.05.2018, 08.06.2018, 19.07.2018, 20.07.2018, 23.07.2018, 05.09.2018, 12.09.2018, 18.10.2018, 01.11.2018, 14.11.2018, 20.12.2018, 24.01.2019, 07.02.2019, 08.02.2019, 26.03.2019 and 30.03.2019.

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

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

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

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee Chairman. The Policy provide adequate safeguard against victimization. The Chairman of the Audit Committee can be approached at khviswanathan@gmail.com. Web-link where details of whistle blower mechanism are available www.welspuncorp.com.

V. NOMINATION AND REMUNERATION COMMITTEE.

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

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. Rajkumar Jain	Chairman	7/7
Mr. K.H.Viswanathan	Member	7/7
Mr. Utsav Baijal@	Member	3$/4
Mr. Dhruv Kaji&	Member	2/2
Mr. Mintoo Bhandari#	Member	Nil*/3
Mr. Ram Gopal Sharma^	Member	3/5

^ ceased to be a member w.e.f. September 05, 2018
# ceased to be a member w.e.f. August 01, 2018
@ appointed as a member w.e.f. August 03, 2018
* appointed an observer to attend 3 meetings of the Committee.
$ appointed observer to attend one meeting of the Committee
& appointed as a member w.e.f. October 12, 2018

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

During the year under review, 7 meetings of the Committee were held on 25.04.2018, 08.06.2018, 30.07.2018, 03.08.2018, 16.08.2018, 02.01.2019 and 07.02.2019.

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

None of recommendations made by the Nomination and Remuneration Committee were rejected by the Board.

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as well as a well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the executive and non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel and Senior Management Personnel.

The salient features of the Nomination and Remuneration Policy ("policy") are as under:

Appointment of Directors:

The Committee identifies the person who qualifies to become directors and who may be appointed in senior management in accordance with the criteria as mentioned in the policy.

Remuneration of Directors, Key Managerial Personnel, senior management personnel:

- The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit.
- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.
- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

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

The Policy is available on your Company's website at: http://www.welspuncorp.com/system/downloads/attachments/000/000/423/original/Nomination_and_Remuneration_Policy.pdf?1524230602

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

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

The Committee comprises of 4 non-executive directors of which 1 is an independent director as on date of this Report viz. Mr. K. H. Viswanathan – Chairman, Mr. B. K. Goenka, Mr. Rajesh R. Mandawewala and Mr. Utsav Baijal as members. The Chairman of the Committee is an Independent Director.

Compliance Officer: Mr. Pradeep Joshi – Company Secretary.

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

Number of Shareholders complaints / requests received during the year

During the financial year under review, total 3 (three) shareholder's complaints were received. Break-up and number of complaints received under different category is given hereunder:

Non Receipt of Share Certificate	:	2
Non Receipt of Dividend	:	Nil
Non receipt of Annual Report	:	Nil
Others (SEBI)	:	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 for more than 15 days as on March 31, 2019. All the shares/debentures received for transfer/ transmission were transferred / transmitted and no transfer was pending as at March 31, 2019.

VII. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on February 2, 2019. The composition of the Committee is given hereunder:

Name of the Member	Member/ Chairman
Mr. Vipul Mathur - Managing Director & CEO	Chairman
Mr. Deshraj Dogra -Independent Director	Member
Mr. K. H. Viswanathan -Independent Director	Member
Mr. Rajkumar Jain -Independent Director	Member
Mr. Utsav Baijal (nominee of Insight Solutions Ltd.)	Member
Mr. Percy Birdy - Chief Financial Officer	Member

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

The objectives and scope of the Committee broadly comprise of monitoring and reviewing risk management plan including cyber security.

The Company has a Risk Management Framework to identify, monitor, mitigate and minimize risks.

VIII. GENERAL BODY MEETINGS

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

1) At the 21st Annual General Meeting held on Thursday, September 29, 2016 at 11:30 am at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110, following special resolution was passed:
    - To borrow from time to time, by way of issue of securities including but not limited to secured/unsecured redeemable Non-convertible Debentures (NCDs) and/or Commercial Paper (CP) to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 1,500 crores ((including ₹ 500 crores approved at the Annual General Meeting held on 31.08.2015),during the period of 1 (one) year from the date of the Annual General Meeting.

2) At the Extra Ordinary General Meeting held on Friday, March 24, 2017 at 11:00 am at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110, following special resolution was passed:
    - For alteration of Articles of Association to increase the threshold for investment by the Investor (as defined in the Articles) from 14.99% to 19.70%.

3) At the 22nd Annual General Meeting held on Wednesday, September 20, 2017 at 10:00 am at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar,

Dist. Kutch, Gujarat – 370110, following special resolutions were passed:

- For appointment of Mr. Deshraj Dogra as an independent director.
- To borrow from time to time, by way of issue of securities including but not limited to secured/unsecured redeemable Non-convertible Debentures (NCDs) to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 700 crores during the period of 1 (one) year from the date of the Annual General Meeting.
- For payment of commission @1% of Net Profits of the Company as computed under Section 198 of the Companies Act, 2013 for a period of 5 years commencing from the financial year 2017-18 to Mr. Balkrishan Goenka, Non-Executive Chairman.

4) At the 23rd Annual General Meeting held on Tuesday, August 14, 2018 at 2:30 pm at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110, following special resolutions were passed:

- For appointment of Mr. Vipul Mathur (holding DIN 07990476) as the Managing Director & Chief Executive Officer of the Company for a period of 5 years and fixing his remuneration for a period of three years commencing from December 01, 2017.
- For appointment of Mr. S.Krishnan (holding DIN 06829167) as the Executive Director & Chief Executive Officer (PCMD) of the Company for a period of 5 years and fixing his remuneration for a period of three years commencing from December 01, 2017.
- To borrow from time to time, by way of issue of securities including but not limited to secured/unsecured redeemable Non-convertible Debentures (NCDs) to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 700 crores during the period of 1 (one) year from the date of the Annual General Meeting.

5) In addition to the above, at the Extra Ordinary General Meeting held on Tuesday, March 19, 2019 at 12:00 noon at Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110, following special resolutions were passed:

- To revise remuneration to the Managing Director & CEO from ₹ 450 lakh to ₹ 500 lakh and grant of 15,00,000 Employee Stock Options at an Exercise Price of ₹ 100 per Stock Option.
- Reclassification of Intech Metals SA as "Public" Shareholder under Regulation 31A of the SEBI (LODR), 2015
- Re-appointment of Mr. Rajkumar Jain as an independent director.
- Re-appointment of Mr. K.H.Viswanathan as an independent director
- Re-appointment of Ms. Revathy Ashok as an independent director.

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

IX. DISCLOSURE

a. Related Party Transactions.

For materially significant related party transactions, refer Note No. 42 of Notes to Accounts annexed to the Financial Statement and Annexure 6 to the Directors' Report.

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

http://www.welspuncorp.com/system/downloads/attachments/000/000/590/original/WCL_-_RPT_Policy_Revised_27062019.pdf?1562752278

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

For disclosures pursuant to Regulation 34(3), refer Note No. 55 of Notes to the Accounts annexed to the Financial Statement.

c. Non-Compliance

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

d. Policy for determining "material" subsidiaries.

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

http://www.welspuncorp.com/system/downloads/attachments/000/000/589/original/Policy_on_Material_Subsidiary-09.05.2018.pdf?1562751209

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

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

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

Detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Risk management policy of the listed entity with respect to commodities including through hedging: The Company proactively manages price fluctuation risks and in case of steel, it uses forward booking, inventory management and pre-emptive vendor development practices.
- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

  a. Total exposure (Annual Purchase) of the listed entity to commodities is ₹ 37,345 million.

  b. Exposure (Annual Purchase) of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity*	Exposure in Quantity terms towards the particular commodity*	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
	₹ (Mn)	(000 Tonnes)	OTC	Exchange	OTC	Exchange	
Steel Slabs	17,348	433	-	-	-	-	-
Steel Coils	11,160	245	-	-	-	-	-
Steel Plates	8,837	171	-	-	-	-	-

* Annual Purchase

- Commodity risks faced by the listed entity during the year and how they have been managed.

The Company mitigates this risk by way of arranging back to back pre-tender tie-ups with its selected group of pre-approved steel mills (directly or thru their nominated trading channel) at the time of bidding for a project or tender - on price as well as quantity allocation, with the tacit understanding that in case the Company happens to be the successful bidder, the Company will immediately confirm its order of steel.

In some markets, the Company do undertake channel sales where the Company is exposed to steel price fluctuation, however the contribution of such business to overall revenue is not significant.

Also refer to the Management Discussion and Analysis forming part of this Annual Report.

X. MEANS OF COMMUNICATION

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

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

XI. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting** shall be held on Monday, August 12, 2019 at 02:30 p.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

2. **Financial Year** of the Company is April 01 to March 31.

3. **Record Date**: Friday, July 05, 2019.

4. **Dividend payment date**: Starting from Monday, August 12, 2019 and thereafter.

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

   Stock Code /Symbol for equity shares:

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

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

Month	Share Price at BSE (in ₹)		Share Price at NSE (in ₹)		BSE Index (Sensex)	Closing price of Share at BSE (₹)	NSE (S&P Nifty)	Closing price of Share at NSE (₹)
	High	Low	High	Low				
April – 2018	157.00	131.40	157.25	131.00	35,160.36	142.00	10,739.35	142.10
May-2018	151.00	125.15	150.85	124.85	35,322.38	132.85	10,736.15	135.55
June-2018	140.50	112.10	140.55	112.05	35,423.48	117.95	10,714.30	118.40
July-2018	132.80	103.30	133.80	102.75	37,606.58	125.10	11,356.50	125.10
August-2018	169.80	121.85	169.70	121.65	38,645.07	166.60	11,680.50	166.90
September-2018	186.90	115.25	186.50	114.15	36,227.14	124.50	10,930.45	124.25
October-2018	154.50	114.40	154.50	114.30	34,442.05	135.60	10,386.60	135.90
November-2018	164.00	134.90	163.90	135.00	36,194.30	154.05	10,876.75	153.70
December-2018	160.05	137.95	160.00	138.10	36,068.33	139.00	10,862.55	139.30
January-2019	141.40	101.00	141.75	101.35	36,256.69	104.05	10,830.95	104.05
February-2019	116.25	89.30	116.35	86.80	35,867.44	108.15	10,792.50	108.25
March-2019	136.55	108.50	137.00	108.15	38,672.91	135.65	11,623.90	136.20

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

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

   M/s. Link Intime India Private Limited
   (Formerly known as : Intime Spectrum Registry Limited)
   Unit : Welspun Corp Limited
   C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083
   Tel No: +91 22 49186000, Fax: +91 22 49186060
   Email - rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in

9. **Debentures and Debenture Trustee**

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

BSE Scrip Code	ISIN No.
946799	INE191B07071
948505	INE 191B07139
957462	INE 191B07147

   Debenture Trustee:

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

10. **Share / Debenture Transfer System**:

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

11. **Distribution of Shareholding:**

    Shareholding Pattern as on March 31, 2019

Number of Shares	No. of shareholders	% of Shareholders	No. of Shares	% of Shares held
Upto - 500	43,581	78.64	4,760,756	1.79
501-1,000	6,019	10.86	4,979,066	1.87
1,001-2,000	3,275	5.90	4,560,202	1.71
2,001-3,000	812	1.46	2,016,954	0.76
3,001-4,000	410	0.73	1,442,338	0.54
4,001-5,000	263	0.47	1,225,791	0.46
5,001-10,000	467	0.84	3,432,821	1.29
10,001 and above	590	1.06	242,808,181	91.54
Total	**55,417**	**100.00**	**265,226,109**	**100.00**

12. **De-materialization of shares and liquidity:**

    As on March 31, 2019, 99.88% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

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

    There are no outstanding GDRs. However, the Company had outstanding Employee Stock Options. For relevant disclosure refer to the Director's Report Section "Share Capital and Listing"

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

Refer to point No. 10 (A) (V) to the Directors' Report.

15. List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments / fixed deposit program or any scheme or proposal involving mobilization of funds, whether in India or abroad.

Instrument	Credit Rating at the beginning of the year	Change in the Credit Rating as the end of the year
Non-Convertible Debentures	AA(-) by CARE	AA(-) by CARE
Commercial Papers	A1+ by Crisil	A1+ by Crisil

16. Plant locations of the Company and its subsidiaries

i) Pipe and Plate & Coil Mill Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370110

ii) Pipe and Coating Plant - Village Jolva and Vadadla, Near Dahej, Tal: Vagra, Dist: Bharuch, Gujarat – 392130

iii) Pipe Plant – Survey No. 228-229 Village Jamunia & Khejda, Dist. Raisen, Madhya Pradesh - 464551

iv) Concrete Weight Coating Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370110 (Subsidiary's Plant in India)

v) Pipe Plant - KIADB Industrial Area, Gejjalagere, Taluka-Maddur, Dist.- Mandya, Karnataka -571428

vi) Pipe Coating, Double Jointing Plant - 9301 Frazier Pike, Little Rock, Arkansas 72205 (Subsidiary's plant in the US)

vii) Pipe and Coating Plant - Industrial City-2, Dammam-31483, Kingdom of Saudi Arabia (Subsidiary's plant in the KSA).

17. Address for correspondence

The Company Secretary,

Welspun Corp Limited
5th Floor, Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (W), 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 COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

To,
The Members,
Welspun Corp Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Welspun Corp Limited ('the Company') for the year ended on March 31, 2019, as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

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

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

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 M Siroya and Company
Company Secretaries

Sd/-
Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 15, 2019
Place: GANGTOK

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Welspun Corp Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun Corp Limited bearing CIN L27100GJ1995PLC025609 and having registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mr. Balkrishan Gopiram Goenka	00270175	26/04/1995
2	Mr. Rajesh Rameshkumar Mandawewala	00007179	26/04/1995
3	Mr. Raj Kumar Jain	00026544	30/07/2002
4	Mr. Viswanathan Hariharan Kollengode	00391263	28/10/2002
5	Mr. Utsav Baijal	02592194	10/11/2012
6	Ms. Revathy Ashok	00057539	07/08/2014
7	Mr. Atul Manubhai Desai	00019443	01/10/2014
8	Mr. Desh Raj Dogra	00226775	10/02/2017
9	Mr. Krishnan Srinivasan	06829167	01/12/2017
10	Mr. Vipul Mathur	07990476	01/12/2017
11	Mr. Kaushik Subramaniam	08190548	21/08/2018
12	Mr. Dhruv Subodh Kaji	00192559	05/09/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M Siroya and Company
Company Secretaries

Sd/-
Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

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Place: GANGTOK

Future is Today

Business Responsibility Report

OUR FUTURE, RESPONSIBLE CORPORATE

Welspun Corp Limited (WCL) manufactures line pipes for global oil & gas giants using the steel sourced from world class manufacturers. In addition to being the leading manufacturers of large diameter line pipes, we offer a one stop piping solutions to our esteemed customers worldwide. This unique position as a connecting link in the value chain, combined with the market volatilities in steel, ocean freight and currency create a highly vulnerable operating environment for us. Hence we focus on sustainability as a strategic solution for ensuring business continuity. Business responsibility for us is the coming together of several granular aspects that subsequently create a tremendous and long lasting positive impact on our stakeholders and operations.

OUR VISION

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

OUR MISSION

- We endeavour to achieve a leadership position in each segment/sector of our products/services.
- We are committed to satisfying our customers by providing quality products and services, which give the highest value for money.
- We believe that employees are our most important asset through which we can reach the top in each category of our products and services.
- Therefore, we emphasize on their all-round development through organized training and workshops. We commit ourselves to continuous growth so as to fulfill the aspirations of our Customers, Employees and Shareholders.
- We endeavor to reach the leadership position in each segment/sector of steel pipes, casing, tubing and hot pulled induction bends with or without anticorrosion coating

WHAT BUSINESS RESPONSIBILITY MEANS TO US?

GOVERNANCE

Across the organization, we strive to ensure highest levels of adherence to the principles of trust, transparency, accountability and responsibility.

CUSTOMER CENTRICITY

Product quality and innovation has always been crucial to our success and we endeavour to learn from customer experiences while designing new products and improving existing ones.

EMPOWERING OUR PEOPLE

Our robust human resource policies are aligned with our strategic goals to ensure that our people learn more, grow, develop and ultimately feel empowered within the organization.

PROTECTING THE PLANET

We are committed to conducting our business activities in an environmentally responsible manner and we focus on reducing our environmental footprint across the value chain.

CREATING HEALTHY COMMUNITIES

Our community impact interventions are carried out through Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence.

COLLABORATING WITH STAKEHOLDERS

Through regular formal and informal engagements, we develop mutually beneficial relationships with our stakeholders.

Our future, our achievements

- Bhopal plant received the appreciation and felicitation on behalf of WCL for our support and inputs to ITI Bhopal during a state level program where the event saw prominent industry leaders, Regional Director ITI and Director Skill development from GoMP.

- Received the 18th Annual Greentech Environment Gold Award 2018 at Guwahati.

- Golden Bird Excellence Award 2018 in Platinum Award for the outstanding Project on "Quality Excellence".

- Gold Medal in National Awards for Manufacturing Competiveness 2017-18 was awarded on September 2018, based on the assessment done by International Research Institute of Manufacturing.

- Our Plate and Coil Mill Division under Apex India Occupational Health & Safety Award 2018 in Engineering Sector was awarded "Gold".

- "Greentech Safety Gold Award 2018" was awarded on the 2nd Edition of 17th Annual Greentech Safety Gold Award 2018".

- "Gold" Award in "4th EKDKN Exceed Award 2018" under Environment Preservation Category in Manufacturing Sector.

Our future, ethical institution

We believe in adhering to the principles of trust, transparency, accountability and responsibility in the way we do business.

WCL strongly believes that the spirit of governance stretches beyond statutory acquiescence and we are committed to ensuring that our operations are carried out in environment built upon trust, fairness and responsibility. Our governance structure has facilitated a high level of integration and cohesion across the systems and processes, enhancing our ability to seize opportunities and responding to emerging challenges.

BEING TRANSPARENT AND ACCOUNTABLE

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

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

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

RISK MANAGEMENT

WCL recognizes that risk management is of significance across all levels of the businesses; with this objective the company has formulated a structured Risk Management Policy to effectively address risks namely, strategic, business, regulatory and operational risks. Moreover, we continuously identify and assess environmental risk and opportunities, which are also integrated into WCL's Enterprise Risk Management (ERM) framework. Our risk Committee of the Board periodically reviews risk and mitigation strategies.

UPHOLDING HUMAN RIGHTS

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

We do not deal with any supplier/contractor if it is in violation of local laws pertaining to human rights and we do not employ any person below the age of 18. Use of forced or compulsory labour is prohibited at any of our units and we discourage the same with our suppliers and contractors. The above policies apply to WCL and are extended to subsidiaries and business partners. Relevant policies are shared with our suppliers and contractors and they are expected to uphold human rights.

OCCUPATIONAL HEALTH AND SAFETY

At Welspun, we imbibe a culture of safety that protects our employees as well as our contractors. Our company is accredited with OHSAS 18001 management system that helps identify and manage risk associated with workplace health & safety aspects. Being a responsible corporate, we are committed to enable an environment that minimizes operational health and safety risks, and further improves our safety performance.

Our safety management systems enables us to minimize operational health and safety risks, and further improve our safety performance. We inculcate a culture of safety through trainings, tool boxes, talks and tasks. Employees, as well as contractors are made a part of the training and awareness sessions.

We provide the necessary Personal Protective Equipments (PPEs) to employees and contract workers and ensure regular checks are carried out to confirm adherence to the safety standards. The medical centres at our factories ensure necessary care and treatment are made available to all those working on the site.

Safety performance	Employees	Contract Labour
Near misses	147	0
Reportable injuries	4	1
Lost days	188	10
Fatalities	0	0
Minor injuries	0	0
First aid cases	25	8

SUPPLY CHAIN ASSESSMENTS

Our supply chain is mainly focused on midstream segment of transportation for oil & gas industry & water transmission value chain. We have SAP Enterprise, a web-enabled version to deploy web-related functionalities related to advance planning and optimization (APO), customer relationship management (CRM) and supply chain management (SCM) modules. With the use of SAP, we are able to fine-tune our warehouse management by way of implementing warehouse management module and eliminate data redundancy & inconsistency. Our production planning has been significantly strengthened after the implementation of APO.

Our future, sustainable business

Our focus on product quality and innovation has always led us to success and enabled customer satisfaction that creates sustainable relationships with our customers.

Our products are customized based on the customer needs since customer centricity is one of the cornerstones in our approach. Building trust amongst our customers, through transparency and reliability, is crucial towards developing lasting collaborative relationships. We work closely with our customers to understand their needs, developing products that are aligned to their unique requirements, applications and specifications. Our facilities have the capacity and flexibility to meet the diverse needs of our global customer base.

ENGINEERING EXCELLENCE

At WCL, quality is inbred and infused through design, to deliver results beyond mere product specifications. Our pledge towards continuous improvement and engineering excellence drives us to work toward exceeding minimum standards. It ensures consistency, increases productivity, reduces costs and enhances efficiency. Our commitment to quality is unparalleled and our facilities are accredited with international certifications including - APIQR, SPECQ1, ISO-9001, ISO/TS- 29001, AD 2000 MARKBLATT, ISO-14001, OHSAS-18001 and BIS, amongst others.

CUSTOMER FOCUS AND SATISFACTION

We believe that customer value is driven by means of customer satisfaction and confidence. Our success is defined by the way we ensure customer satisfaction, reliability and transparency in economic performance.

Through early interactions to discuss detailed product requirements, we ensure a close connect with our valued customers right from the beginning. Our engagement with customers commences from initial design and engineering stages, extending well beyond the execution and post-commissioning. We proactively obtain feedback from customers after a project is completed. This helps us understand areas where we excelled and consequently allows us to identify aspects where we can improve our performance.

The feedback received is analyzed for assessment and quantified through a Customer Satisfaction Index. We also carry out audits by external agencies at our manufacturing facilities and review our Standard Operating Procedures (SOP's) to ensure we are always on track to meet customer requirements.

INNOVATION AND TECHNOLOGY

At WCL, we believe in redefining our capabilities and staying ahead in customers' value proposition by investing in technology. The setting up of HSAW pipe mill in Bhopal brought in a viable proposition for capturing large diameter HSAW pipe business in central part of India. We have successfully implemented an

Automatic Pipe Dimension Measurement system (APDMS). APDMS is believed to render sustainability to our LSAW business on a recurring basis year-by-year. APDMS increasingly provides a distinct position to WCL particularly in the offshore segment globally.

The customers of this segment are continually making the dimensional requirements tighter and tighter in their specifications thereby making APDMS as an essential resource.We are working towards the factory of the future with end-to-end plant automation where process and product data integration will be able to generate more artificial intelligence, predictability and traceability to increase precision and quality.

We have established a full-fledged manufacturing plant in Bhopal (MP) with an area spreading 15o acres approx. which houses one HSAW mill and there are plans to have one more HSAW mill along with coating facility. It is a unique plant with high level of technology and automation.

QUALITY AS A KEY DIFFERENTIATOR

WCL has an established quality management system. Our Research and Development technical team is focused on identifying opportunities to embed quality into the design of our processes and products. Our facilities are accredited with APIQR, SPECQ1, ISO-9001, ISO/TS-29001, AD 2000- MarkblattISO-14001, OHSAS-18001 and BIS among other international certifications.

The foundation of any quality improvement is to develop a 'quality culture' or mindset within the organization and integrate it throughout the company. At Welspun, quality control refers to the continuous monitoring at each and every stage of the production cycle to ultimately get a premium product.

To adhere to high quality standards- Total Quality Management (TQM) is practiced at each level of the manufacturing process, including administrative process supported by SAP. Right from selection of input materials to the final finished product, exact processes and techniques are followed to create perfect well-tested products. Highly skilled professionals with strong in-house training and world-class best practices primarily adopted from Germany, ensure the highest quality standards.

WCL material procurement goes through trusted vendors on required quality standards and in line with applicable laws and regulations. We conduct periodic reviews & engage with the vendors through meetings, phone calls and emails to resolve queries and seek feedback. We proactively collaborate with competent vendors on new product developments by providing them technical assistance.

Furthermore, each of our manufacturing facilities except Mandya and Bhopal is audited by The American Petroleum Institute (API).

Our future, empowered people

We have deployed systems and processes in place to empower our people, promote a learning and growth based culture and ultimately develop themselves as professionals of repute.

We are an equal opportunity employer and we respect the rights of our people, celebrate our differences and believe in meritocracy. We are focused on building an effective organization that aims to deliver both strategic and operational excellence. The Human Resources team at WCL focuses on building a stable but a dynamic organization by adopting the core values embedded in our people, processes and practices. We have transformed our employee value proposition by augmenting key HR processes, namely – talent resourcing, employee engagement, competency development, performance management and recognition.

EMPOWERING OUR PEOPLE

At WCL, we have leveraged the best technology solutions available to streamline our HR process. We have successfully implemented Success Factors (SF), a premier cloud based Human Resource Information System, across the entire spectrum of human resource management.

We have also initiated Online Behavioral courses launched this year facilitating learning on digital platform.

Moreover , the HR at WCL has made initiatives and concluded successfully Frontline Managers program designed for critical employees to become better managers The Program has been designed to up skill its first time managers and make them better managers, which will enhance the skills of the participants.

The HR transformation team is responsible for benchmarking the maturity of our HR practices as well as identifying the future roadmap to ensure we keep attracting, engaging and retaining the best talent by enhancing the employee friendliness of our HR policies.

RECRUITMENT AND RETENTION

While our focus on recruitment and on-boarding remains strong, the reach of our comprehensive on-boarding program has been increased to include blue collar employees as well. With an intent to bring in inclusiveness within the organization, the workers are put through a three-day induction program consisting of Group values, mission & vision, policies and practices.

VALUING OUR PEOPLE

We value the contribution of all our employees and acknowledge that the success of our business is directly linked to their efforts and performance.

We have transparent processes to evaluate the existing talent pool at WCL in a defined and scientific manner, through interventions such as the 360 degree feedback mechanism and leadership potential assessments. We conducted an employee's survey which has helped gather insights which are used to develop a roadmap towards continuous improvement. We have a rewards program with market-linked increments designed to recognize employees that make distinguished contributions.

On employee compensation and benefits, we continued our approach with market linked increments with provisions for special increments for critical talent and promotions.

TRAINING AND DEVELOPMENT

In Anjar, the Technical Centre of Excellence was launched this year which is committed to provide specific technical training to GETs, Staff, Associates, those deployed through NEEM and Apprentices scheme. The Training includes Classroom sessions followed by On the Job trainings at the designated workstations for an overall learning experience resulting in skill development of its participants. The Participants were spread across all the locations.

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

Performance through people

A programme designed to cater to the managerial needs of the first time managers. A perfect blend of Self-improvement & team-building skills, the program was widely accepted across locations.

Building on last years' competency mapping and assessment, new training programs were designed and delivered across all the units. The programs were formulated basis the competency gaps and training needs identified by the managers/HoDs. Also as a measure to enhance effectiveness of the training programs, the same has been part of the goal setting process for the upcoming year. Technical center of excellence for skill development of employees is developed which ensures robust trainings to GETs and new recruits and modules are designed on "On the job training" in the system.

EMPLOYEE ENGAGEMENT AND WELLBEING

We understand the need for our employees to feel like they are part of something bigger and to be engaged and inspired every day when they get to work. Several initiatives are being undertaken by our HR department to regularly engage with our employees to understand their aspiration and professional as well as personal goals.

We-Talk–using technology for employee engagement

We-Talk, an employee connect app launched on May 11, 2018 catering to all our employees, Staff and Workmen, as part of our employee engagement drive. The app is designed to provide latest announcements, celebrations and events in the organization across locations. It also provides the user a platform to share its views through "Your Voice" module. Also we have conducted Surveys through this app. The App has been launched as an initiative to foster 2 way communication between Management and employees as well as to create employee connect across all locations by sharing news, announcement, celebrations and awards received by employees with all locations. The app also reaches out to not only our staff but also our associate workers which reduces the communication gap, as they have limited access to emails.

At WCL, we focus on maintaining a healthy work-life balance to promote employee wellbeing and include sociocultural activities like get-togethers, birthday celebrations, picnics, yoga, meditation, sports competitions, festival celebrations and community programs.

Employee Engagement forums through Townhalls, New Joiners meet were facilitated. Annual day programs celebrated in all locations with employees awarded in various categories which included awards to Best Managers, Teams making the most significant contribution, Awards to CSR Initiatives Taken, Yuva Puraskar Award for newcomers who have made significant contributions etc. Welspun Corp Ltd. won the Best Company Award during this year.

TABLET (Take a Break, Lets Enjoy Together)- : Under this initiative a global committee is formed to encourage employee participation in important festivals that are celebrated according to the geographies, events such as World Environment Day, Women's day etc. These activities encourages employees, motivates them to perform well and brings a festive culture at the workplace

DIVERSITY AND INCLUSION

We value diversity & aim to improve gender balance at all levels. At WCL, differences are valued and we believe that there is a lot to be gained from having a diverse workforce. As an employer, we provide equal employment opportunities for all staff regardless of race, colour, religion, gender, age, national origin or disability. We train and hire employees across functions, of which 10% are women and 90% of new hires are from local area. The diverse knowledge, perspectives, experiences and working styles of our global workforce strengthens our business and helps us meet the needs of our consumers.

Our Future, cleaner environment

We have deployed systems and processes in place to empower our people, promote a learning and growth based culture and ultimately develop themselves as professionals of repute.

All our facilities are ISO 14001 and OSHAS 18000 certified and have a robust environment management systems in place that ensures environment friendly operations. We also regularly engage with our local communities for developing environment friendly initiatives.

We believe that multiple strategic advantages can be realized by exploring initiatives to improve operational efficiency through several energy conservation and resource optimization measures. We also conduct periodic audits and proactive maintenance of equipment to ensure that our operations maximize efficiency and minimize waste. Our environmental management protocols extend to our subsidiaries and cover our suppliers and contractors. This approach promotes continuous improvement towards sustainable production.

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

ENVIRONMENT MANAGEMENT SYSTEMS

We identify and assess environmental risk and opportunities, which are also integrated into WCL's Enterprise Risk Management (ERM) framework.

We care about the environment and to ensure that we operate efficiently, all our facilities are ISO 14001 (Environment Management System) certified. By implementing robust management systems to track our environmental performance, we are able to identify areas for improvement across aspects such as material consumption, carbon emissions, air quality, waste use, waste and effluent discharges.

ENERGY MANAGEMENT AND OPTIMIZATION

At WCL, we are committed to playing a role in the transition to cleaner economy by developing more sustainable production processes, using energy more efficiently and reducing our carbon footprint.

Energy	Unit	Total
Direct Energy	GJ	20,09,310
Indirect Energy	kwh	26,13,043

We have implemented extensive interventions to improve energy efficiency at Anjar, Dahej, Mandya and Bhopal in FY 2018-19 cumulatively saving 45,536 kwh/annum /year and avoided operational costs by INR 5,81,000/year.

The proactive maintenance of equipment and periodic energy audits has helped us identify and implement several energy conservation measures like installing VFDs, digital temperature controllers, retrofitting LED lights, replacing the use of furnace oil and LPG with natural gas, switching to efficient pumps, improvements in the HVAC etc.

MATERIAL MANAGEMENT, WASTE REDUCTION AND RECYCLING

Though we do not use any raw materials in the form of natural resources and most of our products are made from externally procured plates and coils, our bottom line is impacted by the dynamics of the steel market, energy prices and transportation costs. Therefore reducing waste across the value chain is crucial towards securing sustainability in the long run.

Optimization of materials and well planned wastage control & recycling measures are implemented at all facilities. There is virtually no or limited packaging used, given the nature of our products.

Across our operations we adhere to the 3R approach (i.e. Reduce, Reuse, Recycle) and we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. It is our constant endeavour to reduce waste generation in our operations and thereby reduce the load on landfill.

The hazardous waste generated at our Anjar unit has high calorific value and is therefore utilized for co-processing at nearby cement plant. This helps in reducing environmental risks related to waste disposal and conservation of natural resources.

At our corporate office, we have been promoting the recycling of PET bottles, which are collected and sent to Stree Mukti Sanghatana, a local women's Self-Help Group for recycling. Additionally, we have been using recycled notepads in training centres which are made from paper waste generated from our corporate office. These initiatives are not only pro-environment but also have a social welfare approach ingrained into it. Our new plant at Bhopal is established in the concept of plant in a garden, where we prioritize the importance of nature.

Through targeted awareness campaigns we involve and encourage employees to reduce plastic consumption, water consumption and energy consumption through awareness.

CONSERVING WATER

We do not have processes that are water intensive hence; our water withdrawal does not significantly impact any local water body. The water that we use in our operations is supplied from local municipalities and we regularly monitor our consumption patterns.

The offices use municipal supply water for daily consumption purposes like drinking, cleaning, flushing, etc. The major industrial usage of water is for coating applications on line pipes.

Water	Unit	Total
Municipal supply	KL	3,575,564
Ground water consumption	KL	4,700,000
Waste water generated	KL	4,643,394

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

ENVIRONMENT PROTECTION & CONSERVATION

We constantly review the environmental performance at our facilities using quality control equipment to ensure that they are well within regulatory limits. Regular monitoring reports are submitted to relevant regulatory authorities to communicate the performance of the company over set indicators.

As per the EIA studies conducted prior to the establishment of our facilities, none of the rare/ endangered / threatened flora and fauna species listed in the IUCN red list or National Conservation List were recorded around the vicinity of our plants. Moreover, there are no ecologically sensitive areas around any of our operations.

In keeping with our commitment to preserving and protecting the environment, we held plantation drives across our facilities. These drives were conducted with active participation of local community and stakeholders.

Our future, healthy & prosperous communities

We strive to improve the quality of life of the communities in which we operate and our community impact interventions are carried out through the Welspun Foundation for Health and Knowledge (WFHK).

Our corporate social responsibility (CSR) is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment. WCL impacts lives by working with our communities through a diverse range of social interventions that aimed at securing stable and sustainable futures. The Welspun Foundation for Health and Knowledge (WFHK) works across a diverse spectrum spanning sustainable livelihood, hygiene and sanitation, health, education and gender.

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

SOCIAL IMPACT STRATEGY

WFHK engages with local stakeholders, through a consultative and collaborative approach to identify community needs and design programmes that engage, empower and inspire visionary futures.

Local stakeholder engagement is extremely important and in most of our project centres we have successfully managed develop a symbiotic relationships with them through our CSR projects.

We take due cognizance to incorporate community considerations into decision-making for our CSR interventions. Prior to the commencement of projects, we carry out a baseline study to assess the needs of the communities. Quantified targets are set for all projects and are monitored every quarter. Wherever necessary, midcourse corrections are carried 0ut.

FOCUS AREAS AND INTERVENTIONS

- **Model villages:** We aim to promote a modern vision for villages in India, where they are sustainable rural community that is able to generate and maintain the resources necessary to improve its level of wellbeing and happiness without depleting economic, social & environmental values. A 'Model and Sustainable Village' would provide communities with employment, while creating ancillary livelihood opportunities leveraging technologies and green growth opportunities. By 2020, we commit to working together with 5 villages to implement replicable smart solutions, that not only empower a better way of life, but also secure a healthier environment for residents by promoting greener living.

- **Women empowerment:** Our focus has been on enabling women to create alternative livelihoods and improve their earning capacities. Economic independence amongst women improves gender equality, advances their social status and increases civic participation.

  Our project on supporting sportswomen across the country is one of the key focus areas under empowerment. The foundation financially supports 14 potential girls, which includes specially-abled women from various disciplines of sports, coming from challenging backgrounds and lends a hand in making their dreams come true of making our nation proud.

  Another special project under empowerment is to encourage menstrual hygiene management in rural and urban communities. In order to empower village women by providing them with an opportunity to earn livelihood and ensuring 100% usage of sanitary pads in rural communities of Gujarat, a sanitary pad making unit making 100% biodegradable napkins was set up, moreover a livelihood program was incorporated at Anjar.

- **Promoting Education:** We aim to digitalize government schools and impact the lives of over 1 lakh children. So far the program has been initiated in three districts of Gujarat, wherein 116 schools have been benefitted. We have completed installations in about 221 classes and trained 961 teachers. More than 55,000 children have been impacted through this program which focuses on making classroom sessions interactive and creating a conducive learning environment.

- **Health:** We aim to eradicate malnourishment amongst children, adolescent girls and women, project 'Navchetana' was launched across 15 villages of Anjar and Vapi. A mobile ambulance has also been launched that visits four villages a day and covers 17 villages in the rural areas of Anjar and has benefitted over 15,000 people.

PROJECT MONITORING MECHANISMS

Quarterly review meetings with the management includes updates on CSR initiatives, activities' impact and strategies to achieve the target. Two Corporate Social Responsibility (CSR) Committee meetings are held in a Financial Year. First meeting is held to determine 2% target and programs identified for spending against the target. The second meeting is a mid-year review to consider the Auditor's report of WFHK giving details of the project wise or program wise CSR eligible expenditure incurred by WFHK to ensure that the contribution being incurred is in alignment with the CSR activities as specified under Schedule VII to the Companies Act, 2013.

Our future, engaged stakeholders

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

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

Depending on the purpose of the engagement, we adopt appropriate practices to interact with them. Post the engagement, we endeavor to close the loop as we believe that this is the key to maintaining symbiotic relationships with our stakeholders

RESPONSIBLE POLICY ADVOCACY

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

We are a part of a number of associations that enable value addition to the pipe industry:

- Bombay Chamber of Commerce and Industry (BCCI)
- The Associated Chambers of Commerce and Industry
- Engineering Export Promotion Council
- Indian Merchants Chamber (IMC)
- All India Management
- Federation of Kutch Industries Associations (FOKIA).

Through our representation in the above mentioned bodies, we participate in relevant forums that are of interest to our industry and our stakeholders. All such engagements are done in line with our code of conduct.

The table below listing of our key stakeholder groups, modes of engagement, their key concerns and our responses.

Stakeholder Group	Mode of Engagement & Activities	Key Concerns	Our Responses
Investors	Quarterly investor meetings Presentations Investor relation calls	Economic value of the company Sustainable wealth creation Risk management Compliance and disclosures	Collaborating with investors through various business forums
Government and regulators	Engagement on a need basis Participation in industry level consultation groups Participation in forums	Compliance Sustainable practices Inclusive growth	Active collaboration and participation with regulatory agencies
Employees	Employee surveys Team building workshops Capacity building and training Annual appraisals Employee newsletters Rewards and recognitions Volunteering opportunities	Professional growth Diversity at the workplace Leadership connect sessions Workplace safety Equal opportunities Work-life balance Wages and benefits	HR initiatives to counsel, motivate and reward employees. Committed to achieving the goal of 20% women in the workforce by 2020
Business partners / suppliers and contractors	Contract agreements Direct interactions Supplier meets Membership in industry associations	Payment processing cycles Business ethics Transparency Compliance	Technology enabled payment processing and cloud based services
Communities & NGO's	Direct engagement Dedicated CSR team CSR projects and initiatives Visits and camps Community needs assessments	Infrastructure development Education & healthcare Environmental protection Employment opportunities Human rights	Actively engaged by WFHK across areas such as education, healthcare, sanitation, environment conservation and livelihoods

BRR index

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identification Number (CIN) of the Company	L27100GJ1995PLC025609
Name of the Company	Welspun Corp Limited (WCL)
Registered Address	Welspun City, Village Versamedi, Taluka Anjar, District, Kutch, Gujarat 370 110, India
Website	http://www.welspuncorp.com/
E-mail Id	companysecretary_wcl@welspun.com
Financial Year reported	2018-19
Sector(s) that the Company is engaged in	**Group**: 24311 — **Description**: Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/cast-steel
List three key products/services that the Company manufactures/ provides	1. Welded Pipes 2. Induction Bends 3. Pipe Coating Systems
Total number of locations where business activity is undertaken by the Company	
Number of International Locations (Provide details of major 5)	We have a presence across 5 locations internationally: 1. Houston, USA 2. Little Rock, USA 3. Dammam, Saudi Arabia 4. Dubai, UAE 5. Mauritius
Number of National Locations	Our corporate office is located in Mumbai, Liaison Office is in Delhi and we have 4 plants in India at Anjar, Dahej, Mandya and Bhopal
Markets served by the Company - Local/ State/ National/ International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR) ₹ 1,326.13 million
2.	Total Turnover (INR) ₹ 41,364.91 million (standalone)
3.	Total profit after taxes (INR) ₹ (2,772.07) million (standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (2%) ₹ 20.58 million

SECTION C: OTHER DETAILS

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

   Yes, we have 9 subsidiaries. These include:

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

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

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

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

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

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

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

SECTION D: BR INFORMATION

1) Details of Director/ Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/policies

1.	DIN Number	0007990476
2.	Name	Vipul Mathur
3.	Designation	Managing Director and CEO
4.	Telephone Number	+91 22 6613 6000
5.	Email Id	vipul_mathur@welspun.com

b) Details of the BR head

1.	DIN Number	0007990476
2.	Name	Vipul Mathur
3.	Designation	Managing Director and CEO
4.	Telephone Number	+91 22 6613 6000
5.	Email Id	vipul_mathur@welspun.com

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

Principle 01
Businesses should conduct and govern themselves with ethics, transparency and accountability

Principle 02
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 03
Businesses should promote the Kiel/being of all employees

Principle 04
Businesses should respect the interests of and be responsive towards all stakeholders

Principle 05
Businesses should respect and promote human rights

Principle 06
Businesses should respect, protect, and make efforts to restore the environment

Principle 07
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 08
Businesses should support inclusive growth and equitable development

Principle 09
Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

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

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

*Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines.

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

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

3) **Governance related to Business Responsibility**

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

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

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

   This is our third Business Responsibility Report and we are committed to reporting on our BR activities annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

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

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

   Refer to chapter – 'Our future, our institution'

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

   In FY2018-19, 3 complaints were received from shareholders/ investors and all of these were replied/ resolved to their satisfaction. Also, there were no complaints reported for any of our Directors or employee of the company under our vigil/whistle blower mechanism.

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

Category	Complaints filed during the financial year	Complaints resolved during the financial year	Complaints pending as on end of the financial year
Shareholders and investors	3	3	Nil
Whistle-blower mechanism	Nil	Nil	Nil

PRINCIPLE 2

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

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

   Refer to chapter – 'Our future, cleaner environment'

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

   WCL has undertaken several initiatives for managing the amount of energy and water used across our operations.

   Refer to chapter – 'Our future, cleaner environment'

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

   WCL procures all of its materials from trusted vendors as per required quality and commercial standards in line with applicable laws and regulations. We conduct periodic reviews and audits of our vendor operations to ensure and enable the right quality standards in the materials purchased. Quality, health, safety and environment are the most significant aspects checked by us during vendor approval.

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

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

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

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

While we have systems in place to recycle water, we are expanding our recycling capabilities. For waste management we adhere to the 3R and D system i.e. Reduce, Reuse, Recycle and Disposal. Across all our facilities, we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. It is our constant endeavour to reduce waste generation in our operations and thereby reduce the load on landfill.

Refer to chapter – 'Our future, cleaner environment'

PRINCIPLE 3

1.	Total number of employees (incl.contractual) Total number of permanent employees	3,633 2,698
2.	Total number of employees hired on temporary/ contractual/ casual basis	938
3.	Number of permanent women employees	126
4.	Number of permanent employees with disabilities	9
5.	Do you have an employee association that is recognized by management?	Dahej plant has a recognized employee union
6.	Percentage of your permanent employees is members of this recognized employee association?	100% of employees at the Dahej plant are members of a recognized employee union (Gujarat Kamdar Union)
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	

No.	Category	Complaints filed during the financial year	Complaints pending as on end of the financial year
(i)	Child labour/ forced labour/ involuntary labour	0	0
(ii)	Sexual Harassment	0	0
(iii)	Discrimination	0	0

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

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

H&S Training

Category	Total man-hours of safety training in FY 2018-19
Employee	36,425.5
Contractual labour	3,925

PRINCIPLE 4

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

   Yes. Refer to chapter – 'Our future, engaged stakeholders'

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. Refer to chapter – 'Our future, engaged stakeholders' and 'Our future, healthy & prosperous communities'

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes. Refer to chapter – 'Our future, healthy & prosperous communities'

PRINCIPLE 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ JVs/ Suppliers/ Contractors/ NGOs/ Others?**

   Yes. Refer to chapter – 'Our future, our institution'

   Our code of conduct promotes respect for human rights and we provide a free, fair and a discrimination free environment to our employees. We encourage our employees to raise any concern they may have and we have laid down procedures for addressing such concerns. Under our whistle blower policy, a fair and a transparent mechanism has been provided to report any violation to our code of conduct.

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

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

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

   There were no complaints regarding human rights in FY 2018-19.

PRINCIPLE 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.**

   Yes. Refer chapter – 'Our future, cleaner environment'

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

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

   Yes. Refer chapter – 'Our future, cleaner environment'

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. Environmental risk related to climate change, energy, waste & water management has been identified & necessary steps have been taken to mitigate them.

   Refer chapter – 'Our future, cleaner environment'

4. **Does the company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?**

   No, we do not have any projects related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

   Yes. We have taken several initiatives across our operations in areas related to energy efficiency, emissions management and water management.

   Refer chapter – 'Our future, cleaner environment'

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions and waste generated were within permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Anjar – Nil, Mandya – Nil, Dahej – Nil and Bhopal – Nil.

PRINCIPLE 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

   Yes. Refer to chapter – 'Our future, engaged stakeholders'

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   Yes. Refer to chapter – 'Our future, engaged stakeholders'

   Through our representation in various bodies, we participate in relevant forums that are of interest to our industry and our stakeholders. All such engagements are done in line with our code of conduct.

PRINCIPLE 8

1. **Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   Yes. Refer to chapter – 'Our future, healthy & prosperous communities'

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

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

3. **Have you done any impact assessment of your initiative?**

   Yes. WFHK engaged an external consultant to carry out impact assessments of our corporate social responsibility projects.

4. **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   During FY 2018-19, WCL was required under the Companies Act, 2013 to spend ₹ 20.58 million on CSR.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Refer to chapter– 'Our future, healthy & prosperous communities'

PRINCIPLE 9

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   There were no complaints received by the customers for FY 2018-19.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

Our industry is not governed by any regulations with respect to product labelling. Any relevant information with respect to our products and services is conveyed to the respective stakeholder.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

There have been no cases filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Refer to the chapters – 'Our future, sustainable business' and 'Our future, engaged stakeholders'

Our engagement with customers begins from front end engineering stages and extends well beyond the execution and post-commissioning stages. We also religiously seek feedback from customers post completion of the project and carry out analysis for assessment of Customer Satisfaction Index.

Independent Auditor’s Report

To the Members of Welspun Corp Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Welspun Corp Limited (the “Company”), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of: (a) impairment of carrying value of investments in a subsidiary (b) recoverability of other receivables from joint ventures of a subsidiary (c) impairment of carrying value of investments in and recoverability of loans to a joint venture	
(Refer note 51 to the standalone financial statements) (a) The Company has investments of ₹ 1,814.02 million in equity and preference shares of Welspun Mauritius Holdings Limited ("WMHL"), a subsidiary, ("investments in subsidiary") as at March 31, 2019, which were further invested by WMHL in its two joint ventures namely Welspun Middle East Pipes LLC ("WMEP") and Welspun Middle East Pipes Coatings LLC ("WMEPC") (together known as "joint ventures of subsidiary"). (b) The Company has other receivables aggregating to ₹ 34.47 million as at March 31, 2019 from WMEP and WMEPC. (c) The Company has investments in equity shares of Welspun Wasco Coatings Private Limited ("joint venture") ("investment in joint venture") of ₹ 254.65 million as at March 31, 2019. Further, the Company has granted loans to the joint venture having a carrying value of ₹ 247.01 million as at March 31, 2019. The aggregate exposure of the Company in respect of (a), (b) and (c) above is ₹ 2,350.15 million, which is significant to the standalone financial statements of the Company. Considering the deteriorated financial position of the "joint ventures of subsidiary" and "joint venture", there are indicators of potential impairment of the investments in subsidiary and joint venture and non-recoverability of other receivables and loans as set out in (a), (b) and (c) above. The Management has assessed the impairment of its investment in its subsidiary and its joint venture by reviewing the business forecasts of "joint ventures of subsidiary" and "joint venture", using discounted cash flow valuation model (the "model") and noted that no provision for impairment is required to be made in respect of these investments and, loans and other receivables are considered good. We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above investments, loans and other receivables and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.	Our procedures included, amongst others, the following : • Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiary and joint venture; and recognition of provision for other receivables and loans; • In respect of impairment assessment of investments in subsidiary and joint venture: (i) Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year; (ii) Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management. (iii) Comparing the business forecasts with the latest Board approved budgets; (iv) Considered the work of external independent valuation expert engaged by the Company; (v) Assessed the independent valuation expert's methods, competency and objectivity; (vi) Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model; (vii) Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; (viii) Performing sensitivity tests on the model by analysing the impact of using alternate assumptions for discount rates, terminal growth rates, etc. within a reasonable and foreseeable range. • Considered the results of the aforesaid procedures in evaluating the recoverability of other receivables from "joint ventures of subsidiary" and loans to "joint venture". Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiary and joint venture, recoverability of other receivables from WMEP and WMEPC and loans to "joint venture" is reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in, Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Business Responsibility Report and Other Information in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

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

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 44 to the standalone financial statements.

ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date : May 15, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Corp Limited (the "Company") as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mehul Desai
Partner
Membership Number: 103211

Place : Mumbai
Date : May 15, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

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

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

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets, Note 4 on investment property and Note 15(a) on assets or disposal groups classified as held for sale, to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, though there has been a slight delay in a case, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 48 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute.

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

The particulars of dues of income tax, sales tax/ value added tax, central sales tax, service tax, duty of customs and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in ₹ Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Duty of Excise	3.38	FY 2008-2009	Commissioner (Appeals)
		348.69	FY 2005-2006 to 2013-2014	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		160.68	FY 2010-2011 to 2013-2014	Commissioner of Central Excise & Service Tax
		0.09	FY 2003-2004	High Court
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Central Sales Tax	4.17	FY 2008-2009	Gujarat Value Added Tax Tribunal
		1.65	FY 2009-2010 to 2012-2013	Joint Commissioner of Commercial Tax
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Sales Tax/ Value Added Tax	1,375.56	FY 1999-2000 to 2003-2004 and FY 2005-2006 to 2010-2011	Gujarat Value Added Tax Tribunal
		1.27	FY 2009-2010 and 2013-14	Joint Commissioner of Commercial Tax
The Service Tax under the Finance Act, 1994	Service Tax	48.38	FY 2005-2006 to 2012-2013, FY 2014-2015 and 2015-2016	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		1.74	FY 2013-2014	High Court
		0.11	FY 2010-2011 to 2014-2015	Superintendent of Central Goods and Service Tax
		1.72	FY 2013-2014	Commissioner (Appeal)
		20.47	FY 2015-2016	Joint Commissioner of Commercial Tax
		10.27	FY 2004-2005 to 2006-2007	Supreme Court
Custom Act, 1962	Duty of Customs	91.89	FY 2012-2013 and 2013-2014	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		0.52	FY 2013-2014	Additional Commissioner of Customs
Income Tax Act, 1961	Income Tax	2.33	AY 2014-15	Commissioner (Appeal)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders as at the balance sheet date. The Company does not have loans or borrowings from government as at the balance sheet date.

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

ix. The Company has not raised any moneys by way of initial public offer, further public offer. In our opinion, and according to the information and explanations given to us, moneys raised by way of debt instruments and term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

xv. The Company has not entered into any non cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Mehul Desai
Partner
Membership Number: 103211

Place : Mumbai
Date : May 15, 2019

Standalone Balance Sheet

as at March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,574.72	21,851.34
Capital work-in-progress	3	399.27	121.49
Investment property	4	50.58	8.19
Intangible assets	5	105.13	118.97
Intangible assets under development	5	5.02	21.32
Equity investments in subsidiaries and joint venture	6	603.76	496.66
Financial assets			
Investments	7(a)	2,188.44	1,893.94
Loans	8(a)	247.01	354.11
Other financial assets	9(a)	270.55	110.86
Other non-current assets	10(a)	409.90	1,181.56
Total non-current assets		**11,854.38**	**26,158.44**
Current assets			
Inventories	11	3,008.27	10,201.56
Financial assets			
Investments	7(b)	3,362.92	3,283.71
Trade receivables	12	7,226.51	11,028.75
Cash and cash equivalents	13	1,056.52	1,295.27
Bank balances other than cash and cash equivalents	14	659.13	662.35
Loans	8(b)	4.63	5.62
Other financial assets	9(b)	1,025.24	582.08
Other current assets	10(b)	1,279.52	1,831.74
Assets or disposal groups classified as held for sale	15(a)	14,496.52	6.00
Total current assets		**32,119.26**	**28,897.08**
Total assets		**43,973.64**	**55,055.52**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16(a)	1,326.13	1,326.13
Other equity			
Reserves and surplus	16(b)	14,956.37	17,819.83
Other reserves	16(c)	87.59	11.21
Total equity		**16,370.09**	**19,157.17**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17(a)	5,370.96	6,048.46
Other financial liabilities	18(a)	2.31	1.49
Provisions	19(a)	325.13	340.83
Deferred tax liabilities (net)	20	985.30	2,236.66
Government grants	21	1,317.87	3,649.58
Total non-current liabilities		**8,001.57**	**12,277.02**
Current liabilities			
Financial liabilities			
Borrowings	17(b)	1,750.00	7.78
Trade payables			
- total outstanding dues of micro and small enterprises	23	6.81	10.95
- total outstanding dues other than above	23	10,143.33	18,273.22
Other financial liabilities	18(b)	1,199.42	2,071.09
Provisions	19(b)	254.99	243.84
Government grants	21	204.73	463.35
Current tax liabilities (net)	24	1,763.89	1,661.32
Other current liabilities	22	1,422.20	889.78
Liabilities directly associated with disposal groups classified as held for sale	15(b)	2,856.61	-
Total current liabilities		**19,601.98**	**23,621.33**
Total liabilities		**27,603.55**	**35,898.35**
Total equity and liabilities		**43,973.64**	**55,055.52**

The above standalone balance sheet should be read in conjunction with the accompanying notes.

This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing operations			
Revenue from operations	25	39,861.97	38,477.53
Other operating revenue/ income	26	1,502.94	1,880.98
Other income	27	1,255.70	1,278.45
Total income		**42,620.61**	**41,636.96**
Expenses			
Cost of materials consumed	28	30,025.68	31,802.25
Changes in inventories of work-in progress and finished goods	29	2,049.48	(1,105.52)
Excise duty		-	162.72
Employee benefit expense	30	1,895.84	1,674.98
Depreciation and amortisation expense	31	1,129.53	1,163.81
Other expenses	32	8,077.03	4,357.47
Finance costs	33	1,179.73	1,305.81
Total expenses		**44,357.29**	**39,361.52**
Profit/ (loss) before tax		**(1,736.68)**	**2,275.44**
Income tax expense	34		
Current tax		134.35	1,037.76
Deferred tax		86.11	(247.17)
Total income tax expense		**220.46**	**790.59**
Profit/ (loss) from continuing operations		**(1,957.14)**	**1,484.85**
Discontinued operations			
Profit/ (loss) before tax from discontinued operations	50	(2,196.24)	(316.92)
Tax expense from discontinued operations	34	(1,381.31)	(90.25)
Profit/ (loss) from discontinued operations		**(814.93)**	**(226.67)**
Profit/ (loss) for the year (A)		**(2,772.07)**	**1,258.18**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains/ (losses) on cash flow hedges (net)		117.40	(132.97)
Income tax relating to this item		(41.02)	45.97
		76.38	**(87.00)**
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		8.07	(16.74)
Income tax relating to this item		(2.82)	5.79
		5.25	**(10.95)**
Other comprehensive income for the year, net of tax (B)		**81.63**	**(97.95)**
Total comprehensive income for the year (A+B)		**(2,690.44)**	**1,160.23**
Earnings per equity share from continuing operations	58		
Basic earnings per share (in Rupees)		(7.38)	5.59
Diluted earnings per share (in Rupees)		(7.38)	5.59
Earnings per equity share from discontinuing operations	58		
Basic earnings per share (in Rupees)		(3.07)	(0.85)
Diluted earnings per share (in Rupees)		(3.07)	(0.85)
Earnings per equity share from continuing and discontinuing operations	58		
Basic earnings per share (in Rupees)		(10.45)	4.74
Diluted earnings per share (in Rupees)		(10.45)	4.74

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

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Profit/ (loss) before tax		
	Continuing operations	(1,736.68)	2,275.44
	Discontinued operations	(2,196.24)	(316.92)
	Profit/ (loss) before tax	**(3,932.92)**	**1,958.52**
	Adjustments for:		
	Depreciation and amortisation expense	2,277.95	2,375.30
	Employee share-based expense	41.94	-
	Loss/ (gain) on disposal of property, plant and equipment (net)	35.67	(27.69)
	Impairment loss on disposal group	3,373.08	-
	Loss/ (gain) on sale/ redemption of		
	Current investments	10.77	(136.49)
	Non-current investments	(125.96)	-
	Fair valuation loss/ (gain) on investment (net)	2,400.48	(26.02)
	Provision no longer required written back	(125.23)	1.46
	Provision for litigation, disputes and other matters (net)	3.46	-
	Provision doubtful advances written back	-	(15.38)
	Rental Expenses	22.17	21.12
	Unwinding of discount on liabilities	-	50.12
	Dividend income	(0.34)	-
	Interest income and commission income	(775.82)	(516.90)
	Interest expenses	713.70	906.40
	Net exchange differences (unrealised)	968.11	(183.00)
		8,819.98	2,448.92
	Operating profit before changes in operating assets and liabilities	**4,887.06**	**4,407.44**
	Changes in operating assets and liabilities		
	Movement in other non-current financial assets	(182.04)	213.05
	Movement in other non current assets	334.67	(278.35)
	Movement in inventories	2,849.95	3,068.72
	Movement in trade receivables	1,877.37	2,260.40
	Movement in other current financial assets	(388.17)	(90.99)
	Movement in other current assets	550.64	104.51
	Movement in other non-current financial liabilities	0.82	1.49
	Movement in trade payables	(5,139.86)	(1,084.28)
	Movement in other current financial liabilities	(363.87)	(89.32)
	Movement in other current liabilities	561.69	(1,118.11)
	Movement in provisions	14.82	49.21
	Movement in government grants	(2,590.33)	44.63
	Total changes in operating assets and liabilities	(2,474.31)	3,080.96
	Cash flow from operations	**2,412.75**	**7,488.40**
	Income taxes paid (net of refund received)	(31.78)	426.57
	Net cash from operating activities (A)	**2,380.97**	**7,914.97**
B.	**Cash flow (used in)/ from investing activities**		
	Payments for property, plant and equipment	(295.88)	(432.38)
	Proceeds from property, plant and equipment	12.01	38.34
	Purchase of other long term investments (net)	(0.42)	-
	(Purchase)/ proceeds of/ from current investments (net)	(2,658.58)	1,872.21
	Proceeds from maturity of/ (investment in) fixed deposit (net)	7.13	(53.33)
	Interest and commission received	722.10	555.12
	Dividend received	0.34	-
	Loan to joint venture	-	(98.04)
	Loan to others	0.97	0.36
	Net cash (used in)/ from investing activities (B)	**(2,212.33)**	**1,882.28**

Standalone Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
C. Cash flow used in financing activities		
Proceeds from issue of non-convertible debentures	-	2,500.00
Repurchase of non-convertible debentures	-	(7,038.00)
Repayment of long term borrowings	(1,236.79)	(1,171.83)
Proceeds/ (repayment) from/ of short term borrowings (net)	1,742.22	(2,128.30)
Interest paid	(739.72)	(1,022.41)
Dividend paid (including dividend distribution tax)	(160.16)	(160.47)
Net cash used in financing activities (C)	**(394.45)**	**(9,021.01)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(225.81)**	**776.24**
Cash and cash equivalents at the beginning of the year	1,295.27	519.03
Cash and cash equivalents at the end of the year	**1,069.46**	**1,295.27**
Net (decrease)/ increase in cash and cash equivalents	**(225.81)**	**776.24**
Cash and cash equivalents at the end of the year for continuing operations	1,056.52	1,295.27
Cash and cash equivalents at the end of the year for discontinued operations	12.94	-

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

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Standalone Statement of Changes in Equtiy

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 1, 2017		**1,326.13**
Changes in equity share capital during the year	16(a)	-
Balance as at March 31, 2018		**1,326.13**
Changes in equity share capital during the year	16(a)	-
Balance as at March 31, 2019		**1,326.13**

B. Other equity [refer note 16(b) and (c)]

	Reserves and surplus							Other reserves	
	Securities premium	Debenture redemption reserve	General reserve	Foreign currency monetary Item translation difference account	Equity settled share based payments	Retained earnings	Total reserve and surplus	Cash flow hedging reserve	Total other equity
Balance as at April 1, 2017	**7,769.82**	**1,643.10**	**227.69**	**(95.91)**	**-**	**7,127.14**	**16,671.84**	**98.21**	**16,770.05**
Profit for the year	-	-	-	-	-	1,258.18	1,258.18	-	1,258.18
Other comprehensive income	-	-	-	-	-	(10.95)	(10.95)	(87.00)	(97.95)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,247.23**	**1,247.23**	**(87.00)**	**1,160.23**
Movement during the year (net)	-	-	-	60.37	-	-	60.37	-	**60.37**
Movement in debenture redemption reserve (net)	-	(1,137.26)	-	-	-	1,137.26	-	-	**-**
Movement in general reserve	-	-	125.90	-	-	(125.90)	-	-	**-**
Transactions with owners in their capacity as owners:									
Dividends paid (including dividend distribution tax)	-	-	-	-	-	(159.61)	(159.61)	-	**(159.61)**
Balance as at March 31, 2018	**7,769.82**	**505.84**	**353.59**	**(35.54)**	**-**	**9,226.12**	**17,819.83**	**11.21**	**17,831.04**
Profit for the year	-	-	-	-	-	(2,772.07)	(2,772.07)	-	(2,772.07)
Other comprehensive income	-	-	-	-	-	5.25	5.25	76.38	81.63
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(2,766.82)**	**(2,766.82)**	**76.38**	**(2,690.44)**
Movement during the year (net)	-	-	-	21.29	-	-	21.29	-	**21.29**
Employee share-based expense	-	-	-	-	41.94	-	41.94	-	**41.94**
Transactions with owners in their capacity as owners:	-	-							
Dividends paid (including dividend distribution tax)	-	-	-	-	-	(159.87)	(159.87)	-	**(159.87)**
Balance as at March 31, 2019	**7,769.82**	**505.84**	**353.59**	**(14.25)**	**41.94**	**6,299.43**	**14,956.37**	**87.59**	**15,043.96**

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

This is the standalone statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board

Vipul Mathur
Managing Director and Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

General Information

Welspun Corp Limited (hereinafter referred to as "WCL" or "the Company") is engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils.

The Company is a public limited company which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India.

These standalone financial statements were approved for issue by the Board of Directors on May 15, 2019.

Note 1: Significant Accounting Policies

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

1.1 Basis of preparation of standalone financial statements

a) Compliance with Ind AS

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

b) Historical cost convention

The standalone financial statements have been prepared on an accrual and going concern basis. The standalone

Financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Assets or disposal groups held for sale	Fair value less cost to sell
Share based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) Current and non-current classification

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

d) New and amended standards adopted by the Company

The Company has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Change in Foreign Exchange Rate
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property

The Company had to change its accounting policies following the adoption of Ind AS 115. This is disclosed in note 53. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

1.2 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in

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foreign currencies at year end exchange rates are generally recognised in profit or loss.

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

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The Company has elected to apply the exemption from the transition date i.e. April 1, 2015 in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the standalone financial statement have been accounted in accordance with adopted under previous GAAP as given below:

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

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

1.3 Revenue recognition

a) Sale of goods

Effective April 1, 2018, the Company has adopted Ind AS 115, Revenue from contracts with customers using the modified retrospective transition approach, which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

The Company derives revenue principally from sale of pipes.

The Company recognises revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers freight activities as costs to fulfil the promise to transfer the related products and the customer payments for freight costs are recorded as a component of revenue.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

In certain customer contracts, freight services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates, etc.

Revenue is recognized at a determined transaction price when identified performance obligations are satisfied. The bill and hold contracts are entered at the request of the customer. Revenue from bill and hold contracts is recognised at the agreed transaction price (determined price) .The price for bill and hold contracts is dertermined at the time of entering into the transaction and the performance obligation is satisfied when goods have been appropriated towards the sale transaction (the control of asset is transferred to the customer).

Export incentives and subsidies are recognized when there is reasonable assurance that the

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Company will comply with the conditions and the incentive will be received.

Revenue excludes any taxes and duties collected on behalf of the government.

b) Sale of services

The Company provides freight services to its customers. Revenue from providing freight services is recognised in the accounting period in which the services are rendered. The related freight costs incurred are included in freight expenses when the Company is acting as principal in the freight arrangement. The Company does not have any contracts with significant financing component as per Ind AS 109 where in the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds the credit period usually provided to customers in similar industry. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

1.4 Contract assets and contract liabilities

When the Company performs a service or transfers a good in advance of receiving consideration, it recognises a contract asset or receivable.

A contract asset is a Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. If the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records a contract asset when the nature of the Company's right to consideration for its performance is other than passage of time. A contract asset will be classified as a receivable when the Company's right to consideration is unconditional (that is, when payment is due only on the passage of time).The Company shall assess a contract asset for impairment in accordance with Ind AS 109. Impairment of a contract asset is measured, presented and disclosed on similar basis as other financial asset in nature of trade receivable within the scope of Ind AS 109. The Company discloses contract assets under "Other Assets".

The Company recognises a contract liability if the customer's payment of consideration precedes the Company's performance. A contract liability is recognised if the Company receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. The Company discloses contract liabilities under "Other Liabilities".

1.5 Segment reporting

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

1.6 Government grants

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

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

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

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within "Other operating income". In case of disposal of such property, plant and equipment, related Government Grants included in the liabilities are written back and charged to the statement of profit and loss.

1.7 Income tax, deferred tax and dividend distribution tax

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

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Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

a) Current income tax

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

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

b) Deferred tax

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

Deferred tax are recognised for all deductible temporary difference and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

c) Dividend distribution tax

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

1.8 Leases

a) As a lessee

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis

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over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b) As a lessor

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

1.9 Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Estimated Useful Lives (in years)
Buildings	
Building	30
Residential and other buildings	60
Road, fencing, etc.	Ranging between 3 to 15 years
Office and other equipments	
Office equipment	Ranging between 3 to 10 years
Computer	3 years except Networking equipment's which are depreciated over useful life of 5 years
Vehicles	8
Furniture and fixtures	10

These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

Plant and machinery is depreciated on straight line method over the useful life ranging between 2 years to 40 years in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

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

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

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

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

1.10 Investment properties

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

Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives over a period of thirty years. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013.

1.11 Intangible assets

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

Amortisation methods and periods

Intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life over a period of five years which is based on a technical evaluation done by the Management.

1.12 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement.

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

Non-current assets (including those that are part of disposal groups) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to liabilities of disposal groups classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately from the other assets in the balance sheet under the head “Assets or disposal groups classified as held for sale”. The liabilities of disposal groups classified as held for sale are presented separately from other liabilities in the balance sheet under the head “Liabilities directly associated with disposal groups classified as held for sale”.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or are of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

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1.13 Impairment of assets

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

1.14 Inventories

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

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

1.15 Investment in subsidiaries, joint ventures and associate

The investments in subsidiaries, joint ventures and associate are carried in the standalone financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations.

When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any subsidiary or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

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

1.16 Financial Instruments

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

a) Financial assets

(I) Classification

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

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

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

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

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depend on the business model in which the investment is held.

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

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

(II) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) Debt instruments

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

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

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

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

(ii) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected

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to present fair value where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments and gain/loss on restatement of equity shares held in foreign currency are recognised in profit or loss as other income when the Company's right to receive payments is established.

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

(III) Impairment of financial assets

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

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

(IV) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(V) Income recognition

(i) Interest income

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

(ii) Dividend income

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

(iii) Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme (MEIS) are recognised on export of such

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goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

(VI) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(VII) Trade receivable

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance.

b) Financial liabilities

(I) Measurement

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

(II) Derecognition

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

(III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the standalone financial statements for issue, not to demand payment as a consequence of the breach.

(IV) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

c) Financial guarantee contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and amount initially recognized less cumulative amortization, where appropriate. The fair value of guarantee is determined as at the present value of difference in net cash flows between the contractual payments under the debt instrument and the payment that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantee in relation to loan or other payables of group companies are provided for no consideration, the fair values are accounted for as contributions and recognized as part of the cost of investment.

d) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Company enters into forward and interest rate swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

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

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

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

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

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

(I) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the

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cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).

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

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

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expense (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit or loss at the time of the hedge relationship rebalancing.

(II) Derivatives that are not designated as hedges

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

e) Embedded Derivatives

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

f) Embedded foreign currency derivatives

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

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

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

g) Offsetting financial instruments

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

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1.17 Borrowing costs

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

1.18 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

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

(I) Defined Benefit Plans

(i) Gratuity obligations

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

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

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

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

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

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(II) Defined contribution plans

(i) Provident Fund, Employee State Insurance Corporation (ESIC) and Pension Fund

The Contribution towards provident fund, ESIC and pension fund for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

(ii) Superannuation Fund

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

d) Bonus Plan

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

e) Equity-settled share-based payments (ESOP)

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Equity settled share based payments". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Equity settled share based payments" are transferred to the "Retained Earnings". When the options are exercised, the Company issues new equity shares of the Company of ₹ 5 each fully paid-up. The proceeds received and the related balance standing to credit of the Equity settled share based payments, are credited to share capital (nominal value) and Securities Premium.

1.19 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

c) Contingent Assets

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

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1.20 Contributed Equity

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

1.21 Dividends

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

1.22 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

b) Diluted earnings per share

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

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

1.23 Rounding of amounts

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

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

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

a) Amendments to Ind AS 116, Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019

The new standard introduces a single model of lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement. Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the cash flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is financial year beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(i) Fully retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the

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incremental borrowing rate and the right of use asset either as:

1. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

b) Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes':

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) That the judgement and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgement.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

c) Amendment to Ind AS 19, 'Employee Benefits' - Plan Amendment, Curtailment or Settlement:

The amendment to Ind AS 19 clarifies the accounting for defined benefit plan amendments, curtailments and settlements. It confirms that entities must:

(i) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

(ii) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

(iii) Separately recognise any changes in the asset ceiling through other comprehensive income.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

d) Amendment to Ind AS 103, 'Business Combinations':

The amendment clarifies that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

e) Amendment to Ind AS 12, 'Income Taxes':

The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according

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to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

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

Note 2: Critical estimates and judgments

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

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

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

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

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

iii) Estimation of Provision for Inventory

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

iv) Estimation of Defined Benefit Obligation

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

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

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v) **Estimated fair value of Financial Instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vi) **Impairment of carrying value of investments and recoverability of loans and other receivables in Investee Companies.**

Determining whether the impairment of carrying value of investments in a subsidiary, recoverability of other receivables from joint ventures of a subsidiary, and impairment of carrying value of investments in and recoverability of loans to a joint venture are impaired requires an estimate of the value in use of investments, other receivables and loans (collectively the entities described above are referred as Investee Companies).

In considering the value in use, the board of directors of respective Investee Companies have anticipated the future sales prices, capacity utilisation of plants, operating margins, other expenses, availability of raw materials, discount rates, terminal growth rate, payment of taxes, working capital norms, inflation rate, growth rate of economy and other factors of the underlying businesses / operations of the Investee Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments and recoverability of loans and other receivables in Investee Companies.

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3. Property, plant and equipment

Carrying amounts	Freehold land	Leasehold land	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2018								
Gross carrying amount								
Balance as at April 1, 2017	**326.23**	**-**	**4,733.94**	**23,170.26**	**98.13**	**21.20**	**78.61**	**28,428.37**
Additions	122.85	-	2.60	409.07	16.98	3.92	2.83	558.25
Exchange differences (refer note 54)	-	-	-	3.25	-	-	-	3.25
Disposals	3.69	-	-	13.85	1.75	3.89	0.38	23.56
Reclassification as investment property (refer note 4)			7.78					7.78
Gross carrying amount as at March 31, 2018	**445.39**	**-**	**4,728.76**	**23,568.73**	**113.36**	**21.23**	**81.06**	**28,958.53**
Year ended March 31, 2019								
Gross carrying amount								
Additions	-	32.53	16.54	222.54	14.53	1.32	2.46	289.92
Exchange differences (refer note 54)	-	-	-	81.12	-	-	-	81.12
Disposals	-	-	-	68.37	8.28	1.26	0.19	78.10
Reclassification as investment property (refer note 4)	-	-	51.20	-	-	-	-	51.20
Disposal groups classified as held for sale (refer note 50)	75.05	-	1,470.55	15,714.41	12.19	1.76	12.10	17,286.06
Gross carrying amount as at March 31, 2019	**370.34**	**32.53**	**3,223.55**	**8,089.61**	**107.42**	**19.53**	**71.23**	**11,914.21**

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3. Property, plant and equipment

Accumulated depreciation	Freehold land	Leasehold land	Buildings	Plant and machinery	Office and other equipments	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2018								
Balance as at April 1, 2017	**-**	**-**	**408.63**	**4,317.57**	**41.51**	**7.17**	**26.37**	**4,801.25**
Depreciation charge during the year (refer note (i) below)	-	-	184.54	2,103.42	16.69	2.52	11.68	2,318.85
Disposals	-	-	-	9.71	0.75	1.48	0.15	12.09
Reclassification as investment property (refer note 4)			0.82	-	-	-	-	0.82
Accumulated depreciation as at March 31, 2018	**-**	**-**	**592.35**	**6,411.28**	**57.45**	**8.21**	**37.90**	**7,107.19**
Year ended March 31, 2019								
Depreciation charge during the year (refer note (i) below)	-	0.08	177.75	2,035.17	15.75	2.62	10.29	2,241.66
Disposals	-	-	-	29.46	5.94	0.87	0.17	36.44
Reclassification as investment property (refer note 4)	-	-	8.81	-	-	-	-	8.81
Disposal groups classified as held for sale (refer note 50)	-	-	240.02	4,709.32	5.66	1.44	7.67	4,964.11
Accumulated depreciation as at March 31, 2019	**-**	**0.08**	**521.27**	**3,707.67**	**61.60**	**8.52**	**40.35**	**4,339.49**
Net carrying amount of property, plant and equipment								
As at March 31, 2018	445.39	-	4,136.41	17,157.45	55.91	13.02	43.16	21,851.34
As at March 31, 2019	370.34	32.45	2,702.28	4,381.94	45.82	11.01	30.88	7,574.72
Capital work-in-progress								
As at March 31, 2018								121.49
As at March 31, 2019								399.27

Notes

(i) Depreciation includes ₹ 1,147.72 (March 31, 2018 ₹ 1,188.19) for discontinued operation.

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

(iii) Contractual obligations: refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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	As at March 31, 2019	As at March 31, 2018
4. Investment property		
Investment property - land	1.23	1.23
Investment property - building	49.35	6.96
Total investment property	**50.58**	**8.19**
Gross carrying amount		
Opening balance	9.01	1.23
Transferred from property, plant and equipment (refer note 3)	51.20	7.78
Closing balance	**60.21**	**9.01**
Accumulated Depreciation		
Opening balance	0.82	-
Transferred from property, plant and equipment (refer note 3)	8.81	0.82
Closing balance	**9.63**	**0.82**

(i) Amount recognised in statement of profit and loss under the head "Other income"

	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income	11.37	7.53
	11.37	**7.53**

(ii) Leasing arrangements

The Company has given flat on operating lease. This lease arrangement is for a term of 3 years which is non-cancellable for a period of 2 years is tabulated as below:

	As at March 31, 2019	As at March 31, 2018
Within one year	1.40	2.33
Later than one year but not later than five years	-	1.40
	1.40	**3.73**

(iii) Fair Value

	As at March 31, 2019	As at March 31, 2018
Investment property - land	154.39	154.39
Investment property - building	188.74	86.74
	343.13	**241.13**

Estimation of fair value

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

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5. Intangible assets

Carrying amounts	Intangible assets (Software)
Year ended March 31, 2018	
Gross carrying amount	
Balance as at April 1, 2017	**173.68**
Additions	103.74
Disposals	22.56
Gross carrying amount as at March 31, 2018	**254.86**
Year ended March 31, 2019	
Gross carrying amount	
Additions	22.47
Disposals	0.14
Disposal groups classified as held for sale (refer note 50)	86.67
Gross carrying amount as at March 31, 2019	**190.52**

Accumulated amortisation	Intangible assets (Software)
Year ended March 31, 2018	
Balance as at April 1, 2017	**102.00**
Amortisation charge during the year (refer note (i) below)	56.45
Disposals	22.56
Accumulated amortisation as at March 31, 2018	**135.89**
Year ended March 31, 2019	
Amortisation charge during the year (refer note (i) below)	36.29
Disposals	0.12
Disposal groups classified as held for sale (refer note 50)	86.67
Accumulated amortisation as at March 31, 2019	**85.39**

Net carrying amount of Intangible assets	
As at March 31, 2018	118.97
As at March 31, 2019	105.13

Intangible assets under development	
As at March 31, 2018	21.32
As at March 31, 2019	5.02

Notes

(i) Amortisation includes ₹ 0.70 (March 31, 2018: ₹ 23.30) for discontinued operation.

(ii) Contractual obligations: Refer note 45 for disclosure of contractual commitments.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
6. Equity investments in subsidiaries and joint venture (refer note 42) (fully paid up)		
Unquoted		
Equity investments carried at cost		
I. Investments in equity instruments of subsidiaries		
i) Wholly owned subsidiaries		
Welspun Pipes Inc.	0.44	0.44
1,000 (March 31, 2018: 1,000) equity shares of USD 0.0001 each		
Welspun Tradings Limited	50.22	50.22
5,013,402 (March 31, 2018: 5,013,402) equity shares of ₹ 10 each		
ii) Other subsidiary		
Welspun Mauritius Holdings Limited (refer note 51)	4.70	4.70
102,089 (March 31, 2018: 102,089) equity shares of USD 1 each		
Total Investments in equity instruments of subsidiaries	**55.36**	**55.36**
II. Investment in equity component of preference shares		
Other subsidiary		
Welspun Mauritius Holdings Limited (refer note 7(II) and 51)	293.75	293.75
Total investment in equity component of preference shares	**293.75**	**293.75**
III. Investments in equity instruments of joint venture (refer note 51)		
Welspun Wasco Coatings Private Limited	254.65	147.55
25,465,014 (March 31, 2018: 14,755,014) equity shares of ₹10 each (refer note (i) below)		
Total investments in equity instruments of joint venture	**254.65**	**147.55**
Total equity investments in subsidiaries and joint venture	**603.76**	**496.66**
Aggregate amount of unquoted investments	603.76	496.66

Note:

(i) The shareholders' of Welspun Wasco Coatings Private Limited ("WWCPL") at its meeting held on March 19, 2019 approved partial conversion of unsecured shareholders' loans in to equity shares and accordingly, WWCPL allotted 10,710,000 fully paid-up equity shares of ₹ 10 each at par value aggregating to ₹ 107.10 on March 28, 2019. The part of unsecured shareholders' loan given by the Company to WWCPL which was converted in to equity shares i.e. ₹ 107.10 has been transferred to Equity investments in subsidiaries and joint venture with effect from March 28, 2019.

	As at March 31, 2019	As at March 31, 2018
7. Investments		
7(a) Non -current investments		
Unquoted (Refer note 42)		
Investment carried at fair value through profit and loss (fully paid up)		
I. Investments in equity instruments of other entity		
Welspun Captive Power Generation Limited	462.19	150.90
5,833,500 (March 31, 2018: 5,833,500) equity shares of ₹ 10 each		
Total investments in equity instruments of other entity	**462.19**	**150.90**
II. Investments in preference shares of subsidiary (Refer note 51)		
Welspun Mauritius Holdings Limited (refer note 6(II))	1,515.57	1,528.61
23,454,000 (March 31, 2018: 23,454,000) 7% optionally convertible, non-cumulative, redeemable preference shares of USD 1 each		
Total investments in preference shares of subsidiary	**1,515.57**	**1,528.61**
III. Investments in preference shares of other entity		
Welspun Captive Power Generation Limited	194.52	194.52
19,443,186 (March 31, 2018: 19,443,186) 10% non-cumulative, redeemable preference shares of ₹ 10 each		
Total investments in preference shares of other entity	**194.52**	**194.52**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Quoted		
Investment carried at fair value through profit and loss (fully paid up)		
Investments in other entity		
Standard Chartered Bank PLC Indian Depository Receipt	16.16	19.91
334,331 (March 31, 2018: 334,331) Indian Depository Receipt of ₹ 100 each		
Total Investment in other entity	**16.16**	**19.91**
Total non-current investments	**2,188.44**	**1,893.94**
Aggregate amount of quoted investments and market value thereof	16.16	19.91
Aggregate amount of unquoted investments	2,172.28	1,874.03

7(b) Current investments

	As at March 31, 2019	As at March 31, 2018
Bonds	3,137.34	3,268.28
Mutual funds	225.58	15.43
Total current investments	**3,362.92**	**3,283.71**

Quoted

Investment carried at fair value through profit and loss

I. Investments in bonds

	Face Value in Rupees	As at March 31, 2019		As at March 31, 2018	
		Units	Amount	Units	Amount
11.15% Allahabad Bank Perpetual	1,000,000	-	-	160	171.20
0.00% Andhra Pradesh Expressway Limited 15/10/2025	1,000,000	56	111.64	56	104.32
10.99% Andhra Bank Perpetual	1,000,000	409	407.06	57	59.67
9.35% Avanse Financial Services Limited 27/12/2027	1,000,000	29	25.55	-	-
11.00% Bank of India Perpetual	1,000,000	-	-	2	2.05
9.51% Corporation Bank Perpetual	1,000,000	-	-	19	19.57
9.40% Dewan Housing Finance Corporation Limited 08/05/2026	1,000,000	189	158.12	-	-
10.75% Dewan Housing Finance Corporation Limited Perpetual	1,000,000	100	86.90	100	105.40
9.00% Dewan Housing Finance Corporation Limited 04/07/2028	1,000	9,000	7.53	-	-
9.00% Dewan Housing Finance Corporation Limited 04/07/2023	1,000	15,000	12.93	-	-
9.00% Dewan Housing Finance Corporation Limited 04/07/2025	1,000	33,000	28.14	-	-
8.07% Energy Efficiency Services Limited 20/09/2021	1,000,000	5	4.95	6	6.14
8.15% Energy Efficiency Services Limited 10/02/2021	1,000,000	18	17.90	-	-
10.25% ECL Finance Limited Perpetual	1,000,000	50	47.50	4	4.00
7.59% Government of India	100	-	-	500,000	49.85
10.45% Gujarat State Petroleum Corporation Limited 28/09/2072	1,000,000	101	108.83	298	334.15
9.80% Gujarat State Petroleum Corporation Limited	1,000,000	-	-	159	175.59
7.49% Gruh Finance Limited	500,000	-	-	14	7.13
8.65% IL&FS Finance Services Ltd.	1,000	-	-	600	0.60
9.40% IFCI Limited 13/02/2025	1,000	10,000	9.21	10,000	10.01
9.75% IFCI Limited 26/04/2028	1,000,000	206	185.73	64	66.64
9.90% IFCI Limited 05/11/2037	25,000	5,170	112.60	1,970	52.52
9.90% IFCI Limited 05/11/2032	25,000	14	0.31	14	0.40
8.45% Indiabulls Commercial Credit Limited 05/01/2028	100,000	600	54.85	-	-
9.50% IL&FS Energy Development Company Limited 14/05/2025	1,000,000	292	-	-	-
9.05% IL&FS 27/06/2023	1,000,000	400	-	-	-
9.20% IL&FS Transportation Network Limited	1,000,000	-	-	43	43.61

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

7(b) Current investments (contd...)

	Face Value in Rupees	As at March 31, 2019		As at March 31, 2018	
		Units	Amount	Units	Amount
8.45% Jorabat Shillong Expressway Limited 31/01/2030	100,000	2,191	-	-	-
8.45% Jorabat Shillong Expressway Limited 28/02/2020	100,000	1,444	-	-	-
8.45% Jorabat Shillong Expressway Limited 01/03/2023	100,000	1,118	-	-	-
9.70% Jodhpur Vidyut Vitran Nigam Limited 30/03/2031	100,000	317	30.79	-	-
8.50% Mahindra Rural Housing Finance Limited 15/06/2027	1,000,000	3	2.82	-	-
8.91% Nagpur Seoni Expressway Limited 01/02/2027	100,000	120	11.92	-	-
9.00% PNB Housing Finance Ltd 30/08/2022	1,000,000	400	387.69	-	-
10.90% Punjab and Sind Bank	1,000,000	409	410.59	69	69.03
7.18% Power Finance Corporation Ltd.	1,000,000	-	-	147	148.45
7.99% Rural Electrification Corporation Limited 23/02/2023	1,000,000	20	19.89	-	-
7.70% Rural Electrification Corporation Limited 10/12/2027	1,000,000	387	366.14	-	-
8.30% REC Limited 25/03/2029	1,000,000	400	400.74	-	-
8.25% Reliance Capital Limited 14/04/2020	1,000,000	264	-	-	-
8.85% Reliance Capital Limited 02/11/2026	1,000,000	664	-	-	-
9.10% Reliance General Insurance Company Limited 17/08/2026	1,000,000	5	-	250	251.78
9.40% Reliance Home Finance Limited 03/06/2032	1,000	255,700	-	217,000	224.76
9.00% Shriram Transport Finance Company Limited 28/03/2028	1,000,000	102	91.55	-	-
8.20% Shriram Transport Finance Company Limited 15/10/2027	1,000,000	2	1.75	-	-
8.25% The Great Eastern Shipping Company Limited 25/05/2027	1,000,000	32	31.60	-	-
9.25% The Jammu & Kashmir Bank Ltd.	1,000,000	-	-	211	212.32
10.50% United Bank of India 27/09/2027	1,000,000	1	1.02	-	-
9.50% Union Bank of India Perpetual	1,000,000	-	-	77	80.10
8.97% U.P. Power Corporation Ltd. 14/02/2025	1,000,000	-	-	80	84.15
8.97% U.P. Power Corporation Ltd. 15/02/2022	1,000,000	-	-	23	23.77
8.97% U.P. Power Corporation Ltd. 15/02/2023	1,000,000	-	-	15	15.48
8.97% U.P. Power Corporation Ltd. 15/02/2024	1,000,000	-	-	25	26.01
8.48% U.P. Power Corporation Ltd. 15/03/2023	1,000,000	-	-	13	13.31
8.48% U.P. Power Corporation Ltd. 14/03/2025	1,000,000	-	-	6	6.16
8.48% U.P. Power Corporation Ltd. 13/03/2026	1,000,000	-	-	1	1.02
8.48% U.P. Power Corporation Ltd. 15/03/2027	1,000,000	-	-	5	5.15
7.50% Water & Sanitation Pooled Fund 09/09/2020	100,000	27	1.09	27	2.85
9.00% Yes Bank Perpetual Bonds	1,000,000	-	-	891	891.09
Total investments in bonds		**338,245**	**3,137.34**	**732,406**	**3,268.28**

Unquoted
Investment carried at fair value through profit and loss
II. Investments in mutual funds

	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Reliance Liquid Fund - Nivesh Lakhsya - Direct - Growth	5,000,000	55.48	-	-
SBI Overnight Fund - Direct - Growth	55,006	170.10		
Reliance Liquid Fund - TP - Growth	-	-	2,547	10.75
Invesco India Liquid Fund - Growth	-	-	1,964	4.68
Total investments in mutual funds	**5,055,006**	**225.58**	**4,511**	**15.43**
Aggregate amount of quoted investments and market value thereof		3,137.34		3,268.28
Aggregate amount of unquoted investments		225.58		15.43
		3,362.92		3,283.71

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
8. Loans		
8(a) Non-current		
Unsecured, considered good		
Loans to joint venture (refer note 6(III)(i), 42, 51 and 55)	247.01	354.11
Total non-current loans	**247.01**	**354.11**
8(b) Current		
Unsecured, considered good		
Loans to employees	4.63	5.62
Total current loans	**4.63**	**5.62**
Total loans	**251.64**	**359.73**

	As at March 31, 2019	As at March 31, 2018
9. Other financial assets		
9(a) Non-current		
Security deposits		
Related parties (refer note 42)	157.66	22.66
Others	88.83	46.40
Term deposits with maturity more than 12 months		
Margin money deposits (refer note 14 (ii))	21.49	25.40
Derivatives designated as hedges		
Interest rate swap	-	15.32
Derivatives not designated as hedges		
Coupon only swap	2.57	1.08
Total non-current other financial assets	**270.55**	**110.86**
9(b) Current		
Security deposits		
Related parties (refer note 42)	22.62	200.39
Others	149.55	5.48
	172.17	205.87
Interest accrued on		
Current investments	167.41	108.76
Others	-	4.93
	167.41	113.69
Other receivables from		
Related parties (refer note 42 and 51)	521.85	37.84
Others	3.56	62.78
	525.41	100.62
Derivatives designated as hedges		
Forward contracts	136.47	12.10
Interest rate swap	8.00	6.10
Derivatives not designated as hedges		
Forward contracts	15.78	132.31
Option contracts	-	2.15
	160.25	152.66
Receivable towards claim	-	9.24
Total current other financial assets	**1,025.24**	**582.08**
Total other financial assets	**1,295.79**	**692.94**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
10. Other assets		
10(a) Non-current		
Capital advances		
Related parties (refer note 42)	-	595.87
Others	236.72	55.67
Less: Allowance for doubtful capital advances	(0.90)	(0.90)
	235.82	650.64
Balance with statutory authorities	358.88	724.61
Less: Allowance for doubtful balance with statutory authorities	(257.53)	(247.84)
	101.35	476.77
Advance to suppliers	49.04	59.78
Less: Allowance for doubtful balance with vendors	(8.85)	(8.93)
	40.19	50.85
Prepaid expenses	32.54	3.30
Total other non-current assets	**409.90**	**1,181.56**
10(b) Current		
Balance with statutory authorities	413.25	1,181.45
Advance to suppliers		
Related parties (refer note 42)	0.18	-
Others	122.67	123.70
Contract assets (refer note 12(i), 53 (a) and (c))	287.56	58.01
Prepaid expenses	125.44	78.19
Advance to employees	2.42	2.02
Export benefit receivable	227.40	388.37
Others	100.60	-
Total other current assets	**1,279.52**	**1,831.74**
Total other assets	**1,689.42**	**3,013.30**

	As at March 31, 2019	As at March 31, 2018
11. Inventories		
Raw materials	1,115.90	3,078.69
Goods-in-transit for raw materials	319.12	1,735.44
Work-in-progress	97.70	851.99
Finished goods	1,094.28	3,485.48
Stores and spares	381.27	1,049.96
Total inventories	**3,008.27**	**10,201.56**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
12. Trade receivables (refer note below)		
Trade receivables from related parties (refer note 42)	426.62	3,712.65
Trade receivables from others	6,938.85	7,376.17
Allowance for doubtful debts (net)	(138.96)	(60.07)
Total receivables	**7,226.51**	**11,028.75**
Break up of security details		
Unsecured, considered good	7,226.51	11,028.75
Unsecured, credit impaired	138.96	60.07
Total	**7,365.47**	**11,088.82**
Allowance for doubtful debts (net)	(138.96)	(60.07)
Total trade receivables	**7,226.51**	**11,028.75**

Note:

(i) Trade receivables including contract assets with a carrying amount of ₹ Nil (March 31, 2018: ₹ 11,146.83) have been hypothecated as security against working capital loan. As at March 31, 2019, there was no outstanding working capital loan.

	As at March 31, 2019	As at March 31, 2018
13. Cash and cash equivalents		
Cash on hand	0.16	0.22
Balances with banks		
In current accounts	1,006.35	1,245.04
Deposits with Maturity of less than three months	50.01	50.01
Total cash and cash equivalents	**1,056.52**	**1,295.27**

	As at March 31, 2019	As at March 31, 2018
14. Bank balances other than cash and cash equivalents		
Unclaimed dividend (refer note (i) below)	2.67	2.96
Margin money deposits (refer note (ii) below)	656.46	659.39
Total bank balances other than cash and cash equivalents	**659.13**	**662.35**

(i) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

(ii) Fixed deposits of ₹ 677.95 (March 31, 2018: ₹ 684.79) represent earmarked balances with banks (refer note 9(a)).

	As at March 31, 2019	As at March 31, 2018
15. (a) Assets or disposal groups classified as held for sale		
Disposal groups classified as held for sale (refer note 50)	14,496.52	-
Assets classified as held for sale*	-	6.00
Total assets or disposal groups classified as held for sale	**14,496.52**	**6.00**
*It represents plant and machinery which has been sold during the year		
(b) Liabilities directly associated with disposal groups classified as held for sale (refer note 50)		
Liabilities directly associated with disposal groups classified as held for sale	2,856.61	-
Total liabilities directly associated with disposal groups classified as held for sale	**2,856.61**	**-**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

	Equity shares			Preference shares		
	Number of Shares	Par value	Amount	Number of Shares	Par value	Amount
16. Equity share capital and other equity						
16(a) Share capital						
Authorised share capital						
As at April 1, 2017	304,000,000	5.00	1,520.00	98,000,000	10.00	980.00
Increase/ (decrease) during the year	-	-	-	-		
As at March 31, 2018	**304,000,000**	**5.00**	**1,520.00**	**98,000,000**	**10.00**	**980.00**
Increase/ (decrease) during the year	-	-	-	-		
As at March 31, 2019	**304,000,000**	**5.00**	**1520.00**	**98,000,000**	**10.00**	**980.00**

i) Movement in equity shares capital

	Number of shares	Amount
Issued, subscribed and paid up capital		
As at April 1, 2017	265,226,109	1,326.13
Increase/ (decrease) during the year	-	-
As at March 31, 2018	**265,226,109**	**1,326.13**
Increase/ (decrease) during the year	-	-
As at March 31, 2019	**265,226,109**	**1326.13**

ii) Terms and rights attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

Preference shares

Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

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

As at March 31, 2019	**No. of shares**	**% holding**
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	19,127,584	7.21%

As at March 31, 2018	**No. of shares**	**% holding**
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	19,127,584	7.21%
Insight Solutions Limited	23,026,000	8.68%
Life Insurance Corporation of India Limited	19,277,980	7.27%

iv) Aggregate number of shares issued for consideration other than cash

In FY 2014-15, the Company has issued 227,781 equity shares of ₹ 5 each as sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of sweat equity) Regulations, 2002.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
Other equity			
16(b) Reserves and surplus			
(i)	Securities premium	7,769.82	7,769.82
(ii)	Debenture redemption reserve	505.84	505.84
(iii)	General reserve	353.59	353.59
(iv)	Foreign currency monetary item translation difference account	(14.25)	(35.54)
(v)	Equity settled share based payments	41.94	-
(vi)	Retained earnings	6,299.43	9,226.12
Total reserves and surplus		**14,956.37**	**17,819.83**

		As at March 31, 2019	As at March 31, 2018
(i)	**Securities premium**		
	Opening balance	7,769.82	7,769.82
	Movement during the year	-	-
	Closing balance	**7,769.82**	**7,769.82**
(ii)	**Debenture redemption reserve**		
	Opening balance	505.84	1,643.10
	Transfer to retained earnings	-	(1,137.26)
	Closing balance	**505.84**	**505.84**
(iii)	**General reserve**		
	Opening balance	353.59	227.69
	Appropriations during the year	-	125.90
	Closing balance	**353.59**	**353.59**
(iv)	**Foreign currency monetary item translation difference account (refer note 54)**		
	Opening balance	(35.54)	(95.91)
	Additions during the year	(45.09)	(9.28)
	Amortisation during the year	66.38	69.65
	Closing balance	**(14.25)**	**(35.54)**
(v)	**Equity settled share based payments (refer note 49)**		
	Opening balance	-	-
	Employee share-based expense	41.94	-
	Closing balance	**41.94**	**-**
(vi)	**Retained earnings**		
	Opening balance	9,226.12	7,127.14
	Profit for the year	(2,772.07)	1,258.18
	Item of other comprehensive income recognised directly in retained earnings		
	Remeasurements of post employment benefit obligations, net of tax	5.25	(10.95)
	Dividend on equity shares	(132.61)	(132.61)
	Dividend distribution tax	(27.26)	(27.00)
	Transfer from debenture redemption reserve	-	1,137.26
	Transfer to general reserve	-	(125.90)
	Closing balance	**6,299.43**	**9,226.12**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
16(c) Other reserves		
Cash flow hedging reserve	87.59	11.21
Total other reserves	**87.59**	**11.21**
Cash flow hedging reserve		
Opening balance	11.21	98.21
Amount recognised in cash flow hedging reserve during the year (net)	136.62	(139.59)
Gain/ (Loss) transferred to statement of profit and loss	(19.22)	6.62
Income tax on amount recognised in cash flow hedging reserve	(41.02)	45.97
Closing balance	**87.59**	**11.21**

Nature and purpose of other equity

(i) Securities premium

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

(ii) Debenture redemption reserve

The Companies Act, 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

(iii) General reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Company's securities. It was created by transfer of amounts out of distributable profits.

(iv) Foreign currency monetary item translation difference account (refer note 54)

Foreign exchange differences on long term foreign currency monetary items which relates to other than depreciable assets, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets / liabilities.

(v) Equity settled share based payments (refer note 49)

Share options outstanding account is used to recognise the grant date fair value of options issued to employees under "WELSOP" Employee stock option plan.

(vi) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The Cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flows reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
17. Borrowings		
17(a) Non-current borrowings (refer note 17(b)(iii))		
Secured		
Measured at amortised cost		
Redeemable non-convertible debentures (refer note (i) below)	5,370.96	5,365.98
External commercial borrowings (refer note (ii) below)	-	682.48
Total non-current borrowings	**5,370.96**	**6,048.46**

i) The debentures are secured by first charge ranking pari passu by way of mortgage of all movable and immovable property, plant and equipment situated at Anjar and Dahej plant locations of the Company.

No. of debentures	Facevalue (₹)	Redemption date	Rate of interest per annum	As at March 31, 2019	As at March 31, 2018
2,000 (March 31, 2018: 2,000)	1,000,000	August 2025	9.55%	2,000	2,000
900 (March 31, 2018: 900)	1,000,000	November 2022	11.00%	900	900
2,500 (March 31, 2018: 2500)	1,000,000	February 2024	8.90%	2,500	2,500
Total*				**5,400**	5,400

* the above is excluding effective interest rate resulting in decrease in borrowing by ₹ 29.04 (March 31, 2018: ₹ 34.02)

ii) External commercial borrowings (ECB) of USD 5.30 million (March 31, 2018: USD 24.60 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of all movable and immovable property, plant and equipment of the Company. The outstanding ECB carries interest rate of LIBOR plus 4.50%.

The ECB in INR Rupees is repayable as follows

Repayment schedule	As at March 31, 2019	As at March 31, 2018
October 2018	-	912.45
April 2019	-	345.43
October 2019	366.52	345.43
Total*	**366.52**	**1,603.31**

* the above is excluding impact of effective interest rate resulting in decrease in borrowing by ₹ 1.14 (March 31, 2018: ₹ 8.38).

	As at March 31, 2019	As at March 31, 2018
17(b) Current borrowings		
Secured		
Measured at amortised cost		
Loans repayable on demand		
Working capital loan from banks (refer notes (i) and (ii) below)	-	7.78
Unsecured		
Measured at amortised cost		
Commercial papers (refer note (ii) below)	1,750.00	-
Total current borrowings	**1,750.00**	**7.78**

(i) Nature of security for current borrowings

Secured by first charge ranking pari passu on hypothecation of raw materials, finished goods, work-in-progress , goods-in-transit, stores and spares and trade receivables of the Company and second charge on all movable and immovable property, plant and equipment of the Company both present and future.

(ii) Terms of repayment and interest

(a) Working capital loan from banks includes cash credit which are repayable on demand.

(b) Commercial papers are repayable on April 18, 2019 - ₹ 750 and on May 20, 2019 - ₹ 1,000.

Notes

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
(iii) Net debt reconciliation		
Cash and cash equivalents	1,056.52	1,295.27
Current investments	3,362.92	3,283.71
Non-current borrowings*	(5,736.34)	(6,960.91)
Current borrowings	(1,750.00)	(7.78)
	(3,066.90)	**(2,389.71)**

	Financial assets		Financial liabilities		Total [E] = [A]+[B]-[C]-[D]
	Cash and cash equivalents [A]	Current investments [B]	Non-current borrowings* [C]	Current borrowings [D]	
Net debts as at April 1, 2017	**519.03**	**5,018.64**	**(12,632.90)**	**(2,136.08)**	**(9,231.31)**
Interest accrued as at April 1, 2017	**-**	**-**	**(270.21)**	**-**	**(270.21)**
Cash flow (net)	776.24	(1,762.09)	5,709.83	2,128.30	6,852.28
Foreign exchange adjustments (net)	-	-	(4.53)	-	(4.53)
Interest expenses	-	-	(838.17)	(68.23)	(906.40)
Interest paid	-	-	954.18	68.23	1,022.41
Other non cash adjustments					
Fair value adjustment	-	27.16	-	-	27.16
Unrealised portion of foreign exchange adjustments (net)	-	-	(8.00)	-	(8.00)
Net debts as at March 31, 2018	**1,295.27**	**3,283.71**	**(6,960.91)**	**(7.78)**	**(2,389.71)**
Interest accrued as at March 31, 2018			**(128.89)**		**(128.89)**
Cash flow (net)	(238.75)	2,647.82	1,362.99	(1,756.20)	2,015.86
Foreign exchange adjustments (net)	-	-	(105.11)	-	(105.11)
Interest expenses	-	-	(602.15)	(111.55)	(713.70)
Interest paid	-	-	614.19	125.53	739.72
Other non cash adjustments					
Fair value adjustment	-	(2,568.61)	-	-	(2,568.61)
Unrealised portion of foreign exchange adjustments (net)	-	-	(21.09)	-	(21.09)
Net debts as at March 31, 2019	**1,056. 52**	**3,362.92**	**(5,736.34)**	**(1,750.00)**	**(3,066.90)**
Interest accrued as at March 31, 2019	**-**	**-**	**(104.63)**	**-**	**(104.63)**

* Includes current maturities of long-term borrowings

	As at March 31, 2019	As at March 31, 2018
18. Other financial liabilities		
18(a) Non-current		
Deposits received		
Related parties (refer note 42)	0.68	-
Others	1.63	1.49
Total other non-current financial liabilities	**2.31**	**1.49**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
18(b) Current		
Current maturities of long-term borrowings	365.38	912.45
Interest accrued but not due on borrowings	104.63	128.89
Interest accrued but not due on acceptances and others	148.92	108.29
Unclaimed dividend (refer note 14)	2.67	2.96
Trade deposits	11.55	14.79
Capital creditors	81.60	54.69
Liability towards claims	-	574.38
Other payables		
Related parties (refer note 42)	-	77.37
Others	5.04	-
Derivatives not designated as hedges		
Forward contracts	469.76	180.97
Coupon only swap	-	-
Derivatives designated as hedges		
Forward contracts	9.87	16.30
Total other current financial liabilities	**1,199.42**	**2,071.09**
Total other financial liabilities	**1,201.73**	**2,072.58**

	As at March 31, 2019	As at March 31, 2018
19. Provisions		
19(a) Non-current		
Employee benefit obligations		
Gratuity (refer note 35)	94.00	77.83
Other provisions		
Provision for litigation / disputes (refer note 36)	231.13	263.00
Total non-current provisions	**325.13**	**340.83**
19(b) Current		
Employee benefit obligations		
Gratuity (refer note 35)	50.97	51.68
Leave obligations (refer note 35)	61.90	71.59
Other provisions		
Provision for claims	142.12	120.57
Total current provisions	**254.99**	**243.84**
Total provisions	**580.12**	**584.67**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
20. Deferred tax liabilities (net) (refer note 38)		
The balance comprises temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	1,887.01	3,960.83
Foreign currency monetary item translation difference account	4.97	12.41
Fair valuation of investments	-	35.10
Effective rate of interest on borrowings	10.54	15.08
Discounting of liability	-	-
Cash flow hedging reserve	47.03	6.01
Others	-	0.38
	1,949.55	**4,029.81**
Set-off of deferred tax assets pursuant to set-off provisions		
Deferred tax assets		
Employee benefit obligations	72.29	70.27
Allowance for doubtful debts and advances (net)	326.36	284.93
Government grants	532.06	1,437.22
Fair valuation of investments	28.02	-
Others	5.52	0.73
	964.25	1,793.15
Total deferred tax liabilities (net)	**985.30**	**2,236.66**

	As at March 31, 2019	As at March 31, 2018
21. Government grants		
Opening balance	4,112.93	4,068.30
Grants during the year	93.06	958.78
Less: Recognised in the statement of profit and loss* (refer note 26)	2,683.39	914.15
Closing balance	**1,522.60**	**4,112.93**
Non Current	1,317.87	3,649.58
Current	204.73	463.35
Total government grants	**1,522.60**	**4,112.93**

*Recognised in the statement of profit and loss includes ₹ 2,450.70 (March 31, 2018: ₹ 138.72) for discontinued operation.

Note: The Company was entitled to VAT Incentive, on its investment in the eligible property plant and equipment, on fulfillment of the conditions stated in the scheme.

	As at March 31, 2019	As at March 31, 2018
22. Other liabilities		
Current		
Trade advances (refer note 53(a) and (b))		
Related parties (refer note 42)	632.20	-
Others	258.13	649.96
Statutory dues including provident fund and tax deducted at source	247.07	161.78
Employee dues payable	82.59	78.04
Others (refer note 48)	202.21	-
Total other current liabilities	**1,422.20**	**889.78**

Notes

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(All amounts in Rupees million, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
23. Trade payables		
Current		
Trade payables dues of micro and small enterprises (refer note 43)	6.81	10.95
Trade payables for acceptances	8,686.21	14,870.29
Trade payable to related parties (refer note 42)	5.21	74.75
Trade payables others	1,451.91	3,328.18
	10,143.33	18,273.22
Total trade payables	**10,150.14**	**18,284.17**

	As at March 31, 2019	As at March 31, 2018
24. Current tax liabilities (net)		
Opening balance	1,661.32	803.64
Add: Current tax payable for the year* (refer note 34)	134.35	1,063.00
Add: Refund received	-	699.93
Less: MAT credit entitlement reversal (refer note 38)	-	631.89
Less: Taxes paid (including tax deducted at source)	31.78	273.36
Closing balance	**1,763.89**	**1,661.32**

* Current tax payable for the year includes ₹ Nil (March 31, 2018: ₹ 25.24) for discontinued operation.

	Year ended March 31, 2019	Year ended March 31, 2018
25. Revenue from operations		
Revenue from contracts with customers (refer note 53)		
Sale of products		
Finished goods	38,091.60	37,053.74
Sale of services	1,770.37	1,423.79
Total revenue from operations	**39,861.97**	**38,477.53**

The Company has only one major product which is sale of pipes and revenue derived from transfer of pipes at a point in time aggregated to INR 38,091.60 for the year ended March 31, 2019.

Reconciliation of revenue recognised with contract price:	
Contract price	**40,165.18**
Adjustments for:	
Liquidated damage	(303.21)
	39,861.97

	Year ended March 31, 2019	Year ended March 31, 2018
26. Other operating revenue/ income		
Government grants		
VAT income	232.69	775.43
Export benefits	371.22	618.05
Scrap sale	604.28	484.79
Provision no longer required written back	204.12	-
Others	90.63	2.71
Total other operating revenue/ income	**1,502.94**	**1,880.98**

Notes

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(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
27. Other income		
Interest income		
Loans to related party	38.07	35.51
Current investments	550.14	331.37
Fixed deposits	49.06	43.05
Income tax refund	-	289.48
Others	95.93	78.04
Dividend income on		
Non-current investments	0.34	-
Net gain on sale/redemption of		
Non-current investments	125.96	-
Current investments	-	136.49
Other non-operating income		
Rental income (refer note 46 (ii))	26.26	22.47
Net exchange differences	223.40	-
Commission income	138.55	106.97
Realised gain on settlement of derivatives	4.94	8.98
Fair valuation gain on investment (net)	-	26.02
Fair value gain on derivatives	-	175.78
Miscellaneous income	3.05	24.29
Total other income	**1,255.70**	**1,278.45**

	Year ended March 31, 2019	Year ended March 31, 2018
28. Cost of materials consumed		
Raw materials at the beginning of the year*	3,439.35	7,208.59
Add: Purchases	28,021.35	28,033.01
Less : Raw materials at the end of the year	1,435.02	3,439.35
Total cost of materials consumed	**30,025.68**	**31,802.25**

*Opening balance as at March 31, 2019 and March 31, 2018 of raw materials does not include ₹ 1,374.78 and ₹ 1,920.10, respectively for discontinued operations.

	Year ended March 31, 2019	Year ended March 31, 2018
29. Changes in inventories of work-in progress and finished goods		
Opening balance*		
Work-in-progress	443.04	312.40
Finished goods	2,798.42	1,823.54
Total opening balance	**3,241.46**	**2,135.94**
Closing balance		
Work-in-progress	97.70	443.04
Finished goods	1,094.28	2,798.42
Total closing balance	**1,191.98**	**3,241.46**
Total changes in inventories of work-in progress and finished goods	**2,049.48**	**(1,105.52)**

*Opening balance as at March 31, 2019 of work-in-progress and finished goods does not include ₹ 408.95 and ₹ 687.06, respectively for discontinued operation.

*Opening balance as at March 31, 2018 of work-in-progress and finished goods does not include ₹ 825.78 and ₹ 148.02, respectively for discontinued operation.

Notes

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(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
30. Employee benefit expense		
Salaries, wages and bonus	1,673.09	1,521.69
Contribution to provident and other funds (refer note below)	84.33	80.45
Gratuity expense (refer note 35)	29.30	26.46
Staff welfare expenses	67.18	46.38
Employee share-based expense (refer note 49)	41.94	-
Total employee benefit expense	**1,895.84**	**1,674.98**

Note:

Defined contribution plans

i. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995

ii. Employees' State Insurance Act, 1948

iii. Superannuation fund

During the year, the Company has recognised the following amounts in the statement of profit and loss:

	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution to Provident Fund	68.39	66.95
Employer's Contribution to Employees State Insurance	0.84	0.84
Employer's Contribution to Employees Pension Scheme	10.07	8.01
Employer's Contribution to Superannuation fund	5.03	4.65
Total expenses recognised in the statement of profit and loss	**84.33**	**80.45**

	Year ended March 31, 2019	Year ended March 31, 2018
31. Depreciation and amortisation expense (Refer notes 3 and 5)		
Depreciation of property, plant and equipment	1,093.94	1,130.66
Amortisation of intangible assets	35.59	33.15
Total depreciation and amortisation expense	**1,129.53**	**1,163.81**

Notes

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(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
32. Other expenses		
Consumption of stores and spares	650.89	621.23
Labour charges	203.86	178.90
Coating and other job charges	148.61	151.62
Power, fuel and water charges	790.62	683.56
Freight, material handling and transportation	2,184.76	1,496.75
Rental charges (refer note 46 (i))	96.25	76.28
Rates and taxes	35.43	23.09
Repairs and maintenance		
Plant and machinery	69.33	58.61
Buildings	25.96	16.70
Others	223.15	183.38
Travel and conveyance expenses	164.64	148.59
Communication expenses	6.22	7.87
Legal and professional fees	139.96	116.23
Insurance	75.53	55.77
Directors' sitting fees (refer note 42)	5.67	3.37
Printing and stationery	7.41	8.26
Security charges	23.08	24.92
Membership and fees	20.73	23.26
Vehicle expenses	7.74	7.42
Net exchange differences	-	307.64
Payment to auditors (refer note (i) below)	17.57	15.27
Product compensation and claims	-	0.76
Sales promotion expenses	10.94	13.00
Commission on sales to agents	158.06	72.14
Allowance for doubtful debts (net)	78.89	6.43
Provision for litigation, disputes and other matters (Net)	3.46	-
Loss on sale of current investments (net)	10.77	-
Loss on disposal of property, plant and equipment (net)	21.22	2.31
Expenditure towards corporate social responsibility (refer notes (ii) below and 42)	20.98	3.89
Fair valuation loss on investments (net) (refer note 57)	2,400.48	-
Fair value losses on derivatives not designated as hedges (net)	413.79	-
Miscellaneous expenses	61.03	50.22
Total other expenses	**8,077.03**	**4,357.47**

	Year ended March 31, 2019	Year ended March 31, 2018
Note:		
i) Details of payments to auditors		
Payment to auditors		
As auditor:		
Audit fee	11.20	10.70
Tax audit fee	1.00	1.00
In other capacities		
Certification fees	5.16	3.31
Re-imbursement of expenses	0.21	0.26
Total payment to auditors	**17.57**	**15.27**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
ii)	**Corporate social responsibility expenditure**		
	Contribution to Welspun Foundation for Health & Knowledge	20.98	3.89
	Total corporate social responsibility expenditure	**20.98**	**3.89**
	Amount required to be spent as per Section 135 of the Companies Act, 2013	20.98	3.89
	Amount spent during the year on:		
	Construction/ acquisition of an asset	-	-
	On purposes other than above	20.98	3.89

	Year ended March 31, 2019	Year ended March 31, 2018
33. Finance costs		
Interest on financial liabilities not at fair value through profit and loss		
External commercial borrowings	84.67	144.06
Redeemable non-convertible debentures	517.48	694.11
Current borrowings	111.55	66.38
Interest on acceptances and charges on letter of credit	362.74	254.91
Unwinding of discount on liabilities	-	50.12
Other finance cost	103.29	96.23
Total finance cost	**1,179.73**	**1,305.81**

		Year ended March 31, 2019	Year ended March 31, 2018
34. Income tax expense			
(i)	**Income tax expense**		
	Current tax		
	Current tax for the year	134.35	1,063.00
	Total Current tax	**134.35**	**1,063.00**
	Continuing operations	134.35	1,037.76
	Discontinued operations	-	25.24
	Deferred tax (refer note 38)		
	Decrease/ (increase) in deferred tax assets (including tax credit)	826.08	(82.11)
	Decrease in deferred tax liabilities	(2,121.28)	(280.55)
	Total deferred tax expense/ (benefit)	**(1,295.20)**	**(362.66)**
	Continuing operations	86.11	(247.17)
	Discontinued operations	(1,381.31)	(115.49)
	Total income tax expense	**(1,160.85)**	**700.34**
(ii)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit/ (loss) before tax from continuing operations	(1,736.68)	2,275.44
	Loss before tax from discontinued operations	(2,196.24)	(316.92)
		(3,932.92)	**1,958.52**
	Tax rate	34.944%	34.608%
	Tax at normal rate	**(1,374.32)**	**677.80**
	Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
	Dividend income	(0.12)	-
	Expense/ (income) on which no deferred tax was required to be recognised	883.14	(1.32)
	Items subject to differential tax rate	(669.55)	(1.55)
	Change in tax rate (basis adjustment)	-	25.41
	Total Income tax expense	**(1,160.85)**	**700.34**

(iii) There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

35. Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

(ii) Post-employment obligations - gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**202.77**	**(118.86)**	**83.91**
Current service cost	22.51	-	22.51
Interest expense/(income)	15.35	(9.00)	6.35
Total amount recognised in profit or loss*	**37.86**	**(9.00)**	**28.86**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	4.20	4.20
Experience losses	18.68	-	18.68
Loss from change in financial assumptions	(6.14)	-	(6.14)
Total amount recognised in other comprehensive income	**12.54**	**4.20**	**16.74**
Benefit payment	(33.44)	33.44	-
March 31, 2018	**219.73**	**(90.22)**	**129.51**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2018	**219.73**	**(90.22)**	**129.51**
Current service cost	22.02	-	22.02
Interest expense/(income)	17.27	(7.09)	10.18
Total amount recognised in profit or loss*	**39.29**	**(7.09)**	**32.20**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	2.31	2.31
Experience losses	(12.14)	-	(12.14)
Loss from change in financial assumptions	1.76	-	1.76
Total amount recognised in other comprehensive income	**(10.38)**	**2.31**	**(8.07)**
Benefit payment	(13.03)	13.03	-
March 31, 2019**	**235.61**	**(81.97)**	**153.64**

The net liabilities disclosed above relating to funded plans are as follows:

	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	235.61	219.73
Fair value of plan assets	(81.97)	(90.22)
Deficit of funded plan	**153.64**	**129.51**
Non-current (refer note 19(a))**	**94.00**	**77.83**
Current (refer note 19(b))**	**59.64**	**51.68**

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

(iv) Significant actuarial assumptions are as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.79%	7.86%
Salary growth rate	6.00%	6.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation							
	Change in assumption (%)		Increase in assumption (₹)			Decrease in assumption (₹)		
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018
Discount rate	1.00%	1.00%	Decrease by	23.38	22.60	Increase by	27.45	26.60
Salary growth rate	1.00%	1.00%	Increase by	27.67	26.84	Decrease by	23.95	23.17

(vi) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the Company in Kotak Group Gratuity Fund and India First Employee Benefits Plan. The Company intends to maintain these investments in the continuing years.

(vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ended March 31, 2020 is ₹ 50.97 (March 31, 2019: ₹ 51.68).

The weighted average duration of the defined benefit obligation is 10 years (2018 - 10 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019					
Defined benefit obligations- Gratuity	17.34	9.80	23.47	87.43	138.04
March 31, 2018					
Defined benefit obligations- Gratuity	16.15	5.19	35.79	123.27	180.40

*Gratuity expenses includes ₹ 2.90 (March 31, 2018: ₹ 2.40) for discontinued operation.

**Provision for gratuity as at March 31, 2019 to the extent of ₹ 8.67 for discontinued operation is included in Liabilities directly associated with disposal groups classified as held for sale.

36. Movements in provision for litigation/ disputes (refer note 19 (a))

Movements in each class of provisions during the financial year ended March 31, 2019 are set out below:

	As at March 31, 2019				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 1, 2018	120.17	95.88	7.93	39.02	263.00
Provided during the year	-	5.95	-	-	5.95
Provision reversed during the year	-	-	-	(37.82)	(37.82)
Closing balance as at March 31, 2019	**120.17**	**101.83**	**7.93**	**1.20**	**231.13**

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Movements in each class of provisions during the financial year ended March 31, 2018 are set out below:

	As at March 31, 2018				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 1, 2017	136.22	83.18	7.93	39.02	266.35
Provided during the year	-	13.08	-	-	13.08
Provision reversed during the year	(16.05)	(0.38)			(16.43)
Closing balance as at March 31, 2018	**120.17**	**95.88**	**7.93**	**39.02**	**263.00**

Note : There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

37. The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for effective the date of pronouncement of the Order.

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38. Movement in deferred tax liabilities and deferred tax assets (refer note 20) :

	Deferred tax liabilities								Deferred tax assets						Tax credit (minimum alternate tax)	Net deferred tax liabilities
	Property, plant and equipment	Foreign currency monetary item translation difference account	Fair valuation of investments	Effective rate of interest on borrowings	Discounting of liability	Cash flow hedging reserve	Others	Total deferred tax liabilities	Employee benefit obligations	Allowance for doubtful debts and advances (net)	Government grants	Fair valuation of investments	Others	Total deferred tax assets		
As at April 1, 2017	**4,205.87**	**33.18**	**24.09**	**23.43**	**17.26**	**51.98**	**0.52**	**4,356.33**	**66.23**	**230.37**	**1,407.96**	**-**	**0.69**	**1,705.25**	**631.89**	**2,019.19**
Charged/ (credited)								-								
to profit and loss	(245.04)	(20.77)	11.01	(8.35)	(17.26)	-	(0.14)	(280.55)	(1.75)	54.56	29.26	-	0.04	82.11	-	(362.66)
to other comprehensive income	-	-	-	-	-	(45.97)	-	(45.97)	5.79	-	-	-	-	5.79	-	(51.76)
MAT credit entitlement reversal	-	-	-	-	-	-	-	-	-	-	-		-	-	(631.89)	631.89
As at March 31, 2018	**3,960.83**	**12.41**	**35.10**	**15.08**	**-**	**6.01**	**0.38**	**4,029.81**	**70.27**	**284.93**	**1,437.22**	**-**	**0.73**	**1,793.15**	**-**	**2,236.66**
Charged/ (credited)																
to profit and loss	(2,073.82)	(7.44)	(35.10)	(4.54)	-	-	(0.38)	(2,121.28)	4.84	41.43	(905.16)	28.02	4.79	(826.08)	-	(1,295.20)
to other comprehensive income	-	-	-	-	-	41.02	-	41.02	(2.82)	-	-	-	-	(2.82)	-	43.84
As at March 31, 2019	**1,887.01**	**4.97**	**-**	**10.54**	**-**	**47.03**	**-**	**1,949.55**	**72.29**	**326.36**	**532.06**	**28.02**	**5.52**	**964.25**	**-**	**985.30**

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39. Fair value measurements

	As at March 31, 2019		As at March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial instruments by category				
Financial assets				
Investments				
Equity instruments	462.19	-	150.90	-
Preference shares	1,710.09	-	1,723.13	-
Bonds	3,137.34	-	3,268.28	-
Mutual fund	225.58	-	15.43	-
Others	16.16	-	19.91	
Loans				
Loans to joint venture	-	247.01	-	354.11
Loans to employees	-	4.63	-	5.62
Trade receivables	-	7,226.51	-	11,028.75
Cash and cash equivalents	-	1,056.52	-	1,295.27
Bank balances other than cash and cash equivalents	-	659.13	-	662.35
Other financial assets				
Security deposits	-	418.66	-	274.93
Term deposits with maturity more than 12 months	-	21.49	-	25.40
Derivatives designated as hedges				
Forward contracts	136.47	-	12.10	-
Interest rate swap	8.00	-	21.42	-
Derivatives not designated as hedges				
Forward contracts	15.78	-	132.31	-
Coupon only swap	2.57	-	1.08	-
Option contracts	-	-	2.15	-
Others	-	692.82	-	223.55
Total financial assets	**5,714.18**	**10,326.77**	**5,346.71**	**13,869.98**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	7,590.97	-	7,097.58
Trade payables	-	10,150.14	-	18,284.17
Other financial liabilities				
Derivatives designated as hedges				
Forward contracts	9.87	-	16.30	-
Derivatives not designated as hedges				
Forward contracts	469.76	-	180.97	-
Others	-	252.09	-	833.97
Total financial liabilities	**479.63**	**17,993.20**	**197.27**	**26,215.72**

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(All amounts in Rupees million, unless otherwise stated)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	462.19	462.19
Preference shares	-	-	1,710.09	1,710.09
Bonds	-	3,137.34	-	3,137.34
Mutual fund	-	225.58	-	225.58
Others	16.16	-	-	16.16
Derivatives designated as hedges				
Forward contracts	-	136.47	-	136.47
Interest rate swap	-	8.00	-	8.00
Derivatives not designated as hedges				
Forward contracts	-	15.78	-	15.78
Coupon only swap	-	2.57	-	2.57
Total financial assets	**16.16**	**3,525.74**	**2,172.28**	**5,714.18**
Financial liabilities				
Derivatives designated as hedges				
Forward contracts	-	9.87	-	9.87
Derivatives not designated as hedges				
Forward contracts	-	469.76	-	469.76
Total financial liabilities	**-**	**479.63**	**-**	**479.63**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	247.01	247.01
Loans to employees	-	-	4.63	4.63
Other financial assets				
Security deposits	-	-	418.66	418.66
Term deposits with maturity more than 12 months	-	-	21.49	21.49
Others	-	-	692.82	692.82
Total financial assets	**-**	**-**	**1,384.61**	**1,384.61**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	7,590.97	7,590.97
Other financial liabilities				
Others	-	-	252.09	252.09
Total financial liabilities	**-**	**-**	**7,843.06**	**7,843.06**

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(All amounts in Rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	150.90	150.90
Preference shares	-	-	1,723.13	1,723.13
Bonds	-	3,268.28	-	3,268.28
Mutual fund	-	15.43	-	15.43
Others	19.91	-	-	19.91
Derivatives designated as hedges				
Forward contracts	-	12.10	-	12.10
Interest rate swap	-	21.42	-	21.42
Derivatives not designated as hedges				
Forward contracts	-	132.31	-	132.31
Coupon only swap	-	1.08	-	1.08
Option contracts	-	2.15		2.15
Total financial assets	**19.91**	**3,452.77**	**1,874.03**	**5,346.71**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	16.30	-	16.30
Derivatives not designated as hedges				
Forward contracts	-	180.97	-	180.97
Total financial liabilities	**-**	**197.27**	**-**	**197.27**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	354.11	354.11
Loans to employees	-	-	5.62	5.62
Other financial assets				
Security deposits	-	-	274.93	274.93
Term deposits with maturity more than 12 months			25.40	25.40
Others	-	-	223.55	223.55
Total financial assets	**-**	**-**	**883.61**	**883.61**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	7,097.58	7,097.58
Other financial liabilities				
Others	-	-	833.97	833.97
Total financial liabilities	**-**	**-**	**7,931.55**	**7,931.55**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in Standard Chartered Bank PLC Indian Depository Receipt.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company has derivatives which are designated as hedges and which are not designated as hedges, bonds and mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares.

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(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- investment in Standard Chartered Bank PLC Indian Depository Receipt is valued using the closing price at National Stock Exchange (NSE) at the reporting period.
- the fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.
- the fair value of interest rate swaps, options contracts and coupon only swap is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of quoted bonds are derived based on the indicative quotes of price and yields prevailing in the market or latest available prices.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018:

	Unlisted equity shares	Unlisted preference shares	Total
As at April 1, 2017	**135.16**	**1,750.29**	**1,885.45**
Gain/ (loss) recognised in profit or loss	15.74	(27.16)	(11.42)
As at March 31, 2018	**150.90**	**1,723.13**	**1,874.03**
Acquisition (refer note 42)	384.19	-	384.19
Disposal (refer note 42)	(383.77)	-	(383.77)
Gain recognised in profit or loss	190.59	(13.04)	177.55
As at March 31, 2019	**462.19**	**1,710.09**	**2,172.28**
Unrealised gain/ (loss) recognised in profit or loss related to assets held at the end of the reporting period			
Year ended March 31, 2019	64.63	(13.04)	51.59
Year ended March 31, 2018	15.74	(27.16)	(11.42)

(iv) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018	
Unlisted equity shares	462.19	150.90	Risk adjusted discount rate	14.00%	10.62%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)
Unlisted preference shares	194.52	194.52	Risk adjusted discount rate	10.00%	10.00%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)
Unlisted preference shares	1,515.57	1,528.61	Risk adjusted discount rate	7.00%	7.00%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)

(v) Valuation processes:

The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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(vi) Fair value of Financial assets and liabilities measured at amortised cost

	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans				
Loans to joint venture	247.01	247.01	354.11	354.11
Loans to employees	4.63	4.63	5.62	5.62
Other financial assets				
Security deposits	418.66	418.66	274.93	274.93
Term deposits with maturity more than 12 months	21.49	21.49	25.40	25.40
Others	692.82	692.82	223.55	223.55
Total	**1,384.61**	**1,384.61**	**883.61**	**883.61**
Financial liabilities				
Borrowings	7,590.97	7,590.97	7,097.58	7,097.58
Other financial liabilities				
Others	252.09	252.09	833.97	833.97
Total	**7,843.06**	**7,843.06**	**7,931.55**	**7,931.55**

a) The carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their value, due to their short-term nature.

b) The fair values and carrying value of loans, term deposits with maturity period more than 12 months, security deposits, borrowings and other financial liabilities (other than those covered in above note (a)) are materially the same.

40. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts and derivative contracts
Market risk – interest rate risk	Borrowings	Sensitivity analysis	Interest rate swaps
Market risk – security prices risk	Investments in bonds and mutual funds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

(I) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

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The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Top three customer contributes 53.23% (March, 31 2018: 68.83%) of total revenue. Trade receivables are regularly monitored and shipment to major customer are generally covered by letter of credit.

Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable (net of allowance) broken into ageing bucket is given below:

	0-120 Days	More than 120 Days	Total
March 31, 2019	6,992.09	234.42	**7,226.51**
March 31, 2018	10,438.92	589.83	**11,028.75**

b) Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, derivative financial instruments, investments in government securities and bonds and investments in mutual funds. The Company has diversified portfolio of investment with various number of counterparties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

(II) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
Floating rate		
Expiring within one year	3,260.00	3,772.22
Total	**3,260.00**	**3,772.22**

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, and

Derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

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As at March 31, 2019

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	2,669.75	5,548.45	662.43	876.71	9,757.34	7,590.97
Trade payables	10,150.14	-	-	-	10,150.14	10,150.14
Other financial liabilities	249.78	2.39	-	-	252.17	252.09
Total non-derivative liabilities	**13,069.67**	**5,550.84**	**662.43**	**876.71**	**20,159.65**	**17,993.20**
Derivatives						
Forward contracts	479.63	-	-	-	479.63	479.63
Total derivative liabilities	**479.63**	**-**	**-**	**-**	**479.63**	**479.63**

As at March 31, 2018

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	1,532.16	3,763.37	3,020.87	1,539.14	9,855.54	7,097.58
Trade payables	18,284.17	-	-	-	18,284.17	18,284.17
Other financial liabilities	832.48	1.70	-	-	834.18	833.97
Total non-derivative liabilities	**20,648.81**	**3,765.07**	**3,020.87**	**1,539.14**	**28,973.89**	**26,215.72**
Derivatives						
Forward contracts	197.27	-	-	-	197.27	197.27
Total derivative liabilities	**197.27**	**-**	**-**	**-**	**197.27**	**202.90**

(III) Market risk - foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

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a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2019			As at March 31, 2018		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Investment in preference share	1,515.57	-	-	1,528.61	-	-
Trade receivables	2,441.75	-	-	351.12	2,057.15	-
Other financial assets	33.92	-	-	37.84	-	-
Derivatives not designated as hedges						
Forward contracts	(1,521.91)	-	-	-	(1,817.59)	-
Derivatives designated as hedges						
Forward contracts	(5,862.95)	-	-	(1,372.20)	-	-
Net exposure to foreign currency risk (assets)	**(3,393.62)**	**-**	**-**	**545.37**	**239.56**	**-**
Financial liabilities						
Borrowing	365.38	-	-	1,594.93	-	-
Trade payables	11,279.96	3.07	-	12,094.94	3,267.17	12.58
Other financial liabilities	208.47	-	-	804.66	3.91	-
Derivatives not designated as hedges						
Forward contracts	(9,863.78)	(1,529.07)	-	(10,531.18)	(3,916.79)	-
Option contracts	-	-	-	(654.15)	-	-
Derivatives designated as hedges						
Forward contracts	(1,575.98)	-	-	(1,681.21)	-	-
Net exposure to foreign currency risk (liabilities)	**414.05**	**(1,526.00)**	**-**	**1,627.99**	**(645.71)**	**12.58**
Total Net exposure to foreign currency risk	**479.30**	**1,526.00**	**-**	**(1,391.63)**	**885.27**	**(12.58)**
Net Derivatives designated as hedges	**(4,286.97)**	**-**	**-**	**309.01**	**-**	**-**

b) As at the balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise:

	Amount in Rupees		Equivalent amount in USD (in millions)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assets				
Investment in equity share	5.14	5.14	0.11	0.11
Investment in preference share	1,515.57	1,528.61	21.92	23.45
Investment in equity component of preference shares	293.75	293.75	5.56	5.56
Trade receivables	2,441.75	2,408.27	35.31	36.95
Other financial assets	33.92	37.84	0.49	0.58
Advance to suppliers	113.61	35.15	1.64	0.54
	4,403.74	**4,308.76**	**65.03**	**67.19**
Liabilities				
Borrowing	365.38	1,594.93	5.28	24.47
Trade payables	11,283.03	15,374.69	163.16	235.90
Other financial liabilities	208.47	808.57	3.01	12.41
Trade advances	682.60	13.69	9.87	0.21
	12,539.48	**17,791.88**	**181.32**	**272.99**
Less: Forward contracts (USD-INR)	(8,341.87)	(10,531.18)	(115.73)	(156.89)
Less: Forward contracts (EURO-INR)	(2.84)	(1,908.50)	(0.04)	(28.58)
Less: Option contracts (USD-INR)	-	(654.15)	-	(9.80)
Net unhedge foreign currency exposure*	**(208.97)**	**389.29**	**0.52**	**10.53**

*Cross currency forward contract of EURO - USD is not considered as hedges aggregating to ₹ 1,526.23 (March 31, 2018 ₹ 3,825.88)

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(All amounts in Rupees million, unless otherwise stated)

c) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from foreign forward exchange contracts, designated as cash flow hedges.

	Net impact on profit before tax		Net impact on other reserve	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD sensitivity				
INR/USD - Increase by 1% (March 31, 2018 - 1%)*	4.79	(13.92)	(42.87)	3.09
INR/USD - Decrease by 1% (March 31, 2018 - 1%)*	(4.79)	13.92	42.87	(3.09)
EURO sensitivity				
INR/EURO - Increase by 1% (March 31, 2018 - 1%)*	15.26	8.85	-	-
INR/EURO - Decrease by 1% (March 31, 2018 - 1%)*	(15.26)	(8.85)	-	-

* Holding all other variables constant

Note:- All figures in note 40 (III) (a), (b) and (c) covers both continuing and discontinued operations.

(IV) Market risk - interest rate risk

The Company had borrowed funds at both fixed and floating interest rates. The Company's interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2019 and March 31, 2018, the Company's borrowings at variable rate were denominated in USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	7,120.96	5,365.98
Floating rate borrowings	365.38	1,602.71
Total borrowings	**7,486.34**	**6,968.69**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	As at March 31, 2019	As at March 31, 2018
Floating rate borrowings	365.38	1,602.71
Interest rate swaps (notional principal amount)	(366.52)	(1,603.31)
Net exposure to cash flow interest rate risk	**(1.14)**	**(0.60)**

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(All amounts in Rupees million, unless otherwise stated)

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit before tax		Net impact on other reserve	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate increase by 10 basis points (March 31, 2018 - 10 basis points)*	-	-	(0.01)	(0.02)
Interest rate decrease by 10 basis points (March 31, 2018 - 10 basis points)*	-	-	0.01	0.02

* Holding all other variables constant

(V) Market risk – security prices

a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

b) Sensitivity

The table below summarises the impact of increases/decreases of 1% increase in price of bonds and mutual funds.

	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
Increase in rate 1% (March 31, 2018 - 1%)	33.63	32.84
Decrease in rate 1% (March 31, 2019 - 1%)	(33.63)	(32.84)

(VI) Impact of hedging activities

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward contracts and derivative contracts

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	6,533.05	905.88	136.47	9.87	Apr 19 - Jan 20	1:1
Interest rate risk						
Interest rate swap	366.52	-	8.00	-	Oct 19	1:1

As at March 31, 2018

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	1,880.08	1,173.33	12.10	16.30	Apr 18 - Mar 19	1:1
Interest rate risk						
Interest rate swap	1,603.31	-	21.42	-	Apr 18 - Oct 19	1:1

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The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. Ineffectiveness is recognised on a cash flow hedge and net investment hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale and purchase transactions, hedges of interest rate risk and hedges of net investment this may arise if:

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2019 and March 31, 2018.

b) Movements in cash flow hedging reserve

Risk category	Foreign currency risk	Interest rate risk	Total
Derivative instruments	**Forward contracts**	**Interest rate swap**	
(i) Cash flow hedging reserve			
As at April 1, 2017	**83.62**	**14.59**	**98.21**
Gain recognised in cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	(145.66)	-	(145.66)
Changes in fair value of interest rate swaps	-	6.07	6.07
Gain/ (loss) transferred to statement of profit and loss	13.57	(6.95)	6.62
Income tax on amount recognised in hedging reserve	45.73	0.24	45.97
As at March 31, 2018	**(2.74)**	**13.95**	**11.21**
Gain/ (loss) recognised in cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	136.71	-	136.71
Changes in fair value of interest rate swaps	-	(0.09)	(0.09)
Gain/ (loss) transferred to statement of profit and loss	(5.90)	(13.32)	(19.22)
Income tax on amount recognised in hedging reserve	(45.71)	4.69	(41.02)
As at March 31, 2019	**82.36**	**5.23**	**87.59**

41. Capital management

(I) Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio:

	As at March 31, 2019	As at March 31, 2018
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	2,407.77	1,727.36
Total equity	16,370.09	19,157.17
Net debt equity ratio	**0.15**	**0.09**

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Loan covenants

The Company has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and fixed assets coverage ratio attached to the borrowings.

(II) Dividend

	As at March 31, 2019	As at March 31, 2018
Equity Share		
Final dividend for the year ended March 31, 2018 of ₹ 0.50 (March 31, 2017 - ₹ 0.50) per fully paid shares	132.61	132.61
Dividend not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 0.50 per fully paid equity share (March 31, 2018 - ₹ 0.50). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	132.61	132.61

42. Related party transactions

a) Entities having significant influence

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2019	As at March 31, 2018
Welspun Pipes Limited	Significant influence Hold 100% shares of Welspun Pipes Limited	41.64%	41.64%
Welspun Group Master Trust		-	-

b) List of related parties:

Relationships	Principal place of business	Effective proportion of ownership interest (%)	
		As at March 31, 2019	As at March 31, 2018
Subsidiaries			
Welspun Pipes Inc.	USA	100.00%	94.79%
Welspun Tradings Limited	India	100.00%	100.00%
Welspun Mauritius Holdings Limited	Mauritius	89.98%	89.98%
Welspun Middle East DMCC	Dubai	100.00%	100.00%
Welspun Tubular LLC	USA	100.00%	100.00%
Welspun Global Trade LLC	USA	100.00%	100.00%
Joint ventures			
Welspun Wasco Coatings Private Limited	India	51.00%	51.00%
Joint ventures of Welspun Mauritius Holdings Limited			
Welspun Middle East Pipes LLC	Kingdom of Saudi Arabia	50.01%	50.01%
Welspun Middle East Pipes Coating LLC	Kingdom of Saudi Arabia	50.01%	50.01%

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(All amounts in Rupees million, unless otherwise stated)

c) Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Director
Mr. Vipul Mathur	Managing Director & Chief Executive Officer (w.e.f December 01, 2017)
Mr. Lalitkumar Naik	Managing Director & Chief Executive Officer (w.e.f January 01, 2017 till November 30, 2017)
Mr. S. Krishnan	Executive Director & Chief Executive Officer of Plate & Coil Mill Division (w.e.f December 01, 2017) and Chief Financial Officer till (June 11, 2018)
Mr. Percy Birdy	Chief Financial Officer (w.e.f. June 11, 2018)
Mr. K.H.Viswanathan	Director
Mr. Rajkumar Jain	Director
Mr. Ram Gopal Sharma	Director (till September 05, 2018)
Mr. Mintoo Bhandari	Director (till August 01, 2018)
Mr. Utsav Baijal	Director
Mr. Atul Desai	Director
Mrs. Revathy Ashok	Director
Mr. Desh Raj Dogra	Director (w.e.f. February 10, 2017)
Mr. Kaushik Subramaniam	Director (w.e.f. August 21, 2018)
Mr. Dhruv Kaji	Director (w.e.f. September 05, 2018)
Mr. Pradeep Joshi	Company Secretary

d) List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and entities which are members of same group with whom transaction have taken place during the year:

Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited
Welspun Foundation for Health and Knowledge
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Captive Power Generation Limited
Welspun Enterprises Limited
Welspun Anjar SEZ Limited
Welspun Multiventures LLP
Welspun Floorings Limited
AYM Syntex Limited
Adani Welpsun Exploration Limited

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(All amounts in Rupees million, unless otherwise stated)

e) Disclosure in respect of significant transactions with related parties during the year:

		Transactions	
		Year ended March 31, 2019	Year ended March 31, 2018
1)	**Sale of goods and services**		
	Welspun Tradings Limited	8,356.17	23,733.62
	Welspun Tubular LLC	29.60	20.01
	Others	577.66	1,298.59
	Total sale of goods and services	**8,963.43**	**25,052.22**
2)	**Other income**		
	Welspun Pipes Inc.	107.29	91.72
	Welspun Middle East Pipes LLC	28.31	11.92
	Welspun Wasco Coatings Private Limited	47.13	45.20
	Others	18.30	2.20
	Total other income	**201.03**	**151.04**
3)	**Purchase of goods and expenses incurred**		
	Welspun Captive Power Generation Limited	344.76	592.41
	Welspun Realty Private Limited	53.37	53.03
	Welspun India Limited	103.18	-
	Others	83.26	68.75
	Total purchase of goods and expenses incurred	**584.57**	**714.19**
4)	**Purchase of property, plant and equipment**		
	Welspun India Limited	0.51	-
	Welspun Tubular LLC	2.05	3.38
	Total of purchase of property, plant and equipment	**2.56**	**3.38**
5)	**Corporate social responsibility expenses**		
	Welspun Foundation for Health and Knowledge	20.98	3.89
	Total of Corporate social responsibility expenses	**20.98**	**3.89**
6)	**Sale of property, plant and equipment**		
	Welspun Anjar SEZ Private Limited	-	35.31
	Total sale of property, plant and equipment	**-**	**35.31**
7)	**Purchase of non current investments**		
	Welspun Captive Power Generation Limited	384.19	-
	Total purchase of investments	**384.19**	**-**
8)	**Sale of non current investments**		
	Welspun Captive Power Generation Limited	383.77	-
	Total sale of investments	**383.77**	**-**
9)	**Reimbursement of expenses (paid)/ recovered**		
	Welspun Tubular LLC	18.34	7.54
	Welspun Tradings Limited	(0.60)	(0.01)
	Welspun Middle East Pipes LLC	6.39	0.57
	Welspun Wasco Coatings Private Limited	24.97	38.34
	Welspun Global Brands Limited	0.26	-
	Welspun Captive Power Generation Limited	0.55	1.23
	Welspun India Limited	(1.74)	(14.71)
	Welspun Steel Limited	0.02	0.49
	Others	2.52	0.31
	Total reimbursement of expenses (paid)/ recovered	**50.71**	**33.76**
10)	**Loans and deposit given**		
	Welspun Wasco Coatings Private Limited	-	98.04
	Others	0.53	-
	Total loans and deposit given	**0.53**	**98.04**

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(All amounts in Rupees million, unless otherwise stated)

		Transactions	
		Year ended March 31, 2019	Year ended March 31, 2018
11)	**Loans and deposit received back**		
	Welspun Realty Private Limited	22.62	22.62
	Total loans and deposit received back	**22.62**	**22.62**
12)	**Advance received**		
	Welspun Anjar SEZ Limited	200.00	-
	Total advance received	**200.00**	**-**
13)	**Conversion of loan into equity shares**		
	Welspun Wasco Coatings Private Limited	107.10	-
	Total Conversion of loan into equity shares	**107.10**	**-**
14)	**Addition of corporate guarantee**		
	Welspun Pipes Inc.	-	6,424.50
	Welspun Wasco Coatings Private Limited	-	54.25
	Welspun Middle East Pipes LLC	5,532.40	-
	Total addition of corporate guarantee	**5,532.40**	**6,478.75**
15)	**Release of corporate guarantee**		
	Welspun Wasco Coatings Private Limited	54.24	-
	Total release of corporate guarantee	**54.24**	**-**
16)	**Key management personnel compensation**		
	Mr. Balkrishan Goenka		
	Short-term employee benefit	18.61	18.95
	Mr. Vipul Mathur		
	Short-term employee benefit	45.48	14.65
	Mr. Lalitkumar Naik		
	Short-term employee benefit	-	32.12
	Mr. S. Krishnan		
	Short-term employee benefit	34.85	28.49
	Mr. Percy Birdy		
	Short-term employee benefit	12.08	-
	Mr. Pradeep Joshi		
	Short-term employee benefit	4.35	4.00
	Total key management personnel compensation	**115.37**	**98.21**
17)	**Directors' sitting fees**		
	Mr. K.H.Viswanathan	1.44	0.95
	Mr. Rajkumar Jain	1.31	0.88
	Mr. Ram Gopal Sharma	0.32	0.66
	Mr. Mintoo Bhandari	0.05	0.34
	Mr. Utsav Baijal	0.31	-
	Mr. Atul Desai	0.55	0.21
	Mrs. Revathy Ashok	0.47	0.11
	Mr. Desh Raj Dogra	0.70	0.22
	Mr. Kaushik Subramaniam	0.25	-
	Mr. Dhruv Kaji	0.27	-
	Total directors' sitting fees	**5.67**	**3.37**

Note : Amount is inclusive of applicable taxes

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(All amounts in Rupees million, unless otherwise stated)

f) **Disclosure of significant closing balances:**

		As at March 31, 2019	As at March 31, 2018
1)	**Trade and other receivables**		
	Welspun Tradings Limited	485.67	3,681.68
	Welspun Tubular LLC	-	18.07
	Welspun Middle East Pipes LLC	28.68	3.07
	Welspun Pipes Inc.	-	24.98
	Welspun Middle East Pipes Coating LLC	12.42	9.85
	Welspun Anjar SEZ Limited	395.87	-
	Others	25.83	12.84
	Total trade and other receivables	**948.47**	**3,750.49**
2)	**Trade payables**		
	Welspun Captive Power Generation Limited	-	68.68
	Welspun Tubular LLC	-	4.08
	Welspun India Limited	0.79	-
	Welspun Global Brands Limited	4.42	-
	Welspun Middle East DMCC	-	1.49
	Others	-	0.50
	Total trade payables	**5.21**	**74.75**
3)	**Other payables (other financial liabilities)**		
	Welspun Tubular LLC	-	77.37
	Total Other payables	**-**	**77.37**
4)	**Trade Advance (other current liabilities)**		
	Welspun Tubular LLC	632.20	-
	Total trade advance	**632.20**	**-**
5)	**Advance to suppliers (other current assets)**		
	Welspun Tubular LLC	0.18	-
	Total trade advance	**0.18**	**-**
6)	**Loans and deposits given (Loans and other financial assets)**		
	Welspun Wasco Coatings Private Limited	247.01	354.11
	Welspun Realty Private Limited	198.65	221.27
	Others	27.93	27.40
	Total loans and deposits given	**473.59**	**602.78**
7)	**Capital advance given**		
	Welspun Anjar SEZ Limited	-	595.87
	Total capital advance given	**-**	**595.87**
8)	**Corporate guarantees given (to the extent of outstanding loan amount/ export obligation to custom authority) refer note 45 (ii)**		
	Welspun Middle East Pipes LLC	4,728.03	1,099.05
	Welspun Middle East Pipes Coating LLC	69.65	104.30
	Welspun Pipes Inc.	5,186.62	6,517.50
	Welspun Wasco Coatings Private Limited	54.25	108.49
	Total corporate guarantees given	**10,038.55**	**7,829.34**
9)	**Employee dues payable (other current liabilities)**		
	Mr. Balkrishan Goenka	18.61	18.95
	Mr. Vipul Mathur	3.75	4.28
	Mr. S. Krishnan	1.88	2.97
	Total other current liabilities	**24.24**	**26.20**

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(All amounts in Rupees million, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
10)	**Equity investments in subsidiaries and joint venture**		
	Welspun Mauritius Holdings Limited (Investments in equity instruments of subsidiaries)	4.70	4.70
	Welspun Mauritius Holdings Limited (Investment in equity component of preference shares)	293.75	293.75
	Welspun Tradings Limited (Investments in equity instruments of subsidiaries)	50.22	50.22
	Welspun Wasco Coatings Private Limited (Investments in equity instruments of joint ventures)	254.65	147.55
	Welspun Pipes Inc. (Investments in equity instruments of subsidiaries)	0.44	0.44
	Total equity investments	**603.76**	**496.66**
11)	**Non-current investments**		
	Welspun Mauritius Holdings Limited (Investments in preference shares)	1,515.57	1,528.61
	Welspun Captive Power Generation Limited (Investments in equity and preference shares)	656.71	345.42
	Total non-current investments	**2,172.28**	**1,874.03**
12)	**Deposits received (other financial liabilities)**		
	Welspun Enterprises Limited	0.66	-
	Others	0.02	-
	Total other Financial Liabilities	**0.68**	**-**

(g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

The above notes covers figure for both continuing and discontinued operations.

43. Micro, Small and Medium Enterprises Development Act, 2016

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act	6.09	6.78
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	0.03
	6.09	**6.81**
Payment made to suppliers (other than interest) beyond the appointed day, during the year	228.21	154.91
Interest due and payable to suppliers under MSMED Act, for payments already made	0.72	0.83
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.72	4.17

44. Contingent liabilities

The Company has contingent liabilities as at the year end in respect of:

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts	117.20	119.82
Disputed direct taxes	2.33	92.88
Disputed indirect taxes	1,900.75	1,907.48

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

The Company does not expect any re-imbursements in respect of the above contingent liabilities.

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45. Capital and other commitments

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances):		
Property, plant and equipment	280.75	82.29
Intangible assets under development	0.90	2.74

ii) Other commitments

	As at March 31, 2019	As at March 31, 2018
Corporate guarantees given by the company for loans of subsidiaries and joint ventures. Loan/ liabilities outstanding against these guarantees aggregate to ₹ 10,038.55 (March 31, 2018: ₹ 7,829.34) (refer note 42)	21,037.14	16,541.77
Outstanding letters of credit (net)	3,955.49	7,987.62
Custom duty liabilities on duty free import of raw materials (export obligations)	109.38	207.54

iii) The Company has committed to provide continued need based financial support to its subsidiaries, subsidiary's joint ventures and joint venture.

46. Operating lease

(i) As a lessee

The Company has operating leases for premises and equipments. These lease arrangements range for a period within one year to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) Rent expense with respect to all operating leases:

	Year ended March 31, 2019	Year ended March 31, 2018
Lease payment recognised in the statement of profit and loss during the year	96.25	76.28

b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	As at March 31, 2019	As at March 31, 2018
Not later than one year	22.81	6.48
Later than one year but not later than five years	38.57	2.76

(ii) As a lessor

The Company has entered into operating leases for land and premises. These lease arrangements are both cancellable and non-cancellable in nature and range for a period between three years to ten years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) Rental income with respect to all operating leases

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income recognised in the statement of profit and loss during the year	26.26	22.47

b) With respect to non-cancellable operating leases, refer note 4 for the future minimum lease receivables.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

47. Segment information

In accordance with the paragraph 4 of Ind AS 108 "Operating segments", the Company has presented segmental information only in the consolidated financial statements (refer note 48 of the Consolidated financial statements).

48. The Company has estimated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Accordingly, the Company has made the provision of ₹ 202.21 which is disclosed under the head 'Other current liabilities'.

49. Equity settled share based payments (ESOP) (refer note 30 and 16(b)(v))

Senior level management employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). In respect of options granted during the current year under the Welspun Employee Stock Options Scheme (WELSOP), the cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Merton formula which is in accordance with Indian Accounting Standard 102 (Ind AS 102).

The cost of equity settled transaction is recognised, together with a corresponding increase in Equity settled share based payments reserves in other equity, over the period in which the service conditions are fulfilled. This expense is included under the head "Employee benefits expense" as employee share-based expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Expense for the period from grant date to reporting date recognised is ₹ 41.94.

Natue and characteristics of ESOP plans existed during year as tabulated below

	Year ended March 31, 2019
Grant Date	August 16, 2018
Vesting requirement	3 years vesting (30%, 35%, 35%)
Maximum term of options	3 years from vesting Date
Method of settlement	Equity settled
Exercise Price	₹ 100.00
Share Price on Grant Date	₹ 126.10
Accounting method	Fair Value method

Options movement during year as tabulated below

	Year ended March 31, 2019
Opening balance as at April 1, 2018	-
Granted during the year	2,350,000
Exercised during the year	-
Forfeited during the year	-
Closing balance as at March 31, 2019	2,350,000
Exercisable at the end of the year	-

No options expired during the periods covered in the above table

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

Weighted-average exercise prices of options as tabulated below

	Year ended March 31, 2019
Opening balance as at April 1, 2018	NA
Granted during the year	₹ 100.00
Exercised during the year	NA
Forfeited during the year	NA
Closing balance as at March 31, 2019	₹ 100.00
Exercisable at the end of the year	₹ 100.00

Stock options outstanding at the end of period as tabulated below

	Year ended March 31, 2019
Exercise Price	
WELSOP Plan	₹ 100.00
Weighted average remaining contractual life (Years)	
WELSOP Plan	1.43

Black Scholes method is used for fair valuation of ESOP.

The measure of volatility used in ESOP pricing model is the annualized standard deviation of the continuously compounded rates of return. Expected volatility for fair valuation is considered based on average of previous 6 years annualized volatility.

Fair value and underlying assumptions for stock options granted as tabulated below

	Year ended March 31, 2019
Grant date	August 16, 2018
Option price model	Black Scholes Method
Exercise price	₹ 100
Share price on grant date	₹ 126.10
Expected volatility	0.50
Expected number of years to exercise shares	Immediately after vesting
Risk-free rate of return	7.49% to 7.85%
Dividend Yield	0.55%
Fair value of ESOP at grant date (vesting year 1), shares 705,000	₹ 41.53
Fair value of ESOP at grant date (vesting year 2), shares 822,500	₹ 52.34
Fair value of ESOP at grant date (vesting year 3), shares 822,500	₹ 60.66
Weighted average fair value of ESOP at grant date	₹ 52.01
Attrition rate per annum	NIL
Expected shares to vest ultimately	2,350,000

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

50. Discontinued operations

i) Description

On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which are reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group are presented as held for sale as at March 31, 2019. On the reclassification, these disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, the impairment loss of ₹ 3,373.08 in respect of disposal group has been recognised under the head " Profit/ (loss) before tax from discontinued operations" in statement of Profit and loss. The sale of PCMD and 43MW power plant is expected to be completed by December 31, 2019 and May 31, 2019, respectively. The balance sheet information for the prior year is neither restated nor remeasured to this effect.

ii) Financial performance and cash flow information

The financial performances and cashflow information presented for the year ended March 31, 2019 and March 31, 2018 respectively

	Year ended March 31, 2019	Year ended March 31, 2018
Total income	15,701.84	12,279.75
Total expenses (refer note iii below)	17,898.08	12,596.67
Loss before tax	**(2,196.24)**	**(316.92)**
Income tax expense	(1,381.31)	(90.25)
Loss after tax	**(814.93)**	**(226.67)**
Loss from discontinued operations	**(814.93)**	**(226.67)**
Net cash flow (used in)/ from operating activities	(677.51)	872.90
Net cash flow from/ (used in) investing activities	670.17	(151.56)
Net cash flow used in financing activities	-	(687.56)

iii) The total expenses (including provisons) includes impairment loss of ₹ 3,373.08 pertaining to disposal group.

iv) Details of disposal groups classified as held for sale and liabilities directly associated with disposal groups classified as held for sale

	Year ended March 31, 2019
Disposal groups classified as held for sale	
Carrying amount of Property, plant and equipment (net)	8,948.87
Capital work-in-progress	1.47
Trade receivables	1,171.18
Other current assets	4,375.00
Total disposal groups classified as held for sale	**14,496.52**
Liabilities directly associated with disposal groups classified as held for sale	
Trade payables	2,771.27
Other current liabilities	85.34
Total Liabilities directly associated with disposal groups classified as held for sale	**2,856.61**

v) Government grants relates to the amount invested to set up the manufacturing units of disposal groups. These grants were included in the liabilities as 'government grants' and were credited to profit or loss in 'other operating revenue/ income' as 'VAT income' on a straight-line basis over the expected lives of the related assets of disposal groups. The deferred balance of ₹ 2,168.16 as at March 31, 2019 of the disposal group has been written back and is included under the 'Loss from discontinued operation'.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

51. Assessment of impairment of carrying value of investments in a subsidiary and joint venture and recoverability of loans given to joint venture and other receivables from the joint ventures of subsidiary.

(a) The Company has investments in equity shares of ₹ 4.7 of Welspun Mauritius Holdings Limited ("WMHL" or "subsidiary") carried at cost, as at March 31, 2019.

The Company also has 7% optionally convertible, non-cumulative, redeemable preference shares of WMHL which is divided into preference shares component of ₹ 1,515.57 accounted at fair value through profit and loss and equity component of ₹ 293.75 carried at cost, as at March 31, 2019 (Investments in equity shares and preference shares together known as "investments in subsidiary").

WMHL acts as an investment holding entity incorporated in Mauritius. These investments were further invested by WMHL in its two joint ventures namely Welspun Middle East Pipes LLC ("WMEP") and Welspun Middle East Pipes Coatings LLC ("WMEPC") (together known as "joint ventures of subsidiary").

WMEP is engaged in manufacturing and sales of spiral steel pipes and WMEPC is engaged in providing spiral pipes coating services. These joint ventures of subsidiary having operating facilities in Kingdom of Saudi Arabia.

(b) The Company has other receivables of ₹ 22.05 and ₹ 12.42 from WMEP and WMEPC, respectively aggregating to ₹ 34.47, carried at cost, as at March 31, 2019.

(c) The Company has investments in equity shares of ₹ 254.65 of Welspun Wasco Coatings Private Limited ("WWCPL" or "joint venture") carried at cost, as at March 31, 2019. The Company also has granted loans to the joint venture having a carrying value of ₹ 247.01 carried at amortised cost, as at March 31, 2019.WWCPL is engaged in providing coating services and other services having operating facility in India.

The aggregate exposure of the Company in respect of (a), (b) and (c) above is ₹ 2,350.15.

Considering the financial position of WMEP, WMEPC and WWCPL, there are indicators of potential impairment of the investments in subsidiary and joint venture and non-recoverability of other receivables and loans as set out in (a), (b) and (c) above.

The Management has assessed the impairment of its investment in its subsidiary and its joint venture by reviewing the business forecasts of WMEP, WMEPC and WWCPL, using discounted cash flow valuation model (the "model") and noted that no provision for impairment is required to be made in respect of these investments and, loans and other receivables are considered good.

Significant assumptions used in the model are discount rate and terminal growth rate.

52. The Company has proposed for buyback of its own fully paid up equity shares of ₹ 5 each subject to a maximum price of ₹ 140 per equity share payable in cash for a maximum aggregate amount not exceeding ₹ 3,900 on proportionate basis by way of a tender offer in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy-Back of Securities) Regulations, 2018. The total number of equity shares to be bought back hence would be 27,857,142 (representing 10.50% of the total paid up equity share capital of the Company) or such other number depending upon the final buyback price and buyback size fixed by the Buyback Committee. The buyback is subject to statutory approvals.

53. (a) Changes in accounting policies

This note explains the impact of the adoption of Ind AS 115 'Revenue from Contracts with Customers' on the Company's financial statements.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on the financial performance of the Company.

As a result of the changes in the entity's accounting policies, comparative information for prior period has neither been restated nor remeasured.

(b) Revenue recognised in relation to contract liabilities

Contract liabilities relating to sale of products as at March 31, 2019 aggregated to ₹ 890.33 has been included under 'Other current liabilities' as Trade advances. It shall be recognised as revenue in the subsequent reporting period.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

(c) Contract assets

Contract assets relating to sale of products as at March 31, 2019 aggregated to ₹ 287.56 is included under 'Other current assets' as Contract assets.

54. Exchange differences on long term foreign currency monetary items outstanding (refer note 3 and 16(b)(iv))

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset. In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets/ liabilities.

Accordingly, the Company has adjusted exchange loss of ₹ 81.12 (March 31, 2018: loss of ₹ 3.25) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

Exchange loss of ₹ 45.09 (March 31, 2018: loss of ₹ 9.28) has been transferred to "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" to be amortised over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 66.38 (March 31, 2018: loss of ₹ 69.65) has been adjusted in the current year and balance loss of ₹ 14.25 (March 31, 2018: loss of ₹ 35.54) has been carried over and included in reserves and surplus.

55. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015 (refer note 42)

	As at March 31, 2019	As at March 31, 2018	Maximum amount outstanding during the year	
			As at March 31, 2019	As at March 31, 2018
Loans and advances in the nature of loans to joint venture and subsidiary:				
Welspun Wasco Coatings Private Limited (joint venture)	247.01	354.11	354.11	354.11

56. Disclosure pursuant to section 186 of the Companies Act, 2013 for loans and guarantees given (refer note 42):

Nature of the transaction (loans and guarantees given)	Purpose for which the loans and guarantees is given	Year ended March 31, 2019	Year ended March 31, 2018
i) Loans given (refer note 8(a)):			
Welspun Wasco Coatings Private Limited	Working capital and project funding of joint venture	247.01	354.11
		247.01	**354.11**
ii) Guarantees:			
Welspun Middle East Pipes LLC	Corporate guarantee given for joint venture's debt	4,728.03	1,099.05
Welspun Middle East Pipes Coating LLC	Corporate guarantee given for joint venture's debt	69.65	104.30
Welspun Wasco Coatings Private Limited	Corporate guarantee given to custom authorities for joint venture	54.25	108.49
Welspun Pipes Inc.	Corporate guarantee given for subsidiary's debt	5,186.62	6,517.50
		10,038.55	**7,829.34**

57. Fair valuation loss/gain on investments (net)

(i) Fair valuation loss on investments (net) under the head "Other expenses" includes fair value loss (net) on current investments in bonds aggregating to ₹ 2,574.16 for the year ended March 31, 2019.

(ii) Fair valuation gain on investments (net) under the head "Other income" includes fair value gain (net) on current investments in bonds aggregating to ₹ 0.89 for the year ended March 31, 2018.

Notes

annexed to and forming part of the Standalone Balance Sheet as at March 31, 2019 and the Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

58. Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Nominal value of an equity share	5.00	5.00
Profit after tax attributable to the equity holders of the Company from continuing operations	(1,957.14)	1,484.85
Profit after tax attributable to the equity holders of the Company from discontinuing operations	(814.93)	(226.67)
Profit after tax attributable to the equity holders of the Company	(2,772.07)	1,258.18
Basic earnings per share:		
Weighted average number of equity shares used as denominator for calculating basic EPS	265,226,109	265,226,109
Basic earnings per share (₹) from continuing operations	(7.38)	5.59
Basic earnings per share (₹) from discontinuing operations	(3.07)	(0.85)
Basic earnings per share (₹) from total continuing operations	(10.45)	4.74
Diluted earnings per share:		
Weighted average number of equity shares used as denominator for calculating diluted EPS	265,507,019	265,226,109
Diluted earnings per share (₹) from continuing operations	(7.38)	5.59
Diluted earnings per share (₹) from discontinuing operations	(3.07)	(0.85)
Diluted earnings per share (₹) from total continuing operations	(10.45)	4.74
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of equity shares used as denominator for calculating basic EPS	265,226,109	265,226,109
Total weighted average potential equity shares	280,910	-
Weighted average number of equity shares used as denominator for calculating diluted EPS	265,507,019	265,226,109

59. Specified bank notes

The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

60. The figures for the previous year have been regrouped wherever necessary.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of the Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Welspun Corp Limited

Report on the audit of the Consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its joint ventures; (refer Note 44 to the attached consolidated financial statements), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as the "consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 14 and 15 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of : (a) impairment of carrying value of investments in joint ventures (b) recoverability of loans to joint ventures including interest accrued (c) recoverability of other receivables from joint ventures	
(Refer note 52 to the consolidated financial statements) (a) The Group has investments of ₹ 595.81 million in equity shares of joint ventures namely Welspun Middle East Pipes LLC ("WMEP") and Welspun Wasco Coatings Private Limited ("WWCPL) ("investments in joint ventures") as at March 31, 2019. (b) The Group has granted loans (including interest accrued) aggregating to ₹ 2,296.40 million to its joint ventures namely WMEP, WWCPL and Welspun Middle East Pipe Coatings LLC ("WMEPC") (together referred to as "joint ventures"), as at March 31, 2019. (c) The Group has other receivables aggregating to ₹ 34.47 million as at March 31, 2019 from WMEP and WMEPC. The aggregate exposure of the Group in respect of (a), (b) and (c) above is ₹ 2,926.68 million, which is significant to the consolidated financial statements of the Group. Considering the deteriorated financial position of the "joint ventures", there are indicators of potential impairment of "investments in joint ventures" and non-recoverability of loans (including interest accrued) and other receivables as set out in (a), (b) and (c) above. The Management has assessed the impairment of Group's "investments in joint ventures" by reviewing the business forecasts of "joint ventures", using discounted cash flow valuation model (the "model") and noted that no provision for impairment is required to be made in respect of these "investments in joint ventures" and, loans (including interest accrued) and other receivables are considered good. We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above investments, loans (including interest accrued) and other receivables and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.	Our procedures included, amongst others, the following : • Understanding and evaluating the design and testing the operating effectiveness of the Holding Company's controls over review of impairment assessment of "investments in joint ventures"; and recognition of provision for loans (including interest accrued) and other receivables; • In respect of impairment assessment of "investments in joint ventures": (i) Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year; (ii) Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management. (iii) Comparing the business forecasts with the latest Board approved budgets; (iv) Considered the work of external independent valuation expert engaged by the Group; (v) Assessed the independent valuation expert's methods, competency and objectivity; (vi) Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model; (vii) Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; (viii) Performing sensitivity tests on the model by analysing the impact of using alternate assumptions of discount rates, terminal growth rates, etc., within a reasonable and foreseeable range. • Considered the results of the aforesaid procedures in evaluating the recoverability of loans (including interest accrued) and other receivables. Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in joint ventures, recoverability of loans (including interest accrued) to joint ventures and other receivables from WMEP and WMEPC is reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Directors' Report, Corporate Governance Report, Business Responsibility Report and Other Information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraphs 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and its joint ventures.

Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial information of 3 subsidiaries located outside India whose financial information reflect total assets of ₹ 36,498.50 million and net assets of ₹ 10,064.89 million as at March 31, 2019, total revenue of ₹ 48,432.12 million, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 3,231.59 million and net cash inflows amounting to ₹ 1,044.87 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ 831.32 million for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures located outside India whose financial information have not been audited by us. These financial information in respect of the aforesaid subsidiaries and 2 joint ventures have been audited by other auditors, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

15. The financial statements of 2 subsidiaries located outside India, included in the consolidated Ind AS financial statements, which constitute total assets of ₹ 2,571.92 million and net assets of ₹ 2,571.08 million as at March 31, 2019, total revenue of ₹ Nil, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 18.26 million and net cash outflows amounting to ₹ 16.49 million for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion insofar as it relates to the balances and affairs of such subsidiaries located outside India, including Other Information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion on the consolidated financial statements, and our Report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary incorporated in India, and its joint venture incorporated in India, none of the directors of the Holding

Company and its subsidiary incorporated in India and its joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures– Refer Note 45 to the consolidated financial statements.

ii. The Group and its joint ventures had long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India for the year ended March 31, 2019.

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

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date : May 15, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Welspun Corp Limited on the consolidated financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2019

with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mehul Desai
Partner
Membership Number: 103211

Place: Mumbai
Date : May 15, 2019

Consolidated Balance Sheet

as at March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,518.04	30,326.13
Capital work-in-progress	3	464.74	144.36
Investment property	4	50.58	8.19
Goodwill on consolidation		-	4.68
Other intangible assets	5	105.13	118.97
Intangible assets under development	5	5.02	21.32
Investments accounted for using the equity method	6	595.81	1,144.11
Financial assets			
Investments	7(a)	672.87	365.33
Loans	8(a)	2,283.80	2,238.09
Other financial assets	9(a)	311.51	149.47
Deferred tax assets (net)	10	3.02	4.00
Other non-current assets	11(a)	428.18	1,184.60
Total non-current assets		**20,438.70**	**35,709.25**
Current assets			
Inventories	12	22,227.62	15,118.57
Financial assets			
Investments	7(b)	3,487.32	3,366.75
Trade receivables	13	11,806.87	13,140.60
Cash and cash equivalents	14	5,847.25	5,526.29
Bank balances other than cash and cash equivalents	15	856.95	755.64
Loans	8(b)	4.79	5.89
Other financial assets	9(b)	958.11	590.23
Current tax assets (net)	16	-	204.95
Other current assets	11(b)	1,874.12	2,509.00
Assets or disposal groups classified as held for sale	17(a)	14,498.60	6.00
Total current assets		**61,561.63**	**41,223.92**
Total assets		**82,000.33**	**76,933.17**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,326.13	1,326.13
Other equity			
Reserves and surplus	18(b)	26,065.61	27,094.80
Other reserves	18(c)	584.69	119.38
Equity attributable to owners of Welspun Corp Limited		**27,976.43**	**28,540.31**
Non-controlling interests	44(b)	(50.66)	566.12
Total equity		**27,925.77**	**29,106.43**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	19(a)	10,777.55	12,717.29
Other financial liabilities	20(a)	2.31	1.49
Provisions	21(a)	327.90	341.23
Deferred tax liabilities (net)	22	2,181.10	3,437.48
Government grants	23	1,317.87	3,649.58
Total non-current liabilities		**14,606.73**	**20,147.07**
Current liabilities			
Financial liabilities			
Borrowings	19(b)	1,750.00	125.67
Trade payables			
total outstanding dues of micro and small enterprises	25	6.81	10.95
total outstanding dues of creditors other than micro and small enterprises	25	15,789.87	21,329.21
Other financial liabilities	20(b)	1,989.36	2,436.68
Provisions	21(b)	258.83	246.80
Government grants	23	204.73	463.35
Current tax liabilities (net)	26	1,979.77	1,798.73
Other current liabilities	24	14,631.85	1,268.28
Liabilities directly associated with disposal groups classified as held for sale	17(b)	2,856.61	-
Total current liabilities		**39,467.83**	**27,679.67**
Total liabilities		**54,074.56**	**47,826.74**
Total equity and liabilities		**82,000.33**	**76,933.17**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated balance sheet referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

For and on behalf of Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 15, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing operations			
Revenue from operations	27	86,750.63	61,305.07
Other operating revenue/ income	28	2,784.12	2,327.76
Other income	29	1,346.49	1,288.32
Total income		**90,881.24**	**64,921.15**
Expenses			
Cost of materials consumed	30	62,874.62	43,443.65
Purchases of stock-in-trade	31	-	194.28
Changes in inventories of work-in-progress and finished goods	32	(107.07)	358.98
Excise duty		-	162.72
Employee benefit expense	33	5,719.62	4,172.11
Depreciation and amortisation expense	34	2,597.33	2,581.56
Other expenses	35	15,316.74	9,488.28
Finance costs	36	1,773.71	1,701.53
Total expenses		**88,174.95**	**62,103.11**
Profit before share of loss of joint ventures accounted for using the equity method and tax		**2,706.29**	**2,818.04**
Share of net loss of joint ventures accounted for using the equity method	44(d)	(885.32)	(859.14)
Profit before tax from continuing operations		**1,820.97**	**1,958.90**
Income tax expense	37		
Current tax		1,216.01	1,024.90
Deferred tax		6.54	(822.76)
Total income tax expense		**1,222.55**	**202.14**
Profit from continuing operations		**598.42**	**1,756.76**
Discontinued operations			
Loss before tax from discontinued operation	53	**(2,196.24)**	**(316.92)**
Tax expenses of discontinued operations	37	(1,381.31)	(90.25)
Loss from discontinued operation		**(814.93)**	**(226.67)**
(Loss)/ profit for the year (A)		**(216.51)**	**1,530.09**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains/ (loss) on cash flow hedges (net)		120.88	(189.40)
Income tax relating to this item		(42.19)	65.50
Exchange differences on translation of foreign operations (including non-controlling interests)		388.20	(10.62)
		466.89	**(134.52)**
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		6.30	(16.76)
Income tax relating to this item		(2.23)	5.80
Share of other comprehensive income of joint ventures accounted for using the equity method		(15.13)	-
		(11.06)	**(10.96)**
Other comprehensive income for the year, net of tax (B)		**455.83**	**(145.48)**
Total comprehensive income for the year (A+B)		**239.32**	**1,384.61**
(Loss)/ profit is attributable to:			
Owners of Welspun Corp Limited		(132.58)	1,583.03
Non-controlling interests		(83.93)	(52.94)
		(216.51)	**1,530.09**
Other comprehensive income is attributable to:			
Owners of Welspun Corp Limited		455.77	(142.20)
Non-controlling interests		0.06	(3.28)
		455.83	**(145.48)**
Total comprehensive income is attributable to:			
Owners of Welspun Corp Limited		323.19	1,440.83
Non-controlling interests		(83.87)	(56.22)
		239.32	**1,384.61**
Earnings per equity share for (loss)/ profit from continuing operation attributable to owners of Welspun Corp Limited:	59		
Basic earnings per share (in Rupees)		2.57	6.82
Diluted earnings per share (in Rupees)		2.57	6.82
Earnings per equity share for (loss) from discontinued operation attributable to owners of Welspun Corp Limited:	59		
Basic earnings per share (in Rupees)		(3.07)	(0.85)
Diluted earnings per share (in Rupees)		(3.07)	(0.85)
Earnings per equity share for (loss)/ profit from continuing and discontinued operation attributable to owners of Welspun Corp Limited:	59		
Basic earnings per share (in Rupees)		(0.50)	5.97
Diluted earnings per share (in Rupees)		(0.50)	5.97

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

For and on behalf of Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 15, 2019

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Profit/ (loss) before tax		
Continuing operations	1,820.97	1,958.90
Discontinued operations	(2,196.24)	(316.92)
Profit/ (loss) before tax	**(375.27)**	**1,641.98**
Adjustments for:		
Depreciation and amortisation expense	3,745.75	3,793.05
Employee share-based expense	41.94	-
Profit on sale or redemption of		
Current investments	(3.01)	(153.14)
Non-current investment	(125.96)	-
(Loss)/ gain on disposal of property, plant and equipment (net)	32.95	(25.71)
Impairment loss on disposal group	3,373.08	-
Goodwill on consolidation written off	4.68	-
Share of net loss of joint ventures accounted for using the equity method	885.32	859.14
Fair valuation loss/ (gain) on investments (net)	2,387.35	(18.85)
Allowance for doubtful debts (net)	101.52	1.58
Provision for litigation, disputes and other matters (net)	3.46	-
Provision for doubtful advances written back	(1.18)	(15.38)
Provision no longer required written back	(204.12)	-
Bad debts written off	-	2.23
Rental Expenses	22.17	21.12
Unwinding of discount on liabilities	-	50.12
Dividend income	(0.34)	-
Interest income and commission income	(768.54)	(516.37)
Interest expenses	1,139.54	1,248.37
Net exchange differences (unrealised)	246.33	(87.74)
Operating profit before changes in operating assets and liabilities	**10,505.67**	**6,800.40**
Changes in operating assets and liabilities		
Movement in other non-current financial assets	(179.78)	178.76
Movement in other non-current assets	361.27	(176.22)
Movement in inventories	(11,452.39)	2,528.02
Movement in trade receivables	(595.39)	1,568.44
Movement in other current financial assets	(280.89)	(186.12)
Movement in other current assets	578.78	236.60
Movement in other non-current financial liabilities	0.82	1.49
Movement in trade payables	(2,549.31)	(619.70)
Movement in other current financial liabilities	(286.52)	(34.61)
Movement in other current liabilities	13,392.84	(935.65)
Movement in provisions	16.31	47.48
Movement in government grants	(2,590.33)	44.63
Total changes in operating assets and liabilities	**(3,584.59)**	**2,653.12**
Cash flow from operations	**6,921.08**	**9,453.52**
Income taxes paid (net of refund received)	(833.87)	360.08
Net cash from operating activities (A)	**6,087.21**	**9,813.60**

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
B.	**Cash flow (used in)/ from investing activities**		
	Payments for property, plant and equipment	(602.75)	(544.27)
	Proceeds from property, plant and equipment	19.98	57.57
	Purchase of other non-current investment (net)	(0.42)	-
	(Purchase)/ sale of current investments (net)	(2,686.07)	1,856.28
	(Investment)/ proceeds in/ from maturity of fixed deposits (net)	(97.40)	41.06
	Interest and commission received	689.53	554.66
	Dividend received	0.34	-
	Loan to joint venture and other parties	1.08	(142.86)
	Repayment of loan from other parties	-	0.74
	Net cash (used in)/ from investing activities (B)	**(2,675.71)**	**1,823.18**
C.	**Cash flow used in financing activities**		
	Transactions with non-controlling interests	(1,323.34)	(1,408.70)
	Proceeds from long term borrowings	-	3,119.78
	Repurchase of non-convertible debentures	-	(7,038.00)
	Proceeds from issue of non-convertible debentures	-	2,500.00
	Repayment of long term borrowings	(2,429.42)	(1,171.83)
	Proceeds from/ (repayment) of short term borrowings (net)	1,624.33	(2,077.60)
	Interest paid	(1,064.36)	(1,371.93)
	Dividend paid (including dividend distribution tax)	(160.16)	(160.47)
	Net cash used in financing activities (C)	**(3,352.95)**	**(7,608.75)**
	Net increase in cash and cash equivalents (A+B+C)	**58.55**	**4,028.03**
	Cash and cash equivalents at the beginning of the financial year	5,526.29	1,479.53
	Gain on exchange rate changes on cash and cash equivalents	275.35	18.73
	Cash and cash equivalents at the end of the year		
	From continued operations	5,847.25	5,526.29
	From discontinued operations	12.94	-
	Net (decrease)/ increase in cash and cash equivalents	**333.90**	**4,046.76**

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flow referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

For and on behalf of Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 15, 2019

Consolidated Statement of Changes in Equtiy

for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 1, 2017		1,326.13
Changes in equity share capital during the year	18(a)	-
Balance as at March 31, 2018		1,326.13
Changes in equity share capital during the year	18(a)	-
Balance as at March 31, 2019		**1,326.13**

B. Other equity [refer note 18(b) and (c)]

	Attributable to owners of Welspun Corp Limited											
	Reserves and surplus							Other reserves				
	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Foreign currency monetary Item translation difference account	Equity settled share based payments	Retained earnings	Cash flow hedging reserve	Foreign currency translation reserve (refer note 65)	Total other equity	Non-controlling interests	Total
Balance as at April 1, 2017	**152.92**	**7,769.82**	**1,643.10**	**227.69**	**(95.91)**	**-**	**16,820.00**	**135.11**	**115.51**	**26,768.24**	**1,135.39**	**27,903.63**
Profit/ (loss) for the year	-	-	-	-	-	-	1,583.03	-	-	1,583.03	(52.94)	1,530.09
Other comprehensive income	-	-	-	-	-	-	(10.96)	(123.90)	(7.34)	(142.20)	(3.28)	(145.48)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,572.07**	**(123.90)**	**(7.34)**	**1,440.83**	**(56.22)**	**1,384.61**
Movement during the year (net)	-	-	-	-	60.37	-	-	-	-	60.37	-	60.37
Movement in debenture redemption reserve (net)	-	-	(1,137.26)	-	-	-	1,137.26	-	-	-	-	-
Movement in general reserve	-	-	-	125.90	-	-	(125.90)	-	-	-	-	-
Transactions with owners in their capacity as owners:												
Premium on redemption of NCI's share	-	-	-	-	-	-	(895.65)	-	-	(895.65)	(513.05)	(1,408.70)
Dividends paid (including dividend distribution tax)	-	-	-	-	-	-	(159.61)	-	-	(159.61)	-	(159.61)
Balance as at March 31, 2018	**152.92**	**7,769.82**	**505.84**	**353.59**	**(35.54)**	**-**	**18,348.17**	**11.21**	**108.17**	**27,214.18**	**566.12**	**27,780.30**
Profit/ (loss) for the year	-	-	-	-	-	-	(132.58)	-	-	(132.58)	(83.93)	(216.51)
Other comprehensive income	-	-	-	-	-	-	(9.54)	78.69	386.62	455.77	0.06	455.83
Total comprehensive income for the year	**-**	**-**	**-**		**-**	**-**	**(142.12)**	**78.69**	**386.62**	**323.19**	**(83.87)**	**239.32**
Movement during the year (net)	-	-	-	-	21.29	-	-	-	-	21.29	-	21.29
Employee share-based expenses	-	-	-	-	-	41.94	-	-	-	41.94	-	41.94
Movement in debenture redemption reserve (net)	-	-	-	-	-	-	-	-	-	-	-	-
Movement in general reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:												
Premium on redemption of NCI's share	-	-	-	-	-	-	(790.43)	-	-	(790.43)	(532.91)	(1,323.34)
Dividends paid (including dividend distribution tax)	-	-	-	-	-	-	(159.87)	-	-	(159.87)	-	(159.87)
Balance as at March 31, 2019	**152.92**	**7,769.82**	**505.84**	**353.59**	**(14.25)**	**41.94**	**17,255.75**	**89.90**	**494.79**	**26,650.30**	**(50.66)**	**26,599.64**

The above consolidated statement of changes in equity should be read in conjuction with the accompanying notes.

This is the consolidated statement of changes in equity referred to in our report of even date,

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

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annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

General Information

Welspun Corp Limited (hereinafter referred to as "WCL" or the "Company") and its subsidiaries (hereinafter referred to as the "Group") are engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils.

The Company is a public limited company which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India.

These consolidated financial statements were approved for issue by the Board of Directors on May 15, 2019.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries and joint ventures.

1.1 Basis of preparation of financial statements

a) Compliance with Ind AS

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

b) Historical cost convention

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

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Assets or disposal groups held for sale	Fair value less cost to sell
Share based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) Current and non-current classification

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

d) New and amended standards adopted by the Company

The Group has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Change in Foreign Exchange Rate
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112,Disclosure of Interest in Other Entities

The Group had to change its accounting policies following the adoption of Ind AS 115. This is disclosed in note 54. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

1.2 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. In assessing control, potential voting rights that currently are exercisable are taken into account. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company.

For list of subsidiaries consolidated, refer table below:

Name of the Subsidiaries	Country of Incorporation	Extent of Holding	
		As at March 31, 2019	As at March 31, 2018
Direct Subsidiaries			
Welspun Pipes Inc.	USA	100%	94.79%
Welspun Tradings Limited	India	100%	100%
Welspun Mauritius Holdings Limited	Mauritius	89.98%	89.98%
Indirect Subsidiaries			
Held through Welspun Pipes Inc.			
Welspun Tubular LLC	USA	100%	100%
Welspun Global Trade LLC	USA	100%	100%
Held through Welspun Tradings Limited			
Welspun Middle East DMCC	Dubai, UAE	100%	100%

b) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has three joint ventures.

For list of Joint ventures consolidated, refer table below:

Name of the Subsidiaries	Country of Incorporation	Extent of Holding	
		As at March 31, 2019	As at March 31, 2018
Welspun Wasco Coatings Private Limited	India	51%	51%
Welspun Middle East Pipes Company LLC	Kingdom of Saudi Arabia	50.01%	50.01%
Welspun Middle East Pipes Coatings Company LLC	Kingdom of Saudi Arabia	50.01%	50.01%

i) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The financial statements of the joint venture are prepared for the same reporting period as the Group.

Interests in joint ventures are accounted for using the equity method (refer below), after initially being recognised at cost in the consolidated balance sheet.

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(All amounts in Rupees million, unless otherwise stated)

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amounts of equity accounted investments are tested for impairment.

d) Change in Ownership Interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control, and any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.3 Foreign currency translations

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

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(All amounts in Rupees million, unless otherwise stated)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example: translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

The Group has elected to apply the exemption from the transition date i.e. April 1, 2015 in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the financial statements have been accounted in accordance with the policy adopted under previous GAAP as given below:

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

c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at exchange rates prevailing at the dates of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions; and
- All resulting exchange differences are recognised in other comprehensive income under head Foreign currency translation reserve (FCTR).

0.4 Revenue recognition

a) Sale of goods

Effective April 1, 2018, the Group has adopted Ind AS 115, Revenue from contracts with customers using the modified retrospective transition approach, which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

The Group derives revenue principally from sale of pipes.

The Group recognises revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Group considers freight activities as costs to fulfil the promise to transfer the related products and the customer payments for freight costs are recorded as a component of revenue.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

In certain customer contracts, freight services are treated as a distinct separate performance obligation and the Group recognises revenue for such services when the performance obligation is completed.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates, etc.

Revenue is recognized at a determined transaction price when identified performance obligations are

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satisfied. The bill and hold contracts are entered at the request of the customer. Revenue from bill and hold contracts is recognised at the agreed transaction price (determined price). The price for bill and hold contracts is dertermined at the time of entering into the transaction and the performance obligation is satisfied when goods have been appropriated towards the sale transaction (the control of asset is transferred to the customer).

Export incentives and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Revenue excludes any taxes and duties collected on behalf of the government.

b) Sale of services

The Group also provides freight services to its customers.

Revenue from providing freight services is recognised in the accounting period in which the services are rendered.

The related freight costs incurred are included in freight expenses when the Group is acting as principal in the freight arrangement.

The Group does not have any contracts where in the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

1.5 Contract assets and contract liabilities

When the Group performs a service or transfers a good in advance of receiving consideration, it recognises a contract asset or receivable.

A contract asset is a Group's right to consideration in exchange for goods or services that the Group has transferred to a customer. If the Company transfers control of goods or services to a customer before the customer pays consideration, the Group records a contract asset when the nature of the Group's right to consideration for its performance is other than passage of time. A contract asset will be classified as a receivable when the Group's right to consideration is unconditional (that is, when payment is due only on the passage of time).The Group shall assess a contract asset for impairment in accordance with Ind AS 109. Impairment of a contract asset is measured, presented and disclosed on similar basis as other financial asset in nature of trade receivable within the scope of Ind AS 109. The Group discloses contract assets under "Other Assets".

The Group recognises a contract liability if the customer's payment of consideration precedes the Group's performance. A contract liability is recognised if the Group receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. The Group discloses contract liabilities under "Other Liabilities".

1.6 Segment reporting

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

1.7 Government grants

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

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

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

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss on a straight-line basis

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over the expected lives of the related assets and presented within "Other operating income". In case of disposal of such property, plant and equipment, related government grants included in the liabilities are written back and charged to the statement of profit and loss.

1.8 Income tax, deferred tax and dividend distribution tax

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

Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

a) Current income tax

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

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

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

Deferred tax are recognised for all deductible temporary difference and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in jointly controlled entities, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

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

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Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items reconised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

c) **Dividend distribution tax**

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

1.9 Leases

a) As a lessee

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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

b) **As a lessor**

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

1.10 Property, Plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Estimated Useful Lives (in years)
Buildings	
Building	Ranging between 15 to 39 years
Residential and other buildings	60
Road, fencing, etc.	Ranging between 3 to 15 years
Office and other equipments	
Office equipment	Ranging between 3 to 10 years
Computer	3 years except Networking equipment's which are depreciated over useful life of 5 years
Vehicles	Ranging between 5 to 8 years
Furniture and fixtures	Ranging between 5 to 10 years

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These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

Plant and machinery is depreciated on straight line method over the useful life ranging between 2 years to 40 years which is different than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

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

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

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

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

1.11 Investment properties

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

Investment properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives over a period of thirty years. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013.

1.12 Intangible assets

a) Goodwill on consolidation:

Goodwill on acquisitions of subsidiaries is shown separately. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arise. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

b) Other intangible assets

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

c) Amortisation methods and periods

Other intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life over a period of three to five years which is based on a technical evaluation done by the Management.

Intangible Asset under Development comprises amount paid towards acquisition/ development

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of Intangible Assets outstanding as of each balance sheet date and acquisition expenditures, other expenditures necessary for the purpose of preparing the Intangible Asset for it intended use. Intangible Assets under Development is not amortised until such time as the relevant asset is completed and ready for its intended use.

1.13 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) **a**re classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, which are specifically exempt from this requirement.

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

Non-current assets (including those that are part of disposal groups) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to liabilities of disposal groups classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal groups classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or are of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

1.14 Impairment of assets

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

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.15 Inventories

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

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

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1.16 Investment in joint ventures

Investment in joint ventures is carried at cost in the separate financial statements.

1.17 Financial Instruments

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

a) Financial assets

(I) Classification

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

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

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

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

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

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

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

(II) Measurement

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

(i) Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the

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

(ii) Equity instruments

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

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

(III) Impairment of financial assets

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

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

(IV) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(V) Income recognition

(i) Interest income

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

(ii) Dividend income

Dividend income is recognised in profit or loss only when the right to receive payment is established, it is probable

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that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iii) Export Benefits

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

(VI) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(VII) Trade receivables

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

b) Financial liabilities

(I) Measurement

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

(II) Derecognition

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

(III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

(IV) Trade and other payables

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

c) Financial guarantee contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and amount initially recognized less cumulative amortization, where appropriate. The fair value of guarantee is determined as at the present value of difference in net cash flows between the contractual payments under the debt instrument and the payment that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantee in relation to loan or other payables of group companies are provided for no consideration, the fair values are accounted for as contributions and recognized as part of the cost of investment.

d) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Group enters into forward and interest rate swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

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

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

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

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

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

(I) Cash flow hedges that qualify for hedge accounting

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

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

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

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expenses (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(II) Derivatives that are not designated as hedges

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

e) Embedded Derivatives

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

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

f) Embedded foreign currency derivatives

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

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

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

1.18 Borrowing costs

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

1.19 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

c) Post-employment obligations

The Group operates the following post-employment schemes:

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

(I) Defined Benefit Plans

(i) Gratuity obligations

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

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

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

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

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

(II) Defined contribution plans

(i) Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds

The Contribution towards provident fund, ESIC, Pension fund and other Social Security Funds for certain employees is made to the regulatory authorities where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations apart from the contributions made on a monthly basis.

(ii) Superannuation Fund

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

d) Bonus Plan

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

e) Equity-settled share-based payments (ESOP)

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Equity settled share based payments". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Equity settled share based payments" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 5 each fully paid-up. The proceeds received and the related balance standing to credit of the Equity settled share based payments, are credited to share capital (nominal value) and Securities Premium.

1.20 Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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c) Contingent assets

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

1.21 Contributed equity

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

1.22 Dividends

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

1.23 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

b) Diluted earnings per share

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

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

1.24 Rounding of amounts

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

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

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

a) Amendments to Ind AS 116, Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019

The new standard introduces a single model of lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement. Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the cash flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is financial year beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(i) Fully retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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(ii) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

1. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

b) Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes':

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) That the judgement and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgement.

The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

c) Amendment to Ind AS 19, 'Employee Benefits' - Plan Amendment, Curtailment or Settlement:

The amendment to Ind AS 19 clarifies the accounting for defined benefit plan amendments, curtailments and settlements. It confirms that entities must:

(i) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

(ii) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

(iii) Separately recognise any changes in the asset ceiling through other comprehensive income.

The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

d) Amendment to Ind AS 103, 'Business Combinations':

The amendment clarifies that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

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e) Amendment to Ind AS 12, 'Income Taxes':

The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The Group is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2019.

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

Note 2: Critical estimates and judgments

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

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

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

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

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

iii) Estimation of Provision for Inventory

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

iv) Estimation of Defined Benefit Obligation

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

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

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

v) **Estimated fair value of Financial Instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vi) **Impairment of carrying value of investments and recoverability of loans and other receivables in Investee Companies**

Determining whether the impairment of carrying value of investments in joint ventures, recoverability of loans to joint ventures including accrued interest and recoverability of other receivables from joint ventures are impaired requires an estimate of the value in use of investments, other receivables and loans (collectively the entities described above are referred as Investee Companies).

In considering the value in use, the board of directors of respective Investee Companies have anticipated the future sales prices, capacity utilisation of plants, operating margins, other expenses, availability of raw materials, discount rates, terminal growth rate, payment of taxes, working capital norms, inflation rate, growth rate of economy and other factors of the underlying businesses / operations of the Investee Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments and recoverability of loans and other receivables in Investee Companies.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

3. Property, plant and equipment

Carrying amounts	Freehold land	Leasehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments (refer note (iv) below)	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2018									
Gross carrying amount									
Balance as at April 1, 2017	**636.35**	**-**	**1,304.43**	**8,393.84**	**30,111.15**	**491.96**	**32.57**	**88.31**	**41,058.61**
Additions	122.85	-	4.36	9.69	414.23	22.68	6.91	2.83	583.55
Exchange differences (refer note 47)	-	-	-	-	3.25	-	-	-	3.25
Exchange differences on translation of foreign operations	1.55	-	6.54	18.34	35.07	2.12	0.04	0.04	63.70
Disposals	3.69	-	-	-	23.73	21.58	3.89	2.11	55.00
Reclassification as investment property (refer note 4)	-	-	-	7.78	-	-	-	-	7.78
Gross carrying amount as at March 31, 2018	**757.06**	**-**	**1,315.33**	**8,414.09**	**30,539.97**	**495.18**	**35.63**	**89.07**	**41,646.33**
Year ended March 31, 2019									
Gross carrying amount									
Additions	-	32.53	-	62.35	272.79	325.44	2.36	2.46	697.93
Exchange differences (refer note 47)	-	-	-	-	81.12	-	-	-	81.12
Exchange differences on translation of foreign operations	19.03	-	80.32	225.05	429.24	25.26	0.73	0.48	780.11
Disposals	-	-	-	-	81.82	33.93	2.41	0.19	118.35
Reclassification as investment property (refer note 4)	-	-	-	51.20	-	-	-	-	51.20
Disposal groups classified as held for sale (refer note 53)	75.05	-	-	1,470.55	15,714.41	12.19	1.76	12.10	17,286.06
Gross carrying amount as at March 31, 2019	**701.04**	**32.53**	**1,395.65**	**7,179.74**	**15,526.89**	**799.76**	**34.55**	**79.72**	**25,749.88**

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

3. Property, plant and equipment

Accumulated Depreciation	Freehold land	Leasehold land	Land Improvements	Buildings	Plant and machinery	Office and other equipments (refer note (iv) below)	Vehicles	Furniture and fixtures	Total
Year ended March 31, 2018									
Balance as at April 1, 2017	**-**		**228.65**	**615.49**	**6,498.15**	**190.85**	**12.32**	**31.87**	**7,577.33**
Depreciation charge during the year (refer note (i) below)	-		118.61	288.08	3,224.21	87.64	5.29	12.77	3,736.60
Disposals	-		-	-	14.81	5.55	1.48	1.30	23.14
Exchange differences on translation of foreign operations	-		2.49	2.21	23.91	1.54	0.05	0.03	30.23
Reclassification as investment property (refer note 4)	-		-	0.82	-	-	-	-	0.82
Accumulated depreciation as at March 31, 2018	**-**		**349.75**	**904.96**	**9,731.46**	**274.48**	**16.18**	**43.37**	**11,320.20**
Year ended March 31, 2019									
Depreciation charge during the year (refer note (i) below)	-	0.08	128.94	290.73	3,180.04	93.71	4.69	11.27	3,709.46
Disposals	-	-	-	-	42.24	24.94	2.03	0.17	69.38
Exchange differences on translation of foreign operations	-	-	20.00	17.90	193.43	12.43	0.40	0.32	244.48
Reclassification as investment property (refer note 4)	-	-	-	8.81	-	-	-	-	8.81
Disposal groups classified as held for sale (refer note 53)	-	-	-	240.02	4,709.32	5.66	1.44	7.67	4,964.11
Accumulated depreciation as at March 31, 2019	**-**	**0.08**	**498.69**	**964.76**	**8,353.37**	**350.02**	**17.80**	**47.12**	**10,231.84**
Net carrying amount of property, plant and equipment									
As at March 31, 2018	**757.06**	**-**	**965.58**	**7,509.13**	**20,808.51**	**220.70**	**19.45**	**45.70**	**30,326.13**
As at March 31, 2019	**701.04**	**32.45**	**896.96**	**6,214.98**	**7,173.52**	**449.74**	**16.75**	**32.60**	**15,518.04**
Capital work-in-progress									
As at March 31, 2018									**144.36**
As at March 31, 2019									**464.74**

Notes

(i) Depreciation for the year includes depreciation for discontinued operation of ₹ 1,147.72 (March 31, 2018: ₹ 1,188.19)

(ii) For property, plant and equipment pledged as security (refer note 19).

(iii) Contractual obligations: Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Leased assets (refer note 19 (a) (vi))

Office and other equipments includes the following amounts where the Group is a lessee under a finance lease:

	As at March 31, 2019	As at March 31, 2018
Office and other equipments		
Gross carrying amount	181.04	-
Accumulated depreciation	(8.80)	-
Net carrying amount	**172.24**	**-**

The lease term in respect of assets acquired under finance lease generally expire within two to five years.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

4. Investment property

	As at March 31, 2019	As at March 31, 2018
Investment property - land	1.23	1.23
Investment property - building	49.35	6.96
Total investment property	**50.58**	**8.19**
Gross carrying amount		
Opening balance	9.01	1.23
Transferred from property, plant and equipment (refer note 3)	51.20	7.78
Closing balance	**60.21**	**9.01**
Accumulated Depreciation		
Opening balance	0.82	-
Transferred from property, plant and equipment (refer note 3)	8.81	0.82
Closing balance	**9.63**	**0.82**

(i) Amount recognised in statement of profit and loss under the head "Other income"

	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income	11.37	7.53
	11.37	7.53

(ii) Leasing arrangements

The Group has given flat on operating lease. This lease arrangement is for a term of 3 years which is non-cancellable for a period of 2 years is tabulated as below.

	As at March 31, 2019	As at March 31, 2018
Within one year	1.40	2.33
Later than one year but not later than five years	-	1.40
	1.40	3.73

(iii) Fair Value

	As at March 31, 2019	As at March 31, 2018
Investment property - land	154.39	154.39
Investment property - building	188.74	86.74
	343.13	241.13

Estimation of fair value

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

Notes

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(All amounts in Rupees million, unless otherwise stated)

5. Other Intangible assets

Carrying amounts	Other Intangible assets (Software)
Year ended March 31, 2018	
Gross carrying amount	
Balance as at April 1, 2017	**173.68**
Additions	103.74
Disposals	22.56
Gross carrying amount as at March 31, 2018	**254.86**
Year ended March 31, 2019	
Gross carrying amount	
Additions	22.47
Disposals	0.14
Disposal groups classified as held for sale (refer note 53)	86.67
Gross carrying amount as at March 31, 2019	**190.52**

Accumulated amortisation	Other Intangible assets (Software)
Year ended March 31, 2018	
Balance as at April 1, 2017	**102.06**
Amortisation charge during the year (refer note (i) below)	56.45
Disposals	22.62
Accumulated amortisation as at March 31, 2018	**135.89**
Year ended March 31, 2019	
Amortisation charge during the year (refer note (i) below)	36.29
Disposals	0.12
Disposal groups classified as held for sale (refer note 53)	86.67
Accumulated amortisation as at March 31, 2019	**85.39**

Net carrying amount of Intangible assets	
As at March 31, 2018	**118.97**
As at March 31, 2019	**105.13**

Intangible assets under development	
As at March 31, 2018	**21.32**
As at March 31, 2019	**5.02**

Notes

(i) Amortisation for the year includes amortisation for discontinued operation of ₹ 0.70 (March 31, 2018: ₹ 23.30)

(ii) Contractual obligations:
Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

6. Investments accounted for using the equity method (refer note 44 (d))

	As at March 31, 2019	As at March 31, 2018
Unquoted		
Investments in equity instruments of joint ventures (fully paid up) (refer note 50 and 52)		
Welspun Wasco Coatings Private Limited	91.91	53.94
25,465,014 (March 31, 2018: 14,755,014) equity shares of ₹10 each		
Welspun Middle East Pipes Company LLC	503.90	1,090.17
38,031,042 (March 31, 2018: 38,031,042) equity shares of SAR 1 each		
Welspun Middle East Pipes Coatings Company LLC (refer note 20(b))	-	-
16,886,189 (March 31, 2018: 16,886,189) equity shares of SAR 1 each		
Total investments accounted for using the equity method	**595.81**	**1,144.11**

Note:

The shareholders' of Welspun Wasco Coatings Private Limited ("WWCPL") at its meeting held on March 19, 2019 approved partial conversion of unsecured shareholders' loans in to equity shares and accordingly, WWCPL allotted 10,710,000 fully paid-up equity shares of ₹ 10 each at par value aggregating to ₹ 107.10 on March 28, 2019. The part of unsecured shareholders' loan given by the Company to WWCPL which was converted in to equity shares i.e. ₹ 107.10 has been transferred to Equity investments in subsidiaries and joint venture with effect from March 28, 2019.

7. Investments

	As at March 31, 2019	As at March 31, 2018
7(a) Non -current investments		
Unquoted (Refer note 50)		
Investment carried at fair value through profit and loss (fully paid up)		
I. Investments in equity instruments of other entity		
Welspun Captive Power Generation Limited	462.19	150.90
5,833,500 (March 31, 2018: 5,833,500) equity shares of ₹ 10 each		
Total investments in equity instruments of other entity	**462.19**	**150.90**
III. Investments in preference shares of other entity		
Welspun Captive Power Generation Limited	194.52	194.52
19,443,186 (March 31, 2018: 19,443,186) 10% non-cumulative, redeemable preference shares of ₹ 10 each		
Total investments in preference shares of other entity	**194.52**	**194.52**
Quoted		
Investment carried at fair value through profit and loss (fully paid up)		
Investments in other entity		
Standard Chartered Bank PLC Indian Depository Receipt	16.16	19.91
334,331 (March 31, 2018: 334,331) Indian Depository Receipt of ₹ 100 each		
Total Investment in other entity	**16.16**	**19.91**
Total non-current investments	**672.87**	**365.33**
Aggregate amount of quoted investments and market value thereof	16.16	19.91
Aggregate amount of unquoted investments	656.71	345.42
7(b) Current investments		
Bonds	3,137.34	3,268.28
Mutual funds	349.98	98.47
Total current investments	**3,487.32**	**3,366.75**

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

Quoted

Investment carried at fair value through profit and loss

I. Investments in bonds

	Face Value in Rupees	As at March 31, 2019		As at March 31, 2018	
		Units	Amount	Units	Amount
11.15% Allahabad Bank Perpetual	1,000,000	-	-	160	171.20
0.00% Andhra Pradesh Expressway Limited 15/10/2025	1,000,000	56	111.64	56	104.32
10.99% Andhra Bank Perpetual	1,000,000	409	407.06	57	59.67
9.35% Avanse Financial Services Limited 27/12/2027	1,000,000	29	25.55	-	-
11.00% Bank of India Perpetual	1,000,000	-	-	2	2.05
9.51% Corporation Bank Perpetual	1,000,000	-	-	19	19.57
9.40% Dewan Housing Finance Corporation Limited 08/05/2026	1,000,000	189	158.12	-	-
10.75% Dewan Housing Finance Corporation Limited Perpetual	1,000,000	100	86.90	100	105.40
9.00% Dewan Housing Finance Corporation Limited 04/07/2028	1,000	9,000	7.53	-	-
9.00% Dewan Housing Finance Corporation Limited 04/07/2023	1,000	15,000	12.93	-	-
9.00% Dewan Housing Finance Corporation Limited 04/07/2025	1,000	33,000	28.14	-	-
8.07% Energy Efficiency Services Limited 20/09/2021	1,000,000	5	4.95	6	6.14
8.15% Energy Efficiency Services Limited 10/02/2021	1,000,000	18	17.90	-	-
10.25% ECL Finance Limited Perpetual	1,000,000	50	47.50	4	4.00
7.59% Government of India	100	-	-	500,000	49.85
10.45% Gujarat State Petroleum Corporation Limited 28/09/2072	1,000,000	101	108.83	298	334.15
9.80% Gujarat State Petroleum Corporation Limited	1,000,000	-	-	159	175.59
7.49% Gruh Finance Limited	500,000	-	-	14	7.13
8.65% IL&FS Finance Services Ltd.	1,000	-	-	600	0.60
9.40% IFCI Limited 13/02/2025	1,000	10,000	9.21	10,000	10.01
9.75% IFCI Limited 26/04/2028	1,000,000	206	185.73	64	66.64
9.90% IFCI Limited 05/11/2037	25,000	5,170	112.60	1,970	52.52
9.90% IFCI Limited 05/11/2032	25,000	14	0.31	14	0.40
8.45% Indiabulls Commercial Credit Limited 05/01/2028	100,000	600	54.85	-	-
9.50% IL&FS Energy Development Company Limited 14/05/2025	1,000,000	292	-	-	-
9.05% IL&FS 27/06/2023	1,000,000	400	-	-	-
9.20% IL&FS Transportation Network Limited	1,000,000	-	-	43	43.61
8.45% Jorabat Shillong Expressway Limited 31/01/2030	100,000	2,191	-	-	-
8.45% Jorabat Shillong Expressway Limited 28/02/2020	100,000	1,444	-	-	-
8.45% Jorabat Shillong Expressway Limited 01/03/2023	100,000	1,118	-	-	-
9.70% Jodhpur Vidyut Vitran Nigam Limited 30/03/2031	100,000	317	30.79	-	-
8.50% Mahindra Rural Housing Finance Limited 15/06/2027	1,000,000	3	2.82	-	-
8.91% Nagpur Seoni Expressway Limited 01/02/2027	100,000	120	11.92	-	-
9.00% PNB Housing Finance Ltd 30/08/2022	1,000,000	400	387.69	-	-
10.90% Punjab and Sind Bank	1,000,000	409	410.59	69	69.03
7.18% Power Finance Corporation Ltd.	1,000,000	-	-	147	148.45
7.99% Rural Electrification Corporation Limited 23/02/2023	1,000,000	20	19.89	-	-
7.70% Rural Electrification Corporation Limited 10/12/2027	1,000,000	387	366.14	-	-
8.30% REC Limited 25/03/2029	1,000,000	400	400.74	-	-
8.25% Reliance Capital Limited 14/04/2020	1,000,000	264	-	-	-

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(All amounts in Rupees million, unless otherwise stated)

	Face Value in Rupees	As at March 31, 2019		As at March 31, 2018	
		Units	Amount	Units	Amount
8.85% Reliance Capital Limited 02/11/2026	1,000,000	664	-	-	-
9.10% Reliance General Insurance Company Limited 17/08/2026	1,000,000	5	-	250	251.78
9.40% Reliance Home Finance Limited 03/06/2032	1,000	255,700	-	217,000	224.76
9.00% Shriram Transport Finance Company Limited 28/03/2028	1,000,000	102	91.55	-	-
8.20% Shriram Transport Finance Company Limited 15/10/2027	1,000,000	2	1.75	-	-
8.25% The Great Eastern Shipping Company Limited 25/05/2027	1,000,000	32	31.60	-	-
9.25% The Jammu & Kashmir Bank Ltd.	1,000,000	-	-	211	212.32
10.50% United Bank of India 27/09/2027	1,000,000	1	1.02	-	-
9.50% Union Bank of India Perpetual	1,000,000	-	-	77	80.10
8.97% U.P. Power Corporation Ltd. 14/02/2025	1,000,000	-	-	80	84.15
8.97% U.P. Power Corporation Ltd. 15/02/2022	1,000,000	-	-	23	23.77
8.97% U.P. Power Corporation Ltd. 15/02/2023	1,000,000	-	-	15	15.48
8.97% U.P. Power Corporation Ltd. 15/02/2024	1,000,000	-	-	25	26.01
8.48% U.P. Power Corporation Ltd. 15/03/2023	1,000,000	-	-	13	13.31
8.48% U.P. Power Corporation Ltd. 14/03/2025	1,000,000	-	-	6	6.16
8.48% U.P. Power Corporation Ltd. 13/03/2026	1,000,000	-	-	1	1.02
8.48% U.P. Power Corporation Ltd. 15/03/2027	1,000,000	-	-	5	5.15
7.50% Water & Sanitation Pooled Fund 09/09/2020	100,000	27	1.09	27	2.85
9.00% Yes Bank Perpetual Bonds	1,000,000	-	-	891	891.09
		338,245	**3,137.34**	**732,406**	**3,268.28**

Unquoted

Investment carried at fair value through profit and loss

II. Investments in mutual funds

	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Reliance Liquid Fund - TP - Growth	-	-	2,547	10.75
Invesco India Liquid Fund - Growth	-	-	19,815	47.24
Invesco Medium Term Bond Fund - Direct Plan Growth	-	-	11,712	21.31
Invesco India Ultra Short Term Fund - Growth	-	-	7,994	19.17
Reliance Liquid Fund - NL - Growth	5,000,000	55.48	-	-
SBI Liquid Fund - Overnight - Growth	55,006	170.10	-	-
SBI Overnight Fund Direct Growth	40,228	124.40	-	-
Total investments in mutual funds	**5,095,234**	**349.98**	**42,068**	**98.47**
Aggregate amount of quoted investments and market value thereof		3,137.34		3,268.28
Aggregate amount of unquoted investments		349.98		98.47
		3,487.32		3,366.75

8. Loans

	As at March 31, 2019	As at March 31, 2018
8(a) Non-current		
Unsecured, considered good		
Loans to joint ventures (refer note 50 and 52)	2,283.80	2,238.09
Total non-current loans	**2,283.80**	**2,238.09**
8(b) Current		
Unsecured, considered good		
Loans to employees	4.79	5.89
Total current loans	**4.79**	**5.89**
Total loans	**2,288.59**	**2,243.98**

Notes

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(All amounts in Rupees million, unless otherwise stated)

9. Other financial assets

	As at March 31, 2019	As at March 31, 2018
9(a) Non-current		
Security deposits		
Related parties (refer note 50)	157.66	22.67
Other parties	129.79	85.00
Term deposits with more than 12 months maturity		
Margin money deposits (refer note 15 (b))	21.49	25.40
Derivatives designated as hedges		
Interest rate swap	-	15.32
Derivatives not designated as hedges		
Coupon only swap	2.57	1.08
Total non-current other financial assets	**311.51**	**149.47**
9(b) Current		
Security deposits		
Related parties (refer note 50)	22.62	200.39
Other parties	149.55	5.48
	172.17	**205.87**
Interest accrued on		
Loans to joint ventures (refer note 50 and 52)	12.60	11.88
Current investments	167.41	108.76
Others	-	4.93
	180.01	**125.57**
Other receivables from		
Related parties (refer note 50 and 52)	435.76	12.86
Others	5.98	62.78
	441.74	**75.64**
Derivatives designated as hedges		
Forward contracts	139.97	12.10
Interest rate swap	8.00	6.10
Derivatives not designated as hedges		
Forward contracts	15.79	132.31
Option contracts	-	2.15
	163.76	**152.66**
Receivable towards claim	0.43	30.49
Total current other financial assets	**958.11**	**590.23**
Total other financial assets	**1,269.62**	**739.70**

10. Deferred tax assets (net) (refer note 38)

	As at March 31, 2019	As at March 31, 2018
The balance comprises temporary differences attributable to:		
Deferred tax asset		
Employee benefits obligations	2.20	1.72
Allowance for doubtful debts and advances	1.87	2.35
Property, plant and equipment	0.15	0.09
	4.22	**4.16**
Set-off of deferred tax liabilities pursuant to set-off provisions		
Deferred tax liabilities		
Cash flow hedging reserve	1.17	-
Fair valuation on investment	0.03	0.16
	1.20	**0.16**
Total deferred tax assets (net)	**3.02**	**4.00**

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

11. Other assets

	As at March 31, 2019	As at March 31, 2018
11(a) Non-current		
Capital advances		
Related parties (refer note 50)	-	595.87
Others	255.21	55.67
Less: Allowance for doubtful capital advances	(0.90)	(0.90)
	254.31	**650.64**
Balance with statutory authorities	407.44	734.27
Less: Allowance for doubtful balance with statutory authorities	(306.09)	(254.46)
	101.35	**479.81**
Advance to suppliers	40.19	59.78
Less: Allowance for doubtful balance with vendors	(8.85)	(8.93)
	31.34	**50.85**
Government grant receivable (refer note 63)	8.64	-
Prepaid expenses	32.54	3.30
Total other non-current assets	**428.18**	**1,184.60**
11(b) Current		
Balance with statutory authorities	420.76	1,505.89
Advance to suppliers	629.19	441.71
Less: Allowance for doubtful balance with vendors	(18.38)	-
	610.81	**441.71**
Advance to related parties (refer note 50)	11.65	-
Contract assets (refer note 13 (i), 54 (a) and (c))	287.56	58.01
Prepaid expenses	137.45	112.21
Advance to employees	2.52	2.81
Government grant receivable (refer note 63)	74.28	-
Export benefit receivable	227.40	388.37
Others	101.69	-
Total other current assets	**1,874.12**	**2,509.00**
Total other assets	**2,302.30**	**3,693.60**

12. Inventories (refer note below)

	As at March 31, 2019	As at March 31, 2018
Raw materials	7,037.72	3,462.13
Goods-in-transit for raw materials	9,105.80	3,998.88
Work-in-progress	318.86	862.62
Finished goods	4,357.46	4,802.64
Stores and spares	1,407.78	1,992.30
Total inventories	**22,227.62**	**15,118.57**

Inventory with a carrying amount of ₹ Nil (March 31, 2018: ₹ 4,554.63) have been pledged as security against certain bank borrowings of one subsidiary of the Company.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

13. Trade receivables (refer note below)

	As at March 31, 2019	As at March 31, 2018
Trade receivables from related parties (refer note 50)	27.04	22.17
Trade receivables from others	11,923.20	13,178.66
Allowance for doubtful debts (net)	(143.37)	(60.23)
Total trade receivables	**11,806.87**	**13,140.60**
Break up of security details		
Unsecured, considered good	11,806.87	13,140.60
Unsecured, credit impaired	143.37	60.23
Total	**11,950.24**	**13,200.83**
Allowance for doubtful debts (net)	(143.37)	(60.23)
Total trade receivables	**11,806.87**	**13,140.60**

Note:

(i) Trade receivables including contract assets (before intercompany eliminations) with a carrying amount of ₹ Nil (March 31, 2018: ₹ 13,013.00) have been pledged as security against working capital facilities of the Company and the subsidiary of the Company. As at March 31, 2019, there was no outstanding working capital loan.

14. Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.16	0.22
Balances with banks		
In current accounts	5,797.08	5,476.06
Deposits with Maturity of less than three months	50.01	50.01
Total cash and cash equivalents	**5,847.25**	**5,526.29**

15. Bank balances other than cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Unclaimed dividend (refer note (a) below)	2.67	2.96
Margin money deposits (refer note (b) below)	854.28	752.68
Total bank balances other than cash and cash equivalents	**856.95**	**755.64**

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end. This amount represents restricted cash.

(b) Fixed deposits of ₹ 875.77 (March 31, 2018: ₹ 778.08) represent earmarked balances with banks (refer note 9(a)).

16. Current tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Opening balance	204.95	1.43
Less: Current tax payable for the year	-	(63.43)
Less: Refund received during the year	(204.95)	-
Add: Refund receivable from net operating losses carryback	-	203.89
Add: Taxes paid (including tax deducted at source)	-	63.06
Closing balance	**-**	**204.95**

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(All amounts in Rupees million, unless otherwise stated)

17. (a) Assets or disposal groups classified as held for sale

	As at March 31, 2019	As at March 31, 2018
Disposal groups classified as held for sale (refer note 53)	14,496.52	-
Assets classified as held for sale*	2.08	6.00
Total assets or disposal groups classified as held for sale	**14,498.60**	**6.00**

*It includes office and other equipments which management intends to sell till May 2019.

Assets classified as held for as at March 31, 2018 represents plant and machinery which has been sold during the year.

(b) Liabilities directly associated with disposal groups classified as held for sale (refer note 53)

	As at March 31, 2019	As at March 31, 2018
Liabilities directly associated with disposal groups classified as held for sale	2,856.61	-
Total liabilities directly associated with disposal groups classified as held for sale	**2,856.61**	**-**

18. Equity share capital and other equity

18(a) Share capital

	Equity shares			Preference shares		
	Number of Shares	Par value	Amount	Number of Shares	Par value	Amount
Authorised share capital						
As at April 1, 2017	304,000,000	5	1,520.00	98,000,000	10	980.00
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2018	**304,000,000**	**5**	**1,520.00**	**98,000,000**	**10**	**980.00**
Increase/ (decrease) during the year	-		-	-		-
As at March 31, 2019	**304,000,000**	**5**	**1,520.00**	**98,000,000**	**10**	**980.00**

i) Movement in equity shares capital

	Number of shares	Amount
Issued, subscribed and paid up capital		
As at April 1, 2017	265,226,109	1,326.13
Increase/ (decrease) during the year	-	-
As at March 31, 2018	**265,226,109**	**1,326.13**
Increase/ (decrease) during the year	-	-
As at March 31, 2019	**265,226,109**	**1,326.13**

ii) Terms and rights attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

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

Preference shares

Preference shares does not carry any voting rights in the company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

Notes

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(All amounts in Rupees million, unless otherwise stated)

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

	No. of shares	% holding
As at March 31, 2019		
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	19,127,584	7.21%
As at March 31, 2018		
Equity shares held by		
Welspun Pipes Limited	110,449,818	41.64%
Granele Limited	19,127,584	7.21%
Insight Solutions Limited	23,026,000	8.68%
Life Insurance Corporation of India Limited	19,277,980	7.27%

iv) Aggregate number of shares issued for consideration other than cash

In FY 2014-15, the Company issued 227,781 equity shares of ₹ 5 each as sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (issue of sweat equity) Regulations, 2002.

Other equity

18(b) Reserves and surplus

		As at March 31, 2019	As at March 31, 2018
(i)	Capital reserve on consolidation	152.92	152.92
(ii)	Securities premium	7,769.82	7,769.82
(iii)	Debenture redemption reserve	505.84	505.84
(iv)	General reserve	353.59	353.59
(v)	Foreign currency monetary item translation difference account	(14.25)	(35.54)
(vi)	Equity settled share based payments	41.94	-
(vii)	Retained earnings	17,255.75	18,348.17
Total reserves and surplus		**26,065.61**	**27,094.80**

		As at March 31, 2019	As at March 31, 2018
(i)	**Capital reserve on consolidation**		
	Opening balance	152.92	152.92
	Movement during the year	-	-
	Closing balance	**152.92**	**152.92**
(ii)	**Securities premium**		
	Opening balance	7,769.82	7,769.82
	Movement during the year	-	-
	Closing balance	**7,769.82**	**7,769.82**
(iii)	**Debenture redemption reserve**		
	Opening balance	505.84	1,643.10
	Transfer to retained earnings	-	(1,137.26)
	Closing balance	**505.84**	**505.84**
(iv)	**General reserve**		
	Opening balance	353.59	227.69
	Appropriations during the year	-	125.90
	Closing balance	**353.59**	**353.59**
(v)	**Foreign currency monetary item translation difference account (refer note 47)**		
	Opening balance	(35.54)	(95.91)
	Additions during the year	(45.09)	(9.28)
	Amortisation during the year	66.38	69.65
	Closing balance	**(14.25)**	**(35.54)**

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annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
(v)	**Equity settled share based payments (refer note 58)**		
	Opening balance	-	-
	Employee share-based expense	41.94	-
	Closing balance	**41.94**	**-**
(vi)	**Retained earnings**		
	Opening balance	18,348.17	16,820.00
	Profit for the year	(132.58)	1,583.03
	Items of other comprehensive income recognised directly in retained earnings		
	Remeasurements of post employment benefit obligations, net of tax	4.07	(10.96)
	Share of OCI of joint ventures (excluding share of NCI ₹ 1.52 (March 31, 2018: Nil))	(13.61)	-
	Dividend on equity shares	(132.61)	(132.61)
	Dividend distribution tax	(27.26)	(27.00)
	Premium on redemption of NCI's share (refer note 61)	(790.43)	(895.65)
	Transfer from debenture redemption reserve	-	1,137.26
	Transfer to general reserve	-	(125.90)
	Closing balance	**17,255.75**	**18,348.17**

18(c) Other reserves

		As at March 31, 2019	As at March 31, 2018
(i)	Cash flow hedging reserve	89.90	11.21
(ii)	Foreign currency translation reserve	494.79	108.17
Total other reserves		**584.69**	**119.38**
(I)	**Cash flow hedging reserve**		
	Opening balance	11.21	135.11
	Amount recognised in cash flow hedging reserve during the year (net)	143.44	(122.99)
	Loss transferred to statement of profit and loss (net)	(22.56)	(66.41)
	Income tax on amount recognised in cash flow hedging reserve	(42.19)	65.50
	Closing balance	**89.90**	**11.21**
(ii)	**Foreign currency translation reserve**		
	Opening balance	108.17	115.51
	Movement during the year (net) (refer note 65)	386.62	(7.34)
	Closing balance	**494.79**	**108.17**

Nature and purpose of other equity

(i) Capital reserve on consolidation

Capital reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Securities premium

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

(iii) Debenture redemption reserve

The Companies Act, 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

(iv) General reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Group's securities. It was created by transfer of amounts out of distributable profits.

(v) Foreign currency monetary item translation difference account

Foreign exchange differences on long term foreign currency monetary items which relates to other than depreciable assets, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets / liabilities.

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(All amounts in Rupees million, unless otherwise stated)

(vi) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulating gain or loss arising on changes in the fair value of the designated portion of hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

(vii) Equity settled share based payments (refer note 58)

Share options outstanding account is used to recognise the grant date fair value of options issued to employees under "WELSOP" Employee stock option plan.

(viii) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

19. Borrowings

19(a) Non-current borrowings (refer note 19(b)(iii))

	As at March 31, 2019	As at March 31, 2018
Secured		
Measured at amortised cost		
Redeemable non-convertible debentures [refer note (i) below]	5,370.96	5,365.98
Non-convertible bonds - City of Little Rock, Arkansas, Series 2015 [refer note (ii) below]	138.99	149.17
External commercial borrowings [refer note (iii) below]	-	682.48
Term loan from a bank [refer note (iv) and (v) below]	5,133.45	6,519.66
Finance lease obligations [refer note (vi) below]	134.15	-
Total non-current borrowings	**10,777.55**	**12,717.29**

i) The debentures are secured by first charge ranking pari passu by way of mortgage of all movable and immovable property, plant and equipment situated at Anjar and Dahej plant locations of the Company.

No. of debentures	Facevalue (₹)	Redemption date	Rate of interest per annum	As at March 31, 2019	As at March 31, 2018
2,000 (March 31, 2018: 2,000)	1,000,000	August 2025	9.55%	2,000	2,000
900 (March 31, 2018: 900)	1,000,000	November 2022	11.00%	900	900
2,500 (March 31, 2018: 2500)	1,000,000	February 2024	8.90%	2,500	2,500
Total*				**5,400**	5,400

* the above is excluding effective interest rate resulting in decrease in borrowing by ₹ 29.04 (March 31, 2018: ₹ 34.02)

ii) Non-convertible bonds - City of Little Rock, Arkansas, Series 2015: Guaranteed by the Arkansas Development Finance Authority and the Arkansas Economic Development Commission are due through May 2021; payable monthly which carry interest at 3.50%, secured against property, plant and equipment of a subsidiary of the Company.

iii) External commercial borrowings (ECB) of USD 5.30 million (March 31, 2018: USD 24.60 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of all movable and immovable property, plant and equipment of the Company. The outstanding ECB carries interest rate of LIBOR plus 4.50%.

The ECB in INR Rupees is repayable as follows

Repayment schedule	As at March 31, 2019	As at March 31, 2018
October 2018	-	912.45
April 2019	-	345.43
October 2019	366.52	345.43
Total*	**366.52**	**1,603.31**

* the above is excluding impact of effective interest rate resulting in decrease in borrowing by ₹ 1.14 (March 31, 2018: ₹ 8.38).

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(All amounts in Rupees million, unless otherwise stated)

iv) Term loan

Term loan from bank ₹ 5,131.78 (March 31, 2018: ₹ 6,517.50) is secured against property, plant and equipment of a subsidiary of the Company. The loan carries interest @ three-month LIBOR + 325 basic point. The loan is repayable in 4 equal installments due every six months beginning August 31, 2020.

v) Vehicle term loan from bank ₹ 2.29 (March 31, 2018: ₹ 2.71) secured against vehicle of a subsidiary of the Company. The loan carries interest @ 4.50% per annum. The loan is repayable in equal monthly installments till September 25, 2022.

vi) Finance Lease Obligations

Obligations under finance lease are secured against property, plant and equipment of a subsidiary of the Company obtained under finance lease agreements. The subsidiary of the Company leases certain equipment under several finance lease agreements which have terms ranging from 24 to 60 monthly installments. Interest rates contained in the finance leases range from 3.77% to 5.91%.

In respect of finance lease obligations, future minimum lease payments and their present value are following:

	As at March 31, 2019		
	Gross Obligation	Present Value	Interest
Not later than one year	42.56	34.40	8.16
Later than one year but not later than five years	147.46	134.15	13.31

19(b) Current borrowings (refer note (iii) below)

	As at March 31, 2019	As at March 31, 2018
Secured		
Measured at amortised cost		
Loans repayable on demand		
Working capital loan from banks (refer notes (i) and (ii) below)	-	125.67
Unsecured		
Measured at amortised cost		
Commercial papers (refer note (ii) below)	1,750.00	-
Total current borrowings	**1,750.00**	**125.67**

(i) Nature of security for current borrowings

Secured by first charge ranking pari passu on hypothecation of raw materials, finished goods, work-in-progress, goods-in-transit, stores and spares and trade receivables of the Company and a subsidiary of the Company and second charge on entire immovable and movable property, plant and equipment of the Company, both present and future.

(ii) Terms of repayment and interest

(a) Working capital loan from banks includes cash credit which are repayable on demand.

(b) Commercial papers are repayable on April 18, 2019 - ₹ 750 and on May 20, 2019 - ₹ 1,000.

(iii) Net debt reconciliation

Repayment schedule	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	5,847.25	5,526.29
Current investments	3,487.32	3,366.75
Non-current borrowings*	(11,296.98)	(13,738.62)
Current borrowings	(1,750.00)	(125.67)
	(3,712.41)	**(4,971.25)**

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(All amounts in Rupees million, unless otherwise stated)

	Financial assets		Financial liabilities		Total [E] = [A]+[B]-[C]-[D]
	Cash and cash equivalents [A]	Current investments [B]	Non-current borrowings* [C]	Current borrowings [D]	
Net debts as at April 1, 2017	**1,479.53**	**5,068.65**	**(16,226.51)**	**(2,203.27)**	**(11,881.60)**
Interest accrued as at April 1, 2017			**(277.76)**	**-**	**(277.76)**
Cash flow (net)	4,046.76	(1,729.06)	2,590.05	2,077.60	6,985.35
Foreign exchange adjustments (net)	-	-	(4.53)	-	(4.53)
Interest expenses	-	-	(1,168.41)	(79.96)	(1,248.37)
Interest paid	-	-	1,291.97	79.96	1,371.93
Other non cash adjustments					
Fair value adjustment	-	27.16	-	-	27.16
Unrealised portion of foreign exchange adjustments (net)	-	-	(72.32)	-	(72.32)
Net debts as at March 31, 2018	**5,526.29**	**3,366.75**	**(13,738.62)**	**(125.67)**	**(4,971.25)**
Interest accrued as at March 31, 2018	**-**	**-**	**(128.89)**	**-**	**(128.89)**
Cash flow (net)	320.96	2,689.08	2,555.62	(1,624.33)	3,941.33
Foreign exchange adjustments (net)	-	-	(105.11)	-	(105.11)
Interest expenses	-	-	(1,021.02)	(118.52)	(1,139.54)
Interest paid	-	-	945.84	118.52	1,064.36
Other non cash adjustments					
Fair value adjustment	-	(2,568.51)	-	-	(2,568.51)
Unrealised portion of foreign exchange adjustments (net)	-	-	(21.09)	-	(21.09)
Net debts as at March 31, 2019	**5,847.25**	**3,487.32**	**(11,296.98)**	**(1,750.00)**	**(3,712.41)**
Interest accrued as at March 31, 2019		**-**	**(216.29)**	**-**	**(216.29)**

* Includes current maturities of long-term borrowings and finance lease obligations

20. Other financial liabilities

20(a) Non-current

	As at March 31, 2019	As at March 31, 2018
Deposits received		
Related parties (refer note 50)	0.68	-
Others	1.63	1.49
Total other non-current financial liabilities	**2.31**	**1.49**

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(All amounts in Rupees million, unless otherwise stated)

20(b) Current

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	485.03	1,021.33
Current maturities of finance lease obligations	34.40	-
Interest accrued but not due on borrowings	104.63	128.89
Interest accrued but not due on acceptances and others	148.92	108.29
Interest accrued and due on borrowings	111.66	-
Unclaimed dividend (refer note 15)	2.67	2.96
Trade deposits	11.55	14.79
Capital creditors	81.60	54.69
Liability towards claims	-	574.38
Derivatives not designated as hedges		
Forward contracts	469.76	180.97
Derivatives designated as hedges		
Forward contracts	9.87	16.30
Share of loss of joint venture (refer note 6, 44(d) and note 50)	524.23	334.08
Other payables	5.04	-
Total other current financial liabilities	**1,989.36**	**2,436.68**
Total other financial liabilities	**1,991.67**	**2,438.17**

21. Provisions

	As at March 31, 2019	As at March 31, 2018
21(a) Non-current		
Employee benefit obligations		
Gratuity (refer note 39)	96.77	78.23
Other provisions		
Provision for litigation / disputes (refer note 40)	231.13	263.00
Total non-current provisions	**327.90**	**341.23**
21(b) Current		
Employee benefit obligations		
Gratuity (refer note 39)	51.01	51.68
Leave obligations (refer note 39)	65.70	74.55
Other provisions		
Provision for claims	142.12	120.57
Total current provisions	**258.83**	**246.80**
Total provisions	**586.73**	**588.03**

Notes

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(All amounts in Rupees million, unless otherwise stated)

22. Deferred tax liabilities (net) (refer note 38)

The balance comprises temporary differences attributable to:

	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Property, plant and equipment	2,997.73	5,233.34
Foreign currency monetary item translation difference account	4.97	12.41
Fair valuation of investments	-	35.10
Effective rate of interest on borrowings	10.54	15.08
Cash flow hedging reserve	47.03	6.01
Undistributed profit of joint venture	-	27.55
Others	119.52	0.38
	3,179.79	**5,329.87**
Set-off of deferred tax assets pursuant to set-off provisions		
Deferred tax assets		
Employee benefit obligations	72.29	70.27
Allowance for doubtful debts and advances	326.36	284.93
Unabsorbed business losses	-	90.23
Fair valuation of investments	17.38	-
Government grants	576.95	1,437.22
Unrealised profit on stock reserve	0.20	9.00
Others	5.51	0.74
	998.69	**1,892.39**
Total deferred tax liabilities (net)	**2,181.10**	**3,437.48**

23. Government grants

	As at March 31, 2019	As at March 31, 2018
Opening balance	4,112.93	4,068.30
Grants during the year	93.06	958.78
Less: Recognised in the statement of profit and loss* (refer note 28)	2,683.39	914.15
Closing balance	**1,522.60**	**4,112.93**
Non Current	1,317.87	3,649.58
Current	204.73	463.35
Total government grants	**1,522.60**	**4,112.93**

*Recognised in the statement of profit and loss includes ₹ 2,450.70 (March 31, 2018: ₹ 138.72) for discontinued operation.

Note: The Company was entitled to VAT Incentive, on its investment in the eligible property plant and equipment, on fulfillment of the conditions stated in the scheme.

24. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Trade advances (refer note 54 (a) and (b))	13,925.93	841.76
Statutory dues including provident fund and tax deducted at source	281.37	261.08
Employee dues payable	220.16	165.44
Others (refer note 55)	204.39	-
Total other current liabilities	**14,631.85**	**1,268.28**

Notes

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25. Trade payables

	As at March 31, 2019	As at March 31, 2018
Current		
Trade payables dues of micro and small enterprises	6.81	10.95
Trade payables for acceptances	8,686.21	15,958.97
Trade payables to related parties (refer note 50)	5.29	69.18
Trade payables others	7,098.37	5,301.06
	15,789.87	**21,329.21**
Total trade payables	**15,796.68**	**21,340.16**

26. Current tax liabilities (net)

	As at March 31, 2019	As at March 31, 2018
Opening balance	1,798.73	803.90
Add: Current tax payable for the year* (refer note 37)	1,216.01	1,203.58
Add: Refund received	0.92	699.93
Add: Exchange difference	3.85	-
Less: MAT credit entitlement reversal (refer note 38)	-	(631.89)
Less: Taxes paid (including tax deducted at source)	(1,039.74)	(276.79)
Closing balance	**1,979.77**	**1,798.73**

* Current tax payable for the year includes ₹ Nil (March 31, 2018: ₹ 25.24) for discontinued operation.

27. Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers (refer note 54)		
Sale of products		
Finished goods	78,952.31	53,798.53
Traded goods	1,789.83	1,271.06
Sale of services	6,008.49	6,235.48
Total revenue from operations	**86,750.63**	**61,305.07**

Reconciliation of revenue recognised with contract price:

	Year ended March 31, 2019
Contract price	87,079.01
Adjustments for:	
Discount	(24.28)
Liquidated damage	(304.10)
Total revenue from operations	**86,750.63**

28. Other operating revenue/ income

	Year ended March 31, 2019	Year ended March 31, 2018
Government grants		
VAT income	232.69	775.43
Export benefits	412.84	618.05
Payroll incentive income (refer note 63)	247.51	73.52
Scrap sale	1,283.66	809.48
Insurance claim received	156.24	-
Standby charges received	155.23	-
Provision no longer required written back	204.12	-
Others	91.83	51.28
Total other operating revenue/ income	**2,784.12**	**2,327.76**

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(All amounts in Rupees million, unless otherwise stated)

29. Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
Loan to related party	127.86	118.22
Current investments	550.14	331.37
Fixed deposits	59.28	51.52
Income tax refund	3.04	289.48
Others	121.05	78.04
Dividend income on		
Non-current investments	0.34	-
Net gain on sale/ redemption of		
Non-current investments	125.96	-
Current investments	3.01	153.14
Other non-operating income		
Rental income (refer note 49 (ii))	26.26	22.47
Net exchange differences	263.61	-
Commission income	31.26	15.26
Fair value gain on investment (net) (refer note 60)	-	18.85
Realised gain on settlement of derivatives	4.94	8.98
Fair value gain on derivatives (net)	-	175.78
Provision for doubtful advances written back	1.18	15.38
Miscellaneous income	28.56	9.83
Total other income	**1,346.49**	**1,288.32**

30. Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials at the beginning of the year*	6,086.22	7,813.64
Add: Purchases	72,931.92	41,716.24
Less : Raw materials at the end of the year	16,143.52	6,086.23
Total cost of materials consumed	**62,874.62**	**43,443.65**

*Opening balance as at March 31, 2019 and March 31, 2018 of raw materials does not include ₹ 1,374.78 and ₹ 1,920.10, respectively for discontinued operations.

31. Purchase of stock-in-trade

	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock-in-trade	-	194.28
Total purchase of stock-in-trade	**-**	**194.28**

32. Changes in inventories of work-in progress and finished goods

	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance*		
Work-in-progress	453.67	371.99
Finished goods	4,115.58	4,556.24
Total opening balance	**4,569.25**	**4,928.23**
Closing balance		
Work-in-progress	318.86	453.67
Finished goods	4,357.46	4,115.58
Total closing balance	**4,676.32**	**4,569.25**
Total changes in inventories of work-in progress and finished goods	**(107.07)**	**358.98**

*Opening balance as at March 31, 2019 of work-in-progress and finished goods does not include ₹ 408.95 and ₹ 687.06 respectively for discontinued operation.

*Opening balance as at March 31, 2018 of work-in-progress and finished goods does not include ₹ 825.78 and ₹ 148.02 respectively for discontinued operation.

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(All amounts in Rupees million, unless otherwise stated)

33. Employee benefit expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	5,414.42	3,818.37
Contribution to provident and other funds (refer note below)	148.80	271.60
Employee share-based payment expenses (refer note 58)	41.94	-
Gratuity expense (refer note 39)	30.33	27.30
Staff welfare expenses	84.13	54.84
Total employee benefit expense	**5,719.62**	**4,172.11**

Note:

Defined contribution plans

i. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995

ii. Employees' State Insurance Act, 1948

iii. Superannuation fund

iv. Contribution to 401 (k) retirement savings plan

During the year, the Company has recognised the following amounts in the statement of profit and loss:

	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to Provident Fund	72.49	70.19
Employer's contribution to Employees State Insurance	0.84	0.84
Employer's contribution to Employees Pension Scheme	10.07	8.01
Employer's contribution to Superannuation Fund	5.23	4.85
Contribution to 401 (k) retirement savings plan	60.17	187.71
Total expenses recognised in the statement of profit and loss	**148.80**	**271.60**

34. Depreciation and amortisation expense (Refer notes 3 and 5)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	2,561.74	2,548.41
Amortisation of intangible assets	35.59	33.15
Total depreciation and amortisation expense	**2,597.33**	**2,581.56**

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

35. Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	1,886.24	1,278.71
Labour charges	906.84	513.59
Coating and other job charges	201.18	162.86
Power, fuel and water charges	1,132.81	913.26
Freight, material handling and transportation	5,866.21	4,609.55
Rental charges (refer note 49 (i))	309.26	213.94
Rates and taxes	110.49	93.81
Repairs and maintenance		
Plant and machinery	135.40	101.43
Buildings	25.96	16.71
Others	473.99	309.11
Travelling and conveyance expenses	247.24	219.85
Communication expenses	28.48	25.61
Legal and professional fees	370.66	270.84
Insurance	129.90	96.81
Directors' sitting fees	6.80	4.57
Printing and stationery	47.72	31.54
Security charges	31.61	35.41
Membership and subscription	33.65	33.00
Vehicle expenses	7.74	7.42
Net exchange differences	-	281.81
Payment to auditors	20.20	17.97
Product compensation and claims	-	0.76
Sales promotion expenses	18.15	15.06
Commission on sales to agents	209.24	92.55
Allowance for doubtful debts and advances to vendors (net)	101.52	6.55
Provision for litigation, disputes and other matters (Net)	3.46	-
Goodwill on consolidation written off (refer note 57)	4.68	-
Bad debts written off	-	2.23
Loss on disposal of property, plant and equipment (net)	18.50	4.29
Expenditure towards corporate social responsibility (refer note below and 50)	23.98	6.41
Fair valuation loss on investments (net) (refer note 60)	2,387.35	-
Fair value losses on derivatives not designated as hedges (net)	413.78	-
Miscellaneous expenses	163.70	122.63
Total other expenses	**15,316.74**	**9,488.28**

	Year ended March 31, 2019	Year ended March 31, 2018
Note:		
Corporate social responsibility expenditure		
Contribution to Welspun Foundation for Health & Knowledge	23.98	6.41
Total	**23.98**	**6.41**
Amount required to be spent as per Section 135 of the Companies Act, 2013		
Amount spent during the year on:		
Construction/ acquisition of an asset	-	-
On purposes other than above	23.98	6.41

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(All amounts in Rupees million, unless otherwise stated)

36. Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on financial liabilities not at fair value through profit and loss		
Term borrowings	414.95	330.24
External commercial borrowings	84.67	144.06
Redeemable non-convertible debentures	517.48	694.11
Current borrowings	118.52	78.11
Others	3.92	-
Interest on acceptances and charges on letter of credit	436.02	266.96
Unwinding of discount on liabilities	-	50.12
Others finance cost	198.15	137.93
Total finance cost	**1,773.71**	**1,701.53**

37. Income tax expense

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	1,216.01	1,050.14
	Total Current tax	**1,216.01**	**1,050.14**
	Continuing operations	1,216.01	1,024.90
	Discontinued operations	-	25.24
	Deferred tax (refer note 38)		
	Decrease in deferred tax assets (including tax credit)	894.08	395.87
	Decrease in deferred tax liabilities	(2,268.85)	(1,334.12)
	Total deferred tax (benefit)	**(1,374.77)**	**(938.25)**
	Continuing operations	6.54	(822.76)
	Discontinued operations	(1,381.31)	(115.49)
	Total income tax expense	**(158.76)**	**111.89**
(ii)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit before tax from continuing operations	1,820.97	1,958.90
	Loss before tax from discontinued operation	(2,196.24)	(316.92)
	(Loss)/ profit for the year	**(375.27)**	**1,641.98**
	Tax rate	34.944%	34.608%
	Tax at normal rate	**(131.13)**	**568.26**
	Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income		
	Dividend income	(0.12)	-
	Expense/ (income) on which no deferred tax was required to be recognised	919.83	(0.67)
	Eligible donation @ 50% allowed under section 80G of Income Tax Act, 1961	4.17	0.44
	Items subject to differential tax rate	(672.80)	(10.04)
	Share of loss of joint ventures accounted for using the equity method	309.36	297.33
	Change in tax rate (basis adjustment)	0.18	(666.92)
	Weighted deduction on eligible expenditure in Welspun Pipes Inc. (subsidiary)	-	(13.73)
	Tax on undistributed earning relating to investment in joint venture	(29.53)	(51.38)
	Differences in overseas tax rates	(558.72)	(26.52)
	Others	-	15.12
	Total Income tax expense	**(158.76)**	**111.89**

(iii) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters.

(iv) One of subsidiary of the Company is incorporated in Mauritius and under current laws and regulations it is liable to pay income tax on its net income at a rate of 15%. The subsidiary is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%.

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(All amounts in Rupees million, unless otherwise stated)

38. Movement in deferred tax liabilities and deferred tax assets (refer notes 10 and 22)

	Deferred tax liabilities									Deferred tax assets									
	Property, plant and equipment	Foreign currency monetary item translation difference account	Fair value of investments	Effective rate of interest on borrowings	Discounting of Liability	Cash flow hedging reserve	Undistributed profit/ (loss) of joint venture	Others	Total Deferred tax liabilities	Employee benefits obligations	Allowance for doubtful debts and advances	Unabsorbed business losses	Fair value of investments	Government grants	Unrealised Profit on Stock Reserve	Others	Total Deferred tax assets	Tax credit (minimum alternate tax)	Net Deferred tax liabilities
As at April 1, 2017	**6,375.03**	**33.18**	**24.09**	**23.43**	**17.26**	**51.98**	**74.12**	**124.43**	**6,723.52**	**67.67**	**232.65**	**274.88**	**-**	**1,407.96**	**230.03**	**73.34**	**2,286.53**	**631.89**	**3,805.10**
Charged/ (Credited)																			
to profit and loss	(1,143.01)	(20.77)	11.17	(8.35)	(17.26)	19.53	(51.38)	(124.05)	(1,334.12)	(1.48)	54.63	(184.65)	-	29.26	(221.03)	(72.60)	(395.87)	-	(938.25)
to other comprehensive income	-	-	-	-	-	(65.50)	-	-	(65.50)	5.80	-	-	-	-	-		5.80	-	(71.30)
Exchange difference	1.23	-	-	-	-	-	4.81	-	6.04	-	-	-	-	-	-	-	-	-	6.04
MAT credit entitlement reversal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(631.89)	631.89
As at March 31, 2018	**5,233.25**	**12.41**	**35.26**	**15.08**	**-**	**6.01**	**27.55**	**0.38**	**5,329.94**	**71.99**	**287.28**	**90.23**	**-**	**1,437.22**	**9.00**	**0.74**	**1,896.46**	**-**	**3,433.48**
Charged/ (Credited)																			
to profit and loss	(2,306.32)	(7.44)	(35.26)	(4.54)	-	-	(27.55)	112.26	(2,268.85)	4.73	40.95	(92.81)	17.35	(860.27)	(8.80)	4.77	(894.08)	-	(1,374.77)
to other comprehensive income	-	-	-	-	-	42.19	-	-	42.19	(2.23)	-	-	-	-	-	-	(2.23)	-	44.42
Exchange difference	70.65	-	-	-	-	-	-	6.88	77.53	-	-	2.58	-	-	-	-	2.58	-	74.95
MAT credit entitlement reversal																	-	-	-
As at March 31, 2019	**2,997.58**	**4.97**	**-**	**10.54**	**-**	**48.20**	**-**	**119.52**	**3,180.81**	**74.49**	**328.23**	**-**	**17.35**	**576.95**	**0.20**	**5.51**	**1,002.73**	**-**	**2,178.08**

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(All amounts in Rupees million, unless otherwise stated)

39. Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Group's liability for earned leave.

(ii) Post-employment obligations - gratuity

The Company and its subsidiary incorporated in India have a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company and its subsidiary incorporated in India makes contributions to recognised funds in India.

This defined benefit plans expose the Company and its subsidiary incorporated in India to actuarial risks, such as interest rate risk and market (investment) risk.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2017	**208.24**	**(123.59)**	**84.65**
Current service cost	23.29	-	23.29
Interest expense/ (income)	15.76	(9.35)	6.41
Total amount recognised in profit or loss*	**39.05**	**(9.35)**	**29.70**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	4.20	4.20
Experience losses	18.63	0.06	18.69
Gain from change in financial assumptions	(6.13)	-	(6.13)
Total amount recognised in other comprehensive income	**12.50**	**4.26**	**16.76**
Employer's Contribution	-	(1.20)	(1.20)
Benefit payments	(34.64)	34.64	-
March 31, 2018	**225.15**	**(95.24)**	**129.91**

	Present value of obligations	Fair value of plan assets	Net amount
April 1, 2018	**225.15**	**(95.24)**	**129.91**
Current service cost	23.03	-	23.03
Interest expense/ (income)	17.69	(7.49)	10.20
Total amount recognised in profit or loss*	**40.72**	**(7.49)**	**33.23**
Remeasurements			
Return on plan assets excluding amount included in interest income	-	2.31	2.31
Experience (gains)/ losses	(10.38)	0.01	(10.37)
Loss from change in financial assumptions	1.76	-	1.76
Total amount recognised in other comprehensive income	**(8.62)**	**2.32**	**(6.30)**
Employer's contribution	-	(0.39)	(0.39)
Benefit payments	(13.22)	13.22	-
March 31, 2019**	**244.03**	**(87.58)**	**156.45**

The net liabilities disclosed above relating to funded plans are as follows:

	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	244.03	225.15
Fair value of plan assets	(87.58)	(95.24)
Deficit of funded plan	156.45	129.91
Non-current (refer note 21(a))**	96.77	78.23
Current (refer note 21(b))**	59.68	51.68

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(iv) Significant actuarial assumptions are as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.68% - 7.79%	7.81% - 7.86%
Salary growth rate	6.00%	6.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation							
	Change in assumption (%)		Increase in assumption (₹)			Decrease in assumption (₹)		
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018
Discount rate	0.50% to 1.00%	0.50% to 1.00%	Decrease by	24.00	22.66	Increase by	28.02	22.66
Salary growth rate	0.50% to 1.00%	0.50% to 1.00%	Increase by	28.30	26.88	Decrease by	24.53	23.22

(vi) Risk exposure

Through its defined benefit plans, the Company and its subsidiary incorporated in India are exposed to a number of risks, the most significant of which is asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the Company and its subsidiary incorporated in India in Kotak Group Gratuity Fund wholly with Kotak Life Insurance and IndiaFirst Employee Benefit Plan wholly with IndiaFirst Life Insurance Company Ltd. The Company and its subsidiary incorporated in India intend to maintain this investment in the continuing years.

(vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ending March 31, 2020 is ₹ 59.68 (March 31, 2019: ₹ 52.64).

The weighted average duration of the defined benefit obligation is 10 years (2018 - 10 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019					
Defined benefit obligations- Gratuity	17.54	10.01	24.25	87.43	139.23
March 31, 2018					
Defined benefit obligations- Gratuity	16.28	5.35	36.37	123.27	181.27

*Gratuity expenses includes ₹ 2.90 (March 31, 2018 ₹ 2.40) for discontinued operation

**Provision for gratuity as at March 31, 2019 to the extent of ₹ 8.67 for discontinued operation is included in liabilities of disposal groups classified as held for sale.

40. Movements in provision for litigation/ disputes (refer note 21 (a))

Movements in each class of provisions during the financial year ended March 31, 2019 are set out below:

	As at March 31, 2019				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 1, 2018	**120.17**	**95.88**	**7.93**	**39.02**	**263.00**
Provided during the year	-	5.95	-	-	5.95
Provision reversed during the year	-	-	-	(37.82)	(37.82)
Closing balance as at March 31, 2019	**120.17**	**101.83**	**7.93**	**1.20**	**231.13**

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Movements in each class of provisions during the financial year ended March 31, 2018 are set out below:

	As at March 31, 2018				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening balance as at April 1, 2017	**136.22**	**83.18**	**7.93**	**39.02**	**266.35**
Provided during the year	-	13.08	-	-	13.08
Provision reversed during the year	(16.05)	(0.38)	-	-	(16.43)
Closing balance as at March 31, 2018	**120.17**	**95.88**	**7.93**	**39.02**	**263.00**

Note : There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow. Therefore, long term provisions are presented on non-discounted basis.

41. Fair value measurements

Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments				
Equity instruments	462.19	-	150.90	-
Preference shares	194.52	-	194.52	-
Bonds	3,137.34	-	3,268.28	-
Mutual funds	349.98	-	98.47	-
Others	16.16	-	19.91	-
Loans				
Loans to joint venture	-	2,283.80	-	2,238.09
Loans to employees	-	4.79	-	5.89
Trade Receivables	-	11,806.87	-	13,140.60
Cash and cash equivalents	-	5,847.25	-	5,526.29
Bank balances other than cash and cash equivalents	-	856.95	-	755.64
Other financial assets				
Security deposits	-	459.62	-	313.54
Term deposits with maturity more than 12 months	-	21.49	-	25.40
Derivatives designated as hedge				
Forward contracts	139.97	-	12.10	-
Interest rate swaps	8.00	-	21.42	-
Derivatives not designated as hedge				
Forward contracts	15.79	-	132.31	-
Coupon only swap and option contracts	2.57	-	3.23	-
Others	-	622.18	-	231.70
Total financial assets	**4,326.52**	**21,902.95**	**3,901.14**	**22,237.15**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	13,263.27	-	13,993.18
Trade payables	-	15,796.68	-	21,340.16
Other financial liabilities				
Deposits received	-	2.31	-	1.49
Derivatives designated as hedge				
Forward contracts	9.87	-	16.30	-
Derivatives not designated as hedge				
Forward contracts	469.76	-	180.97	-
Coupon only swap	-	-	-	-
Others	-	774.01	-	1,089.19
Total financial liabilities	**479.63**	**29,836.27**	**197.27**	**36,424.02**

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(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Equity instruments	-	-	462.19	462.19
Preference shares	-	-	194.52	194.52
Bonds	-	3,137.34	-	3,137.34
Mutual fund	-	349.98	-	349.98
Others	16.16	-	-	16.16
Derivatives designated as hedges				
Forward contracts	-	139.97	-	139.97
Interest rate swap	-	8.00	-	8.00
Derivatives not designated as hedges				
Forward contracts	-	15.79	-	15.79
Coupon only swap and option contracts	-	2.57	-	2.57
Total financial assets	**16.16**	**3,653.65**	**656.71**	**4,326.52**
Financial liabilities				
Derivatives designated as hedges				
Forward contracts	-	9.87	-	9.87
Derivatives designated not as hedges				
Forward contracts	-	469.76	-	469.76
Coupon only swap	-	-	-	-
Total financial liabilities	**-**	**479.63**	**-**	**479.63**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	2,283.80	2,283.80
Loans to employees	-	-	4.79	4.79
Other financial assets				
Security deposits	-	-	459.62	459.62
Term deposits with maturity more than 12 months	-	-	21.49	21.49
Others	-	-	622.18	622.18
Total financial assets	**-**	**-**	**3,391.88**	**3,391.88**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	13,263.27	13,263.27
Other financial liabilities				
Others	-	-	776.32	776.32
Total financial liabilities	**-**	**-**	**14,039.59**	**14,039.59**

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(All amounts in Rupees million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	150.90	150.90
Preference shares	-	-	194.52	194.52
Bonds	-	3,268.28	-	3,268.28
Mutual fund	-	98.47	-	98.47
Others	19.91	-	-	19.91
Derivatives designated as hedges				-
Forward contracts	-	12.10	-	12.10
Interest rate swap	-	21.42	-	21.42
Derivatives not designated as hedges				
Forward contracts	-	132.31	-	132.31
Coupon only swap	-	3.23	-	3.23
Total financial assets	**19.91**	**3,535.81**	**345.42**	**3,901.14**
Financial liabilities				
Derivatives designed as hedges				
Forward contracts	-	16.30	-	16.30
Derivatives not designated as hedges				
Forward contracts	-	180.97	-	180.97
Total financial liabilities	**-**	**197.27**	**-**	**197.27**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to joint venture	-	-	2,238.09	2,238.09
Loans to employees	-	-	5.89	5.89
Other financial assets				
Security deposits	-	-	313.54	313.54
Term deposits with maturity more than 12 months	-	-	25.40	25.40
Others	-	-	231.70	231.70
Total financial assets	**-**	**-**	**2,814.62**	**2,814.62**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	13,993.18	13,993.18
Other financial liabilities				
Others	-	-	1,090.68	1,090.68
Total financial liabilities	**-**	**-**	**15,083.86**	**15,083.86**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in Standard Chartered Bank PLC Indian Depository Receipt.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Group has derivatives which are designated as hedges and which are not designated as hedges, bonds and mutual funds for which all significant inputs required to fair value an instrument falls under level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and unlisted preference shares.

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(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Standard Chartered Bank PLC Indian Depository Receipt is valued using the closing price at National Stock Exchange (NSE) at the reporting period.
- the fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.
- the fair value of interest rate swaps, option contracts and coupon only swap is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the use of Net Assets Value ('NAV') for valuation of mutual fund investment. NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.
- the fair value of quoted bonds are derived based on the indicative quotes of price and yields prevailing in the market or latest available prices.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018:

	Unlisted equity shares	Unlisted preference shares	Total
As at April 1, 2017	**135.16**	**194.52**	**329.68**
Gain recognised in profit or loss*	15.74	-	15.74
As at March 31, 2018	**150.90**	**194.52**	**345.42**
Acquisition (refer note 50)	384.19	-	384.19
Disposal (refer note 50)	(383.77)	-	(383.77)
Gain recognised in profit or loss*	310.87	-	310.87
As at March 31, 2019	**462.19**	**194.52**	**656.71**
*Includes unrealised gain recognised in profit or loss related to assets held at the end of the reporting period			
Year ended March 31, 2019	**64.63**	**-**	**64.63**
Year ended March 31, 2018	**15.74**	**-**	**15.74**

(iv) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2019	As at March 31, 2018		As at March 31, 2019	As at March 31, 2018	
Unlisted equity shares	462.19	150.90	Risk adjusted discount rate	14.00%	10.62%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)
Unlisted preference shares	194.52	194.52	Risk adjusted discount rate	10.00%	10.00%	The estimated fair value would increase/ (decrease) if -Discount rate were lower/ (higher)

(v) Valuation processes:

The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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(vi) Fair value of Financial assets and liabilities measured at amortised cost

	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans				
Loans to joint venture	2,283.80	2,283.80	2,238.09	2,238.09
Loans to employees	4.79	4.79	5.89	5.89
Other financial assets				
Security deposits	459.62	459.62	313.54	313.54
Term deposits with maturity more than 12 months	21.49	21.49	25.40	25.40
Others	622.18	622.18	231.70	231.70
Total	**3,391.88**	**3,391.88**	**2,814.62**	**2,814.62**
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term debt)	13,263.27	13,263.27	13,993.18	13,993.18
Other financial liabilities				
Others	776.32	776.32	1,090.68	1,090.68
Total	**14,039.59**	**14,039.59**	**15,083.86**	**15,083.86**

a) The carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities are considered to be the same as their fair value, due to their short-term nature.

b) The fair values and carrying value of loans, term deposits with maturity period more than 12 months, security deposits, other financial assets, borrowings and other financial liabilities (other than those covered in above note (a)) are materially the same.

42. Financial risk management

The group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate risk	Borrowings	Sensitivity analysis	Interest rate swaps
Market risk – security prices risk	Investments in bonds and mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

(I) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

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The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition."

a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable (net of allowance) broken into ageing bucket is given below:

	0-120 Days	More than 120 Days	Total
March 31, 2019	**11,562.24**	**244.63**	**11,806.87**
March 31, 2018	**12,301.80**	**838.80**	**13,140.60**

b) Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, derivative financial instruments, investments in government securities and bonds and investments in mutual funds. The Group has diversified portfolio of investment with various number of counterparties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group.

(II) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities (comprising the undrawn borrowing facilities below), by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
Floating rate		
Expiring within one year	6,717.75	3,772.22
Total	**6,717.75**	**3,772.22**

b) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, and

Derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

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Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	2,906.80	10,921.67	724.45	876.71	15,429.63	13,263.27
Trade payables	15,796.68	-	-	-	15,796.68	15,796.68
Other financial liabilities	774.01	2.39	-	-	776.40	776.32
Total non-derivative liabilities	**19,477.49**	**10,924.06**	**724.45**	**876.71**	**32,002.71**	**29,836.27**
Derivatives						
Forward contracts	479.63	-	-	-	479.63	479.63
Total derivative liabilities	**479.63**	**-**	**-**	**-**	**479.63**	**479.63**

As at March 31, 2018

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	1,650.04	7,152.72	6,300.35	1,539.14	16,642.25	13,993.18
Trade payables	21,340.16	-	-	-	21,340.16	21,340.16
Other financial liabilities	1,088.98	1.70	-	-	1,090.68	1,090.68
Total non-derivative liabilities	**24,079.18**	**7,154.42**	**6,300.35**	**1,539.14**	**39,073.09**	**36,424.02**
Derivatives						
Forward contracts	197.27	-	-	-	197.27	197.27
Total derivative liabilities	**197.27**	**-**	**-**	**-**	**197.27**	**197.27**

(III) Market risk - foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy and procedures.

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(All amounts in Rupees million, unless otherwise stated)

a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2019			As at March 31, 2018		
	USD	EUR	Others	USD	EUR	Others
Financial Assets						
Trade receivables	3,511.94	-	47.63	644.61	2,057.15	-
Other financial assets	33.92	-	-	37.84	-	-
Derivatives not designated as hedges						
Forward contracts	(1,521.91)	-	-	-	(1,817.59)	-
Derivatives designated as hedges						
Forward contracts	(6,094.24)	-	-	(1,372.20)	-	-
Net exposure to foreign currency risk (assets)	**(4,070.29)**	**-**	**47.63**	**(689.75)**	**239.56**	**-**
Financial liabilities						
Borrowing	365.38	-	-	1,594.93	-	-
Trade payables	11,281.00	5.66	94.43	12,262.38	3,267.78	23.44
Other financial liabilities	208.47	-	-	804.66	3.91	-
Derivatives not designated as hedges						
Forward contracts	(9,863.78)	(1,529.07)	-	(10,531.18)	(3,916.79)	-
Option contracts	-	-	-	(654.15)	-	-
Derivatives designated as hedges						
Forward contracts	(1,575.98)	-	-	(1,681.21)	-	-
Net exposure to foreign currency risk (liabilities)	**415.09**	**(1,523.41)**	**94.43**	**1,795.43**	**(645.10)**	**23.44**
Total Net exposure to foreign currency risk	**32.88**	**1,523.41**	**(46.80)**	**(2,794.19)**	**884.66**	**(23.44)**
Net Derivatives designated as hedges	**(4,518.26)**	**-**	**-**	**309.01**	**-**	**-**

c) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Net impact on profit before tax		Net impact on other reserve	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD sensitivity				
INR/USD - Increase by 1% (March 31, 2018 - 1%)*	0.33	(27.94)	(45.18)	3.09
INR/USD - Decrease by 1% (March 31, 2018 - 1%)*	(0.33)	27.94	45.18	(3.09)
EURO sensitivity				
INR/EURO - Increase by 1% (March 31, 2018 - 1%)*	15.23	8.85	-	-
INR/EURO - Decrease by 1% (March 31, 2018 - 1%)*	(15.23)	(8.85)	-	-

* Holding all other variables constant

Note:- All figures in note 40 (III) (a), (b) and (c) covers both continuing and discontinued operations.

(IV) Interest rate risk

The Group had borrowed funds at both fixed and floating interest rates. The Group's interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were denominated in USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

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(All amounts in Rupees million, unless otherwise stated)

a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	7,548.15	5,722.42
Floating rate borrowings	5,498.83	8,141.87
Total borrowings	**13,046.98**	**13,864.29**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

	As at March 31, 2019	As at March 31, 2018
Floating rate borrowings	5,498.83	8,141.87
Interest rate swaps (notional principal amount)	(366.52)	(1,603.31)
Net exposure to cash flow interest rate risk	**5,132.31**	**6,538.56**

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit before tax		Net impact on other reserve	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate increase by 10 basis points (March 31, 2018 - 10 basis points)*	5.13	6.54	(0.01)	(0.02)
Interest rate decrease by 10 basis points (March 31, 2018 - 10 basis points)*	(5.13)	(6.54)	0.01	0.02

* Holding all other variables constant

(V) Investment risk

a) Exposure

The Group is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.

b) Sensitivity

The table below summarises the impact of increases/decreases of 1% increase in price of bonds and mutual funds.

	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
Increase in rate 1% (March 31, 2018 - 1%)	34.87	33.67
Decrease in rate 1% (March 31, 2019 - 1%)	(34.87)	(33.67)

(VI) Impact of hedging activities

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward contracts.

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a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	6,764.34	905.88	139.97	9.87	Apr 19 - Jan 20	1:1
Interest rate risk						
Interest rate swap	366.52	-	8.00	-	Oct 19	1:1

As at March 31, 2018

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge						
Foreign exchange risk						
Forward contract	1,880.08	1,173.33	12.10	16.30	Apr 18 - Mar 19	1:1
Interest rate risk						
Interest rate swap	1,603.31	-	21.42	-	Apr 18 - Oct 19	1:1

The Group uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy.

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness. Ineffectiveness is recognised on a cash flow hedge and net investment hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale and purchase transactions, hedges of interest rate risk and hedges of net investment this may arise if:

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument.

b) Movements in cash flow hedging reserve

Risk category	Foreign currency risk	Interest rate risk	Total
Derivative instruments	**Forward contracts**	**Interest rate swap**	
(i) Cash flow hedging reserve			
As at April 1, 2017	**120.52**	**14.59**	**135.11**
Gain recognised in cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	(129.06)	-	(129.06)
Changes in fair value of interest rate swaps	-	6.07	6.07
Gain/ (loss) transferred to statement of profit and loss	(59.46)	(6.95)	(66.41)
Income tax on amount recognised in hedging reserve	65.26	0.24	65.50
As at March 31, 2018	**(2.74)**	**13.95**	**11.21**
Gain/ (loss) recognised in cash flow hedging reserve during the year (net)			
Changes in fair value of forward contracts	143.54	-	143.54
Changes in fair value of interest rate swaps	-	(0.10)	(0.10)
Gain/ (loss) transferred to statement of profit and loss	(9.23)	(13.33)	(22.56)
Income tax on amount recognised in hedging reserve	(46.88)	4.69	(42.19)
As at March 31, 2019	**84.69**	**5.21**	**89.90**

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43. Capital management

(I) Risk management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio:

	As at March 31, 2019	As at March 31, 2018
Net debt (total borrowings net of cash and cash equivalents, other bank balances and current investments)	2,855.46	4,215.61
Total equity (including non-controlling interests)	27,925.77	29,106.43
Net debt equity ratio	**0.10**	**0.14**

Loan covenants

The Company has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and fixed assets coverage ratio attached to the borrowings.

(II) Dividend

	As at March 31, 2019	As at March 31, 2018
Equity Share		
Final dividend for the year ended March 31, 2018 of ₹ 0.50 (March 31, 2017 - ₹ 0.50) per fully paid shares	132.61	132.61
Dividend not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 0.50 per fully paid equity share (March 31, 2018 - ₹ 0.50). This proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting.	132.61	132.61

44. Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
		%	%	%	%	
Welspun Pipes Inc.	USA	100.00	94.79	-	5.21	Manufacturing of steel pipes
Welspun Tradings Limited	India	100.00	100.00	-	-	Trading in steel pipes
Welspun Mauritius Holdings Limited	Mauritius	89.98	89.98	10.02	10.02	Investment Holding Company

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary presented in their IndAS financial statement after alignment to Group's accounting policies that have non-controlling interests which are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

Summarised balance sheet	Welspun Mauritius Holdings Limited		Welspun Pipes Inc.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Assets	18.63	20.75	-	12,359.44
Current liabilities	0.84	978.41	-	3,590.08
Net current assets	**17.79**	**(957.66)**	**-**	**8,769.36**
Non-current Assets	2,135.79	2,731.78	-	8,577.79
Non-current Liabilities	2,659.29	1,528.61	-	7,851.10
Net non-current assets	**(523.50)**	**1,203.17**	**-**	**726.69**
Net assets	**(505.71)**	**245.51**	**-**	**9,496.05**
Accumulated NCI	(50.66)	**24.60**	-	**541.52**

	March 31, 2019	March 31, 2018
Accumulated NCI	**(50.66)**	**566.12**

Summarised statement of profit and loss	Welspun Mauritius Holdings Limited		Welspun Pipes Inc.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	-	-	48,432.13	33,443.80
Profit/ (loss) for the year	(751.90)	(725.11)	3,231.51	504.77
Total comprehensive income	**(751.90)**	**(725.11)**	**3,231.51**	**504.77**
Profit/ (loss) allocated to NCI	(75.33)	(72.64)	(8.60)	19.70
Dividends paid to NCI	-	-	-	-

	March 31, 2019	March 31, 2018
Profit allocated to NCI	**(83.93)**	**(52.94)**

Summarised cash flows	Welspun Mauritius Holdings Limited		Welspun Pipes Inc.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flows from operating activities	(4.78)	(3.12)	4,545.63	1,424.29
Cash flows from investing activities	-	-	(363.68)	43.99
Cash flows from financing activities	1.82	(1.21)	3,365.08	1,857.11
Net increase/ (decrease) in cash and cash equivalents	(2.96)	(4.33)	7,547.03	3,325.39

(c) Transactions with non-controlling interests (refer note 18 (b) (vii) and 61)

During the year 2018-19, the Group has bought back non-controlling interest share in Welspun Pipes Inc resulting in increase in stake from 94.79% to 100.00%. In year 2017-18, the Group bought back non-controlling interest share in Welspun Pipes Inc resulting in increase in stake from 90.01% to 94.79%.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

(d) Interest in joint ventures

Set out below are the joint ventures of the group as at March 31, 2019 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2019	March 31, 2018
Welpsun Wasco Coatings Private Limited	India	51%	Joint Venture	Equity	91.91	53.94
Welspun Middle East Pipes Company LLC	Kingdom of Saudi Arabia	50.01%	Joint Venture	Equity	503.90	1,090.17
Welspun Middle East Pipes Coatings Company LLC	Kingdom of Saudi Arabia	50.01%	Joint Venture	Equity	(524.23)	(334.08)
Total equity accounted investments					**71.58**	**810.03**

Summarised financial information for joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in their IndAS financial statements after alignment to Group's accounting policies of the relevant joint ventures and not Welspun Corp Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Summarised balance sheet	Welpsun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC		Welspun Middle East Pipes Coatings Company LLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets						
Cash and cash equivalents and other bank balances	102.38	348.00	1,221.56	1,028.89	4.59	32.03
Other assets	48.38	52.33	9,323.12	2,499.98	278.48	374.70
Total current assets	**150.76**	**400.33**	**10,544.68**	**3,528.87**	**283.07**	**406.73**
Total non-current assets	**630.35**	**686.59**	**4,736.41**	**4,459.13**	**1,621.64**	**1,680.32**
Current liabilities						
Financial liabilities (excluding trade payables)	23.87	208.11	4,797.15	479.83	733.78	562.87
Other liabilities	13.30	13.97	6,207.35	1,893.51	707.13	577.45
Total current liabilities	**37.17**	**222.08**	**11,004.50**	**2,373.34**	**1,440.91**	**1,140.32**
Non-current liabilities						
Financial liabilities (excluding trade payables)	494.54	684.54	2,644.49	3,561.90	1,471.55	1,586.52
Other liabilities	69.18	74.89	877.72	113.53	40.50	28.55
Total non-current liabilities	**563.72**	**759.43**	**3,522.21**	**3,675.43**	**1,512.05**	**1,615.07**
Net assets/ (liabilities)	**180.22**	**105.41**	**754.38**	**1,939.23**	**(1,048.25)**	**(668.34)**
Contingent liabilities	2.28	-	-	-	-	-

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

Reconciliation to carrying amounts

	Welpsun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC		Welspun Middle East Pipes Coatings Company LLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net assets/ (liabilities)	105.41	206.67	1,939.23	3,251.58	(668.34)	(331.79)
Investment during the year	210.00	-	-	-	-	-
Profit/ (loss) for the year	(135.25)	(100.88)	(1,293.88)	(1,317.99)	(338.12)	(330.83)
Other comprehensive income	0.06	(0.38)	(25.39)	3.83	(4.92)	(0.38)
Dividends paid	-	-	-	-	-	-
Exchange differences (net)	-	-	134.42	1.81	(36.87)	(5.34)
Closing net assets	**180.22**	**105.41**	**754.38**	**1,939.23**	**(1,048.25)**	**(668.34)**
Group's share in %	51.00%	51.00%	50.01%	50.01%	50.01%	50.01%
Group's share	91.91	53.94	377.26	969.81	(524.23)	(334.08)
Share of tax not applicable to the group as per applicable laws	-	-	126.64	120.36	-	-
Inter-company eliminations	-	-	-	-	-	-
Carrying amount	**91.91**	**53.94**	**503.90**	**1,090.17**	**(524.23)**	**(334.08)**
Share of contingent liabilities of the joint ventures	**1.16**	**-**	**-**	**-**	**-**	**-**

Excerpts of statement of profit and loss

	Welpsun Wasco Coatings Private Limited		Welspun Middle East Pipes Company LLC		Welspun Middle East Pipes Coatings Company LLC	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	42.26	1,314.11	13,204.06	4,736.85	886.59	593.53
Interest income	12.30	15.33	4.19	2.35	-	-
Depreciation and amortisation	50.84	50.93	487.82	448.54	157.61	146.48
Interest expense	53.42	50.98	185.90	197.43	77.34	71.32
Income tax expense	-	-	(56.90)	33.78	-	-
Profit/ (loss) from continuing operations	(135.25)	(100.88)	(1,293.88)	(1,317.99)	(338.12)	(330.83)
Profit from discontinued operations	-	-	-	-	-	-
Profit/ (loss) for the year	**(135.25)**	**(100.88)**	**(1,293.88)**	**(1,317.99)**	**(338.12)**	**(330.83)**
Other comprehensive income	0.06	(0.38)	(25.39)	3.83	(4.92)	(0.38)
Total comprehensive income	**(135.19)**	**(101.26)**	**(1,319.27)**	**(1,314.16)**	**(343.04)**	**(331.21)**
Dividends received	-	-	-	-	-	-

	March 31, 2019	March 31, 2018
Share of loss from joint ventures (including exchange differences)	(885.32)	(859.14)
Share of other comprehensive income from joint ventures	(15.13)	-
Total share of losses from joint ventures	**(900.45)**	**(859.14)**

45. Contingent liabilities

The Group had contingent liabilities as at the year end in respect of :

	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debts	117.20	119.82
Disputed direct taxes	2.33	92.88
Disputed indirect taxes	1,900.75	1,907.48

Refer note 44(d) for Group's share of contingent liabilities of its joint ventures.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

46. Capital and other commitments

i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances)		
Property, plant and equipment	364.65	136.56
Intangible assets under development	0.90	2.74

ii) Other commitments

	As at March 31, 2019	As at March 31, 2018
Corporate guarantees given by the group for loans to joint ventures and others. Loan/ liability outstanding against these guarantees aggregate to ₹ 4,851.92 (March 31, 2018: ₹ 1,311.84) (refer note 50)	8,503.42	2,964.25
Outstanding letters of credit (net)	3,955.49	9,076.28
Custom duty liabilities on duty free import of raw materials (export obligations)	109.38	207.54

iii) The Company has committed to provide continued need based financial support to its subsidiaries and joint ventures.

47. Exchange differences on long term foreign currency monetary items outstanding (refer note 3 and 18 (b) (v))

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset. In other cases, foreign exchange differences are accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of such long term assets/ liabilities.

Accordingly, the Company has adjusted exchange loss of ₹ 81.12 (March 31, 2018: loss of ₹ 3.25) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

Exchange loss of ₹ 45.09 (March 31, 2018: loss of ₹ 9.28) has been transferred to “Foreign Currency Monetary Item Translation Difference Account (FCMITDA)” to be amortised over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 66.38 (March 31, 2018: loss of ₹ 69.65) has been adjusted in the current year and balance loss of ₹ 14.25 (March 31, 2018: loss of ₹ 35.54) has been carried over and included in reserves and surplus.

48. Segment reporting

(i) Description of segments and principle activities

The Group’s chief operating decision maker consists of the managing director and chief executive officer of the Company who examines the Group’s performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing and sale of pipes.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

(iii) Revenue from major external customers is as follows:

For the year ended	Number of customers	Amount	% to revenue from operations
March 31, 2019	4	42,153.19	48.59%
March 31, 2018	4	23,991.98	39.14%

(iv) The Group is domiciled in India. The amount of its revenue recognised from sale of pipes at a point in time and other operating revenue from external customers broken down by location of the customers is shown in the table below:

Revenue and other operating revenue from external customers	Year ended March 31, 2019	Year ended March 31, 2018
Outside India	56,833.94	45,427.72
Within India	32,700.81	18,205.11
Total revenue from external customers	**89,534.75**	**63,632.83**

(v) The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

	Year ended March 31, 2019	Year ended March 31, 2018
Outside India	8,066.22	8,539.27
Within India	8,505.48	23,268.98
Total non-current assets	**16,571.69**	**31,808.25**

49. Operating lease

(i) As a lessee

The Company and subsidiaries of the Company have operating leases for premises and equipments. These lease arrangements range for a period within eleven months to ten years which includes cancellable and non-cancellable leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) Rent expense with respect to all operating leases

	Year ended March 31, 2019	Year ended March 31, 2018
Lease payments recognised in the statement of profit and loss during the year	309.26	213.94

b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows

	Year ended March 31, 2019	Year ended March 31, 2018
Not later than one year	70.71	61.29
Later than one year but not later than five years	48.25	120.17
Later than five years	-	7.15

(ii) As a lessor

The Company has entered into operating leases for land and premises. These lease arrangements are both cancellable and non-cancellable in nature and range for a period between three years to ten years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

a) Rental income with respect to all operating leases

	Year ended March 31, 2019	Year ended March 31, 2018
Rental income recognised in the statement of profit and loss during the year	26.26	22.47

b) With respect to non-cancellable operating leases, refer note 4 for the future minimum lease receivables.

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annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

50. Related party transactions

a) **Entities having significant influence**

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2019	As at March 31, 2018
Welspun Pipes Limited	Significant influence Hold 100% shares of Welspun Pipes Limited	41.64%	41.64%
Welspun Group Master Trust		-	-

b) **List of related parties:**

Name of Joint Venture	Effective proportion of ownership interest (%)	
	As at March 31, 2019	As at March 31, 2018
Welspun Wasco Coatings Private Limited	51.00%	51.00%
Welspun Middle East Pipes LLC	50.01%	50.01%
Welspun Middle East Pipes Coating LLC	50.01%	50.01%

c) **Key management personnel**

Name	Nature of relationship
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Director
Mr. Vipul Mathur	Managing Director & Chief Executive Officer (w.e.f December 1, 2017)
Mr. Lalitkumar Naik	Managing Director & Chief Executive Officer (w.e.f January 1, 2017 till November 30, 2017)
Mr. S. Krishnan	Executive Director & Chief Executive Officer of Plate & Coil Mill Division (w.e.f December 1, 2017) and Chief Financial Officer till (June 11, 2018)
Mr. Percy Birdy	Chief Financial Officer (w.e.f. June 11, 2018)
Mr. K.H.Viswanathan	Director
Mr. Rajkumar Jain	Director
Mr. Ram Gopal Sharma	Director (till September 5, 2018)
Mr. Mintoo Bhandari	Director (till August 1, 2018)
Mr. Utsav Baijal	Director
Mr. Atul Desai	Director
Mrs. Revathy Ashok	Director
Mr. Desh Raj Dogra	Director (w.e.f. February 10, 2017)
Mr. Kaushik Subramaniam	Director (w.e.f. August 21, 2018)
Mr. Dhruv Kaji	Director (w.e.f. September 5, 2018)
Mr. Pradeep Joshi	Company Secretary

d) **List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and entities which are members of same group with whom transaction have taken place during the year:**

Welspun India Limited	Welspun Enterprises Limited
Welspun Steel Limited	Welspun Anjar SEZ Limited
RMG Alloy Steel Limited	Welspun Multiventures LLP
Welspun Foundation for Health and Knowledge	Welspun Floorings Limited
Welspun Realty Private Limited	AYM Syntex Limited
Welspun Global Brands Limited	Adani Welpsun Exploration Limited
Welspun Captive Power Generation Limited	

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(All amounts in Rupees million, unless otherwise stated)

e) Disclosure in respect of significant transactions with related parties during the year:

		Transactions	
		Year ended March 31, 2019	Year ended March 31, 2018
1)	**Sale of product**		
	Welspun India Limited	130.96	24.83
	Welspun Steel Limited	184.64	28.04
	Welspun Captive Power Generation Limited	129.40	60.42
	Welspun Enterprises Limited	59.26	-
	Others	73.40	9.28
	Total sale of product	**577.66**	**122.57**
2)	**Other income**		
	Welspun Middle East Pipes Coating Company LLC	40.03	36.93
	Welspun Middle East Pipes Company LLC	79.95	59.43
	Welspun Wasco Coatings Private Limited	47.13	45.20
	Others	16.44	0.47
	Total other income	**183.53**	**142.03**
3)	**Purchase of property, plant and equipment**		
	Welspun India Limited	0.51	-
	Total of purchase of property, plant and equipment	**0.51**	**-**
4)	**Purchase of goods and expenses incurred**		
	Welspun Captive Power Generation Limited	344.76	592.41
	Welspun Realty Private Limited	57.98	57.60
	Welspun Steel Limited	25.62	0.21
	Welspun Wasco Coatings Private Limited	43.20	194.28
	Welspun India Limited	103.18	28.54
	Others	14.97	8.60
	Total purchase of goods and expenses incurred	**589.70**	**881.64**
5)	**Sale of property, plant and equipment**		
	Welspun Anjar SEZ Limited	-	35.31
	Total sale of property, plant and equipment	**-**	**35.31**
6)	**Corporate social responsibility expenses**		
	Welspun Foundation for Health and Knowledge	23.98	6.41
	Total corporate social responsibility expenses	**23.98**	**6.41**
7)	**Purchase of non-current investment**		
	Welspun Captive Power Generation Limited (Equity)	384.19	-
	Total purchase of non-current investment	**384.19**	**-**
8)	**Sale of non-current investment**		
	Welspun Captive Power Generation Limited (Equity)	383.77	-
	Total sale of non-current investment	**383.77**	**-**
9)	**Advance refunded**		
	Welspun Anjar SEZ Limited	200.00	-
	Total advance refunded	**200.00**	**-**
10)	**Reimbursement of expenses (paid)/ recovered**		
	Welspun Middle East Pipes Company LLC	6.39	0.57
	Welspun Wasco Coating Private Limited	24.97	38.34
	Welspun Captive Power Generation Limited	0.55	1.23
	Welspun India Limited	(1.74)	(14.71)
	Welspun Steel Limited	0.02	0.49
	Others	2.78	0.31
	Total reimbursement of expenses (paid) / recovered	**32.97**	**26.23**

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(All amounts in Rupees million, unless otherwise stated)

		Transactions	
		Year ended March 31, 2019	Year ended March 31, 2018
11)	**Loans, advances and deposits given**		
	Welspun USA Inc.	11.65	-
	Welspun Wasco Coating Private Limited	-	98.04
	Others	0.53	-
	Total loans, advances and deposits given	**12.18**	**98.04**
12)	**Refund of security deposit given**		
	Welspun Realty Private Limited	22.62	22.62
	Total refund of securiy deposit given	**22.62**	**22.62**
13)	**Addition of corporate guarantee**		
	Welspun Middle East Pipes Company LLC	5,532.40	-
	Welspun Wasco Coatings Private Limited	-	54.25
	Total addition of corporate guarantee	**5,532.40**	**54.25**
14)	**Release of corporate guarantee**		
	Welspun Wasco Coatings Private Limited	54.24	-
	Total release of corporate guarantee	**54.24**	**-**
15)	**Conversion of loan into equity shares**		
	Welspun Wasco Coatings Private Limited	107.10	-
	Total conversion of loan into equity shares	**107.10**	**-**
16)	**Key management personnel compensation**		
	Mr. Balkrishan Goenka		
	Short-term employee benefit	18.61	18.95
	Mr. Lalitkumar Naik		
	Short-term employee benefit	-	32.12
	Mr. S. Krishnan		
	Short-term employee benefit	34.85	28.49
	Mr. Vipul Mathur		
	Short-term employee benefit	45.48	14.65
	Mr. Percy Birdy		
	Short-term employee benefit	12.08	-
	Mr. Pradeep Joshi		
	Short-term employee benefit	4.35	4.00
	Total key management personnel compensation	**115.37**	**98.21**
17)	**Directors' sitting fees**		
	Mr. K.H.Viswanathan	1.44	0.95
	Mr. Rajkumar Jain	1.31	0.88
	Mr. Ram Gopal Sharma	0.32	0.66
	Mr. Mintoo Bhandari	0.05	0.34
	Mr. Utsav Baijal	0.31	-
	Mr. Atul Desai	0.55	0.21
	Mrs. Revathy Ashok	0.47	0.11
	Mr. Desh Raj Dogra	0.70	0.22
	Mr. Kaushik Subramaniam	0.25	-
	Mr. Dhruv Kaji	0.27	-
	Total directors' sitting fees	**5.67**	**3.37**

Note : Amount is inclusive of applicable taxes

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(All amounts in Rupees million, unless otherwise stated)

f) Disclosure of significant closing balances with related parties:

		As at March 31, 2019	As at March 31, 2018
1)	**Trade and other receivables**		
	Welspun Steel Limited	18.28	9.93
	Welspun Middle East Pipes Company LLC	28.68	3.07
	Welspun Middle East Pipes Coating Company LLC	12.42	9.85
	Welspun Global Brands Limited	-	9.27
	Welspun Anjar SEZ Limited	395.87	-
	Others	7.55	2.91
	Total trade and other receivables	**462.80**	**35.03**
2)	**Trade payables**		
	Welspun Captive Power Generation Limited	-	68.68
	Welspun Global Brands Limited	4.51	-
	Others	0.79	0.50
	Total trade payables	**5.29**	**69.18**
3)	**Loans, advances and deposits given (including accrued interest) (Loans and other financial assets)**		
	Welspun Middle East Pipes Company LLC	988.53	932.25
	Welspun Middle East Pipes Coating Company LLC	1,060.86	963.61
	Welpsun Wasco Coatings Private Limited	247.01	354.11
	Welspun Realty Private Limited	198.65	221.27
	Others	39.58	27.40
	Total loans, advances and deposits given	**2,534.63**	**2,498.64**
4)	**Capital advance given**		
	Welspun Anjar SEZ Limited	-	595.87
	Total capital advance given	**-**	**595.87**
5)	**Corporate guarantees given (to the extent of outstanding loan amount/ export obligation to custom authority) refer note 46 (ii)**		
	Welspun Middle East Pipe Company LLC	4,728.03	1,099.05
	Welspun Middle East Pipe Coating Company LLC	69.65	104.30
	Welpsun Wasco Coatings Private Limited	54.25	108.49
	Total corporate guarantees given	**4,851.92**	**1,311.84**
6)	**Employee dues payable (other current liabilities)**		
	Mr. Balkrishan Goenka	18.61	18.95
	Mr. Vipul Mathur	3.75	4.28
	Mr. S. Krishnan	1.88	2.97
	Total other current liabilities	**24.24**	**26.20**
7)	**Non-current investments**		
	Welspun Captive Power Generation Limited	656.71	345.42
	Welpsun Wasco Coatings Private Limited	91.91	53.94
	Welspun Middle East Pipe Company LLC	503.90	1,090.17
	Total non-current investments	**1,252.52**	**1,489.53**
8)	**Deposit received and share of loss (other financial liabilities)**		
	Welspun Middle East Pipe Coating Company LLC	524.23	334.08
	Others	0.68	-
	Total other financial liabilities	**524.91**	**334.08**

(g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

The above notes covers figure for both continuing and discontinued operations.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

51. Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets (%)	Amount	As % of consolidated profit or (loss) (%)	Amount	As % of consolidated other comprehensive income (%)	Amount	As % of consolidated total comprehensive income (%)	Amount
Parent								
Welspun Corp Limited								
March 31, 2019	58.62	16,370.09	1,280.34	(2,772.07)	17.91	81.63	(1,124.20)	(2,690.44)
March 31, 2018	65.82	19,157.17	82.23	1,258.18	67.33	(97.95)	83.79	1,160.23
Subsidiaries (group's share)								
Indian								
Welspun Tradings Limited								
March 31, 2019	3.08	860.33	(22.67)	49.08	0.25	1.15	20.99	50.23
March 31, 2018	2.78	810.10	7.76	118.69	25.31	(36.82)	5.91	81.87
Foreign								
Welspun Mauritius Holdings Limited								
March 31, 2019	(1.74)	(485.38)	(16.04)	34.73	(3.46)	(15.76)	7.93	18.97
March 31, 2018	(1.75)	(510.58)	2.04	31.20	6.11	(8.89)	1.61	22.31
Welspun Pipes Inc.								
March 31, 2019	42.13	11,766.15	(1,492.55)	3,231.51	79.40	361.93	1,501.52	3,593.44
March 31, 2018	32.63	9,496.05	32.99	504.77	1.25	(1.82)	36.32	502.95
Welspun Middle East DMCC (Investment through Welspun Tradings Limited)								
March 31, 2019	0.02	5.46	7.61	(16.47)	0.47	2.12	(6.00)	(14.35)
March 31, 2018	0.07	20.51	(1.24)	(18.94)	-	-	(1.37)	(18.94)
Non-controlling interests in all subsidiaries								
March 31, 2019	-	(50.66)	-	(83.93)	-	0.06	-	(83.87)
March 31, 2018	-	566.12	-	(52.94)	-	(3.28)	-	(56.22)
Joint ventures (Investment as per equity method)								
Indian								
Welspun Wasco Coatings Private Limited								
March 31, 2019	0.33	91.91	31.94	(69.16)	(0.01)	(0.03)	(28.91)	(69.19)
March 31, 2018	0.19	53.94	(3.36)	(51.46)	-	-	(3.72)	(51.46)
Foreign								
Welspun Middle East Pipes Company LLC (Investment through Welspun Mauritius Holdings Limited)								
March 31, 2019	1.80	503.90	298.86	(647.07)	2.79	12.70	(265.07)	(634.37)
March 31, 2018	3.75	1,090.17	(41.97)	(642.23)	-	-	(46.38)	(642.23)
Welspun Middle East Pipes Coating Company LLC (Investment through Welspun Mauritius Holdings Limited)								
March 31, 2019	(1.88)	(524.23)	78.10	(169.09)	0.54	2.46	(69.63)	(166.63)
March 31, 2018	(1.15)	(334.08)	(10.81)	(165.45)	-	-	(11.95)	(165.45)
Inter-company eliminations and consolidation adjustments								
March 31, 2019	(2.37)	(662.46)	(65.60)	142.03	2.11	9.63	63.37	151.66
March 31, 2018	(2.33)	(676.85)	32.37	495.33	-	-	35.77	495.33
Total								
March 31, 2019	**100.00**	**27,925.77**	**100.00**	**(216.51)**	**100.00**	**455.83**	**100.00**	**239.32**
March 31, 2018	**100.00**	**29,106.43**	**100.00**	**1,530.09**	**100.00**	**(145.48)**	**100.00**	**1,384.61**

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

52. Asssessment of impairment of carrying value of investments in joint ventures, recoverability of loans to joint ventures including interest accrued and recoverability of other receivables from joint ventures

(a) The Group has investments in equity shares of ₹ 503.90 and ₹ 91.91 in equity shares of Welspun Middle East Pipes LLC ("WMEP") and Welspun Wasco Coatings Private Limited ("WWCPL) ("investments in joint ventures") aggregating to ₹ 595.81 carried at cost, as at March 31, 2019.

(b) The Group has granted loans (including interest accrued) of ₹ 988.49, ₹ 247.01 and ₹ 1,060.90 to WMEP, WWCPL and Welspun Middle East Pipe Coatings LLC ("WMEPC"), respectively (together referred to as "joint ventures"), aggregating to ₹ 2,296.40 carried at amortised cost, as at March 31, 2019.

(c) The Group has other receivables of ₹ 22.05 and ₹ 12.42 from WMEP and WMEPC, respectively aggregating to ₹ 34.47 carried at cost, as at March 31, 2019.

WMEP is engaged in manufacturing and sales of spiral steel pipes and WMEPC is engaged in providing spiral pipes coating services. These joint ventures of subsidiary having operating facilities in Kingdom of Saudi Arabia.

WWCPL is engaged in providing coating services and other services having operating facilities in India.

The aggregate exposure of the Group in respect of (a), (b) and (c) above is ₹ 2,926.68.

Considering the financial position of WMEP, WMEPC and WWCPL, there are indicators of potential impairment of "investments in joint ventures" and non-recoverability of loans (including interest accrued) and other receivables as set out in (a), (b) and (c) above.

The Management has assessed the impairment of Group's "investments in joint ventures" by reviewing the business forecasts of WMEP, WMEPC and WWCPL, using discounted cash flow valuation model (the "model") and noted that no provision for impairment is required to be made in respect of these "investments in joint ventures" and, loans (including interest accrued) and other receivables are considered good.

Significant assumptions used in the model are discount rate and terminal growth rate.

53. Discontinoued operations

i) Description

On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which are reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group are presented as held for sale as at March 31, 2019. On the reclassification, these disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, the impairment loss of ₹ 3,373.08 in respect of disposal group has been recognised under the head " Profit/ (loss) before tax from discontinued operations" in statement of Profit and loss. The sale of PCMD and 43MW power plant is expected to be completed by December 31, 2019 and May 31, 2019, respectively. The balance sheet information for the prior year is neither restated nor remeasured to this effect.

ii) Financial performance and cash flow information

The financial performances and cashflow information presented for the year ended March 31, 2019 and March 31, 2018 respectively

	Year ended March 31, 2019	Year ended March 31, 2018
Total income	15,701.84	12,279.75
Total expenses (refer note iii below)	17,898.08	12,596.67
Loss before tax	**(2,196.24)**	**(316.92)**
Income tax expense	(1,381.31)	(90.25)
Loss after tax	**(814.93)**	**(226.67)**
Loss from discontinued operations	**(814.93)**	**(226.67)**
Net cash flow (used in)/ from operating activities	(677.51)	872.90
Net cash flow from/ (used in) investing activities	670.17	(151.56)
Net cash flow used in financing activities	-	(687.56)

iii) The total expenses (including provisons) includes impairment loss of ₹ 3,373.08 pertaining to disposal group.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

iv) Details of disposal groups classified as held for sale and liabilities directly associated with disposal groups classified as held for sale

	Year ended March 31, 2019
Disposal groups classified as held for sale	
Carrying amount of Property, plant and equipment (net)	8,948.87
Capital work-in-progress	1.47
Trade receivables	1,171.18
Other current assets	4,375.00
Total disposal groups classified as held for sale	**14,496.52**
Liabilities directly associated with disposal groups classified as held for sale	
Trade payables	2,771.27
Other current liabilities	85.34
Total Liabilities directly associated with disposal groups classified as held for sale	**2,856.61**

v) Government grants relates to the amount invested to set up the manufacturing units of disposal groups. These grants were included in the liabilities as 'government grants' and were credited to profit or loss in 'other operating revenue/ income' as 'VAT income' on a straight-line basis over the expected lives of the related assets of disposal groups. The deferred balance of ₹ 2,168.16 as at March 31, 2019 of the disposal group has been written back and is included under the 'Loss from discontinued operation'.

54. (a) Changes in accounting policies

This note explains the impact of the adoption of Ind AS 115 'Revenue from Contracts with Customers' on the group's financial statements.

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on the financial performance of the Group.

As a result of the changes in the entity's accounting policies, comparative information for prior period has neither been restated nor remeasured.

(b) Revenue recognised in relation to contract liabilities

Contract liabilities relating to sale of products as at March 31, 2019 aggregated to ₹ 13,925.93 has been included under 'Other current liabilities' as Trade advances. It shall be recognised as revenue in the subsequent reporting period.

(c) Contract assets

Contract assets relating to sale of products as at March 31, 2019 aggregated to ₹ 287.56 is included under 'Other current assets' as Contract assets.

55. The Company and its subsidiary incorporated in India has estimated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Accordingly, the Company and its subsidiary incorporated in India have made the provision of ₹ 204.39 which is disclosed under the head 'Other current liabilities'.

56. The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for effective the date of pronouncement of the Order.

57. On November 30, 2018, the Board of Directors of one of the subsidiary of the Company named Welspun Tradings Limited ("WTL") approved closure of business operation of its subsidiary i.e. Welspun Middle East DMCC ("WME DMCC") operating in the United Arab Emirates. WTL has taken necessary steps to voluntarily wind up business operations of WME DMCC. WME DMCC has no assets and liabilities at Group level and WTL has undertaken the responsibility to fulfil and settle any liability that may arise after closure of WME DMCC. Accordingly, goodwill on consolidation amounting to ₹ 4.68 is written off.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

58. Equity settled share based payments (ESOP) (refer note 18 (b) (vi) and 33)

Senior level management employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). In respect of options granted during the current year under the Welspun Employee Stock Options Scheme (WELSOP), the cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes Merton formula which is in accordance with Indian Accounting Standard 102 (Ind AS 102).

The cost of equity settled transactions is recognised, together with a corresponding increase in Equity settled share based payments reserves in other equity, over the period in which the service conditions are fulfilled. This expense is included under the head "Employee benefits expense" as "employee share-based payment expenses". The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Expense for the period of grant date to reporting date recognised of ₹ 41.94.

Natue and characteristics of ESOP plans existed during year as tabulated below

	Year ended March 31, 2019
Grant Date	August 16, 2018
Vesting requirement	3 years vesting (30%, 35%, 35%)
Maximum term of options	3 years from vesting Date
Method of settlement	Equity settled
Exercise Price	₹ 100.00
Share Price on Grant Date	₹ 126.10
Accounting method	Fair Value method

Options movement during year as tabulated below

	Year ended March 31, 2019
Outstanding at the April 1, 2018	-
Granted during the year	2,350,000
Forfeited during the year (Resigned employees)	-
Expired/ lapsed during the year	-
Exercised during the year	-
Outstanding as at March 31, 2019	**2,350,000**
Exercisable at the end of the year	-

Weighted-average exercise prices of options as tabulated below

	Year ended March 31, 2019
Outstanding at the April 1, 2018	NA
Granted during the year	₹ 100.00
Forfeited during the year (Resigned employees)	NA
Expired during the year	NA
Exercised during the year	NA
Outstanding as at March 31, 2019	**₹ 100.00**
Exercisable at the end of the year	₹ 100.00

Stock options outstanding at the end of period as tabulated below

	Year ended March 31, 2019
Exercise Price	
WELSOP Plan	₹ 100.00
Weighted average remaining contractual life (Years)	
WELSOP Plan	1.43

Black Scholes method is used for fair valuation of ESOP.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

The measure of volatility used in ESOP pricing model is the annualized standard deviation of the continuously compounded rates of return. Expected volatility for fair valuation is considered based on average of previous 6 years annualized volatility.

Fair value and underlying assumptions for stock options granted as tabulated below

	Year ended March 31, 2019
Grant date	August 16, 2018
Option price model	Black Scholes Method
Exercise Price	₹ 100
Share price on grant date	₹ 126.10
Expected volatility	0.50
Expected number of years to exercise shares	Immediately after vesting
Risk-free rate of return	7.49% to 7.85%
Dividend Yield	0.55%
Fair value of ESOP at grant date (vesting year 1), shares 705,000	₹ 41.53
Fair value of ESOP at grant date (vesting year 2), shares 822,500	₹ 52.34
Fair value of ESOP at grant date (vesting year 3), shares 822,500	₹ 60.66
Weighted average fair value of ESOP at grant date	₹ 52.01
Attrition rate per annum	NIL
Expected shares to vest ultimately	2,350,000

59. Earnings per share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Nominal value of an equity share	5.00	5.00
Profit after tax attributable to the equity holders of the Company from continuing operations	682.35	1,809.70
Profit after tax attributable to the equity holders of the Company from discontinuing operations	(814.93)	(226.67)
Profit after tax attributable to the equity holders of the Company	(132.58)	1,583.03
Basic earnings per share:		
Weighted average number of equity shares used as denominator for calculating basic EPS	265,226,109	265,226,109
Basic earnings per share (₹) from continuing operations	2.57	6.82
Basic earnings per share (₹) from discontinuing operations	(3.07)	(0.85)
Basic earnings per share (₹) from total continuing operations	(0.50)	5.97
Diluted earnings per share:		
Weighted average number of equity shares used as denominator for calculating diluted EPS	265,507,019	265,226,109
Diluted earnings per share (₹) from continuing operations	2.57	6.82
Diluted earnings per share (₹) from discontinuing operations	(3.07)	(0.85)
Diluted earnings per share (₹) from total continuing operations	(0.50)	5.97
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of equity shares used as denominator for calculating basic EPS	265,226,109	265,226,109
Total weighted average potential equity shares	280,910	-
Weighted average number of equity shares used as denominator for calculating diluted EPS	265,507,019	265,226,109

60. Fair valuation loss/ gain on investments (net)

(i) Fair valuation loss on investments (net) under the head "Other expenses" includes fair value loss (net) on current investments in bonds aggregating to ₹ 2,574.16 for the year ended March 31, 2019.

(ii) Fair valuation gain on investments (net) under the head "Other income" includes fair value gain (net) on current investments in bonds aggregating to ₹ 0.89 for the year ended March 31, 2018.

Notes

annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2019 and the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees million, unless otherwise stated)

61. Convertible preferred stock (refer note 18(b) (vii))

On December 18, 2013, the Group issued 95 shares of Series A Convertible Preferred Stock for USD 17,322,877.

On December 22, 2016, the Company issued a Call Option Tranche 1 letter requiring the holders to sell the 48 Series A Convertible Preferred Stock held by the holders to sell to the Group, 48 Series A Convertible Preferred Stock held by the holders ("Call Shares Tranche 1"), on or prior to May 5, 2017 ("Call Option Tranche Date 1") at an aggregate price of USD 21,240,000 including call option premium ("Call Option Tranche 1 Price"). The Call Option Tranche 1 was exercised and paid by the Company on May 12, 2017. The payment consisted of USD 21,240,000 Call Option Tranche 1 Price, plus a mutually agreed upon additional premium of USD 667,000 for an extension of time from the original execution date of May 5, 2017 to May 12, 2017 aggregating to USD 21,907,000 (₹ 1,408.70).

On December 22, 2016, the Company issued a Call Option Tranche 2 letter requiring the holders to sell the 47 Series A Convertible Preferred Stock held by the holders ("Call Shares Tranche 2"), on or prior to May 5, 2018 ("Call Option Tranche Date 1") at an aggregate price of USD 20,000,000 (₹ 1,323.34) including call option premium ("Call Option Tranche 2 Price"). The Call Option Tranche 2 was exercised and paid by the Company on May 4, 2018.

62. The Company has proposed for buyback of its own fully paid up equity shares of ₹ 5 each subject to a maximum price of ₹ 140 per equity share payable in cash for a maximum aggregate amount not exceeding ₹ 3,900 on proportionate basis by way of a tender offer in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy-Back of Securities) Regulations, 2018. The total number of equity shares to be bought back hence would be 27,857,142 (representing 10.50% of the total paid up equity share capital of the Company) or such other number depending upon the final Buyback Price and Buyback size fixed by the Buyback Committee. The buyback is subject to statutory approvals.

63. Government grant receivable (refer note 11)

A subsidiary of the Company named Welspun Pipes, Inc. ("WPI") currently has a financial incentive agreement in place with the Arkansas Economic Development Commission ("AEDC"). The agreement is a ten year agreement dated January 5, 2012 which was initiated in conjunction with WPI's expansion and building of their small diameter pipe manufacturing plant. The AEDC provides WPI with a cash incentive based on the amount of new full-time permanent employees. The grant is specifically for capital expansion. During the year ended March 31, 2019, ₹ 247.51 (March 31, 2018: ₹ 73.52) has been recognised as income under the head "Other operating revenue/income". As at March 31, 2019, ₹ 82.92 (March 31, 2018: Nil) is receivable and included under the head "Other assets", ₹ 74.28 (March 31, 2018: Nil) in "Other non - current assets" and ₹ 8.64 (March 31, 2018: Nil) in "Other current assets" as "Government grant receivable". These benefits are expected to be received within the next fiscal year.

64. Specified bank notes

The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and its subsidiary incorporated in India, for the year ended March 31, 2019 and March 31, 2018.

65. Foreign currency translation reserve

	Year ended March 31, 2019	Year ended March 31, 2018
Exchange differences on translation of foreign operations	388.20	(10.62)
Attributable to:		
Owners of Welspun Corp Limited	386.62	(7.34)
Non-controlling interests	1.58	(3.28)

66. The figures for the previous year have been regrouped wherever necessary.

As per our report of even date

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: May 15, 2019

For and on behalf of Board

Vipul Mathur
Managing Director and
Chief Executive Officer
DIN - 07990476

S. Krishnan
Executive Director and
CEO (PCMD)
DIN:06829167

Percy Birdy
Chief Financial Officer

Pradeep Joshi
Company Secretary
FCS-4959

Corporate Information

Company Identification Number:
L27100GJ1995PLC025609

Date of Incorporation: April 26, 1995

Date of Being Listed on Stock Exchange:

BSE: March 27, 1997

NSE: December 4, 2003

Type of Business: Manufacturing of Steel Pipes, Plates, Coils and Coating

Registered Capital: ₹ 2,500.50 million

Paid-up Capital: ₹ 1,326.13 million divided into 265,226,109 equity shares of ₹ 5/- each fully paid-up

Par Value/Share: ₹ 5/- each

Securities Registrar & Transfer Agent:
Link Intime India Private Ltd.
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083

Registered Office
"Welspun City"
Village Versamedi, Tal. Anjar,
Dist. Kutch, Gujarat - 370 110, India
Tel: +91 - 2836 - 662079
Fax: +91 - 2836 - 279060

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

Manufacturing Units of the Company
- Village Jolva & Vadadla, Near Dahej, Taluka Vagra, Dist. Bharuch, Gujarat - 392 130 (Pipes & Coating)
- Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370 110 (Pipes, Plates & Coils)
- KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist. Mandya, Karnataka - 571 428 (Pipes)
- Survey No. 228-229, Village Jamunia & Khejda, Dist. Raisen, Madhya Pradesh - 464 551 (Pipes)

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

Stock Exchanges where the Company's Securities are listed
BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001

The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 001

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

Mr. Vipul Mathur - Managing Director & CEO

Mr. S. Krishnan - Executive Director & CEO (PCMD)

Mr. Atul Desai - Independent Director

Mr. Deshraj Dogra - Independent Director

Mr. Dhruv Kaji - Independent Director

Mr. Kaushik Subramaniam -
Nominee Director of Insight Solutions Ltd.

Mr. K. H. Viswanathan - Independent Director

Mr. Rajesh R. Mandawewala - Director

Mr. Raj Kumar Jain - Independent Director

Mrs. Revathy Ashok - Independent Director

Mr. Utsav Baijal -
Nominee Director of Insight Solutions Ltd.

Chief Financial Officer
Mr. Percy Birdy

Company Secretary
Mr. Pradeep Joshi

Auditors
Price Waterhouse Chartered Accountants LLP

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

Mr. Vipul Mathur - Managing Director & CEO

Mr. Akhil Jindal - Group CFO & Head Strategy

Mr. Godfrey John BU Head, India & APAC, EMENA

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

Bankers
Andhra Bank
Bank of Baroda
Union Bank of India
Canara Bank
ICICI Bank
IDBI Bank
Oriental Bank of Commerce
Punjab National Bank
Standard Chartered Bank
State Bank of India
Export-Import Bank of India
IDFC First Bank Ltd
Bank of India

WELSPUN CORP
Pipes and Plates

Welspun Corp Limited

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Mumbai 400 013, India
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www.welspuncorp.com

Member of Welspun Group
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/company/welspun-group

WELSPUN GROUP
Leading Tomorrow Together

- HOME TEXTILES
- PIPES AND PLATES
- INFRASTRUCTURE AND ENERGY

WELSPUN CORP LIMITED

CIN:L27100GJ1995PLC025609
Registered Office: Welspun City, Village Versarnedi, Taluka Anjar, District Kutch. Gujarat 370 110, India.
Corporate Office: Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India.
Tel.: +91 22 6613 6000; Fax:+91 22 2490 8020
E-mail: companysecretary_wcl@welspun.com
Website: www.welspuncorp.com

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of Welspun Corp Limited will be held on **Monday, August 12, 2019** at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka- Anjar, Dist. Kutch, Gujarat – 370 110 at **2:30 p.m.** to transact the following businesses:

ORDINARY BUSINESS:

1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon.

2) Declaration of Dividend on Equity Shares

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

4) To appoint a director in place of **Mr. Utsav Baijal** (DIN: 02592194), who retires by rotation, and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT subject to the provisions of Section 139, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013, **M/s. Price Waterhouse Chartered Accountants LLP**, Chartered Accountant (Firm Registration Number with the Institute of Chartered Accountants of India - 012754N/N500016), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the 29th Annual General Meeting at a remuneration of Rs. 13.35 million p.a. plus travelling and out-of-pocket expenses."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to Article 241 (5) of the Articles of Association **Mr. Kaushik Subramaniam** (holding DIN 0008190548), for whose appointment notice under Section 161 of the Companies Act, 2013 has been received from a shareholder of the Company, be and is hereby appointed as a Director of the Company (a nominee of the Investor), not liable to retire by rotation."

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

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

   "**RESOLVED THAT Mr. Dhruv Subodh Kaji**, (DIN: 00192559) who was appointed as an additional director of the Company with effect from September 5, 2018, pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as an independent non-executive director to hold the office till September 4, 2023, not liable to retire by rotation."

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient for the purpose of giving effect to this Resolution."

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

"**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies remuneration of Rs. 7.00 lac (Rupees Seven Lac Only) per annum and such travelling and out-of-pocket expenses as may be approved by the Board to **M/s. Kiran J. Mehta & Co., Cost Accountants** for conducting audit of cost accounting records maintained by the Company for the financial year commencing on April 1, 2019.

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

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

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

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

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

"**RESOLVED THAT** pursuant to Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Regulation 17(6)(ca) of SEBI (LODR) Regulations, 2015 and subject to all permissions, sanctions and approvals as may be required, approval of the members of the Company be and is hereby accorded for the payment of remuneration by way of commission @1% of the net profits of the Company as computed under Section 198 of the Companies Act, 2013 for the financial year 2019-20 to Mr. Balkrishan Goenka, Non-Executive Chairman.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/ or Nomination and Remuneration Committee constituted by the Board be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board
Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 15, 2019

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

Item No. 3 - Re-appointment of Mr. Rajesh Mandawewala.

Mr. Rajesh R. Mandawewala aged 57 years is a key business leader at the Welspun Group and has enabled the organization's expansion and global reach. A Chartered Accountant by profession, Mr. Mandawewala has a rich experience of over 30 years in industries varying from textiles to SAW pipes. He strongly believes in driving innovation through continuous research and product developments, catering to the current and future needs of customers.

Details of directorship /membership of the Committees of the Board of other bodies corporate

He is also a director in following bodies corporate – Welspun India Limited, AYM Syntex Limited (Formerly known as Welspun Syntex Limited), Welspun Corp Limited, Welspun Enterprises Limited, Welspun Global Brands Limited, Welspun Steel Limited, Mandawewala Enterprises Limited (Formerly known as Welspun Marine Logistics (Raigad) Limited), Welspun Advanced Materials Limited, Angel Power and Steel Private Limited, Rank Marketing LLP, Connective Infrastructure Private Limited, RRM Reality Trader Private Limited, Welspun Holdings Private Limited, Cyprus..

He is a member / chairman in the following Committees:

Company Name	Chairmanship / Membership	Committee Type
Welspun Corp Limited	Member	Corporate Social Responsibility Committee, Finance and Administration Committee, International Trade Practices & Governance Committee, Budget Committee, Share Transfer & Investor Grievance & Stakeholders
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Member	Corporate Social Responsibility Committee, Share Transfer & Investor Grievance & Stakeholders, Nomination & Remuneration Committee
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Chairman	Finance and Administration Committee
Welspun India Limited	Member	Finance and Administration Committee, Corporate Social Responsibility Committee, Share Transfer & Investor Grievance & Stakeholders, Audit Committee
Welspun Steel Limited	Member	Corporate Social Responsibility
Welspun Steel Limited	Chairman	Nomination and Remuneration Committee,
Welspun Enterprises Limited	Member	Corporate Social Responsibility Committee, F&A Committee, International Trade Practices & Governance Committee, Budget Committee, Audit Committee
Welspun Global Brands Limited	Member	Finance and Administration Committee, Corporate Social Responsibility Committee

He is holding 200 equity shares in the Company.

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

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

Item No. 4 - Re-appointment of Mr. Utsav Baijal.

Mr. Baijal, born in 1976 is a nominee director of Insight Solutions Limited. Mr. Baijal is a Principal at Apollo, having joined the firm in 2008. Mr. Baijal joined Apollo in its New York office and worked actively on distressed investments before moving to India in 2009. Prior to Apollo, Mr. Baijal was with the private equity group at Bain Capital in Boston. Mr. Baijal spent five years as a consultant with McKinsey & Company and was the founding member of that firm's corporate finance practice in India. He worked extensively on corporate M&A assignments in India, Hong Kong and China. Mr. Baijal graduated summa cum laude from St. Stephen's College/University of Delhi with a BA in Economics. He also completed his MBA from Indian Institute of Management, Ahmedabad, where he was an Industry Scholar.

Details of directorship /membership of the Committees of the Board of other companies are – He is also a director in AGM India Advisors Private Limited, Welspun Corp Limited, Incred Applications Private Limited, LM Media Services Private Limited, AION Alternative Investments Manager Private Limited, Apollo India Services LLP, Social Entrepreneurs Foundation India, IGT Solutions Private Limited, Arcion Revitalization Private Limited.

He is a member / chairman in the following Committees: Welspun Corp Limited: Nomination and Remuneration Committee, Audit Committee, International Trade Practices & Governance Committee, Budget Committee, Share Transfer & Investor Grievance & Stakeholders, Risk Management Committee.

He does not hold any equity share in the Company.

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

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

Item No. 5 – Re-appointment of Statutory Auditors

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant, Chartered Accountants (Firm Registration Number with the Institute of Chartered Accountants of India - 012754N/N500016), will hold office until the conclusion of the ensuing Annual General Meeting. The Board of Directors at its meeting held on 15 May 2019, after considering the recommendations of the Audit Committee, had recommended the re-appointment of M/s. Price Waterhouse Chartered Accountants LLP,, Chartered Accountants, as the Statutory Auditors of the Company, for second term of 5 years, for approval of the members. The proposed Auditors shall hold office for a period of five consecutive terms from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company. M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, have consented to the aforesaid re-appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for re-appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for re-appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

Credential of the auditors as required under Reg. 36(5) of the SEBI (LODR), 2015:

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) (the 'Firm') is a separate, distinct and independent member firm of the PW India Network of Firms which includes 12 similarly situated independent Firms, each of which are registered with the Institute of Chartered Accountants of India. PW India Network of Firms cumulatively are more than 100 years old in India and have offices in 8 cities in India - Mumbai, Ahmedabad, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai. The registered office of the Firm is at New Delhi.

The Firm has 70 Assurance Partners as at March 31, 2019.

The Firm has a valid Peer Review certificate and has been subject to inspection by the Quality Review Board, as per the provisions of the Chartered Accountants Act, 1949.

The Firm serves some of the large clients, which includes listed entities, unlisted entities and Private Limited entities.

The Firm complies with the relevant requirements of quality control as per International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements; and Indian SQC 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

None of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution at Item No. 5.

Members' approval is sought by way of ordinary resolution proposed under Item no. 5 of the accompanying Notice.

Item No. 6 - Appointment of Mr. Kaushik Subramaniam

In terms of the Investment Agreement entered in to between Insight Solutions Limited and the Company dated June 29, 2011, Mr. Kaushik Subramaniam was nominated by the Insight Solutions Ltd. as a director, not liable to retire by rotation. The resolution at Item No. 6 is proposed as an Ordinary Resolution for confirmation of appointment.

Mr. Subramaniam aged ~ 33 years holds a degree of Financial Risk Manager from Global Association of Risk Professionals, USA and B.Sc (IT) from Mumbai. He has over 10 years of experience in the area of private equity investing.

Details of directorship /membership of the Committees of the Board of other companies are – He is also a director in Monnet Cement Limited.

He does not hold any equity share in the Company.

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

Members' approval is sought by way of ordinary resolution proposed under Item no. 6 of the accompanying Notice.

Item No. 7 - Appointment of Mr. Dhruv Kaji

The Board of Directors appointed Mr. Kaji as an additional director pursuant to Section 161 of the Companies Act, 2013. He holds office till the conclusion of this Annual General Meeting.

Mr. Dhruv Subodh Kaji (DIN: 00192559), 68 years old, has experience of more than 35 years. He holds a bachelor's degree in Commerce from the University of Mumbai and has been an Associate Member of the Institute of Chartered Accountants of India.

He is currently an advisor and consultant with special interest in evaluating and guiding business projects in India and abroad and in strategic planning.

He was Finance Director of Raymond Limited, Executive Director of Pinesworth Holdings Pte. Ltd. (Singapore). He has also been on the advisory board of Essar Steel Limited.

He is on the Board of Diamines and Chemicals Limited, Superadd Trade Private Limited, Network18 Media & Investments Limited, TV18 Broadcast Limited, Welspun Enterprises Limited, Ceinsys Tech Limited, Welspun Corp Limited, Welspun Delhi Meerut Expressway Private Limited, HDFC Asset Management Company Limited, Welspun Pipes Inc, USA, Welspun Tubular LLC, Welspun Global Trade LLC

He is a member / chairman of the following committees:

Name of the Company	Name of Committee	Member / Chairman
Network18 Media & Investments Ltd.	Audit Committee	Member
Network18 Media & Investments Ltd	Nomination and Remuneration Committee	Chairman
Network18 Media & Investments Limited	Share Transfer & Investor Grievance & Stakeholders	Chairman
TV18 Broadcast Limited	Audit Committee	Member
TV18 Broadcast Limited	Nomination and Remuneration Committee	Chairman
TV18 Broadcast Limited	Share Transfer & Investor Grievance & Stakeholders	Chairman
TV18 Broadcast Limited	Corporate Social Responsibility Committee	Member
Welspun Enterprises Limited	Audit Committee	Chairman
Welspun Enterprises Limited	Nomination and Remuneration Committee	Member
Welspun Enterprises Limited	Share Transfer & Investor Grievance & Stakeholders	Member
Welspun Corp Limited	Nomination and Remuneration Committee	Member
Welspun Wasco Coatings Private Limited	Nomination and Remuneration Committee	Member
Welspun Wasco Coatings Private Ltd	Audit Committee	Member

He does not hold any equity shares in the Company.

In the opinion of the Board, Mr. Kaji fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Kaji being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years with effect from September 5, 2018.

Copy of the draft letter for appointment of Mr. Kaji as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, except Saturday and Sunday.

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

Members' approval is sought by way of special resolution proposed under Item no. 7 of the accompanying Notice.

The Board considers that his continued association would benefit the Company and it is therefore desirable to continue to avail services of Mr. Kaji as an Independent Director. Accordingly, the Board recommends passing of the special resolution at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

Item No. 8 – Ratification of payment of remuneration to the Cost Auditors

Members are hereby informed that pursuant to the recommendation of the Audit Committee, the Board of Directors appointed M/s. Kiran J. Mehta & Co., Cost Accountants as cost auditors of the Company for the financial year ending March 31, 2020, for conduct of the Cost Audit of the Company in terms of the requirements under applicable laws at a remuneration as mentioned in the resolution No. 8 of the Notice.

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

None of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution at Item No. 8.

Members' approval is sought by way of ordinary resolution proposed under Item no. 8 of the accompanying Notice.

Item No. 9 – Private Placement of Securities.

In terms of section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), a Company shall not make Private Placement of its Securities unless the proposed offer of Securities or invitation to subscribe to Securities has been previously approved by the members of the Company by a Special Resolution. In case of an offer or invitation for offer of Non-Convertible Debentures (NCDs) and/or Commercial Papers (CPs) the Company can pass a Special Resolution once in a year for all the offers or invitations to be made for such NCDs / CPs during the year.

For ongoing operational working capital requirements being financing at lower costs with flexibility and giving more visibility of the Company to the financial market, the Company may offer or invite subscription for securities including but not limited to secured/ unsecured redeemable, Non-Convertible Debentures, Commercial Papers in one or more series/ tranches on private placement, issuable/redeemable at discount/ par/premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures / Commercial Papers in one or more series / tranches from time to time provided however that the amount of such borrowing not to exceed at any time Rs. 500 crores (Rupees Five Hundred Crores only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of the borrowing.

The borrowing limit (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) approved by the members vide the resolution dated September 11, 2014 is "Paid-up capital and free reserves plus Rs.2,500 Crore (Rupees Two Thousand Five Hundred Crore Only)." As on March 31, 2019, the aggregate of the paid-up capital and free reserves (including securities premium) of the Company stood at Rs. 15,748.98 million and the Company had outstanding long term borrowings of Rs. 5,765.40 million. Hence, the approval sought for offer of securities including but not limited to Non-Convertible Debentures/Commercial Paper, shall be within the overall borrowing limits of the Company.

None of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution at Item No. 9.

Members' approval is sought by way of special resolution proposed under Item no. 9 of the accompanying Notice.

Item No. 10 – Payment of remuneration by way of commission to Mr. Balkrishan Goenka, Non-Executive Chairman of the Company.

Mr. Goenka, the Chairman and a non-executive Director is required to devote more time and attention in the planning for the growth of the Company. The Board therefore recognizes the need to suitably remunerate him with commission @1% of the net profits of the Company, every year, computed in the manner specified in the Companies Act, or such other limit as may be notified by the Central Government from time to time.

Except Mr. Goenka, being the appointee herein and his wife Mrs. Dipali Goenka, daughters Ms. Radhika Goenka and Ms. Vanshika Goenka, who are also members /

beneficial owners in the Company, none of the other directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

Members' approval is sought by way of special resolution proposed under Item no. 10 of the accompanying Notice for payment of commission for the financial year 2019-20.

In terms of Regulation 17 of the SEBI (LODR), 2015, the Board recommends passing of the resolutions mentioned at Item Nos. 6 to 10 of the accompanying Notice for approval by the Members of the Company.

By Order of the Board

Place: Mumbai
Date: May 15, 2019

Pradeep Joshi
Company Secretary
FCS-4959

NOTES

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

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

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

4. The Company has fixed Friday, July 5, 2019 as the record date (Record Date) for the purpose of determination of members entitled to dividend for the year ended March 31, 2019.

5. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Share Registrar and Transfer Agent : Link Intime India Private Ltd., Unit: Welspun Corp Limited, C 101, 247 Park, L B S Marg, Vikhroli (West) Mumbai-400 083. Tel No: +91 22 49186000, Fax: +91 22 49186060, Email-rnt.helpdesk@linkintime.co.in; bonds.helpdesk@linkintime.co.in.

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

7. As a part of the Green Initiatives by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company is being sent to the members at their respective e-mail addresses registered with the Company. ***Those members who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.***

   However, members requiring a physical copy of the Annual Report and Notice may write to the Company at the Corporate Office at 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Annual Report along with the Notice of the Annual General Meeting is available on the website of the Company, www.welspuncorp.com.

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

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

10. **Voting through electronic means**

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

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

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

    IV. The remote e-voting period commences on Friday, August 9, 2019 (9:00 am) and ends on Sunday, August 11, 2019 (5:00 pm).

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, August 5, 2019 ("Cut-off Date"), may cast their vote by remote e-voting. ***A person who is not a member as on the Cut-Off Date should treat this Notice for information purpose only.*** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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

VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off Date

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off Date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.

Members who have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, can access e-voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting their votes electronically by using their existing user ID and password used for accessing the website www.icicidirect.com. In case any member is not able to login through the ICICI direct website, can access the e-voting system of NSDL by using their existing user ID and password for the e-voting system of NSDL.

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

IX. Mr. Sunil Zore, Proprietor of M/s. SPZ & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

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

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

By Order of the Board
Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 15, 2019

PROXY FORM

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

CIN : L27100GJ1995PLC025609

Name of the Company: WELSPUN CORP LIMITED

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

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

Name of the member (s) : ______________________ Registered Address : ______________

____

E-mail Id: ______________________

Folio No / Client ID :

DP ID :

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

1. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature : ______________________; or failing him

2. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature : ______________________; or failing him

3. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature : ______________________; or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Monday, 12th day of August, 2019 at 2:30 p.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Voting	
		For	Against
1	Consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Mr. Rajesh Mandawewala (DIN: 00007179), as a director of the Company, liable to retire by rotation.		
4	Re-appointment of Mr. Utsav Baijal (DIN: 02592194), as a director of the Company, liable to retire by rotation.		
5	Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant as Statutory Auditors and fixing their remuneration.		
6	Appointment of Mr. Kaushik Subramaniam (DIN: 0008190548), as a director of the Company, not liable to retire by rotation.		
7	Appointment of Mr. Dhruv Kaji (DIN: 00192559), as an independent director of the Company, not liable to retire by rotation.		
8	Ratification of payment of remuneration to the Cost Auditors.		
9	Borrowing by offer of issue of securities on a private placement basis.		
10	Payment of Commission to Mr. Balkrishan Goenka-Non Executive Chairman		

Signed this .... day of ....2019.

Signature of member ____

Signature of Proxy Holder(s) : 1) ______________ 2) ____________ 3)______________

Affix ₹ 1 Revenue stamp

Note:

1) Please complete all the details including details of member(s) in the above Box before submission.

2) It is optional to put “X” in the appropriate column against the Resolutions indicated in the Box. If you leave the “For” or “Against” column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

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

4) The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

WELSPUN CORP LIMITED

CIN : L27100GJ1995PLC025609

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

Corporate Office : Welspun House, 7th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8020

E-mail Registration-Cum-Consent Form

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

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

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

Signature of the member(s)*

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

Form No. SH-13

Nomination Form

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

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

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

1. Particulars of The Securities (in respect of which nomination is being made)

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

2. Particulars of Nominee/s —

3. Name:
(a) Date of Birth:
(b) Father's/Mother's/Spouse's name:
(c) Occupation:
(d) Nationality:
(e) Address:
(f) E-mail id:
(g) Relationship with the security holder:

4. IN CASE NOMINEE IS A MINOR--

5. Date of birth:
(a) Date of attaining majority
(b) Name of guardian:
(c) Address of guardian:

Name:____

Address: ____

Name of the Security Holder(s)____

Signatures:____

Witness with name and address:____

Instructions:
1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.

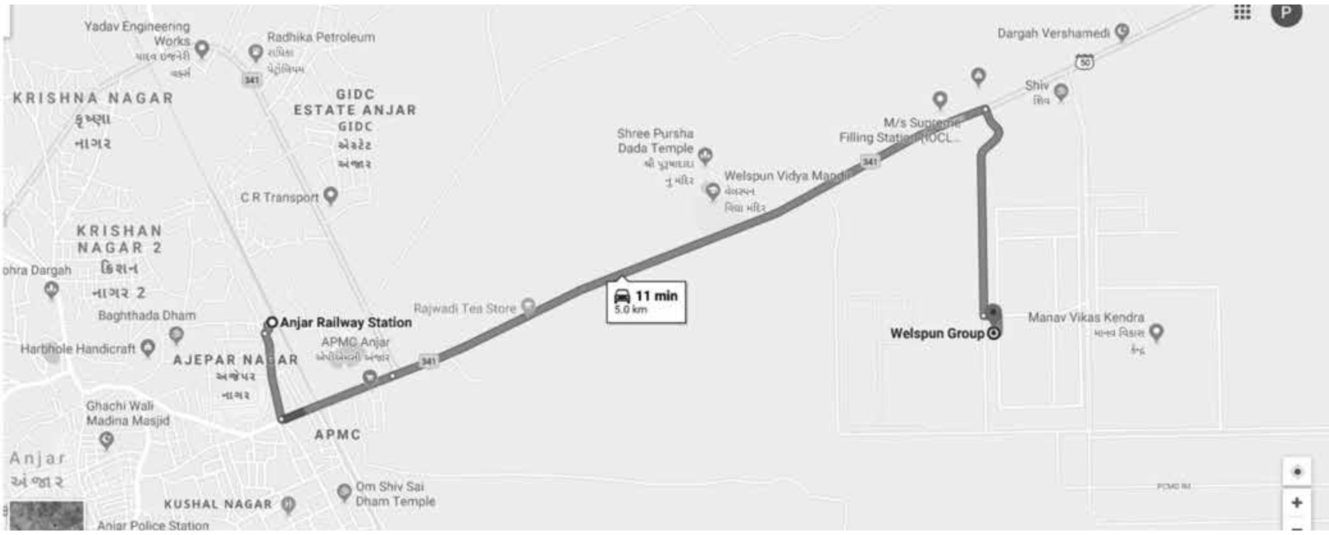
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the members.
14. For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.

Notice to the shareholders who have not en-cashed dividend for last seven consecutive years commencing from the unpaid Final Dividend for the Financial Year 2011-2012.

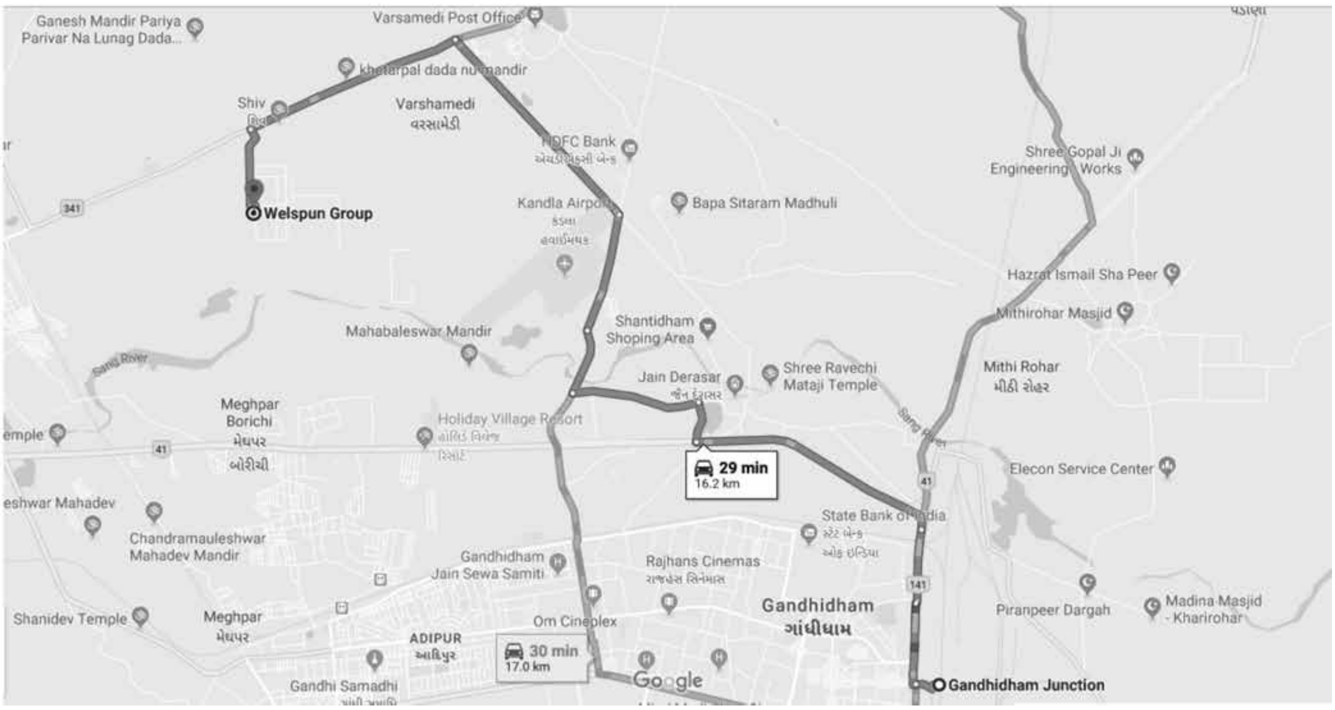
*Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 which have come into effect from September 7, 2016 and amended from time to time, this is to inform to those shareholders who have not en-cashed the dividend or who's dividend remained unclaimed for last seven consecutive years commencing from the Financial Year 2011-2012 that those shares shall be transferred to the "**Investor Education and Protection Fund**" (IEPF) i.e. a fund constituted by the Government of India under Section 125 of the Companies Act, 2013. The names of such shareholders and their folio number or DP ID - Client ID will be available on the website of the Company at www.welspuncorp.com.*

To claim unpaid / unclaimed dividend or in case you need any information/clarification, please write to or contact to the Company's Registrars and Transfer Agent or The Company Secretary of the Company at the Registered Office or at the Corporate Office address.

Route Map



Route Map-Anjar Railway Station to Welspun



Route Map-Gandhidham Railway Station to Welspun

WELSPUN CORP LIMITED

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Board No.: +91 2836 662079, Fax No. + 91 2836 279060,
Email : CompanySecretary_WCL@welspun.com Website: www.welspuncorp.com
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Board : +91 -22-66136000 Fax: +91-22-2490 8020

ATTENDANCE SLIP

Name and Registered address of sole / first named member (in block letters) :

Name(s) of Joint holder(s) if any (in block letters) :

Registered Folio No. / (DP ID No./ Client ID No.)* :
*Applicable to members holding Shares in dematerialized form

Number of shares held :

I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Monday, August 12, 2019 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 2:30 pm.

Signature of the Member / Proxy present

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

- Tear here -

The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password / PIN
111052		

The remote e-voting period commences on Friday, August 09, 2019 (9:00 am) and ends on Sunday, August 11, 2019 (5:00 pm). The e-Voting module shall be disabled by NSDL for voting thereafter.

Please read the instructions annexed to the Notice dated May 15, 2019 of the 24th Annual General Meeting before exercising the vote. These detail and instructions forms integral part of the said Notice.