

WEL/SEC/2016

October 04, 2016

The Manager, Dept. of Corporate Services, Bombay Stock Exchange Ltd, 1 st Floor, Rotunda Bldg, Dalal Street, Fort Mumbai - 400 001 Scrip Code: 532553	The Asst. Vice President, Listing Department National Stock Exchange of (I) Ltd., Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 NSE Symbol: WELENT
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Dear Sir / Madam,

Sub.: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Annual Report of the Company approved and adopted at the 22nd Annual General Meeting of the Company held on Thursday, September 29, 2016 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

Please take the same on record.

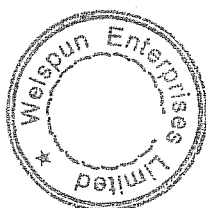
Thanking you.

Yours faithfully,

For Welspun Enterprises Limited
 (Formerly known as Welspun Projects Limited)



Indu Daryani
Company Secretary



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of Welspun Enterprises Limited (formerly known as Welspun Projects Limited) will be held on Thursday, September 29, 2016 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2016 and the reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a director in place of Mr. Balkrishan Goenka (DIN 00270175), who retires by rotation, and being eligible, offers himself for re-appointment.
- 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 consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and based on the recommendation of the Audit Committee, the Company hereby ratifies the appointment of M/s. MGB & Co., LLP, Chartered Accountants (Firm Registration. No. 101169W/W-100035), as the Statutory Auditors of the Company to hold office from the conclusion of this i.e. 22nd Annual General Meeting until the conclusion of the 23rd Annual General Meeting (to be held for the financial year 2016-17) at a remuneration of Rs. 27.50 lacs (Rupees Twenty Seven Lacs and Fifty Thousand Only) plus applicable taxes (subject to deduction of tax as may be applicable) and out of pocket expenses as may be authorized by the Board of Directors of the Company for the period commencing from this i.e. 22nd Annual General Meeting and ending at the conclusion of the 23rd Annual General Meeting.”

“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.”

SPECIAL BUSINESS:

- 5) To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force], consent be and is hereby accorded to the Board of Directors of the Company [hereinafter called the “Board”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law] to contribute an amount up to Rs. 2 Crore (Rupees Two Crore Only), in one or more tranches, either directly or through any non-profit organization [including Welspun Foundation for Health and Knowledge], or in any other way considered appropriate by the Board, to such bonafide charitable and other funds as may be deemed fit and

appropriate by the Board.”

- 6) To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘Act’) and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force], Ms. Mala Tadarwal (holding DIN: 06933515), who held the office of independent director of the Company up to August 04, 2016 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director and who had submitted a declaration that she meets the criteria of independence under Section 149 (6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed for the second term as an independent non-executive director of the Company, not liable to retire by rotation, for three consecutive years with effect from August 05, 2016 to August 04, 2019.”

- 7) To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and based on the recommendation of the Audit Committee, the Company hereby ratifies remuneration of Rs. 2 lacs (Rupees Two Lac Only) per annum plus travelling and out-of-pocket expenses as may be authorized 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, 2016.”

“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.”

By Order of the Board

Sd/-

Indu Daryani

Company Secretary

Place: Mumbai

Date: May 23, 2016

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.

1. Item No. 2 - Re-appointment of Mr. Balkrishan Goenka (DIN 00270175)

Mr. Balkrishan Goenka, aged 50, is a promoter of the Company and the Chairman of the US\$3 billion Welspun Group. Mr. Goenka began his journey as a global leader at the age of 19. He has been instrumental in building and shaping the future of Welspun Group - one of the fastest growing business conglomerates with a diversified portfolio of businesses spanning large diameter line pipes, home textiles, infrastructure and renewable energy.

Mr. Goenka has been awarded multiple accolades for his diligent leadership and numerous achievements as an entrepreneur. He is

also a member of the World Presidents' Organization and has been representing the Indian industry at the World Economic Forum.

Details of directorship in other Companies and membership/Chairpersonship of the Committees of the Board of the Companies are as under:

Directorship: Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, MGN Agro Properties Private Limited, Adani Welspun Exploration Limited, Welspun Energy Private Limited, Welspun Logistics Limited, Welspun Global Brands Limited, Welspun Renewables Energy Private Limited, Welspun Wasco Coatings Private Limited, Solarsys Infra Projects Private Limited, Welspun Pipes Inc., Welspun Tubular LLC, Welspun Global Trade LLC, Welspun Middle East Pipe Coating LLC, Welspun Middle East Pipes LLC, Welspun Home Textiles UK Limited and Rank Marketing LLP (Designated Partner).

Membership / Chairmanship of Committees:

Audit Committee: Chairman - Welspun Renewables Energy Private Limited and Member - Welspun Energy Private Limited; **Nomination and Remuneration Committee:** Member - Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) and Welspun Energy Private Limited; **Corporate Social Responsibility Committee:** Member - Welspun Energy Private Limited, Welspun Corp Limited, Welspun Renewables Energy Private Limited and Welspun Steel Limited; **Share Transfer and Investors' Grievance and Stakeholders Relationship Committee:** Member - Welspun Corp Limited and Welspun India Limited; **Finance Committee:** Chairman - Welspun India Limited, Welspun Energy Private Limited and Welspun Renewables Energy Private Limited, Member - Welspun Corp Limited and Welspun Steel Limited, **Budget Committee:** Chairman - Welspun Corp Limited and Welspun Enterprises Limited; **International Trade Practices and Governance Committee:** Member - Welspun Corp Limited.

Mr. Goenka is promoter of the Company holding 84 equity shares in the Company.

There is no relationship between the directors inter-se. None of the key managerial personnel or directors of the Company or their relatives except Mr. Goenka himself may be deemed to be concerned or interested, financially or otherwise in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under item no. 2 of the accompanying Notice.

2. Item No. 3 - Re-appointment of Mr. Rajesh Mandawewala (DIN 00007179)

Mr. Rajesh Mandawewala, aged 54, a Chartered Accountant by profession and a perfectionist by nature, has co-promoted Welspun Group and has contributed significantly to its growth right from the inception. He has played a major role in taking Welspun Group's turnover from INR 200 crores in FY 1995 to INR 20,000 crores in FY 2016 with leadership position in Steel Pipes, Home Textile and Renewable Energy. He currently holds the position of Group Managing Director.

Details of directorship in other Companies and membership/Chairpersonship of the Committees of the Board of the Companies are as under:

Directorship: Welspun India Limited, AYM Syntex Limited (Formerly known as Welspun Syntex Limited), Welspun Wintex Limited, Welspun Fintrade Private Limited, Welspun Steel Limited,

Welspun Energy Private Limited, MGN Agro Properties Private Limited, Alspun Infrastructure Limited, Angel Power and Steel Private Limited, Welspun Corp Limited, Welspun Global Brands Limited (Formerly known as Welspun Retail Limited), Welspun Renewables Energy Private Limited, The Cotton Textiles Export Promotion Council, Mandawewala Enterprises Limited (Formerly known as Welspun Logistics Raigad Limited), Welspun Pipes Inc., Welspun Tubular LLC., Welspun Global Trade LLC., Welspun Holdings Private Limited, Welspun USA Inc., Welspun Home Textiles UK Limited, CHT Holdings Limited, Christy Home Textiles Limited, Welspun UK Limited, Christy 2004 Limited, E. R. Kingsley (Textiles) Limited and Christy UK Limited.

Membership / Chairmanship of Committees:

Audit Committee: Member - Welspun Renewables Energy Private Limited and Welspun Energy Private Limited; **Nomination and Remuneration Committee:** Chairman - Welspun Steel Limited and Member - Welspun Energy Private Limited; **Corporate Social Responsibility Committee:** Member - Welspun Corp Limited, AYM Syntex Limited (Formerly known as Welspun Syntex Limited), Welspun India Limited, Welspun Renewables Energy Private Limited, Welspun Energy Private Limited, Welspun Steel Limited and Welspun Enterprises Limited (Formerly known as Welspun Projects Limited); **Share Transfer and Investors' Grievance and Stakeholders Relationship Committee:** Member - Welspun Corp Limited, Welspun India Limited and AYM Syntex Limited (Formerly known as Welspun Syntex Limited); **Finance Committee:** Chairman - AYM Syntex Limited (Formerly known as Welspun Syntex Limited) and Member - Welspun Corp Limited, Welspun Enterprises Limited (Formerly known as Welspun Projects Limited), Welspun Renewables Energy Private Limited, Welspun Energy Private Limited, Welspun India Limited; **Budget Committee:** Chairman - Welspun Corp Limited; **International Trade Practices and Governance Committee:** Chairman - Welspun Enterprises Ltd. (Formerly known as Welspun Projects Limited) and Member - Welspun Corp Limited.

He is a promoter of the Company holding 120 equity shares in the Company.

There is no relationship between the directors inter-se. None of the key managerial personnel or directors of the Company or their relatives except Mr. Mandawewala himself may be deemed to be concerned or interested, financially or otherwise in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under item no. 3 of the accompanying Notice.

3. Item No. 5: Contribution to charitable funds

It is proposed that the Board of Directors of the Company ["the Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law] be authorized to contribute up to Rs. 2 crore for charitable purposes, either directly or through any non-profit organization (including Welspun Foundation for Health and Knowledge), or in any other way considered appropriate.

As per Section 181 of the Companies Act, 2013, the Board may contribute to bonafide charitable and other funds provided that prior permission of the Company in a general meeting is obtained for making contributions the aggregate of which, in any financial year, exceeds five percent of the average net profits of the Company for the three immediately preceding financial years.

Owing to the average net losses during the three immediately preceding financial years (i.e. FY 2013-14, FY 2014-15 and FY 2015-16), members' approval, by way of an Ordinary Resolution, is being sought for item no. 5 of the accompanying Notice.

None of the directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item no. 5 of the Notice.

4. Item No. 6 - Re-appointment of Ms. Mala Tadarwal as an Independent Director.

Ms. Mala Tadarwal, aged 31, is a qualified Chartered Accountant with over 7 years post qualification experience of practice in CA profession as a partner of M/s. Tadarwal & Tadarwal, Chartered Accountants. Ms. Tadarwal has experience in: (i) Audit Assurance (ii) Due Diligence (iii) Corporate Restructuring and Transaction Advisory.

Details of directorship in other Companies and membership/ Chairpersonship of the Committees of the Board of the Companies are as under:

Directorship: Welspun Syntex Limited, Welspun Investment and Commercials Limited, Talwandi Sabo Power Limited, Sesa Mining Corporation Ltd, Sesa Resources Ltd, Graviss Hospitality Ltd and Graviss Hotels & Resorts Ltd.

Membership / Chairpersonship of Committees:

Audit Committee: Chairperson - Sesa Mining Corporation Limited and Sesa Resources Limited; Member - Welspun Investments and Commercials Limited, AYM Syntex Limited, Welspun Enterprises Limited, Talwandi Sabo Power Limited and Graviss Hospitality Limited; **Nomination and Remuneration Committee:** Member - Welspun Investments and Commercials Limited, AYM Syntex Limited, Welspun Enterprises Limited, Talwandi Sabo Power Limited, Sesa Mining Corporation Limited and Sesa Resources Limited; **Corporate Social Responsibility Committee:** Member - Talwandi Sabo Power Limited, Sesa Mining Corporation Limited and Sesa Resources Limited **Share Transfer and Investors' Grievance and Stakeholders Relationship Committee:** Chairperson - Welspun Enterprises Limited; Member - Welspun Investments and Commercials Limited.

Ms. Tadarwal does not hold any equity share of the Company.

Ms. Tadarwal was appointed as an independent director of the Company with effect from August 05, 2014 for 2 consecutive years up to August 04, 2016.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Tadarwal being eligible and offering herself for appointment is proposed to be appointed as an Independent Director w.e.f. August 05, 2016 to hold office for three consecutive years for the second term up to August 04, 2019. A notice has been received in writing from a member proposing her candidature for the office of director of the Company.

In the opinion of the Board, Ms. Tadarwal fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Ms. Tadarwal 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, excluding Saturday.

The Board considers that her association would benefit the Company and it is therefore desirable to continue availing services of Ms. Tadarwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Tadarwal as an Independent Director, for the approval by the shareholders of the Company by way of a special resolution.

There is no relationship between the directors inter-se. Except Ms. Tadarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

5. Item No. 7 – Ratification of payment of remuneration to the Cost Auditors

Members are hereby informed that pursuant to the recommendation of the Audit Committee, the Board of Directors appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditor of the Company for the financial year ending March 31, 2017, for conduct of the Cost Audit of the Company in terms of the requirements under applicable laws at a remuneration as mentioned in the resolution No. 7 of the Notice.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders.

The Resolution at item no. 7 of the Notice is set out as an Ordinary Resolution for ratification by the shareholders.

None of the directors / key managerial personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item No. 7 of the Notice.

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 commencement of 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 carrying voting rights. 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 for his entire shareholding and such person shall not act as proxy for any other person or shareholder.
4. An instrument of proxy is valid only if it is properly stamped as per the applicable law. Unstamped or inadequately stamped proxies or proxies upon which the stamps have not been cancelled are invalid.
5. The proxy-holder shall prove his identity at the time of attending the Meeting.

6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Companies Act, 2013, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agent.
7. A proxy form which does not state the name of the proxy shall not be considered valid. Undated proxy shall not be considered valid and if the Company receives multiple proxies for the same holdings of a member, the proxy which is dated last shall be considered valid. If they are not dated or bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
8. When a member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 22, 2016 to Friday, September 23, 2016 (both days inclusive).
10. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged with the Company's Share Registrar and Transfer Agent : Link Intime India Private Ltd., Unit: Welspun Enterprises Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078. Tel. No. 022-2596 3838, 022-2594 6970, Fax No. 022-2594 6969, email-rnt.helpdesk@linkintime.co.in, website: www.linkintime.co.in.
11. 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.
12. The Green Initiative circulars issued by the Ministry of Corporate Affairs, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 allows that Companies can send full Annual Report in electronic mode to its members who have registered their e-mail addresses for the purpose. **Those shareholders 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.**
13. The Notice and Annual Report of the Company is being sent to the shareholders at their respective e-mail addresses registered with the Company. However, shareholders requiring a physical copy of the Annual Report and Notice may write to the Company at the Corporate Office at 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.welspunenterprises.com.
14. The physical copies of the Annual Reports 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.
15. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act, will be available for inspection by the members at the Meeting.
16. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the Meeting.
17. The shareholders 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.
18. **Voting through electronic means**
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility of casting their votes using an electronic voting system from a place other than venue of the General Meeting ("remote e-voting").
 - 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 September 26, 2016 (9:00 am) and ends on September 28, 2016 (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 September 22, 2016, may cast their vote by remote e-voting. *A person who is not a member as on the cut-off date should treat this Notice for information purpose only.* The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the

password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Welspun Enterprises Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrisbud@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a member receives physical copy of the Notice of General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the General Meeting:

EVEN	USER ID	PASSWORD/PIN
(Remote e-voting		
Event Number)		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice

and holds shares as of the cut-off date i.e. September 22, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the General Meeting.
- XII. 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.
- XIII. Mr. Sanjay Risbud, Company Secretary (Certificate of Practice No. 5117) and Proprietor M/s. S.S. Risbud & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. 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.
- XV. 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 two 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.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.welspunenterprises.com, *notice board of the Company at the registered office as well as the corporate office* and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

By Order of the Board
Sd/-

Indu Daryani
Company Secretary

Place: Mumbai
Date: May 23, 2016

E-mail Registration-Cum-Consent Form

To,
The Company Secretary,
Welspun Enterprises Limited,
(Formerly known as Welspun Projects Limited)
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110

I/ we the members 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) (2nd): _____ (3rd): _____

Registered Address: _____

Pin: _____

Mobile Nos. (to be registered): _____ Email id (to be registered): _____

Signature of the Shareholder(s)*

* Signature of all the shareholders is required in case of joint holding.

Route Map



Route Map - Anjar Station to Welspun



Route Map - Gandhidham Station to Welspun

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration) Rules, 2014

Name of the member (s) : _____

Registered Address : _____

E-mail Id: _____

Folio No / Client ID: _____ DP ID: _____

I/ We _____ being the member(s) of Equity Shares of the above named company, hereby appoint:

1. Name: _____
Address: _____
E-mail Id: _____ Signature: _____; or failing him
2. Name: _____
Address: _____
E-mail Id: _____ Signature: _____; or failing him
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 22nd Annual General Meeting of the Company to be held on Thursday, September 29, 2016 at 11.30 a.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Voting	
		For	Against
1	Consider and adopt Audited Financial Statement, Directors' Report and Auditors' Report thereon		
2	Re-appointment of Mr. Balkrishan Goenka (DIN 00270175), as director of the Company, liable to retire by rotation		
3	Re-appointment of Mr. Rajesh Mandawewala (DIN 00007179), as director of the Company, liable to retire by rotation		
4	Ratification of appointment of M/s. MGB & Co. LLP, Chartered Accountants as the statutory auditors		
5	Consider and approve authorization to Board for voluntary contribution upto Rs. 2 Crores to charitable and other bonafide funds		
6	Re-appointment of Ms. Mala Tadarwal (holding DIN: 06933515) as Independent Director of the Company for the second term.		
7	Ratification of payment of remuneration to the Cost Auditors		

Signed this day of2016.

Signature of shareholder _____

Signature of Proxy Holder(s) : 1) _____ 2) _____ 3) _____

Affix
Re. 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 shareholder.**
- 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.

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 Enterprises Limited,
(Formerly known as Welspun Projects Limited),
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110.

I/ We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S -

- (a) Name: _____
- (b) Date of Birth: _____
- (c) Father's/Mother's/Spouse's name: _____
- (d) Occupation: _____
- (e) Nationality: _____
- (f) Address: _____
- (g) E-mail id: _____
- (h) Relationship with the security holder: _____

1. IN CASE NOMINEE IS A MINOR -

- (a) Date of birth: _____
- (b) Date of attaining majority: _____
- (c) Name of guardian: _____
- (d) Address of guardian: _____

Name: _____

Address: _____

Name of the Security Holder(s): _____

Signatures: _____

Witness with name and address: _____

Instructions:

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on repatriable 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 Registrar and 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 Registrar and Transfer Agents of the Company who will return one copy thereof to the Shareholders.
14. For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.

WELSPUN ENTERPRISES LIMITED
(Formerly known as Welspun Projects Limited)

CIN: L45201GJ1994PLC023920

Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370 110

Tel: 00 91 2836 662222 Fax: 00 91 2836 279010

Corporate Office: Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013

Tel: 00 91 22 6613 6000 Fax: 00 91 22 2490 8020

Website: www.welspunenterprises.com Email: companysecretary_wel@welspun.com

ATTENDANCE SLIP

Sr. No. _____

Name of the sole / first named member :

Address of sole / first named member :

Registered Folio No. :

DP ID no. / Client ID no. :

Number of shares held :

I hereby record my presence at the 22nd Annual General Meeting of the Company held on Thursday, September 29, 2016 at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110 at 11.30 a.m.

Signature of Shareholder/ Proxy Present :

Note: Members are requested to bring duly signed 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

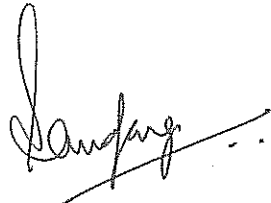
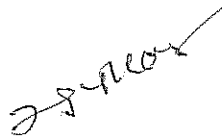
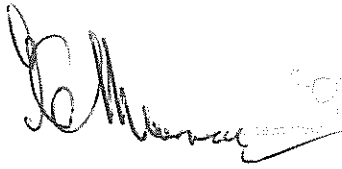
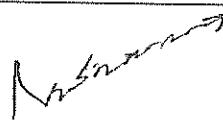
The remote e-voting period commences on Monday, September 26, 2016 at 9:00 a.m. and ends on Wednesday, September 28, 2016 at 5:00 p.m. The e-Voting module shall be disabled by NSDL for voting thereafter.

Please read the instructions annexed to the Notice dated May 23, 2016 of the 22nd Annual General Meeting before exercising the vote. These details and instructions form integral part of the said Notice.

FORM A - Standalone

1.	Name of the Company	Welspun Enterprises Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	Unmodified Opinion with Emphasis of Matter
4.	Frequency of observation	First time
5.	To be signed by - Managing Director Mr. Sandeep Garg	
	CFO Mr. Shriniwas Kargutkar	
	Auditor of the Company For MGB&CO, Chartered Accountants LLP Mr. Sanjay Kothari Partner Membership No. 048215 FRN NO: 101169W/W100035	
	Audit Committee Chairman Mr. Ram Gopal Sharma	

FORM A - Consolidated

1.	Name of the Company	Welspun Enterprises Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	Un Modified Opinion with Emphasis of Matter
4.	Frequency of observation	First time
5.	To be signed by - Managing Director Mr. Sandeep Garg	
	CFO Mr. Shriniwas Kargutkar	
	Auditor of the Company For MGB&CO, Chartered Accountants LLP Mr. Sanjay Kothari Partner Membership No. 048215 FRN NO: 101169 W/W 100035	
	Audit Committee Chairman Mr. Ram Gopal Sharma	

22nd Annual Report 2016



ROAD TO FUTURE



**Awarded
One Of India's
First Hybrid Annuity
Projects By
NHAI-Delhi-Meerut
Expressway,
Package 1**

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Projects Limited)

22nd Annual Report 2015-16

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CORPORATE INFORMATION

WELSPUN ENTERPRISES LIMITED (Formerly known as Welspun Projects Limited)

CIN: L45201GJ1994PLC023920

website: www.welspunenterprises.com; email id: companysecretary_wel@welspun.com

BOARD OF DIRECTORS:

Mr. Balkrishan Goenka - Chairman
Mr. Sandeep Garg - Managing Director
Mr. Rajesh R. Mandawewala - Director
Mr. Ram Gopal Sharma - Director
Mr. Mohan Tandon - Director
Mr. Yogesh Agarwal - Director
Mr. Mintoo Bhandari - Nominee Director of Insights Solutions Ltd. and Granele Limited
Mr. Utsav Baijal - Alternate Director to Mr. Mintoo Bhandari
Ms. Mala Tadarwal - Director

AUDIT COMMITTEE:

Mr. Ram Gopal Sharma
Mr. Mohan Tandon
Mr. Mintoo Bhandari
Ms. Mala Tadarwal

NOMINATION AND REMUNERATION COMMITTEE:

Mr. Mohan Tandon
Mr. Ram Gopal Sharma
Mr. Balkrishan Goenka
Mr. Mintoo Bhandari
Ms. Mala Tadarwal

KEY MANAGEMENT TEAM:

Mr. Balkrishan Goenka - Chairman (Executive)
Mr. Sandeep Garg - Managing Director
Mr. Akhil Jindal - Director, Group Finance & Strategy
Mr. Deepak Chauhan - Director, Legal, Welspun Group
Mr. Asim Chakraborty - Chief Operating Officer (Roads)
Mr. Banwari Lal Biyani - President, Project Excellence
Mr. Shriniwas Kargutkar - Chief Financial Officer

SHARE TRANSFER AND INVESTOR GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Mala Tadarwal
Mr. Mohan Tandon
Mr. Mintoo Bhandari

COMPANY SECRETARY:

Ms. Indu Daryani

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Mr. Ram Gopal Sharma
Mr. Rajesh R. Mandawewala
Mr. Sandeep Garg

AUDITORS:

MGB & Co., LLP, Chartered Accountants

CORPORATE OFFICE:

Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013
Tel: +91-22-6613 6000
Fax: +91-22-2490-8020

REGISTERED OFFICE:

"Welspun City", Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat-370110
Tel: +91-2836 662222
Fax: +91-2836 279010

STOCK EXCHANGES WHERE THE COMPANY'S SECURITIES ARE LISTED:

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

SECURITIES REGISTRAR AND TRANSFER AGENT:

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

BANKERS:

Corporation Bank
IDBI Bank Ltd
IDFC

CHAIRMAN'S MESSAGE

My dear fellow stakeholders,

Through our journey over the last three years, we have emerged resilient to several challenges and are ready for new growth opportunities. I am happy to state that our decision to focus only on key infrastructure projects and prudent investment approach has led to a healthy and strong balance sheet, with large free cash that will be used for future investments.

Since the demerger, the Company has continuously worked on reducing debt, divesting loss making businesses and strengthening balance sheet through consolidation efforts. Over the last few years, we have divested all non core businesses. As a result, the debt of INR 17 bn in 2013 has been reduced to INR 0.1 bn in 2016. The merger of Welspun Infratech, Welspun Plastics and Welspun Infra Projects with Welspun Enterprises Ltd has enabled the Company to better leverage the combined strengths of various entities, and utilise synergies arising out of consolidation of business.

We are now at the cusp of starting our growth trajectory in the infrastructure sector. Our consistent strategy to divest non core businesses has made us nearly debt free on a gross basis and we are very much confident that we will ride the

investment cycle and create value for our stakeholders through world class infrastructure. In order to realise this dream, the Company participated in road bidding projects through the newly conceptualised Hybrid Annuity Model (HAM) and was able to win one of the first projects to be awarded under this scheme. We believe that now is the time to invest selectively in the Indian infrastructure growth story and we have a strong balance sheet and much more cash balance than gross debt in the books of the Company, to play a significant role in this growth story.

BUSINESS SCENARIO

The Indian infrastructure sector is witnessing signs of optimism owing to the Government's special impetus on the industry. An interesting opportunity which has been approved by the government is the Hybrid Annuity Model (HAM) for building roads to fast-track highway projects, revive the Public-Private-Partnership (PPP) mode and attract more investments in the sector. During the year, Welspun Enterprises was awarded one of the first Hybrid Annuity projects by NHAI. This project involves the development of Delhi - Meerut Expressway - Package I between Delhi and UP.

In the energy sector, the Government is also undertaking many steps to move towards the goal of increasing domestic supply. For instance, oil and gas is one of the key sectors featured in the "Make in India" initiative of Prime Minister Narendra Modi. The government's plan for the auction of small discovered oil-fields is also a welcome step as it will boost production and reduce the dependence on imports.

We at Welspun have not only successfully been able to withstand the bleak investment cycle in the infrastructure sector, but also remained committed in finding meaningful solutions within limited opportunities. Going forward, we will continue to focus with caution on project development activities with key focus being on infrastructure development in niche areas such as Hybrid Annuity road projects as well as O&M of existing assets.



B. K. Goenka
Chairman, Welspun Group

WELSPUN 2.0

Friends, I am happy to share that we now have a new vision, mission and values and are undertaking initiatives to transform Welspun into an institution. As we have taken the first step towards this journey that we call Welspun 2.0, we have adopted 'Leading Tomorrow Together' as our new philosophy for the Group. With our philosophy driving all our actions and objectives, we are continuously re-inventing ways to elevate client experiences through collaboration and by launching innovative products with cutting-edge technology as the backbone to achieve inclusive growth.

Technology

Technology is one of the key values under Welspun 2.0, that we intend to focus this year. Through technology implementation, we are setting up systems and processes for monitoring and MIS of all upcoming projects. We have been focussing on Automated Project Monitoring System and have also implemented SAP. We believe that intelligent use of technology will differentiate us in the industry.

Customer Centricity

We live by a 'customer first' philosophy at Welspun, making them central to everything we do and always act in their best interests. We are committed to providing world-class solutions through our projects that have quality standards amongst the best in the industry.

Collaboration

As a part of our Welspun 2.0 philosophy, we are working together as One Welspun to break down silos between departments. Our re-organization exercise has helped us build a strong sense of connect between individuals and teams. We are also looking forward to have tie-ups with construction companies and oil majors which will help us in achieving our objectives.

BUILDING A RESPONSIBLE BUSINESS

The Group's social vision is enshrined in the 3Es (Education, Empowerment & Health and Environment) which have become the guiding principles of our Corporate Social Value initiatives. In everything we do, there is a strong commitment to a wider, all-round social progress, as well as to sustainable development that balances the needs of the present with those of the future. Some of our major initiatives include:

Sustainability

In order to fulfill the Clean Environment campaign by the Government of India and our sustainable water requirements, we have taken a significant step at the Group level this year towards water recycling. The Group has entered into a concession agreement with Anjar, Gandhidham - Adipur Nagar Palika and are in the process of setting up a 30 MLD sewage treatment plant with the necessary allied works, in order to recycle and reuse the wastewater generated in these cities. This would enable recycling and reusing of sewage water which will be used inter alia for our operations thus decreasing the intake of fresh water for our manufacturing processes.

Inclusive Growth

Welspun Group has been working tirelessly in uplifting and empowering communities. Taking forward the Government's vision of turning every village into a 'Smart Village', I am happy to share that we instituted our very first Smart Village at Versamedi in Anjar, Gujarat. Based on the principle of 5Es, we are securing education for children, empowering communities with livelihoods, providing essential infrastructure and e-connectivity with a focus on environment and health.

As a part of our Welspun 2.0 vision, we are working towards increasing the women workforce by 20% across the Group. For the first time in the state of Madhya Pradesh, we have deployed women at three toll plazas for carrying out the commercial operations during the first shift of the day. These toll plazas are along the two state highway BOT projects in MP, being operated and maintained by Welspun Enterprises.

I now take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers and suppliers, bankers and investors, for their unrelenting dedication, support and commitment to Welspun.

Sincerely,

Best Regards,



Balkrishan Goenka

DIRECTORS' REPORT

To,
The Members,
Welspun Enterprises Limited
 (Formerly known as Welspun Projects Limited)

Your directors have pleasure in presenting the 22nd Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2016.

1. FINANCIAL RESULTS:

(Amount in ₹)

Particulars	Standalone		Consolidated	
	FY 2015 - 16	FY 2014 - 15	FY 2015 - 16	FY 2014 - 15
Revenue from operations	1,848,507,628	1,843,126,857	2,224,939,824	8,256,383,530
Other Income	865,139,476	661,206,041	858,571,933	726,470,770
Total Income	2,713,647,104	2,504,332,898	3,083,511,757	8,982,854,300
Total Expenditure	2,581,796,802	2,421,225,451	2,957,408,381	10,613,509,780
Profit Before Tax	131,850,302	83,107,447	126,103,376	(1,630,655,480)
Exceptional Items	71,790,281	154,245,415	(231,954,476)	1,742,195,847
Provision for Tax	(124,594,034)	135,771,980	(123,169,922)	(104,792,343)
Profit After Tax	328,234,617	101,580,882	17,318,822	6,748,024
Balance Carried to Balance Sheet	328,234,617	101,580,882	17,318,822	6,748,024
Earnings Per Share (Rs.) - Basic	1.89	0.59	0.10	0.04
Diluted	1.88	0.59	0.10	0.04

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

2. PERFORMANCE HIGHLIGHTS:

Performance highlights for the year under report are as under:

(Amount in ₹)

Particulars	Standalone		Consolidated	
	FY 2015 - 16	FY 2014 - 15	FY 2015 - 16	FY 2014 - 15
Contract Receipts & Other Operating Income	1,536,812,041	1,528,499,522	1,518,287,041	7,518,779,822
Toll Collection	311,695,587	314,627,335	706,652,783	737,603,708

For details, please refer to the Management Discussion and Analysis attached to the report.

3. DIVIDEND & TRANSFER TO RESERVES:

Considering the need to augment resources of your Company for business development, your Board does not recommend any dividend on shares of your Company for the year ended March 31, 2016. Further, no amount is proposed to be transferred to Reserves of your Company.

4. MODIFICATION TO THE SCHEME OF AMALGAMATION:

A Scheme of Arrangement and Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Gujarat at Ahmedabad between erstwhile Welspun Enterprises Limited, Welspun Infratech Limited, Welspun Plastics Private Limited, Welspun Infra Projects Private Limited (Transferor Companies) and your Company (Transferee Company) ("Scheme") which Scheme was made effective from May 11, 2015 with the Appointed Date being April 1, 2014.

The Hon'ble High Court of Gujarat at Ahmedabad vide its order dated February 03, 2016 and the Hon'ble High Court of Judicature of Bombay vide its order dated March 23, 2016 have sanctioned modifications to the Scheme which provided for recording of the equity shares issued by your Company pursuant to the Scheme at fair value (Rs. 59 per share) and the same is consequently resulting into reduction of the Capital

Reserves, and correspondingly increase in the Securities Premium of your Company, by Rs. 7,730,680,020. The modified Scheme was made effective from April 28, 2016 with the Appointed Date being April 1, 2014.

5. 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.

6. SUBSIDIARIES/JOINT VENTURES COMPANIES:

The names of companies which have become, or ceased to, be your Company's subsidiaries / joint ventures during the year are as under:

- Consequent to the sale of entire stake, Anjar Road Private Limited ceased to be a subsidiary of your Company w.e.f. November 20, 2015.
- Consequent to the sale of your Company's stake from 50% to 13%, Dewas Bhopal Corridor Private Limited ceased to be Company's Joint Venture w.e.f. December 22, 2015.
- Consequent to the acquisition of partner's stake (51%) by your Company ARSS Bus Terminal Private Limited became a wholly-owned subsidiary of your Company w.e.f. September 10, 2015.
- Welspun Delhi Meerut Expressway Private Limited was incorporated as a wholly-owned subsidiary of your Company w.e.f. Feb 16, 2016 for the purpose of execution of the Delhi-Meerut Expressway Project awarded to your Company by National Highway Authorities of India.

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 - 1.

Your Company's policy on Material Subsidiary as approved by the Board is uploaded on your Company's website www.welspunenterprises.com and a web link thereto is: <http://www.welspunenterprises.com/userfiles/file/Policy%20for%20governance%20of%20Material%20and%20other%20Subsidiaries.pdf>

7. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

Your Company's Auditors, MGB & Co., LLP, Chartered Accountants, who have been appointed up to the conclusion of the 26th Annual General Meeting, subject to ratification by the members of your Company at every Annual General Meeting, have given their consent to continue to act as the Auditors of your Company. MGB & Co., LLP, Chartered Accountants is holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Members are requested to ratify their appointment as the Auditors of your Company and to fix their remuneration by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

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

b) Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s Kiran J Mehta and Co., Cost Accountants (Firm Registration Number 000025) as the Cost Auditors of your Company for the financial year 2016-17 on the recommendations of the Audit committee. Members are requested to ratify their remuneration by passing an ordinary resolution.

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2015-16. The Cost Audit for the financial year 2015-16 is in progress and the report will be e-filed to Ministry of Corporate Affairs, Government of India, in due course.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company has appointed M/s. Sanjay Risbud & Co., Company Secretaries, as the Secretarial Auditor of your Company for the financial year 2016-17.

The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed with the report as

Annexure - 3. There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretary in Practice in the Secretarial Audit Report.

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

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

8. SHARE CAPITAL & LISTING

a) Issue of equity shares with differential rights

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

b) Issue of sweat equity shares

During the year under report, the Company did not allot any equity share as sweat equity shares. Therefore, disclosures as required under Rule 8 (13) of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable.

c) Issue of employee stock options

During the year, 240,000 options were granted to the Managing Director in terms of "Welspun Managing Director Stock Option Plan-2014" ("MDESOP-2014"). Further, your Company allotted 720,000 equity shares to the Managing Director during the year under report against the options exercised by him after vesting. Accordingly, the paid up capital of your Company stands increased from Rs. 1,733,205,350 to Rs. 1,740,405,350 as on March 31, 2016.

During the financial year 2015-16, there has been no change in the MDESOP-2014. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 with regard to MDESOP-2014 are available on the website of your Company at www.welspunenterprises.com and weblink thereto is: http://www.welspunenterprises.com/userfiles/file/WEL-MDESOP%20disclosure_2015-16.pdf

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

a	Options granted during FY 2015-16		240,000
b	Options vested during FY 2015-16		720,000
c	Options exercised during FY 2015-16		720,000
d	Total number of shares arising as a result of exercise of Options		720,000
e	Options lapsed		Nil
f	Exercise Price		Nil
g	Variation of terms of options		N.A.
h	Money realized by exercise of options		Nil
i	Total number of options in force		240,000
j	Employee wise details of options granted to	Key Managerial Personnel	240,000
		Other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
		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
k	Diluted Earnings Per Share		1.88
l	Weighted - average exercise price (Rs.)		Nil
m	Weighted - average fair values of options (Rs.)		44.35 (as per Black Scholes Valuation model)

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

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

Had the Company accounted the aforesaid stock options on the basis of the fair value determined in accordance with Black Scholes Valuation model, the employee compensation cost would have been lower by Rs. 599,140, the Profit after tax for the year would have been higher by Rs. 599,140, and the basic earnings per share would have been higher by Re. 0.01. Refer to Note 33 to the Notes to accounts of the standalone audited financial statements for other details including significant assumptions used during the year to estimate the fair values of options.

d) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

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

e) Disclosure in respect of shares held in Unclaimed Shares account

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

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

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

f) Listing with the stock exchanges

The Company's equity shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)

The Securities and Exchange Board of India ("SEBI") has, vide order reference WTM/RKA/MRD/144/2015 dated November 9, 2015, directed the exit of Vadodara Stock Exchange Limited ("VSE") as a stock exchange with effect from November 9, 2015. Based on the exit order the equity shares of your Company, which were listed on VSE prior to the exit order, ceased to be listed on VSE w.e.f. November 9, 2015, without any further action required to be undertaken by the Company with regard to its delisting from VSE.

Annual listing fees for the year 2016-17 have been paid to BSE and NSE.

9. FINANCE**a) Credit Rating**

During the year, your Company has been assigned a credit rating of "CARE A" in respect of long term bank facilities and "CARE A1" in respect of short term bank facilities by Credit Analysis & Research Limited ("CARE").

b) Deposits

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

10. EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the annual return in Form MGT-9 is attached to this Report as Annexure-2.

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

The operations of your Company are not energy intensive and therefore there is nothing to report on conservation of energy and technology absorption as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules 2014. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumption.

Details of Foreign exchange earnings and outgo are as under:

Foreign exchange earnings : Nil
 Foreign exchange outgo : Rs. 2,616,249

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions pertaining to CSR as provided under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are applicable to your Company. However, owing to average net losses for the preceding three financial years, your Company could not spend any amount on the CSR activities.

Your Company's CSR Policy is hosted on your Company's website www.welspunenterprises.com and a web link thereto is:
[http://www.welspunenterprises.com/userfiles/file/CSR%20Policy\(1\).pdf](http://www.welspunenterprises.com/userfiles/file/CSR%20Policy(1).pdf)

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as Annexure-4 and available on the website of your Company www.welspunenterprises.com and a web link thereto is:
http://www.welspunenterprises.com/userfiles/file/WEL-Annual%20Report%20on%20CSR_FY-2015-16.pdf

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

a) Changes in Directors and Key Managerial Personnel

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

- Mr. Yogesh Agarwal (DIN: 00947896) was appointed as an independent director of the Company w.e.f. August 12, 2015.
- Mr. Rajendra Sawant resigned from the office of the Company Secretary w.e.f. June 30, 2015 and Ms. Indu Daryani was appointed as Company Secretary w.e.f. August 12, 2015.
- Mr. Apurba Kumar Dasgupta (DIN: 00043075) resigned from the directorship of the Company w.e.f. April 15, 2016.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Ms. Mala Todarwal (DIN: 06933515) was appointed as an independent director of your Company w.e.f. August 05, 2014 to hold office for two consecutive years for a term up to August 04, 2016. Members are requested to consider reappointment of Ms. Mala Todarwal as an independent director of the Company w.e.f. August 05, 2016 to hold office for three consecutive years for the second term up to August 04, 2019 by way of passing a special resolution.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Balkrishan Goenka (DIN: 00270175) and Mr. Rajesh R. Madawewala (DIN: 00007179) are retiring by rotation at the forthcoming Annual General Meeting and being eligible, have been recommended for re-appointment.

Details about the directors being appointed / re-appointed are given in the Notice of the 22nd Annual General Meeting being sent to the members along with the Annual Report.

b) Declaration by Independent Director(s)

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

c) Formal Annual Evaluation

In compliance with Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and directors. All results were satisfactory.

d) Familiarization Programme for Independent Directors

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

The policy on Company's familiarization program for independent directors is hosted on the Company's website www.welspunenterprises.com and a web link thereto is:
<http://www.welspunenterprises.com/userfiles/file/Familiarisation%20program.pdf>

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

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

f) Number of meetings of the Board

The Board met 9 times during the financial year 2015-16, the details of which are given in the Corporate Governance Report forming part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g) Committee of the Board of Directors

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

14. VIGIL MECHANISM

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

The policy on Whistle Blower Policy and Vigil Mechanism is disclosed on the Company's website and a web link thereto is as under:
<http://www.welspunenterprises.com/userfiles/file/Annexure%20C%20-%20Whistle%20Blower%20Policy.pdf>

15. LOANS, GUARANTEES AND INVESTMENTS

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

For particulars of the investments made by your Company for the period under report, refer Note 12 of the standalone financial statements.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered by your Company during the period under report were on an arm's length basis and were in the ordinary course of business, to serve mutual need and mutual interest. For the details of related party transactions refer Note No. 39 of Notes to Accounts to the standalone financial statement.

The Audit Committee has given its omnibus approval which is valid for one financial year.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of LODR is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:
<http://www.welspunenterprises.com/userfiles/file/Annexure%20B%20-%20Related%20Party%20Transaction%20Policy.pdf>

There was neither any contract/arrangement/transaction which was not at arm's length nor was there any material contract/arrangement/transactions at arm's length basis. Therefore, disclosures as required under the Companies Act, 2013 in Form AOC-2 are not applicable.

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 Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

- i. The ratio of remuneration of Mr. Balkrishan Goenka, Chairman (Executive) and Mr. Sandeep Garg, Managing Director, to the median remuneration of the employees of the Company was 1:92 and 1:598 (including the value of ESOPs and one-time bonus) respectively.
- ii. The percentage increase in remuneration in the financial year 2015-16 of the Managing Director was 253% (including the value of ESOPs and one-time bonus) and of the Chief Financial Officer was 20%.
- iii. The percentage increase in the median remuneration of employees in the financial year 2015-16 was 11%.
- iv. 480 permanent employees were on the rolls of the Company as on March 31, 2016.
- v. The average increase in remuneration is in line with increase in Company's performance. The average increase, in the remuneration of employees (other than Key Managerial Personnel) was 11.35%, in the remuneration of Key Managerial Personnel was 15% whereas increase in Company's performance represented by 'Profit from ordinary activities before fin cost and exceptional items' was -14%.
- vi. Market Capitalization of the Company as on March 31, 2016 was Rs. 8,223,415,279. As on March 31, 2015 the market capitalization of the company was Rs. 1,246,000,000 (pre-merger) and Rs. 5,398,934,665 (post-merger).
- vii. Price/Earnings Ratio as at the closing of March 31, 2016 was 25. Price/Earnings Ratio as at the close of March 31, 2015 was 12.27 (pre-merger) and 52.80 (post-merger).
- viii. The share price increased to Rs. 47.25 (BSE closing Price) as on March 31, 2016 in comparison to Rs. 30 (the rate at which the Company came out with the public issue in the year 2004).
- ix. Average percentile increase in the salaries, of employees (other than the managerial personnel) and of the managerial personnel in the financial year 2015-16 were 11% and 7.5% respectively in line with the Company's performance.
- x. The Profit before Tax of the Company for FY 2015-16 was Rs. 203,640,583 whereas Managing Director's, Chief Financial Officer's and Company Secretary's remuneration were Rs. 72,701,705; Rs. 4,397,549 and Rs. 680,626 respectively (net of TDS).
- xi. None of the employees, who is not a director, received remuneration in excess of the highest paid director during the year.
- xii. The key parameters for any variable component of remuneration availed by the directors are as per the Nomination and Remuneration Policy. Chairman is eligible for payment of commission of 2% of profits as approved by the shareholders of the Company.
- xiii. We affirm that the remuneration is as per the remuneration policy of the Company.

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

Name	Designation	Age	DOJ	Current CTC (Rs)	Qualification and Experience	Previous Company	Nature of Employment (whether contractual or permanent)	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company	DOL/ Transfer
Sandeep Garg	Managing Director	56 yrs	16/07/2012	25,300,000	BE, 35 yrs	ILFS, Delhi	Permanent	0.41	NIL	NIL
Banwari Lal Biyani	President-Project Excellence	57 yrs	01/08/2014	11,422,950	ICWA, 38 yrs	Ispat Industrial Ltd., Mumbai	Permanent	0.00	NIL	NIL
V Rambala-krishnan	Senior Vice President - Roads	50 yrs	04/03/2016	9,300,000	BE, MBA, 27 yrs	Reliance Infrastructure Ltd.	Permanent	0.00	NIL	NIL
Narendra Bhandari	President - Finance and Accounts	55 yrs	25/09/2009	6,500,000	CA, 30 yrs	Welspun Maxsteel Limited	Permanent	0.00	NIL	NIL
Lalit Kumar Jain	Vice President- Finance and Accounts	46 yrs	23/04/2012	6,430,225	CA, 21 yrs	Essar Projects India Ltd., Mumbai	Permanent	0.00	NIL	NIL
Shriniwas Kargutkar	Chief Financial Officer	58 yrs	15/05/2008	6,351,505	CA, 32 yrs	Welspun Corp Ltd.	Permanent	0.00	NIL	NIL

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

Particulars	Mr. B K Goenka - Chairman (Executive)	Mr. Sandeep Garg – Managing Director			
Salary & Allowance	Rs. 12,000,000 (w.e.f. May 29, 2015)	Rs. 22,000,000 p.a. (from July 1, 2014 to June 30, 2015) Rs. 25,300,000 p.a. (from July 1, 2015 to June 30, 2016) One-Time Bonus : Rs. 25,000,000			
Perquisites	NIL	ESOPs Perquisite : 33,246,000			
Commission	2% of the annual profit (excluding profit/loss from capital receipts and assets disposition) of your Company on consolidated basis	NIL			
Details of fixed component	Rs. 12,000,000 p.a. (w.e.f May 29, 2015)	Rs. 22,000,000 p.a. (from July 1, 2014 to June 30, 2015) Rs. 25,300,000 p.a. (from July 1, 2015 to June 30, 2016)			
Service Contract/Term of appointment	5 years from May 29, 2015 to May 28, 2020	5 years from July 16, 2012 to July 15, 2017			
Notice Period (as per Company policy)	3 months	3 months			
Severance Fees	NIL	NIL			
Stock Options	NIL	Up to 1,200,000 as under:			
		No. of ESOPs	Date of Grant	Date of Vesting	Date of Exercise
		720,000	16-02-2015	16-02-2016	17-02-2016
		240,000	14-07-2015	14-07-2016	
		240,000	14-07-2016	14-07-2017	

d) No remuneration or perquisite was paid to, and no service contract was entered into with, the non-executive directors (including independent directors) of your Company except for the payment of the following sitting fees for attending meetings of Board / Committees of the Board/general meetings for the financial year 2015-16.

Sr. No.	Name of the Director	Sitting Fees (Rs.)
1	Mr. Mohan Tandon	432,000
2	Mr. Apurba Kumar Dasgupta*	314,000
3	Mr. Ram Gopal Sharma	368,000
4	Ms. Mala Tadarwal	378,000
5	Mr. Mintoo Bhandari	25,000
6	Mr. Utsav Baijal	99,000
7	Mr. Yogesh Agarwal	90,000

* resigned w.e.f. 15.04.2016

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

- e) Mr. Sandeep Garg, Managing Director of the Company was not in receipt of any commission from your Company and at the same time, remuneration or commission from your Company's subsidiary companies.
- f) Mr. Balkrishan Goenka, Chairman (Executive) of the Company, who was in receipt of remuneration of Rs. 10,096,774 from your Company and was eligible for commission of 2% of the annual profit (excluding profit/loss from capital receipts and assets disposition) of your Company on consolidated basis, was not in receipt of any remuneration or commission from your Company's subsidiary companies.
- g) There are no pecuniary transactions entered by the non-executive directors with your Company.

18. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance requirements as set out by SEBI. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this report. The Compliance certificate obtained from M/s. S. S. Risbud and Co. Company Secretaries, regarding compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Corporate Governance Report.

19. RISK MANAGEMENT

Your Company is exposed to risks across all levels and functions of the organization. Your Company has formulated structured Risk Management Policy to effectively address the execution, stakeholders related, government, strategic and regulatory and legal compliance risks.

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

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

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. they have 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. they have prepared the annual accounts on a going concern basis;
- e. being a listed company, the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. MISCELLANEOUS

- During the year under Report, there was no change in the general nature of business of your Company.
- No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report.
- During the year under 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.
- The Board of your Company has approved Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace and formed Internal Complaints Committee for each location of your Company. No case of sexual harassment was reported to the Internal Complaints Committee during the year under review.

22. ACKNOWLEDGEMENTS

Your directors thank the government authorities, financial institutions, banks, customers, suppliers, shareholders, employees and other business associates of your Company, who through their continued support and co-operation, have helped as partner in your Company's progress and achievement of its objectives.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2016

Balkrishan Goenka
Chairman
DIN: 00270175

Annexure - 1
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
 Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Amount in ₹)

1.	Sr. No.	1	2	3	4	5	6	7
2.	Name of the subsidiary	MSK Projects (Himmat-nagar Bypass) Private Limited	MSK Projects (Kim Mandavi Corridor) Private Limited	Anjar Water Solutions Private Limited (Formerly Known as Welspun Road Projects Private Limited)	Welspun Build-Tech Private Limited (Formerly Known as Welspun Construction Private Limited)	Welspun Natural Resources Private Limited	Welspun Delhi Meerut Expressway Private Limited	ARSS Bus Terminal Private Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
5.	Share Capital	2,420,000	67,300,000	100,000	100,000	318,750,000	100,000	186,274,510
6.	Reserves & Surplus	36,806,735	(35,749,758)	(795,638)	(204,442)	(147,513,284)	(5,460)	(199,677)
7.	Total Assets	42,296,349	491,910,336	64,259	171,101,067	3,195,680,987	100,000	186,489,131
8.	Total Liabilities	3,069,614	460,360,094	759,897	171,205,509	3,024,444,271	5,460	414,298
9.	Investments	-	-	-	-	200,415,380	-	115,000,000
10.	Turnover	33,538,069	38,918,994	-	-	1,216,911	-	-
11.	Profit Before Taxation	1,479,986	(31,002,318)	(795,638)	(181,787)	(30,437)	(5,460)	(199,677)
12.	Provision For Taxation	974,113	-	-	-	450,000	-	-
13.	Profit After Taxation	505,873	(31,002,318)	(795,638)	(181,787)	(480,437)	(5,460)	(199,677)
14.	Proposed Dividend	-	-	-	-	-	-	-
15.	% of shareholding	100%	100%	100%	100%	100%	100%	100%

Notes: 1. Names of subsidiaries which are yet to commence operations: Anjar Water Solutions Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year: Anjar Road Private Limited (ceased to be a subsidiary w.e.f. November 20, 2015).

Part “B”: Associates and Joint Ventures

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

(Amount in ₹)

Name of Associates / Joint Ventures	Dewas Bhopal Corridor Private Limited*	Adani Welspun Exploration Limited [#]
1. Latest audited Balance Sheet Date	Mar 31, 2015	Mar 31, 2016
2. Shares of Associate/Joint Ventures held by the Company on the year end		
No.	50,000	4,654,997
Amount of Investment in Associates / Joint Venture	510,210,900	200,415,380
Extend of Holding %	50%	35%
3. Description of how there is significant influence	Your Company held 50% stake in Dewas Bhopal Corridor Private Limited till December 22, 2015.	Your Company through it's wholly owned subsidiary Welspun Natural Resources Private Limited holds more than 20% voting power of Adani Welspun Exploration Limited.
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	754,354,500 (50% of Net Worth)	97,162,128 (35% of Net Worth)
6. Profit / Loss for the year		
i. Considered in Consolidation	23,009,025 [@]	(72,953,905) ^{@@}
i. Not Considered in Consolidation	-	-

Note : Above figures is used from Respective Standalone Financials.

*Ceased to be Joint Venture Company w.e.f. 22nd December, 2015

[#]Held by Welspun Enterprises Limited through it's Wholly Owned Subsidiary "Welspun Natural Resources Private Limited.

[@]Amount considered in the Consolidated Financials are from the management accounts as on December 21 2015.

^{@@}Amount considered in the Consolidated Financials are of the Consolidated Financials of AWEL as on March 31 2016.

Notes:

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

2. Names of associates or joint ventures which have been sold during the year : Dewas Bhopal Corridor Private Limited

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Sandeep Garg
Managing Director
DIN: 00036419

Date : May 23, 2016
Place: Mumbai

Shriniwas Kargutkar
Chief Financial Officer

Indu Daryani
Company Secretary

Annexure - 2

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN:	L45201GJ1994PLC023920
(ii)	Registration Date :	December 20, 1994
(iii)	Name of the Company :	Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)
(iv)	Category / Sub Category of the Company:	Public Company/ Company having Share Capital and Limited by Shares
(v)	Address of the Registered office and contact details:	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110. Contact: The Company Secretary, Tel: 02836-662222; Email: companysecretary_wel@welspun.com
(vi)	Whether listed company:	Yes, equity shares listed on: National Stock Exchange of India Limited (NSE) The BSE Limited (BSE)
(vii)	Name, address and contact details of Registrar and Transfer Agent :	M/s Link Intime India Private Limited Unit : Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Email - rnt.helpdesk@linkintime.co.in Tele. No.: +91-022-25946970 Fax No. : +91-22-25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Civil Engineering	42	57.06%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
1.	MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED 707-708, Sterling Center, R C Dutt Road, Alkapuri, Vadodara, Gujarat - 390005	U45200GJ2005PTC045753	Subsidiary	100.00	2(87)(ii)
2.	MSK PROJECTS (KIM MANDVI CORRIDOR) PRIVATE LIMITED 707-708, Sterling Center, R C Dutt Road, Alkapuri, Vadodara, Gujarat - 390005	U45203GJ2005PTC047076	Subsidiary	100.00	2(87)(ii)
3.	ANJAR WATER SOLUTIONS PRIVATE LIMITED (Formerly known as Welspun Road Projects Private Limited) Welspun House, 7 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra - 400013	U41000MH2010PTC208924	Subsidiary	100.00	2(87)(ii)

4.	WELSPUN BUILD-TECH PRIVATE LIMITED (Formerly known as Welspun Construction Private Limited) B-Wing, 9 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra - 400013	U45200MH2008PTC178766	Subsidiary	100.00	2(87)(ii)
5.	WELSPUN NATURAL RESOURCES PRIVATE LIMITED Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110	U11201GJ2006PTC064142	Subsidiary	100.00	2(87)(ii)
6.	ARSS BUS TERMINAL PRIVATE LIMITED** 73, HIG, BDA Housing Complex, Ekamara Collage Square, Kapil Prasad, Bhubaneswar, Orissa - 751002	U63031OR2010PTC012372	Subsidiary	100.00	2(87)(ii)
7.	WELSPUN DELHI MEERUT EXPRESSWAY PRIVATE LIMITED* T-11, 3 rd Floor, Vasant Square Mall, Sector-B, Pocket - V, Vasant Kunj, New Delhi 110070	U45203DL2016PTC291178	Subsidiary	100.00	2(87)(ii)
8.	DEWAS BHOPAL CORRIDOR PRIVATE LIMITED® Unit No. 316 & 317, C Wing, Third Floor, Kanakia Zillion, LBS Marg, BKC Annexe, Mumbai - 400070	U45203MH2007PTC170813	Joint Venture	®13.00	2(6)
9.	ADANI WELSPUN EXPLORATION LIMITED Adani House, Nr Mithakhalisix Roads, Narangpura, Ahmedabad - 380009	U40100GJ2005PLC046554	Joint Venture	35.00	2(6)

**became wholly-owned subsidiary w.e.f. September 10, 2015

*became subsidiary w.e.f. February 16, 2016

®ceased to be jointly controlled entity w.e.f. December 22, 2015

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

i. Category-wise shareholding

	No. of shares held at the beginning of the year (taking into consideration the effect of merger of erstwhile Welspun Enterprises Limited with the Company)				No. of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a)Individual / HUF	204	-	204	0.00	204	-	204	0.00	-
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt (s)	-	-	-	-	-	-	-	-	-
d)Bodies Corporate	59,118,328	-	59,118,328	34.11	61,315,811	-	61,315,811	35.23	1.12
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1):-	59,118,532	-	59,118,532	34.11	61,316,015	-	61,316,015	35.23	1.12
(2) Foreign									
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)Other- Individual	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	3,780,000	-	3,780,000	2.18	3,780,000	-	3,780,000	2.17	(0.01)
d)Any other....	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	3,780,000	-	3,780,000	2.18	3,780,000	-	3,780,000	2.17	(0.01)
Total shareholding of promoter (A)= (A)(1)+(A)(2)	62,898,532	-	62,898,532	36.29	65,096,015	-	65,096,015	37.40	1.11

B.Public shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	12,103,164	-	12,103,164	6.98	10,684,078	-	10,684,078	6.14	(0.84)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	162,000	-	162,000	0.09	162,000	-	162,000	0.09	-
g) FIIs	17,795,772	-	17,795,772	10.27	882	-	17,968,882	10.32	0.06
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others -Foreign Portfolio Investors	-	-	-	-	1,186,606	-	1,186,606	0.68	0.68
Subtotal (B)(1):-	30,060,936	-	30,060,936	17.34	30,001,566	-	30,001,566	17.24	(0.10)
2.Non Institutions									
a) Bodies Corporate									
i. Indian	15,036,771	6,136	15,042,907	8.68	8,836,616	6,136	8,842,752	5.08	(3.60)
ii. Overseas	21,023,328	4,502,292	25,525,620	14.73	25,516,084	-	25,516,084	14.66	(0.07)
b) Individual									
i. Individual shareholding nominal share capital upto Rs. 1 lakh	13,825,834	231,640	14,057,474	8.11	11,134,522	226,120	11,360,642	6.53	(1.58)
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9,549,660	-	9,549,660	5.51	16,475,950	-	16,475,950	9.47	3.96
c) Others -									
i) Qualified Foreign Investors	40,836	-	40,836	0.02	-	-	-	-	(0.02)
ii) Clearing Member	310,678	-	310,678	0.18	699,827	-	699,827	0.40	0.22
iii) Non Resident Indians (Repat & Non Repat)	591,834	33,192	625,026	0.36	544,013	33,192	5,77,205	0.33	(0.03)
iv) Hindu Undivided Family	1,360,866	-	1,360,866	0.79	1,623,094	-	1,623,094	0.93	0.14
v) Trust	600	-	600	0.00	-	-	-	-	-
vi) Unclaimed Shares	31,800	-	31,800	0.02	31,800	-	31,800	0.02	-
Sub Total (B)(2)	61,772,207	4,773,260	66,545,467	38.39	64,861,906	265,448	65,127,354	37.42	(0.97)
Total public shareholding (B) = (B)(1)+(B)(2)	91,833,143	4,773,260	96,606,403	55.74	94,863,472	265,448	95,128,920	54.66	(1.08)
C. Shares held by Custodian for GDRs & ADRs	13,815,600	-	13,815,600	7.97	13,815,600	-	13,815,600	7.94	(0.03)
Grand total (A+B+C)	168,547,275	4,773,260	173,320,535	100.00	173,775,087	265,448	174,040,535	100.00	-

Note: Your Company's paid up share capital increased by 720,000 equity shares during the year ended March 31, 2016 on account of issue of equity shares to the Managing Director under the MD ESOP Plan. With the change in paid up capital, the %ages referred to above are not exactly comparable for the purpose of arriving the differences.

ii. Shareholding of Promoters :

Sr. No	Shareholder's name	Shareholding at the beginning of the year (taking into consideration the effect of merger of erstwhile Welspun Enterprises Limited into the Company)			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Rajesh R. Mandawewala	120	0.00	Nil	120	0.00	Nil	-
2	Balkrishan Goenka	84	0.00	Nil	84	0.00	Nil	-
3	Krishiraj Trading Limited	34,330,600	19.81	Nil	34,330,600	19.73	Nil	(0.08)
4	Welspun Mercantile Limited	8,686,620	5.01	Nil	8,686,620	4.99	Nil	(0.02)
5	Welspun Wintex Limited	8,001,936	4.62	Nil	8,001,936	4.60	Nil	(0.02)
6	Welspun Infra Developers Limited	4,959,312	2.86	Nil	7,156,795	4.11	Nil	1.25
7	Welspun Zucchi Textiles Limited	60	0.00	Nil	60	0.00	Nil	-
8	Welspun Investments and Commercials Limited	3,139,800	1.81	Nil	3,139,800	1.80	Nil	(0.01)
	Total of Co-Promoters(A)	59,118,532	34.11	Nil	61,316,015	35.23	Nil	1.12
9	Intech Metals S. A.	3,780,000	2.18	Nil	3,780,000	2.17	Nil	(0.01)
	Total of Co-Promoters(B)	3,780,000	2.18	Nil	3,780,000	2.17	Nil	(0.01)
	Total of Promoters (A)+(B)	62,898,532	36.29	Nil	65,096,015	37.40	Nil	1.11

Note: Your Company's paid up share capital increased by 720,000 equity shares during the year ended March 31, 2016 on account of issue of equity shares to the Managing Director under the MD ESOP Plan. With the change in paid up capital, the %ages referred to above are not exactly comparable for the purpose of arriving the differences.

iii. Change in Promoter groups' shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year (taking into consideration the effect of merger of erstwhile Welspun Enterprises Limited into the Company)			Cumulative shareholding during the year		
		No. of Shares	Total No. of shares of the Company	% of total shares of the Company	No. of Shares	Total No. of shares of the Company	% of total shares of the Company
1	At the beginning of the year	62,898,532	173,320,535	36.29	62,898,532	173,320,535	36.29
2	Increase in Promoter Group shareholding due to Market Purchases by Welspun Infra Developers Limited on:						
	September 4, 2015	2,148,260	173,320,535	1.24	65,046,792	173,320,535	37.53
	September 8, 2015	49,223		0.03	65,096,015		37.56
3	Change in Promoter Group shareholding % due to increase in paid up share capital w.e.f. Feb 22, 2016						
	Promoter Shareholding	65,096,015	174,040,535	37.40	65,096,015	174,040,535	37.40
4	At the end of the year	65,096,015	174,040,535	37.40	65,096,015	174,040,535	37.40

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

Sr. No.	For each of the top ten shareholders	Shareholding at the beginning of the year (taking into consideration the effect of merger of erstwhile Welspun Enterprises Limited into the Company)		Transactions during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	* As on Date	Increase/ (Decrease) in share holding	Reason for Increase / (Decrease)	No. of shares	% of total shares of the Company
1	GRANELE LIMITED							
	At the beginning of the year	21,023,328	12.13	-	-	-	21,023,328	12.08
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	21,023,328	12.08
	At the end of the year	-	-	-	-	-	21,023,328	12.08
2	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.							
	At the beginning of the year	16,354,044	9.44	-	-	-	16,354,044	9.40
	Increase /(Decrease) in shareholding during the year	-	-	Aug 7, 2015	(19,058)	Sale	16,334,986	9.39
		-	-	Aug 14, 2015	(178,616)	Sale	16,156,370	9.28
		-	-	Oct 23, 2015	(59,863)	Sale	16,096,507	9.25
		-	-	Oct 30, 2015	(105)	Sale	16,096,402	9.25
		-	-	Nov 27, 2015	(18,073)	Sale	16,078,329	9.24
		-	-	Dec 4, 2015	(327,228)	Sale	15,751,101	9.05
		-	-	Dec 11, 2015	(2,436)	Sale	15,748,665	9.05
		-	-	Dec 25, 2015	(47)	Sale	15,748,618	9.05
	At the end of the year	-	-	-	-	-	15,748,618	9.05
3	LIFE INSURANCE CORPORATION OF INDIA & ITS FUNDS							
	At the beginning of the year	10,098,804	5.83	-	-	-	10,098,804	5.80
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	10,098,804	5.80
	At the end of the year	-	-	-	-	-	10,098,804	5.80
4	DILIPKUMAR LAKHI							
	At the beginning of the year	4,748,803	2.74	-	-	-	4,748,803	2.73
	Increase /(Decrease) in shareholding during the year	-	-	Aug 7, 2015	(10,000)	Sale	4,738,803	2.72
		-	-	Nov 27, 2015	5,000	Purchase	4,743,803	2.73
	At the end of the year	-	-	-	-	-	4,743,803	2.73
5	SIMBA ASIA LIMITED							
	At the beginning of the year	4,502,292	2.60	-	-	-	4,502,292	2.59
	Increase /(Decrease) in shareholding during the year	-	-	Dec 11, 2015	(9,536)	Sale	4,492,756	2.58
	At the end of the year	-	-	-	-	-	4,492,756	2.58
6	MENTOR CAPITAL LIMITED							
	At the beginning of the year	4,086,924	2.36	-	-	-	4,086,924	2.35
	Increase /(Decrease) in shareholding during the year	-	-	Aug 7, 2015	20,000	Purchase	4,106,924	2.36
		-	-	Dec 4, 2015	(15,122)	Sale	4,091,802	2.35
	At the end of the year	-	-	-	-	-	4,091,802	2.35
7	CHIRAG DILIPKUMAR LAKHI							
	At the beginning of the year	2,538,480	1.46	-	-	-	2,538,480	1.46
	Increase /(Decrease) in shareholding during the year	-	-	Dec 11, 2015	32,145	Purchase	2,570,625	1.48
		-	-	Feb 5, 2016	20,000	Purchase	2,590,625	1.49
		-	-	Feb 12, 2016	16,371	Purchase	2,606,996	1.50
		-	-	Feb 19, 2016	127,313	Purchase	2,734,309	1.57
	At the end of the year	-	-	-	-	-	2,734,309	1.57

8	POLUS GLOBAL FUND							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	Sept 30, 2015	1,134,000	Purchase	1,134,000	0.65
	At the end of the year	-	-	-	-	-	1,134,000	0.65
9	DIMENSIONAL EMERGING MARKETS VALUE FUND							
	At the beginning of the year	940,128	0.54	-	-	-	940,128	0.54
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	940,128	0.54
	At the end of the year	-	-	-	-	-	940,128	0.54
10	BAKULESH TRAMBAKLAL SHAH							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	July 24, 2015	935,000	Purchase	935,000	0.54
	At the end of the year	-	-	-	-	-	935,000	0.54

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

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

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (taking into consideration the effect of merger of erstwhile Welspun Enterprises Limited into the Company)		Transactions during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason for Increase/ (Decrease)	No. of shares	% of total shares of the Company
DIRECTORS								
1	Mr. Rajesh R. Mandawewala							
	At the beginning of the year	120	0.00	-	-	-	120	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	120	0.00
	At the end of the year	-	-	-	-	-	120	0.00
2	Mr. Apurba Kumar Dasgupta*							
	At the beginning of the year	300	0.00	-	-	-	300	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	300	0.00
	At the end of the year	-	-	-	-	-	300	0.00
3	Mr. Mohan Tandon							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
4	Mr. Ram Gopal Sharma							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	Aug 28, 2015	1	Purchase	1	0.00
	At the end of the year	-	-	-	-	-	-	0.00

5	Mr. Mintoo Bhandari							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
6	Mr. Utsav Baijal							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
7	Mr. Yogesh Agarwal							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
8	Ms. Mala Tadarwal							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
KEY MANAGERIAL PERSONNEL								
9	Mr. Balkrishan Goenka - Chairman (Executive)							
	At the beginning of the year	84	0.00	-	-	-	84	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	84	0.00
	At the end of the year	-	-	-	-	-	84	0.00
10	Mr. Sandeep Garg - Managing Director							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	Feb 22, 2016	720,000	ESOP allotment	720,000	0.41
	At the end of the year	-	-	-	-	-	720,000	0.41
11	Mr. Shriniwas Kargutkar - Chief Financial Officer[®]							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
12	Mr. Rajendra Sawant - Company Secretary[®]							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00
13	Ms. Indu Daryani - Company Secretary[§]							
	At the beginning of the year	-	0.00	-	-	-	-	0.00
	Increase /(Decrease) in shareholding during the year	-	-	-	-	-	-	0.00
	At the end of the year	-	-	-	-	-	-	0.00

[®]Appointed w.e.f. 29.05.2015

[®]Resigned w.e.f. 30.06. 2015

[§]Appointed w.e.f. 12.08.2015

[§]Resigned w.e.f. 15.04.2016

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	913,955,165	-	-	913,955,165
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	10,509,612	-	-	10,509,612
Total (i + ii + iii)	924,464,777	-	-	924,464,777
Change in indebtedness during the financial year				
• Addition	8,894,749,368	-	-	8,894,749,368
• Reduction	(9,109,845,484)	-	-	(9,109,845,484)
Net change	(215,096,116)	-	-	(215,096,116)
Indebtedness at the end of the financial year				
i. Principal Amount	701,724,450	-	-	701,724,450
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	3,485,366	-	-	3,485,366
Total (i+ii+iii)	705,209,816	-	-	705,209,816

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Balkrishan Goenka - Chairman (Executive)	Mr. Sandeep Garg - Managing Director	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	10,096,774	47,519,659	57,616,433
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	33,246,000	33,246,000
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	*Stock Options	-	33,246,000	33,246,000
3.	Sweat equity	-	-	-
4	Commission - As % of profit - Others, specify.....	-	-	-
5	Others, please specify	-	-	-
	Total (A)	10,096,774	80,765,659	90,862,433
	Ceiling as per the Act	Within the limits prescribed under the Companies Act, 2013		

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

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Mohan Tandon	Mr. Apurba Kumar Dasgupta*	Mr. Ram Gopal Sharma	Ms. Mala Tadarwal	Mr. Mintoo Bhandari	Mr. Utsav Baijal	Mr. Yogesh Agarwal	
1.	Independent Directors								
	• Fee for attending board/ committee meetings	427,000	309,000	323,000	373,000	25,000	99,000	90,000	1,646,000

	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	427,000	309,000	323,000	373,000	25,000	99,000	90,000	16,46,000
2.	Other Non Executive Directors	-	-	-	-	-	-	-	-
	• Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	427,000	309,000	323,000	373,000	25,000	99,000	90,000	16,46,000
	Total Managerial Remuneration	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act.	1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rs. one lakh per meeting of the Board or committee thereof.)							

*Resigned from Company directorship w.e.f. 15.04.2016

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shriniwas Kargutkar, Chief Financial Officer (appointed w.e.f. May 29, 2015)	Ms. Indu Daryani, Company Secretary (appointed w.e.f. August 12, 2015)	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5,513,631	789,096	6,302,727
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	5,513,631	789,096	6,302,727

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. Penalty					
Company	NIL				
Directors					
Other Officers in default					
B. Punishment					
Company	NIL				
Directors					
Other Officers in default					
C. Compounding					
Company	NIL				
Directors					
Other Officers in default					

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

To,
The Members,
Welspun Enterprises Limited
(Formerly known as Welspun Projects Limited)
Welspun City, Village Versamedi, Anjar,
Gujarat - 370110
CIN: L45201GJ1994PLC023920
BSE Scrip Code - 532553
NSE Scrip Code - WELENT Series EQ

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, 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, 2016 according to the provisions of:

- i) The Companies Act, 1956/The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [no event occurred requiring compliance during the audit period];

- g) 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;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [no event occurred requiring compliance during the audit period]; and
- j) The Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India on the meetings of the Board of Directors and general meetings.
- ii) The Listing Agreements entered into by the Company with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

We further report that -

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has not undertaken any event /action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For S.S. RISBUD & CO.
Company Secretaries

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

Place: Mumbai
Date : May 23, 2016

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

These 3E's are implemented through:

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

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

[http://www.welspunenterprises.com/userfiles/file/CSR%20Policy\(1\).pdf](http://www.welspunenterprises.com/userfiles/file/CSR%20Policy(1).pdf)

2. The Composition of the CSR Committee

The Committee comprises of the following three directors as on date of this Report:

Sr. No.	Name of Director	Category	Members of CSR Committee
1.	Mr. Ram Gopal Sharma	Independent Director	Chairman
2.	Mr. Rajesh Mandawewala	Non - Executive Director	Member
3.	Mr. Sandeep Garg	Managing Director	Member

Ms. Indu Daryani, Company Secretary, acts as the Secretary to the Committee.

3. Average net profit / (loss) of the Company for last three financial years: Rs. (163,157,871)

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

5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year: Nil
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) project or programs wise (Rs.)	Amount spent on the projects or programs (Sub -heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure up to the date reporting period	Amount spent : Direct or through implementing agency
Nil							

6. Owing to average net loss of Rs. 163,157,871 during the preceding three financial years, your Company could not spend any amount on CSR.

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

For and on Behalf of the Board

Place: Mumbai
Date : May 23, 2016

Sandeep Garg
Managing Director
DIN: 00036419

Ram Gopal Sharma
Chairman - CSR Committee
DIN : 00026514

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors of your 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, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

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

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

Sr. No.	Name of the Director	Category	Board Meetings attended during FY 2015-16	Attendance at the 21st AGM	Directorship on the Board of other Companies			Membership / Chairpersonship in Board Committees including other Companies [®]	No. of equity shares held in the Company
					Public	Private	Other Body Corporate		
1)	Mr. Balkrishan Goenka - Chairman	C, P, E	5/9	-	8	4	7	2M	84
2)	Mr. Rajesh R. Mandawewala	P, NE	7/9	-	9	5	13	3M	120
3)	Mr. Apurba Kumar Dasgupta [§]	I	7/9	Yes	5	5	-	2C, 5M	300
4)	Mr. Mohan Tandon	I	9/9	-	2	-	-	3M	-
5)	Ms. Mala Tadarwal	I	8/9	-	7	-	-	3C, 6M	-
6)	Mr. Ram Gopal Sharma [#]	I	7/8	Yes	7	1	-	5C, 8M	1
7)	Mr. Mintoo Bhandari [#]	N	1/8	-	2	2	-	4M	-
8)	Mr. Utsav Baijal (Alternate Director to Mr. Mintoo Bhandari) [#]	N	2/8	-	1	1	-	2M	-
9)	Mr. Yogesh Agarwal [*]	I	2/6	-	2	-	-	1C, 2M	-
10)	Mr. Sandeep Garg- Managing Director	E	9/9	-	6	1	-	-	7,20,000

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

[#] appointed w.e.f. 29.05.2015

^{*} appointed w.e.f. 12.08.2015

[§] Resigned w.e.f. 15.04.2016

Abbreviations:

P = Promoter/Promoter Group; E = Executive Director; NE = Non-Executive Director; I = Independent Non-Executive; N= Nominee - Insight Solutions Ltd. and Granele Ltd. (Equity Investors); C=Chairperson; and M= Member.

9 meetings of the Board of Directors were held during the financial year 2015-16 on the following dates: May 09, 2015, May 29, 2015, June 24, 2015, August 12, 2015, September 07, 2015, November 03, 2015, December 19, 2015, December 22, 2015 and February 12, 2016.

In addition to the above, a meeting of the Independent Directors was held on March 17, 2016 in compliance with Section 149(8) read with Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which meeting was attended by Mr. Mohan Tandon, Mr. Ram Gopal Sharma, Mr. Yogesh Agarwal and Ms. Mala Tadarwal.

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

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

III. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee is as required under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The composition of the Committee as on the date of this report and attendance of members for meetings attended during the financial year 2015-16 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Ram Gopal Sharma*	Chairman	5/6
Mr. Mohan Tandon**	Member	6/6
Mr. Apurba Kumar Dasgupta [§]	Member	4/6
Ms. Mala Tadarwal	Member	5/6
Mr. Rajesh R. Mandawewala [#]	Member	2/4
Mr. Mintoo Bhandari***	Member	0/6
Mr. Utsav Baijal [%]	Member	2/6

*Appointed as Chairman and member w.e.f. 29.05.2015

** Ceased to be Chairman w.e.f. 29.05.2015

*** Appointed as member w.e.f. 29.05.2015

[#] Ceased to be member w.e.f. 05.11.2015

[§] Resigned from directorship w.e.f. 15.04.2016

[%] Alternate director to Mr. Mintoo Bhandari

The Company Secretary of your Company, Ms. Indu Daryani, acts as the Secretary to the Committee.

6 meetings of the Audit Committee were held during the financial year 2015-16 on the following dates: May 29, 2015, July 29, 2015, August 12, 2015, November 03, 2015, December 19, 2015 and February 12, 2016.

All the recommendations made by the Audit Committee were accepted/approved by the Board.

IV. NOMINATION AND REMUNERATION COMMITTEE

The composition and terms of reference of the Nomination and Remuneration Committee is as required under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The composition of the Committee as on the date of this report and attendance of the members for meetings attended during the financial year 2015-16 is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Apurba Kumar Dasgupta*	Chairman	2/2
Mr. Mohan Tandon**	Chairman	2/2
Mr. Balkrishan Goenka***	Member	0/2
Ms. Mala Tadarwal	Member	2/2
Mr. Ram Gopal Sharma***	Member	1/1
Mr. Mintoo Bhandari***	Member	0/1
Mr. Utsav Baijal [%]	Member	0/1

*** Appointed as member w.e.f. 29.05.2015

* Resigned from directorship w.e.f. 15.04.2016

** Appointed as Chairman w.e.f. 23.05.2016

[%] Alternate director to Mr. Mintoo Bhandari

During the year under review, 2 meetings of the Committee were held on May 29, 2015 and August 12, 2015. All the recommendations made by the Committee were accepted/approved by the Board.

The Company follows the "Nomination and Remuneration Policy" for appointment of, payment of remuneration to and performance evaluation of directors, key managerial personnel and senior management personnel which, inter alia, sets out the criteria for performance evaluation of independent directors.

The salient features of the policy are as under:

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

Your Company's Nomination and Remuneration Policy as required under Section 178(3) of the Companies Act, 2013 is disclosed on the Company's website www.welspunenterprises.com and a web link thereto is as under:
<http://www.welspunenterprises.com/userfiles/file/Nomination%20and%20Remuneration%20Policy.pdf>

V. REMUNERATION OF DIRECTORS

Refer Point No. 17 of the Directors' Report

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

The composition and terms of reference of the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee is as required under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The composition of the Committee as on the date of this report is given hereunder:

Name of the Member	Member / Chairman
Ms. Mala Tadarwal	Chairman
Mr. Mohan Tandon	Member
Mr. Apurba Kumar Dasgupta*	Member
Mr. Mintoo Bhandari**	Member
Mr. Utsav Baijal%	Member

** Appointed as member w.e.f. 29.05.2015

* Resigned from directorship w.e.f 15.04.2016

% Alternate director to Mr. Mintoo Bhandari

The Company Secretary, Ms. Indu Daryani, acts as the Compliance Officer of the Committee. A meeting of the Committee was held on August 12, 2015 and resolutions were passed through circulation as and when required.

During the year under review, 12 complaints were received from various shareholders, the details of which are as under:

Sr. No.	Nature of Complaint/Request	No. of requests received and processed
1.	Non - receipt of share certificate(s) - Transfer	4
2.	Non - receipt of dividend	1
3.	Non - receipt of annual report	6
4.	Others	1
	Total	12

All the complaints/requests received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders and no complaints were pending as on March 31, 2016. All the securities received for transfer/transmission were transferred / transmitted and no transfer was pending as at March 31, 2016.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The composition of the Committee as on the date of this report is given hereunder:

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

VIII. GENERAL BODY MEETINGS

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

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
21 st Annual General Meeting	Tuesday, September 29, 2015	11.30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110	<ul style="list-style-type: none"> Appointment of Mr. Balkrishan Goenka as Chairman (Executive) and fixation of remuneration payable to him. Alteration of Articles of Association of the Company for inclusion of certain rights pertaining to PE investors.
20 th Annual General Meeting	Tuesday, September 30, 2014	11.30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110	<ul style="list-style-type: none"> Authorising keeping of register and index of members separately for each class of equity and preference shares, register of debenture holders and register of any other security holders at any other place in India outside the registered office of the Company. Alteration of Articles of Association of the Company to align the same with the requirements under the Companies Act, 2013.
19 th Annual General Meeting	Tuesday, September 24, 2013	11.30 a.m.	Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat-370110	No special resolution was passed at the 19 th AGM

During the year under Report, no resolution was passed through Postal Ballot. Currently, no resolution is proposed to be passed through Postal Ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable laws.

IX. MEANS OF COMMUNICATION

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

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

X. GENERAL SHAREHOLDER INFORMATION

a) **Annual General Meeting** shall be held on Thursday, September 29, 2016 at 11.30 a.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110.

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

c) **Date of Book Closure:** Thursday, September 22, 2016 to Friday, September 23, 2016 (both days inclusive)

d) **Dividend payment date:** N.A.

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

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock code/symbol for equity shares	Whether Annual Listing Fee paid for FY 2016-17	Whether share suspended from trading during FY 2015-16
1.	National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	WELENT; Series: EQ	Yes	No
2.	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001	532553	Yes	No

Note:

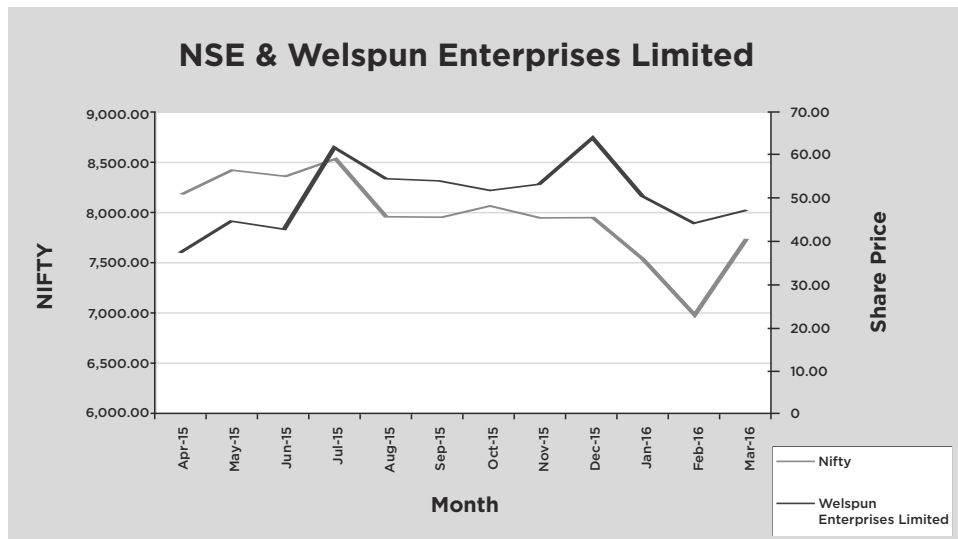
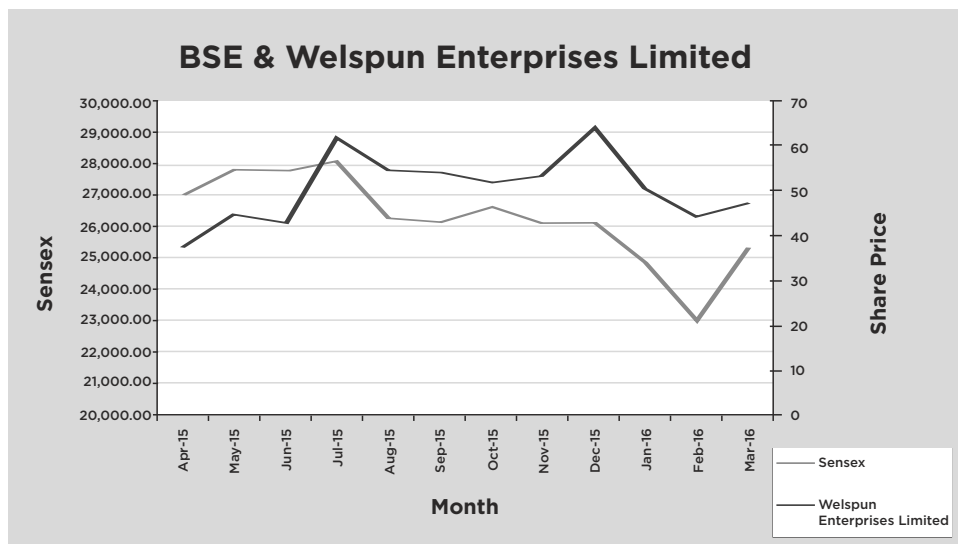
- ISIN No. (For dematerialized shares) : INE625G01013
- The Securities and Exchange Board of India ("SEBI") had, vide order reference WTM/RKA/MRD/144/2015 dated November 9, 2015, directed the exit of Vadodara Stock Exchange Limited ("VSE") as a stock exchange with effect from November 9, 2015. Based on the exit order, the equity shares of your Company, which were listed on VSE prior to the exit order, ceased to be listed on VSE w.e.f. November 9, 2015, without any further action undertaken by the Company with regard to its delisting from VSE.

f) **Stock Market price data, high and low price of equity shares during each month in FY 2015-16 on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:**

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2015	42.85	29.10	42.25	27.65
May, 2015	53.80	37.65	54.00	39.55
June, 2015	45.50	36.00	45.65	35.70
July, 2015	63.40	43.20	63.40	43.70
August, 2015	79.10	48.95	79.25	48.95
September, 2015	62.20	50.00	62.50	50.50
October, 2015	58.90	51.35	59.00	51.50
November, 2015	55.00	48.05	55.70	47.80
December, 2015	65.50	46.15	65.60	46.05
January, 2016	65.05	45.00	65.00	44.30
February, 2016	53.55	43.00	53.65	42.50
March, 2016	52.15	44.40	52.15	44.25

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

Month	BSE Index (Sensex)	Closing price of Share (Rs.)	NSE (S&P Nifty)	Closing price of Share (Rs.)
April, 2015	27,011.31	37.25	8,181.50	37.40
May, 2015	27,828.44	44.95	8,433.65	44.95
June, 2015	27,780.83	43.00	8,368.50	42.95
July, 2015	28,114.56	61.95	8,532.85	61.90
August, 2015	26,283.09	54.75	7,971.30	54.85
September, 2015	26,154.83	54.20	7,948.90	54.25
October, 2015	26,656.83	52.00	8,065.80	52.35
November, 2015	26,145.67	53.30	7,935.25	53.40
December, 2015	26,117.54	64.10	7,946.35	64.00
January, 2016	24,870.69	50.40	7,563.55	50.55
February, 2016	23,002.00	44.35	6,987.05	44.35
March, 2016	25,341.86	47.25	7,738.40	47.40



- h) Registrar and Transfer Agent:** The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to resolve the complaints of shareholders, the contact details are as given hereunder:

Link Intime India Private Limited (Formerly known as: Intime Spectrum Registry Limited)
 Unit : Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West),
 Mumbai - 400 078.
 Email - rnt.helpdesk@linkintime.co.in
 Tele. No.: +91-022-25946970
 Fax No.: +91-22-25946969

- i) Share Transfer System:** Our Registrar and Transfer Agent registers shares sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Shares under objection are returned within two weeks.

- j) Distribution of Shareholding:**

Shareholding Pattern as on March 31, 2016:

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto - 500	49,702	90.54	4,742,849	2.73
501 - 1,000	2,537	4.62	1,866,484	1.07
1,001 - 2,000	1,215	2.21	1,767,595	1.02
2,001 - 3,000	465	0.85	1,190,479	0.68
3,001 - 4,000	168	0.31	603,339	0.35
4,001 - 5,000	162	0.30	752,425	0.43
5,001 - 10,000	293	0.53	2,171,897	1.25
10,001 and above	352	0.65	160,945,467	92.48
Total	54,894	100.00	174,040,535	100.00

- k) De-materialization of shares and liquidity:** As on March 31, 2016, 99.85% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Ltd.

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

Outstanding as on 31.03.2016	Conversion Date	Likely Impact on Equity Share Capital
240,000 Stock Options carrying right to subscribe for equal number of equity shares in the Company	14/07/2019	Increase in equity capital by 240,000 equity shares of Rs. 10.00 each

- m) Project locations of your Company and its subsidiaries:**

Sr. No	Company	Location	State	Nature of Business
1	Welspun Enterprises Limited	Ludhiana	Punjab	Project - BOT
2	Welspun Enterprises Limited	Dewas	Madhya Pradesh	Project - BOT
3	Welspun Enterprises Limited	Hoshangabad	Madhya Pradesh	Project - BOT
4	Welspun Enterprises Limited	Raisen	Madhya Pradesh	Project - BOT
5	Welspun Enterprises Limited	Vapi	Gujarat	Project - EPC
6	Welspun Enterprises Limited	Mohali	Punjab	Project - EPC
7	Welspun Enterprises Limited	Surat	Gujarat	Project - EPC
8	Welspun Enterprises Limited	Delhi	Delhi	Project - EPC
9	Welspun Enterprises Limited	Bharuch	Gujarat	Operations & Maintenance
10	MSK Projects (Himmatnagar Bypass) Private Limited	Himmatnagar	Gujarat	Project - BOT
11	MSK Projects (Kim Mandvi Corridor) Private Limited	Kim Mandvi	Gujarat	Project - BOT
12	Welspun Delhi Meerut Expressway Private Limited	Delhi	Delhi	Project - Hybrid Annuity Model

n) Address for correspondence

The Company Secretary,
Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)
Welspun House, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

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

XI. OTHER DISCLOSURES

a) Related Party Transactions

Refer Point No. 16 of the Director's Report

b) Non-Compliance

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

c) Whistle Blower Policy and Vigil Mechanism

Refer Point No.14 of the Directors' Report.

d) Policy for determining 'material' subsidiaries

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

<http://www.welspunenterprises.com/userfiles/file/Annexure%20J%20-%20Policy%20on%20Material%20Subsidiary.pdf>

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

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

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

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

f) Disclosure of commodity price risks and commodity hedging activities

For details of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please refer the Management Discussion and Analysis.

g) Code of Conduct for Board and Senior Management

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been hosted on your Company's website www.welspunenterprises.com for information of all the members of the Board and management personnel, a web link thereto is:

http://www.welspunenterprises.com/userfiles/file/Code%20of%20conduct%20for%20Board%20and%20Sr_%20Mgt.pdf

All Board members and senior management personnel have affirmed compliance of the same. A declaration signed by the Managing Director of the Company with respect to compliance of Code of Conduct is given below:

"I hereby confirm that the Company has obtained affirmation from all the members of the Board and Management Personnel that they have complied with the Code of Conduct for the financial year 2015-16."

Sd/-
Sandeep Garg
Managing Director
DIN: 00036419

PRACTICING COMPANY SECRETARY'S CERTIFICATE

To,
The Members,
Welspun Enterprises Limited
(Formerly known as Welspun Projects Limited)

We have examined the compliance of conditions of Corporate Governance by Welspun Enterprises Limited (formerly known as Welspun Projects Limited) for the year ended on March 31, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations").

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

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

We state that in respect of investor grievances received during the year ended March 31, 2016, the Registrars of the Company have certified that as at March 31, 2016, there was no investor grievance remaining unattended/pending to the satisfaction of the investor.

For S. S. Risbud & Co.
Company Secretaries

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

Place: Mumbai
Date : May 23, 2016

MANAGEMENT DISCUSSION AND ANALYSIS



“Through our re-organisation initiatives over the last few years, we have set a solid foundation for growth. With a strong balance sheet and a sizable cash reserve, we are well-poised to take advantage of the potential in the infrastructure space, as a developer in niche areas. We have made a good start by bagging one of the first Hybrid Annuity projects awarded in the country.”

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Enterprises Ltd (“Welspun” or “WEL” or the “Company”), and the notes thereto for the year ended March 31, 2016. This MD&A covers Welspun’s financial position and operations for the year ended March 31, 2016. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers for the year ending March 31, 2016 as well as for the previous year are on a consolidated basis and regrouped and reclassified wherever necessary.

Forward-Looking Statements

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

Business Overview

Welspun Enterprises Limited (WEL)- formerly known as Welspun Projects Ltd.- is a part of the Welspun Group. The Company is an operating Company as well as a holding company. The Company operates in the infrastructure space with investments in oil & gas as well as renewable energy.

Pursuant to Scheme of Arrangement and Amalgamation made effective from May 11, 2015, the erstwhile Welspun Enterprises Ltd., Welspun Infratech Limited, Welspun Plastics Private Limited and Welspun Infra Projects Private Limited were merged into Welspun Projects, which was renamed as Welspun Enterprises Ltd. This consolidation has enabled the Company to better leverage the combined strengths of the entities, synergies arising out of consolidation of business such as, enhancement of net worth of the combined business to capitalise on future growth potential, optimal utilisation of resources, reducing operating and compliance cost and achieving operational and management efficiency. It has aided the Company to target opportunities which need large free cash and strong balance sheet. The merger has also helped to consolidate and simplify corporate structure of Welspun Enterprises and its subsidiaries.

Macro-Economic Overview

Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, fiscal deficit, and current account deficit have declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at varying speeds across sectors. The Indian economy expanded 7.3% in FY 15-16, marginally higher than 6.9% recorded in the previous year. This demonstrates that a soft recovery is underway. In this context, it is pertinent to mention that over the years, India has become increasingly entwined with the world. The result is that if global growth lurches into more crises, India's growth may be seriously affected for the correlation between global and Indian growth is growing significantly.

India's long-run potential GDP growth is substantial, about 8-10 percent; but its actual growth in FY16-17 will depend upon a range of domestic and global factors. First, slow investment recovery amid balance sheet adjustments of corporates is likely to hinder investment demand. Second, with capacity utilisation in the organised industrial sector estimated at 72.5%, revival of private investment is expected to be hesitant. Thirdly, global output and trade growth remain tepid, dragging down net exports. On the positive side, the government's 'start-up' initiative, strong commitment to fiscal targets, and the thrust on bolstering infrastructure could brighten the investment climate.

Household consumption demand is expected to benefit from the Pay Commission award, continued low commodity prices, past interest rate cuts, and measures announced in the Union Budget 2016-17 to transform the rural sector. Consumer confidence remains upbeat, while the corporate sector's expectations of business conditions remain positive. (Source: World Bank, IMF, RBI)

Infrastructure

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development. India needs Rs 31 trillion (US\$ 465 billion) to be spent on infrastructure development over the next five years, with 70 per cent of funds needed for power, roads and urban infrastructure segments. An investment of USD 1 Trillion has been projected for the infrastructure sector from 2012 until 2017, 40% of which is to be funded by the private sector. The total infrastructure spending is expected to be about 10 per cent of Gross Domestic Product (GDP) during the 12th Five-Year Plan (2012-17), up from 7.6 per cent during the previous plan (2007-12).

Given the importance of the sector to India's economic development, the infrastructure sector enjoys intense focus from the Government. The Government, over the last year, has taken several steps to remove the impediments and expedite infrastructure development. Some of the key highlights in the last year for the sector were:

- India's highest ever kilometres of new highways were awarded in 2015.
- In the road sector, more than 70 projects were languishing at the beginning of the year, due to legacy factors. Aggregate length of these projects was about 8,300 kms involving more than 1 lakh crore investment. Currently, nearly 85% of these projects have been put back on track.
- Three new initiatives to reinvigorate private investment in the sector are:
 - (i) A Public Utility (Resolution of Disputes) Bill will be introduced during 2016-17 to streamline arrangements for resolution of disputes in infrastructure related construction contracts, PPP and public utility contracts;
 - (ii) Guidelines for renegotiation of PPP Concession Agreements will be issued, keeping in view the long term nature of such contracts and potential uncertainties of the real economy, without compromising transparency;
 - (iii) A new credit rating system for infrastructure projects which gives emphasis to various in-built credit enhancement structures will be developed, instead of relying upon a standard perception of risk which often results in mispriced loans.

Among the various infrastructure sub-sectors, roads play a vital role India has the second largest road network in the world with about 52.32 lakh km of road network comprising National Highways, State Highways and other roads. The value of roads and bridges infrastructure in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 17.4 per cent over FY12-17. The country's roads and bridges infrastructure, which was valued at US\$ 6.9 billion in 2009 is expected to touch US\$ 19.2 billion by 2017. The financial outlay for road transport and highways grew at a CAGR of 19.4 per cent in the period FY09-14.

Welspun Enterprises (earlier Welspun Projects) has developed and operates PPP projects in various sectors

like roads, water, and urban infrastructure. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km. The company has currently six operational projects – five in road and one in water.

An interesting opportunity which has been approved by government is Hybrid Annuity Model (HAM) for building roads to fast-track highway projects, revive the Public-Private-Partnership (PPP) mode and attract more investments in the sector. The hybrid annuity model, is the fourth model introduced in India for the execution of road projects and is intended to accelerate highway construction. The HAM is a mix of engineering, procurement and construction (EPC) and build-operate-transfer (BOT) formats, with the government and the private companies sharing the total project cost in the ratio of 40:60 respectively. The amount spent by the private partner will be paid in instalments over the operating period, along with a return on the invested capital. This new model will reduce financial burden on the concessionaire during project implementation phase. Compared to EPC projects, the shift to HAM would also ease cash flow pressure on the NHAI. Given the certainty of cash flows in the annuity model, developers can obtain more leverage from banks. This model is likely to ease financial burden on the exchequer too, as it lowers their upfront contribution for the project compared to EPC. Considering the advantages of HAM over the other PPP models, the Company has been focussing on such projects in the last year.

During the year, the company won one of the first Hybrid Annuity projects to be awarded by NHAI. This project involves the development of Delhi – Meerut Expressway - Package I from km 0.000 to existing km 8.360 of NH-24 in the State of Delhi. The cost of the project is estimated at Rs. 8.4 bn. The project has a construction period of 2.5 years, followed by operation period of 15 years.

In FY15-16, the company also divested part of its stake in the Dewas Bhopal road project (DBCL), a 50% Joint Venture of the Company. WEL sold 37% equity stake in the project to INDIA INFRASTRUCTURE FUND-II, an alternate fund sponsored by IDFC, at an Enterprise Value of Rs. 6.62 billion (including a contingent deferred consideration of Rs. 340 million and debt of Rs. 3.17 billion). The transaction strengthened the Company's financial capabilities by increasing the cash and reducing net debt by nearly Rs. 2.82 billion. Consequently, the Company still owns 13% equity stake in DBCL, which can be transferred within 2 years, subject to approval of Madhya Pradesh Road Development Corporation Limited (MPRDC).

Going forward, the Company will continue to focus with caution on project development activities. Key focus areas will be infrastructure development in niche areas such as hybrid annuity road projects as well as O&M of existing assets.

Oil and Natural Gas

Global energy demand is set to grow by 47%, reaching 399 million barrels of oil equivalent per day (mboe/d) by 2040. Much of this growth will continue to be concentrated in the developing world as industrialization, population growth and the unprecedented expansion of the middle class will propel the need for energy. By 2040, the developing world is expected to make up 63% of the total global energy consumption, a marked increase from 50% in 2014. OECD energy consumption, on the other hand, will only increase 4% from 2014-2040 due to its continued focus on low energy-intensive industries, improved energy efficiency and slower economic growth.

India is set to contribute more than any other country to the projected rise in global energy demand, around one-quarter of the total; even so, energy demand per capita in 2040 is still expected to be 40% below the world average. India's total energy demand is expected to more than double, propelled higher by an economy that is more than five times larger in 2040 and a demographic expansion that makes India the world's most populous country. Demand for oil in India is expected to increase by more than in any other country in the world to 2040, by 6.0 million barrels per day (mb/d) to reach 9.8 mb/d. Natural gas consumption is also expected to triple to around 175 bcm.

However, India's oil and gas production is expected to fall well below the growth in demand. Oil production is expected to fall in the medium term and remain at around 700 thousand barrels per day (kb/d) throughout the period to 2040. India's reliance on oil imports is expected to rise above 90% by 2040, requiring constant vigilance as to the implications for energy security. India's natural gas production is expected to increase from 35 bcm in 2013 to nearly 90 bcm in 2040, but this still leaves a sizeable gap of more than 80 bcm that needs to be met by imported gas.

Given this scenario, it is imperative that India improves its domestic production oil and natural gas to improve its energy security and reduce reliance on imports. The Government is also taking many steps to move towards the goal of increasing domestic supply. For instance, oil and gas sector is one of the key sectors featured in the "Make in India" initiative of Prime Minister Narendra Modi.

Providing a big relief to explorers, the cess levied on domestically produced crude oil has been revised to 20%, calculated ad valorem, as against the earlier rate of Rs 4,500 per tonne. The government is considering incentivising gas production from deep-water, ultra deep-water and high pressure-high temperature areas, which are presently not exploited on account of higher cost and higher risks. A proposal is under consideration for new discoveries and areas which are yet to commence production, first, to provide calibrated marketing freedom; and second, to do so at a pre-determined ceiling price to be discovered on the principle of landed price of alternative fuels. As a result of these measures, the Indian Government expects to unlock gas and oil resources worth almost \$40 billion.

Welspun Natural Resources represents the Welspun Group's interests in the oil and gas exploration business. The Company owns 35% stake in Adani Welspun Exploration Limited (AWEL), a joint venture with the Adani group. Welspun Natural Resources has interest in various oil & gas exploration blocks in India and abroad, either directly or through its subsidiaries or JVs.

Among the blocks in its portfolio, AWEL has three relevant blocks:

- a) Kutch-1 or GK-OSN-2009/1 - In this block, AWEL has increased its stake to 25% during the year from 20% earlier, for the appraisal phase. This field has already been declared as a potential commercial discovery by the operator - Oil & Natural Gas Corporation Limited (ONGC). Appraisal studies are underway to determine the commercial viability of the block.
- b) Kutch-2 or GK-OSN-2009/2 - AWEL has 30% stake in this block. This field has also been declared as a potential commercial discovery by the operator - ONGC. Appraisal studies are underway to determine the commercial viability of the block.
- c) Mumbai Block or MB-OSN-2005/2- AWEL currently holds 100% ownership interest in Phase I. In Phase II of the project, AWEL is in discussions to farm out 55% ownership to ONGC. Post-farmout, ONGC will fund development of the block in Phase II.

Apart from developing the current blocks, the Company is also exploring bidding for discovered small fields. The Ministry of Petroleum and Natural Gas has recently announced bids for such fields with a revised fiscal regime which allows not only the conventional oil and gas to be produced, but also the tight oil and gas. Bidders are free to decide the revenue share to the government for these blocks. It also allows the freedom of pricing to the operators, which is otherwise not allowed.

The Company is studying the financial viability of these fields, and if found viable, intends to participate along with a bigger oil and gas company as the partner. This would help diversify the portfolio, thus reducing risk and enabling apportioning of fixed costs over a potential larger volume of oil and gas.

Renewable Energy

The global clean energy investment stands at \$328.9 billion in 2015, up 4 per cent from \$315.9 billion in 2014. India joined regions like China, Africa, US and Latin America, which saw a strong increase in clean energy investments during the year. The bulk of India's renewable energy comes from wind, along with solar energy which is growing faster, with installed capacity reaching 5,775 mega watts (MW) in February 2016. The overall renewal capacity targeted is 175,000 MW by 2022. If this target is met, renewable energy will become the second-largest source of power for India, after coal, and ahead of hydropower, natural gas and nuclear energy. Rooftop solar also has the potential to become a more important part of India's solar portfolio, particularly where it can minimise or displace expensive diesel-powered back-up generation.

The government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance and fiscal incentives etc. It has created a liberal environment for foreign investment in renewable energy projects. The establishment of a dedicated financial institution - the Indian Renewable Energy Development Agency, makes for renewed impetus on the promotion, development and extension of financial assistance for renewable energy and energy efficiency/conservation projects. The clean environment cess has been increased in 2016-17 Union budget from Rs.50 to Rs.200 per tonne of coal to help finance clean energy projects.

The Company holds a high single digit economic interest (~7-9%) in Welspun Renewable Energy Private Limited (WREL), through its associate Welspun Energy Private Limited. WREL is one of the leading renewable energy developers in India, with presence in the solar and wind energy sectors. It has one of the largest operational capacities in solar energy in the country of close to 550 MW. It also has operational wind capacity of 146 MW. The Company also has 435 MW of solar capacity under construction.

KEY RISKS:

Infrastructure	Oil & Gas Exploration	Renewable Energy
<ul style="list-style-type: none"> Limited avenues for raising long term funding Inadequate regulatory framework Requirement of multiple clearances and associated delays Inefficiencies in pricing of infrastructure Inadequate availability of skilled manpower High interest rates 	<ul style="list-style-type: none"> Commercial viability of discoveries Price Volatility of Oil & Gas Limitation due to Infrastructure for exploration and evacuation of products. Regulatory controls 	<ul style="list-style-type: none"> Delays in Land acquisition Delays in statutory approvals and clearances from the authorities Availability and cost of capital - both equity and debt funding Evacuation issues Rapid changes in technology in solar power Weak financial condition of electricity distribution Companies Lack of availability of adequately skilled and technical manpower

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance. The headcount in the Company as on 31st March 2016 was 487.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

DISCUSSION OF FINANCIAL PERFORMANCE – FY 16

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

The financials on a comparable basis are as shown below:

(₹ in Millions)

Balance Sheet Snapshot	31 st March 2016	31 st March 2015
Networth	15,080	15,149
Minority Interest	-	94
Gross Debt*	945	2,759
Cash & Cash Equivalents [#]	9,024	7,859
Net Debt /(Cash)	(8,080)	(5,100)
Other Long Term Liabilities	371	397
TOTAL LIABILITIES	7,372	10,540
Total Net Fixed Assets (incl. CWIP)*	3,445	6,680
Net Current Assets (Excluding Cash & Cash Equivalents)	159	50
Other Long Term Investments & assets*	3,768	3,809
TOTAL ASSETS	7,372	10,540

[#]Cash & Cash Equivalents includes Current liquid Investments & ICDs.

*Attributable to Welspun

P&L (Continuing financials)

(₹ in Millions)

Particulars	FY16	FY15*
Income from Operations	2,225	3,039
EBITDA	736	777
PBT before exceptional items	126	40

*FY15 figures shown on a comparable basis excluding the Maxsteel (DRI) business which was sold in that year

Income From Operations

On a comparable basis, revenue stood at Rs. 2,225 million in FY16, compared to Rs. 3,039 million in FY15, registering a fall of 26.78% over the previous year. This was primarily on account of lower trading revenue.

Profitability

The EBITDA decreased marginally to Rs. 736 million in FY16 from Rs. 777 million in FY15, while the PBT (before exceptional items) tripled in FY16 to Rs. 126 million from Rs. 40 million in FY15.

Net worth

Networth was almost flat, at Rs. 15,080 million in FY16 as compared to Rs. 15,149 million in FY15.

Debt

The company reduced its gross debt to Rs. 945 million in FY16 from Rs. 2,759 million in FY15. Taking into consideration, cash of Rs. 9,024 million, the Net Debt/(cash) stood at Rs. (8,080) million in FY16 as compared to Rs. (5,100) million in FY15. The reduction was primarily on account of the divestment of the Dewas Bhopal road project which reduced the net debt by Rs. 2,820 million.

Fixed Assets

The fixed assets (incl. CWIP) of the company stood at Rs. 3,445 million in FY16 as compared to Rs. 6,689 million in FY15. The reduction was again driven by the divestment of the Dewas Bhopal road project.

Credit Ratings

The Company's long-term as well as short-term credit ratings have been upgraded by CARE. The Long term rating has been upgraded to 'A' from 'BBB+' and short term rating to 'A1' from 'A3+'.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Welspun Enterprises Limited
(Formerly known as Welspun Projects Limited)

1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

5. Emphasis of Matter

We draw attention to note 31 of the standalone financial statements regarding approval of the Hon'ble High Courts to the Modified Scheme, which provided for recording of the equity shares issued by the Company at fair value pursuant to the Modified Scheme and consequently Rs. 7,730,680,020 has been transferred from capital reserves to securities premium of the Company.

Our opinion is not modified in respect of the above matter.

6. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 30 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts; and
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

Annexure - A to the Independent Auditor's Report

Annexure referred to in Paragraph 6(I) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Welspun Enterprises Limited on the standalone financial statements for the year ended 31 March 2016, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of a Freehold Land of Rs. 3,567,140 whose title is not yet transferred in the name of the Company.
- ii. The physical verification of inventory has been conducted by the Management at reasonable intervals during the year. As informed to us, no discrepancies were noticed on such verification.
- iii. The Company has not granted any loan, secured or unsecured, to any party covered in the register maintained under Section 189 of the Act;
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.
 - b) There are no dues of duty of customs, sales tax and duty of excise which have not been deposited on account of any dispute. The disputed dues of income tax, service tax and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Income tax-Penalty	5,755,276	FY 2007-2008	Commissioner of Income Tax (Appeals)
	Income Tax	57,486,120	FY 2012-2013	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Service tax	7,025,063	FY 2008-2009 to 2010-2011	Additional Commissioner-Central Excise and Service Tax
		14,622,692	FY 2007-2008, FY 2009-2010 to FY 2012-2013	Central Excise Service Tax Appellate Tribunal
Haryana Value Added Tax Act, 2003	Value Added Tax	17,074,367	FY 2009-2010	Deputy Excise and Taxation Commissioner

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution and banks. The Company has not taken any loans from Government and has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 issued by the ICAI.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

	Notes	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	1,740,405,350	1,733,205,350
(b) Reserves and surplus	3	13,434,460,249	13,105,243,530
		15,174,865,599	14,838,448,880
(2) Non-current liabilities			
(a) Long-term borrowings	4	558,368,317	673,953,641
(b) Deferred tax liabilities (net)	5	-	80,244,613
(c) Long-term provisions	6	370,200,189	368,126,939
		928,568,506	1,122,325,193
(3) Current liabilities			
(a) Short-term borrowings	7	126,087,133	169,718,596
(b) Trade payables	8	236,677,177	184,400,946
(c) Other current liabilities	9	432,770,899	422,357,866
(d) Short-term provisions	10	670,794	567,018
		796,206,003	777,044,426
TOTAL EQUITY AND LIABILITIES		16,899,640,108	16,737,818,499
ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		65,355,467	105,681,556
(ii) Intangible assets		978,091,247	1,661,065,090
		1,043,446,714	1,766,746,646
(b) Non-current investments	12	5,680,516,110	5,592,806,210
(c) Deferred tax assets (net)	13	44,349,421	-
(d) Long-term loans and advances	14	472,878,249	777,638,610
		7,241,190,494	8,137,191,466
(2) Current Assets			
(a) Current investments	15	7,736,891,403	6,277,758,391
(b) Inventories	16	29,752,079	37,246,058
(c) Trade receivables	17	373,522,219	334,532,333
(d) Cash and bank balances	18	360,320,301	601,034,702
(e) Short-term loans and advances	19	793,116,507	953,161,249
(f) Other current assets	20	364,847,105	396,894,300
		9,658,449,614	8,600,627,033
TOTAL ASSETS		16,899,640,108	16,737,818,499

Notes forming part of the financial statements

1 to 48

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

	Notes	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue			
I. Revenue from operations	21	1,848,507,628	1,843,126,857
II. Other income	22	865,139,476	661,206,041
Total (I + II)		2,713,647,104	2,504,332,898
IV Expenses			
Cost of materials consumed	23	296,953,601	246,993,613
Purchases of stock-in-trade	23A	775,240,575	538,791,333
(Increase) / decrease in construction work-in-progress	24	20,218,409	(32,219,879)
Employee benefits expense	25	288,663,185	229,951,632
Finance costs	26	111,617,396	131,031,788
Depreciation and amortization expense	27	257,051,368	249,308,253
Other expenses	28	832,052,268	1,057,368,711
TOTAL		2,581,796,802	2,421,225,451
V Profit before exceptional items and tax (III - IV)		131,850,302	83,107,447
VI Exceptional items (net)	37	71,790,281	154,245,415
VII Profit before tax for the year (V + VI)		203,640,583	237,352,862
VIII Tax expense			
Current tax - current year		38,869,197	-
earlier years		-	(6,884,034)
Less : MAT credit entitlement		(38,869,197)	-
Deferred tax (benefit)/ charge		(124,594,034)	142,656,014
IX Profit after tax for the year (VII - VIII)		328,234,617	101,580,882
X Earnings per equity share of Rs.10 each fully paid up	29		
Basic		1.89	0.59
Diluted		1.88	0.59

Notes forming part of the financial statements

1 to 48

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board
Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

	March 31, 2016	March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	131,850,302	83,107,447
Adjustments for		
Depreciation and amortisation expense	257,051,368	249,308,253
Interest expense	104,620,610	120,127,776
Loss on sale/discard of fixed assets (net)	704,934	5,804,806
Bad debts	17,130,369	245,140,434
Provision for doubtful debts and advances / (written back) (net)	(12,636,644)	(228,795,238)
Changes in the carrying value of current investment	3,080,000	5,594,071
Accrued interest income written off	47,383,910	-
Interest income	(674,305,099)	(614,007,560)
(Profit) / loss on sale of current investments (net)	(37,547,725)	42,911,058
Provision for leave encashment and gratuity	2,177,026	(1,263,720)
Unclaimed liabilities written back	(61,363,343)	(17,186,070)
Employees stock option expenses	25,142,444	2,259,148
Dividend income	(2,018,917)	(26,116,622)
Operating profit before working capital changes	(198,730,765)	(133,116,217)
Adjustments for		
(Increase) / decrease in trade and other receivables	(28,849,401)	(225,485,737)
Increase / (decrease) in trade and other payables	184,090,783	6,176,639
(Increase) / decrease in inventories	7,493,979	21,526,265
Cash used in operating activities	(35,995,404)	(330,899,050)
Direct taxes paid	-	(7,000,000)
Net cash used in operating activities (A)	(35,995,404)	(337,899,050)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(18,248,774)	(11,927,317)
Sale of fixed assets	34,761,599	88,238,373
(Gain) / loss on sale of current investments (net)	37,547,725	(42,911,058)
Investments in subsidiaries	(494,165,800)	(1,930,221,794)
Sale of investment in subsidiary	115,100,000	1
Sale of investment in joint venture (net)	898,377,152	-
Increase in other bank balances	(11,976,916)	(64,351,502)
Inter corporate deposits given	(1,330,000,000)	(1,186,000,000)
Inter corporate deposits given repaid	1,657,558,788	809,563,067
Dividend received	2,018,917	26,116,622
Interest received	562,725,490	614,007,560
Net cash generated from / (used in) investing activities (B)	1,453,698,180	(1,697,486,048)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share issue expenses incurred	(16,960,342)	-
Proceeds of long-term borrowings	-	27,597,110
Repayment of long-term borrowings	(168,599,253)	-
Proceed of short-term borrowings	6,459,591,180	-
Repayment of short-term borrowings	(6,503,222,643)	(140,423,182)
Interest paid	(111,644,856)	(207,569,352)
Net cash used in financing activities (C)	(340,835,914)	(320,395,423)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,076,866,862	(2,355,780,522)
Cash and cash equivalents at the beginning of the year	6,771,358,313	985,245,981
Add : Cash and cash equivalents acquired pursuant to the Scheme	-	8,141,892,854
Cash and cash equivalents at the end of the year	7,848,225,175	6,771,358,313
Notes: 1. Break up of cash and cash equivalents as follows		
Current investments	7,594,441,569	6,264,883,390
Cash and cash equivalent	253,783,606	506,474,923
	7,848,225,175	6,771,358,313

2. The above cash flow statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.

3. Transactions pursuant to settlement agreement dated September 10, 2015 for acquisition of additional stake in ARSS Bus Terminal Private Limited is not considered in the above Cash Flow Statement, being non-cash (Refer note 35)

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

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN : 00270175

Shrinivas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

Welspun Enterprises Limited (Formerly known as Welspun Projects Limited) ('WEL' or 'the Company') is a public limited company incorporated in India. Its shares are listed on two stock exchanges in India.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

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

1. SIGNIFICANT ACCOUNTING POLICIES

a) USE OF ESTIMATE

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

b) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenues are accounted on accrual basis.

i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Company collects Value Added Tax (VAT) and Central Sales Tax (CST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

ii) Toll collections

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

iii) Construction contract revenue

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date taking in to account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of the actual work done. In case of lump-sum contract, revenue is recognized on the completion of milestone as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

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

Disputed amount under the contract works are recognized as revenue when the same are finally settled and there is reasonable assurance that the amount will be received.

Liquidated damages payable, if any, as per the terms of the contract, for the delays, if any, are accounted only when such delay is attributable to the Company.

iv) Revenue from services

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

v) Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

vi) Dividend income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

c) EXPENDITURE IN RESPECT OF BUILD, OPERATE AND TRANSFER PROJECTS

Expenditure incurred on construction of Build, Operate and Transfer (BOT) Project which does not represent Company's own assets is classified as "BOT PROJECT EXPENDITURE" (Toll Collection right) and shown under the head 'Intangible Assets'.

d) FIXED ASSETS

i) Tangible assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) Intangible assets:

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

e) DEPRECIATION/ AMORTIZATION

i) Depreciation is provided on written down value basis at the rate derived on the basis of useful life prescribed under Schedule - II of the Companies Act 2013.

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

Intangible assets representing BOT costs are amortised over the concession period, ranging from 10 years to 18 years, which is beyond the maximum period of 10 years as specified in AS 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Company over such period as per the respective concessionaire agreements.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is

changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

The Company uses a rebuttable presumption that the useful life of an intangible asset (excluding BOT assets) will not exceed ten years from the date when the asset is available for use.

f) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating asset is determined on the Balance Sheet date and if it is less than its carrying amount of the asset / cash generating unit the carrying amount of asset/ cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such asset / cash generating unit, which is determined by the present value of carrying amount of the estimated future cash flow.

g) VALUATION OF INVENTORIES

- i) Raw materials and components are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.
- ii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.
- iii) Unbilled costs are carried as construction work-in-progress which is valued considering the stage of completion and foreseeable losses in accordance with the AS 7.

h) GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them and (ii) the grant/subsidy will be received. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as part of the shareholders' funds.

i) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) RETIREMENT AND OTHER EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are recognized in the period during which the services have been rendered.

Accumulated leave, which is expected to be utilized within next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits

i) Provident fund, family pension fund

As per Provident Fund Act, 1952 all employees of the Company are entitled to receive benefits under the provident fund and family pension fund which is defined contribution plan. These contributions are made to the plan administered and managed by Government of India.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Leave encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

iii) Gratuity

The Company provides for gratuity obligations through a Defined benefits retirement plan ("The Gratuity Plan") covering all employees. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining present value of the defined obligation under the defined benefit plan is based on the market yield on government securities as at the balance sheet date. Actuarial gains and losses are recognized in statement of profit and loss as and when determined.

The Company makes annual contribution to LIC for the gratuity plan.

k) EMPLOYEE STOCK OPTION EXPENSES

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

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulation) and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized 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. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

l) BORROWING COSTS

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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

m) ACCOUNTING FOR TAXES ON INCOME

Tax Expenses

- i) Provision for current tax is made based on taxable income for the current accounting year and in accordance with the provisions of the Income tax Act, 1961.
- ii) Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be adjusted in future.
- iii) At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv) Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n) FOREIGN CURRENCY TRANSACTION

- i) Transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction, exchange rate differences resulting from foreign exchange transaction settled during the period including year-end transaction of current assets and liabilities are recognized in the statement of profit and loss. Exchange rate differences arising in relation to liabilities incurred for acquisition of fixed assets are adjusted to the carrying value of the fixed assets.
- ii) In respect of forward exchange contract, except in case of fixed assets, the difference between forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income / expenses over the life of the contract.

o) LEASE

i) Operating lease

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

ii) Finance lease

Assets acquired under leases where Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets acquired under finance lease are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased assets at the inception of the lease. Initial costs incurred in connection with the specific leasing activities directly attributable to activities performed by the Company are included as part of the amount recognized as an asset under the lease.

p) EARNINGS PER SHARE ('EPS')

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
2. SHARE CAPITAL		
Authorised		
180,000,000 (Previous year: 180,000,000) Equity Shares of Rs. 10/- each	1,800,000,000	1,800,000,000
TOTAL	1,800,000,000	1,800,000,000
Issued, subscribed and paid up		
174,040,535 (Previous year: 173,320,535) Equity Shares of Rs. 10/- each fully paid up	1,740,405,350	1,733,205,350
TOTAL	1,740,405,350	1,733,205,350

a Rights, preference and restriction on shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend. In the event of liquidation of the Company, the holders of the equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

b Reconciliation of number of shares outstanding

	March 31, 2016		March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	173,320,535	1,733,205,350	40,000,000	400,000,000
Add : Issued pursuant to the ESOP Scheme 2014 (Refer note 33)	720,000	7,200,000	-	-
Add : Issued pursuant to the Scheme of Amalgamation and Arrangement (Refer note 32)	-	-	157,768,980	1,577,689,800
Less : Cancellation of intergroup holding pursuant to the Scheme of Amalgamation and Arrangement	-	-	(24,448,445)	(244,484,450)
Outstanding at the end of the period	174,040,535	1,740,405,350	173,320,535	1,733,205,350

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

	March 31, 2016	March 31, 2015
	Number of shares	Number of shares
Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement (Refer note 32)	-	157,768,980
- Pursuant to the ESOP Scheme 2014 (Refer note 33)	720,000	-

d Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
	Number of shares	% Holding	Number of shares	% Holding
Krishiraj Trading Limited	34,330,600	19.73%	34,330,600	19.81%
Granele Limited	21,023,328	12.08%	21,023,328	12.13%
Merrill Lynch Capital Markets S A S V	15,748,618	9.05%	12,004,212	6.93%
JP Morgan Chase Bank,	13,815,600	7.94%	13,815,600	7.97%
Welspun Mercantile Limited	8,686,620	4.99%	8,686,620	5.01%
Life Insurance Corporation and its schemes	7,232,604	4.16%	11,566,740	6.67%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
3. RESERVES AND SURPLUS		
Capital Reserve		
As per last balance sheet	9,966,162,774	828,729,840
Add/(less): Pursuant to the Scheme of Amalgamation and Arrangement (Refer note 32)	-	9,137,432,934
Transferred to securities premium pursuant to the Modified Scheme (Refer note 31)	(7,730,680,020)	-
	2,235,482,754	9,966,162,774
Securities Premium		
As per last balance sheet	2,886,599,786	2,886,599,786
Add/(less) : Received on account of exercise of ESOP's (Refer note 33)	11,592,000	-
Transferred from capital reserve pursuant to the Modified Scheme (Refer note 31)	7,730,680,020	-
Share issue expenses	(16,960,342)	-
	10,611,911,464	2,886,599,786
Employee Stock Options Outstanding		
As per last balance sheet	2,259,148	-
Add/ (less) : Compensation options granted during the year (Refer note 33)	25,142,444	2,259,148
ESOP's exercised during the year (Refer note 33)	(18,792,000)	-
	8,609,592	2,259,148
Amalgamation Reserve		
As per last balance sheet	52,112,583	52,112,583
	52,112,583	52,112,583
General Reserve		
As per last balance sheet	32,177,549	32,177,549
	32,177,549	32,177,549
Surplus in the Statement of Profit and Loss		
As per last balance sheet	165,931,690	69,536,521
Add/ (less) : Adjustment as per transitional provisions of Schedule II to the Companies Act 2013	-	(5,185,713)
Net profit during the year	328,234,617	101,580,882
	494,166,307	165,931,690
TOTAL	13,434,460,249	13,105,243,530

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4. LONG-TERM BORROWINGS				
Secured				
Term Loans				
- From banks	17,269,000	70,282,929	558,368,317	673,953,641
Less: Current portion disclosed under other current liabilities (Refer note 9)	(17,269,000)	(70,282,929)	-	-
TOTAL	-	-	558,368,317	673,953,641

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SECURED BORROWINGS				
Long-term borrowings				
Secured				
Term loans from banks				
i) Industrial Development Finance Corporation Limited Secured by way of mortgage in favour of IDFC of all movable properties pertaining to the Dewas Water Supply Projects, present and future. A first charge by way of hypothecation of all the movable assets including movable plant and machinery, machinery spares, tools & accessories, furniture and fixtures, vehicles and all other movable assets pertaining to the project, present and future. First charge of all book debts, operating cash flows, revenues and receivables of the Company pertaining to the project, present and future. First charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. Assignment of all rights, title, interest, benefits, claims and demands of the Company in respect of all the assets of the projects agreement and contracts including concession agreement. First charge over the escrow account, debt service reserve account and other reserve and any other bank account the Company wherever maintained.	17,269,000	-	558,368,317	575,637,317
Repayment terms : Repayment in monthly installments w.e.f.16.04.2016 i.e- FY 17-3%; FY18-7%; FY19-10%; FY20-20%; FY21-22%; FY22-33% . Interest shall be paid separately as and when due. Rate of Interest : 13% p.a.				
ii) Dena Bank Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures. A first charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Company. A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / escrow account and debt service reserve account to be established by the Company. A first charge/assignment /security on the Company right under the concession agreement, project documents contract and all licence permits approvals consents and insurance policies in respect of the projects.	-	36,682,929	-	-
iii) Corporation Bank Secured by exclusive first charge by way of hypothecation of entire toll receivable under the Raisen Rahatgarh road Project	-	33,600,000	-	98,316,324
	17,269,000	70,282,929	558,368,317	673,953,641

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
- Depreciation on fixed assets	-	252,559,917
Sub Total (A)	-	252,559,917
Deferred tax assets		
- Employees benefits	-	9,596,200
- Provision for bad debts	-	21,880,345
- Unabsorbed tax losses and unabsorbed depreciation	-	140,838,759
Sub Total (B)	-	172,315,304
TOTAL (A-B)	-	80,244,613

	March 31, 2016	March 31, 2015
6. LONG-TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	8,405,557	8,997,112
- Leave encashment	14,794,632	12,129,827
Provision for Welspun Maxsteel Limited (WMSL) obligations *	347,000,000	347,000,000
TOTAL	370,200,189	368,126,939

* Represents certain obligations related to income tax, stamp duty, customs duty etc. of WMSL, an erstwhile subsidiary disposed off in previous year.

	March 31, 2016	March 31, 2015
7. SHORT-TERM BORROWINGS		
Secured		
Loan repayable on demand - from bank	126,087,133	169,718,596
TOTAL	126,087,133	169,718,596

Nature of security and terms of repayment for secured borrowings

Loan from bank is secured by hypothecation of inventories and book debts of the Company.

Rate of Interest : 12% p.a.

	March 31, 2016	March 31, 2015
8. TRADE PAYABLES		
Acceptances	23,781,325	10,703,255
Sundry creditors		
- Total outstanding due to creditors other than Micro, Small and Medium Enterprises (Refer note 41)	212,895,852	173,697,691
TOTAL	236,677,177	184,400,946

	March 31, 2016	March 31, 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings		
- Secured loan from bank (Refer note 4)	17,269,000	70,282,929
Interest accrued but not due on borrowings	3,485,366	10,509,612
Creditor for expenses	293,045,160	204,235,910
Trade advances and deposits	23,196,733	31,443,283
Security deposits/ retention money payable	79,889,291	91,429,212
Payable to employees	1,210,874	6,277
Statutory dues	14,674,475	14,450,643
TOTAL	432,770,899	422,357,866

	March 31, 2016	March 31, 2015
10. SHORT-TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	387,475	328,893
- Leave encashment	283,319	238,125
TOTAL	670,794	567,018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. FIXED ASSETS

(Amount in ₹)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	April 1, 2015	Additions for the year	Deletion for the year	March 31, 2016	Upto April 1, 2015	Additions for the year	Deletion for the year	Upto March 31, 2016	March 31, 2016	March 31, 2015
TANGIBLE ASSETS										
Freehold land*	12,431,635	-	-	12,431,635	-	-	-	-	12,431,635	12,431,635
Building	3,870,517	-	146,528	3,723,989	3,207,621	174,974	120,963	3,261,632	462,357	662,896
Plant and machinery	223,963,493	610,763	75,641,748	148,932,508	178,073,206	10,248,394	67,537,431	120,784,169	28,148,339	45,890,287
Construction equipments	111,606,410		30,520,014	81,086,396	78,402,974	7,955,893	5,272,471	81,086,396	-	33,203,436
Vehicles	99,990,409	5,845,881	40,954,367	64,881,923	90,978,488	3,297,822	40,266,914	54,009,396	10,872,527	9,011,921
Computers	12,755,641	62,150	9,106,988	3,710,803	12,178,246	84,296	8,790,017	3,472,525	238,278	577,395
Office and other equipments	11,013,604	308,978	8,084,523	3,238,059	9,021,796	1,034,307	7,586,777	2,469,326	768,733	1,991,808
Furniture and fixtures	7,233,513	78,584	6,738,468	573,629	6,121,335	312,644	6,151,529	282,449	291,180	1,112,178
Realisation value of impaired assets	800,000	11,342,418		12,142,418	-			-	12,142,418	800,000
Total	483,665,222	18,248,774	171,192,636	330,721,360	377,983,666	23,108,330	135,726,103	265,365,894	65,355,467	105,681,556
Previous year	826,220,372	17,657,211	360,212,361	483,665,222	543,152,920	62,055,074	227,224,328	377,983,666	105,681,556	
INTANGIBLE ASSETS										
BOT Toll collection right										
Hoshanagabad-Harda- Khandwa projects	979,482,478	-	-	979,482,478	739,858,565	105,501,182	-	845,359,747	134,122,731	239,623,913
Raisen Rahatgarh projects	720,702,006	-	-	720,702,006	445,796,409	104,483,283	-	550,279,692	170,422,314	274,905,597
Jalandhar Bus Terminal project	188,877,689	-	-	188,877,689	188,877,689	-	-	188,877,689	-	-
Ludhiana Bus Terminal project	194,313,456	-	-	194,313,456	170,354,883	23,958,573	-	194,313,456	-	23,958,573
Dewas Water Supply project	1,190,956,828	-	-	1,190,956,828	68,379,821	449,030,805	-	517,410,626	673,546,202	1,122,577,007
Total	3,274,332,457	-	-	3,274,332,457	1,613,267,367	682,973,843	-	2,296,241,210	978,091,247	1,661,065,090
Previous year	3,274,332,457	-	-	3,274,332,457	1,424,307,299	188,960,068	-	1,613,267,367	1,661,065,090	
Total	3,757,997,679	18,248,774	171,192,636	3,605,053,817	1,991,251,033	706,082,173	135,726,103	2,561,607,104	1,043,446,714	1,766,746,646
Previous year	4,100,552,829	17,657,211	360,212,361	3,757,997,679	1,967,460,219	251,015,142	227,224,328	1,991,251,033	1,766,746,646	

* Includes value of land of Rs 3,567,140/- at Baulgaon, Tehsil, Indapor District, Pune for which the legal documents are yet to be executed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
12. NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)		
I Non trade investments - Quoted		
Corporation Bank Limited 8,000 (Previous year 8,000) equity shares of Rs. 2/- each fully paid up	128,000	128,000
II Trade investments - Unquoted		
a) Investment in wholly owned subsidiaries		
MSK Projects (Himmatnagar Bypass) Private Limited 242,000 (Previous year 242,000) equity shares of Rs. 10/- each fully paid up	23,300,000	23,300,000
MSK Projects (Kim Mandvi Corridor) Private Limited 6,730,000 (Previous year 6,730,000) equity shares of Rs.10/-eachfullypaidup 1,001,784 (Previous year 2,050,000) 0% unsecured compulsorily convertible debentures of Rs 100/- each fully paid up (Each debenture shall be compulsorily convertible into 10 equity Shares of Rs.10/- each fully paid up at the end of the 5 years from the date of allotment)	67,300,000 100,178,400	67,300,000 205,000,000
Anjar Road Private Limited Nil (Previous year 10,000) equity shares of Rs 10/- each fully paid up	-	100,000
Welspun Natural Resources Private Limited 31,875,000 (Previous year 31,875,000) equity shares of Rs10/- each fully paid up 14,424,022 (Previous year 9,696,923) 0% unsecured compulsorily convertible debentures of Rs 100/- each fully paid up (Each debenture shall be compulsorily convertible into 10 equity shares of Rs 10/- each fully paid up at the end of the 5 years from date of allotment or as mutually agreed before the end of the tenure)	300,000,000 1,442,402,200	300,000,000 969,692,300
Anjar Water Solutions Private Limited (Formerly known as Welspun Road Projects Private Limited) 10,000 (Previous year 10,000) equity shares of Rs. 10/- each fully paid up	100,000	100,000
Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited) 10,000 (Previous year 10,000) equity shares of Rs. 10/- each fully paid up 1,711,775 (Previous year 1,600,000) 0% unsecured compulsorily convertible debentures of Rs 100/- each fully paid up (Each debenture shall be compulsorily convertible in to 10 equity shares of Rs. 10/- each at the end of the 5 years from the date of allotment)	100,000 171,177,500	100,000 160,000,000
ARSS Bus Terminal Private Limited (Refer note 35) 18,627,451 (Previous year 9,127,451) equity shares of Rs. 10/- each fully paid up	310,129,510	91,274,510
Welspun Delhi Meerut Expressway Private Limited 10,000 (Previous year Nil) equity shares of Rs. 10/- each fully paid up	100,000	-
b) Investment in Jointly controlled entity		
Dewas Bhopal Corridor Private Limited [Refer note 37(a)] Nil (Previous year 50,000) equity shares of Rs 10/- each fully paid up.	-	510,210,900
c) Investments in others - Unquoted		
Welspun Energy Private Limited 60,493,342 (Previous year 60,493,342) equity shares of Rs.10/- each fully paid up	3,262,600,000	3,262,600,000
Sarv Shakti Synthetics Limited 1,500 (Previous year 1,500) equity shares of Rs. 10/- each fully paid up	15,000	15,000
Myraj Consultancy Limited 30,000 (Previous year 30,000) equity shares of Rs. 10/- each fully paid up	300,000	300,000
MSK Finance Limited 500 (Previous year 500) equity shares of Rs. 100/- each fully paid up	50,000	50,000
Nutan Nagrik Sahakari Bank Limited 48 (Previous year 48) equity shares of Rs. 100/- each fully paid up	4,800	4,800
Baroda Peoples Cooperative Bank Limited 37,652 (Previous year 37,652) equity shares of Rs. 10/- each fully paid up	376,521	376,521
Baroda City Cooperative Bank Limited 63 (Previous year 63) equity shares of Rs. 50/- each fully paid up	3,150	3,150
Classic Organisers Private Limited 1,000 (Previous year 1,000) equity shares of Rs. 10/- each fully paid up	10,000	10,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
Sindh Merchantile Co-operative Bank Limited 960 (Previous year 960) equity shares of Rs. 10/- each fully paid up	9,600	9,600
Minar Trading Services Limited Nil (Previous year 7400) equity shares of Rs. 10/- each fully paid up Less : Provision for diminution in value of investment	- (769,071)	74,000 (843,071)
d) Investment in Government Securities		
Indira Vikash Patra	500	500
Sardar Sarovar Narmada Nigam Limited 3 (Previous year 3) bonds of Rs. 1,000,000/- each	3,000,000	3,000,000
TOTAL	5,680,516,110	5,592,806,210
Aggregate book value of quoted investments	128,000	128,000
Aggregate book value of unquoted investments	5,681,157,181	5,593,521,281
Aggregate market value of quoted investments	312,400	417,600
Aggregate provision for diminution in value of investments	769,071	843,071

	March 31, 2016	March 31, 2015
13. DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
- Employees benefits	7,376,134	-
- Provision for bad debts	20,556,491	-
- Unabsorbed tax losses and unabsorbed depreciation	146,226,615	-
Sub Total (A)	174,159,240	-
Deferred Tax Liabilities		
- Depreciation on fixed assets	129,809,820	-
Sub Total (B)	129,809,820	-
TOTAL (A-B)	44,349,421	-

	March 31, 2016	March 31, 2015
14. LONG-TERM LOANS AND ADVANCES		
Unsecured considered good, unless otherwise stated		
Security deposits		
- Related parties (Refer note 39)	30,000,000	40,000,000
- Others	40,981,000	8,636,753
Loans and advances to related parties (Refer note 39)	96,641,674	421,625,102
Other loans and advances		
Advances (recoverable in cash or kind)	101,482	669,122
Balances with government authorities		
- Direct tax (net of provision for taxation)	173,596,022	197,299,386
- Indirect tax	82,641,390	99,360,763
- MAT credit entitlement	48,916,681	10,047,484
	472,878,249	777,638,610
Doubtful		
Security deposits - others	-	7,189,974
Loans and advances to related parties (Refer note 39)	1,493,282,970	1,493,282,970
	1,493,282,970	1,500,472,944
Provision for doubtful debt		
Security deposits - others	-	7,189,974
Loans and advances to related parties (Refer note 39)	1,493,282,970	1,493,282,970
	1,493,282,970	1,500,472,944
TOTAL	472,878,249	777,638,610

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(Amount in ₹)

	March 31, 2016	March 31, 2015
15. CURRENT INVESTMENTS		
(Valued at lower of cost and fair value, unless otherwise stated)		
I Non trade investments - Quoted		
a) Investment in bonds		
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 31,320 (Previous year 31,320) Bonds of Rs. 25,000 each	203,580,000	203,580,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 16,200 (Previous year 16,200) Bonds of Rs. 25,000 each	105,601,806	105,601,806
Industrial Finance Corporation of India Limited Deep Discount Bond 2034 41,470 (Previous year 41,470) Bonds of Rs. 25,000 each	269,555,000	269,555,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2037 17,370 (Previous year 17,370) Bonds of Rs. 25,000 each	112,905,000	112,905,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2038 41,470 (Previous year 41,470) Bonds of Rs. 25,000 each	269,555,000	269,555,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 7,010 (Previous year 7,010) Bonds of Rs. 25,000 each	45,565,000	45,565,000
7.50% Water & Sanitation Pooled Fund Bonds 09/09/2020 Nil (Previous year 15) Bonds of Rs. 100,000 each	-	1,525,650
10% Indian Overseas Bank Perpetual Bonds Nil (Previous year 68) Bonds of Rs. 1,000,000 each	-	68,136,000
10.95% ICICI BANK 31/10/2016 25 (Previous year 25) Bonds of Rs. 100,000 each	2,542,250	2,542,250
11.05% ICICI BANK 18/08/2016 18 (Previous year 18) Bonds of Rs. 100,000 each	1,831,680	1,831,680
11.10% ICICI BANK 05/07/2016 25 (Previous year 25) Bonds of Rs. 100,000 each	2,545,000	2,545,000
11.20% ICICI BANK 20/06/2016 2 (Previous year 2) Bonds of Rs. 100,000 each	203,860	203,860
11.50% ICICI BANK 16/06/2016 12 (Previous year 12) Bonds of Rs. 100,000 each	1,227,600	1,227,600
9.65% Reliance Capital Limited 18/03/2025 Nil (Previous year 4) Bonds of Rs. 1,000,000 each	-	4,000,400
9.98% ICICI Bank Perpetual Bonds 3 (Previous year 3) Bonds of Rs. 1,000,000 each	3,032,700	3,032,700
7.93% Power Grid Corporation of India Limited 20/05/2027 50 (Previous year 42) Bonds of Rs. 1,000,000 each	48,670,000	43,953,000
7.93% Power Grid Corporation of India Limited 20/05/2024 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,000,000
7.93% Power Grid Corporation of India Limited 20/05/2028 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,000,000
7.93% Power Grid Corporation of India Limited (SERIES XLIII) 20/05/2025 10 (Previous year 50) Bonds of Rs. 1,000,000 each	9,772,000	50,000,000
9.80% Gujarat State Petroleum C 22/03/2073 Nil (Previous year 21) Bonds of Rs. 1,000,000 each	-	21,564,900
8.79% Bangalore Metro Rail Corporation Limited 23/12/2024 Nil (Previous year 106) Bonds of Rs. 1,000,000 each	-	106,583,000
10.40% Reliance Ports and Terminals Limited 18/07/2021 Nil (Previous year 2) Bonds of Rs. 1,000,000 each	-	2,094,000
7.93% Power Grid Corporation of India Limited (SERIES XLIII) 20/05/2026 5 (Previous year 50) Bonds of Rs. 1,000,000 each	5,000,000	51,895,000
9.20% Tamil Nadu Generation and Distribution Corporation 18/12/2024 Nil (Previous year 35) Bonds of Rs. 1,000,000 each	-	37,827,335
8.15% Power Grid Corporation of India Limited (Series XLIX) 09/03/2020 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,090,000
8.23% Punjab National Bank 09/02/2025 77 (Previous year 60) Bonds of Rs. 1,000,000 each	77,000,000	60,252,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
8.69% Rajasthan Rajya Vidyut Prasaran Nigam Limited 23/03/2027 Nil (Previous year 20) Bonds of Rs. 1,000,000 each	-	19,912,000
8.66% India Infrastructure Finance Corporation Limited 22/01/2034 Nil (Previous year 400) Bonds of Rs 1,000 each	-	450,200
9.00% Rajasthan Rajya Vidyut Prasaran Nigam Limited 24/12/2026 Nil (Previous year 25) Bonds of Rs.1,000,000 each	-	25,507,500
9.48% Oriental Bank of Commerce Perpetual Bonds 443 (Previous year 105) Bonds of Rs.1,000,000 each	483,389,700	103,365,000
8.69% Damodar Valley Corporation 25/03/2028 1,483 (Previous year 275) Bonds of Rs.1,000,000 each	1,616,766,600	289,162,500
9.75 % Industrial Finance Corporation of India Limited 26/04/2028 4 (Previous year 238) Bonds of Rs. 1,000,000 each	4,164,828	247,781,800
9.90 % Industrial Finance Corporation of India Limited 05/11/2022 Nil (Previous year 94) Bonds of Rs. 25,000 each	-	2,436,010
9.90 % Industrial Finance Corporation of India Limited 05/11/2032 Nil (Previous year 4,090) Bonds of Rs. 25,000 each	-	107,822,625
9.90 % Industrial Finance Corporation of India Limited 05/11/2037 Nil (Previous year 650) Bonds of Rs. 25,000 each	-	16,640,000
9.90 % Industrial Finance Corporation of India Limited 05/11/2027 Nil (Previous year 4,400) Bonds of Rs. 25,000 each	-	115,379,000
10.45% Gujarat State Petroleum Corp Limited 28/09/2072 573 (Previous year 41) Bonds of Rs. 1,000,000 each	619,907,100	44,292,300
8.80% Food Corporation of India 22/03/2028 Nil (Previous year 129) Bonds of Rs 1,000,000 each	-	139,823,100
9.08% Konkan Railway Corporation Limited 25/09/2024 Nil (Previous year 24) Bonds of Rs. 1,000,000 each	-	24,772,800
9.60% North Eastern Electric Power Corporation Limited 01/10/2024 Nil (Previous year 150) Bonds of Rs. 1,000,000 each	-	154,470,000
9.51% Corporation Bank Perpetual Bonds Nil (Previous year 31) Bonds of Rs. 1,000,000 each	-	31,151,900
9.55% Canara Bank Perpetual Bonds Nil (Previous year 170) Bonds of Rs. 1,000,000 each	-	169,780,000
9.60% Housing Development Finance Corporation Ltd 07/04/2016 1 (Previous year 1) Bonds of Rs. 1,000,000 each	1,009,800	1,009,800
8.27% Rural Electrification Corporation 09/03/2022 Nil (Previous year 90) Bonds of Rs. 1,000,000 each	-	88,938,000
9.84% Air India 27/09/2026 Nil (Previous year 3) Bonds of Rs. 1,000,000 each	-	3,296,100
9.90 % Industrial Finance Corporation of India Limited 11/06/2021 Nil (Previous year 7) Bonds of Rs. 1,000,000 each	-	7,359,100
9.48% Bank of Maharashtra Perpetual Bonds Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	47,575,000
10.75% IDBI Bank Limited Series II 28 (Previous year 642) Bonds of Rs 1,000,000 each	29,556,200	684,583,600
8.20% Power Grid Corporation 23/01/2030 Nil (Previous year 50) Bonds of Rs 1,000,000 each	-	50,090,000
8.69% Rajasthan Rajya Vidyut Prasaran Nigam Limited 23/03/2027 Nil (Previous year 30) Bonds of Rs 1,000,000 each	-	29,868,000
9.48% Bank of Maharashtra 70 (Previous year 31) Bonds of Rs 1,000,000 each	76,102,700	29,496,500
18% Ambience Infrastructure Developers Private Limited 23/07/2015 Nil (Previous year 499) Bonds of Rs 1,000,000 each	-	499,000,000
18% Ambience Infrastructure Developers Private Limited 10/10/2017 Nil (Previous year 670) Bonds of Rs 1,000,000 each	-	670,000,000
18% Ambience Infrastructure Developers Private Limited NCD 28/08/2017 Nil (Previous year 750) Bonds of Rs 1,000,000 each	-	750,000,000
10.90% DLF Emporio Limited 21/11/2021 Nil (Previous year 104) Bonds of Rs 1,000,000 each	-	106,080,000
10.90% DLF Promenade Limited NCD 21/12/2021 Nil (Previous year 30) Bonds of Rs 1,000,000 each	-	30,600,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
9.90% Industrial Finance Corporation India Limited 05/11/2032 Nil (Previous year 360) Bonds of Rs 25,000 each	-	9,495,531
8.06% Rural Electrification Corporation Limited 31/05/2032 100 (Previous year 100) Bonds of Rs 1,000,000 each	100,119,000	100,119,000
10.20% SREI Infrastructure Finance Limited 23/03/2020 Nil (Previous year 16) Bonds of Rs 1,000,000 each	-	16,641,600
9.48% Bank of Maharashtra Nil (Previous year 19) Bonds of Rs 1,000,000 each	-	18,078,500
IFMR Capital Mosec Ariadne 2014 Pass through Certificates	-	10,000,000
6.87% National Housing Bank 06/02/2023 3 (Previous year Nil) Bonds of Rs 1,000,000 each	2,973,978	-
7.28% Indian Railway Finance Corporation 21/12/2030 65,497 (Previous year Nil) Bonds of Rs 1,000 each	65,824,485	-
7.64% National Bank for Agricultural and Rural Development 23/3/2031 50,000 (Previous year Nil) Bonds of Rs 1,000 each	51,500,000	-
7.88% Power Finance Corporation Limited 21/10/2017 1,629 (Previous year Nil) Bonds of Rs 1,000,000 each	1,629,000,000	-
8.70% Power Finance Corporation Limited 15/01/2020 2 (Previous year Nil) Bonds of Rs 1,000,000 each	2,015,600	-
8.11% Rural Electrification Corporation 07/10/2025 200 (Previous year Nil) Bonds of Rs. 1,000,000 each	200,100,000	-
8.14% Nuclear Power Corporation of India 25/03/2027 56 (Previous year Nil) Bonds of Rs. 1,000,000 each	56,716,800	-
8.14% Nuclear Power Corporation of India 25/03/2028 27 (Previous year Nil) Bonds of Rs. 1,000,000 each	27,675,000	-
8.14% Nuclear Power Corporation of India 25/03/2029 38 (Previous year Nil) Bonds of Rs. 1,000,000 each	38,995,600	-
8.65% India Infradebt Limited 21/3/2026 89 (Previous year Nil) Bonds of Rs. 1,000,000 each	89,000,000	-
9.15% Punjab National Bank 13/02/2099 466 (Previous year Nil) Bonds of Rs. 1,000,000 each	479,980,000	-
10.00% Tamil Nadu Generation and Distribution Corporation 08/02/2026 90 (Previous year Nil) Bonds of Rs. 1,000,000 each	90,000,000	-
10.20% Dena Bank 18/03/2099 1 (Previous year Nil) Bonds of Rs. 1,000,000 each	1,101,400	-
11.95% Union Bank of India 29/09/2099 46 (Previous year Nil) Bonds of Rs. 1,000,000 each	51,060,000	-
9.03% Gujarat State Petroleum C 22/03/2028 2 (Previous year Nil) Bonds of Rs. 1,000,000 each	2,053,800	-
9.55% Andhra Bank Perpetual Bonds 190 (Previous year Nil) Bonds of Rs. 1,000,000 each	189,810,000	-
Accrued interest on acquisition of bonds	60,289,082	3,839,744
b) Investment in Mutual Funds		
SBI - Premier Liquid Fund - Regular Plan Growth 175,622.408 (Nil) Units of face value Rs 1,000 each	416,743,000	-
Pramerica Dynamic Bond Fund - Growth Option 36,532.835 (Nil) Units of face value of Rs 1,000 each	50,000,000	-
c) Investment in Equity shares		
National Mineral Development Corporation 100,000 Shares (Previous year 100,000 shares) of face value of Rs 1/- each Market Price Rs 97.95 per share (Previous year Rs 128.75 per share)	9,795,000	12,875,000
II Investment in Equity shares - Unquoted		
Other Investments		
Dewas Bhopal Corridor Private Limited (Refer note 37(a)) 13,000 (Previous year Nil) Equity shares of Rs 10/- each fully paid up	132,654,834	-
TOTAL	7,736,891,403	6,277,758,391
Aggregate book value of investments		
-Quoted	7,604,236,569	6,277,758,391
-Unquoted	132,654,834	-
Aggregate market value of quoted investments	7,751,702,010	6,415,726,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
16. INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw materials	29,752,079	37,246,058
TOTAL	29,752,079	37,246,058
Details of raw materials		
- Steel pipes	22,553,050	22,553,050
- Others	7,199,029	14,693,008
	29,752,079	37,246,058

	March 31, 2016	March 31, 2015
17. TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	200,110,868	109,861,964
Considered doubtful	-	10,179,892
	200,110,868	120,041,856
Less: Provision for doubtful debts	-	10,179,892
Sub total	200,110,868	109,861,964
Others		
Considered good	173,411,351	224,670,369
Considered doubtful	-	7,075,236
	173,411,351	231,745,605
Less: Provision for doubtful debts	-	7,075,236
Sub total	173,411,351	224,670,369
TOTAL	373,522,219	334,532,333

	March 31, 2016	March 31, 2015
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- In current accounts	89,360,366	354,957,547
- In deposit accounts having original maturity period of less than three months	162,781,351	149,826,035
Cash on hand	1,641,889	1,691,341
Sub total	253,783,606	506,474,923
Other bank balances		
In deposit accounts having original maturity period of more than three months but less than twelve months	2,709,658	7,030,907
In earmarked accounts		
- Held as margin money or security against guarantees and other commitments (with various government authorities and banks)	103,827,037	87,528,872
TOTAL	360,320,301	601,034,702

	March 31, 2016	March 31, 2015
19. SHORT-TERM LOANS AND ADVANCES		
A. Secured, considered good unless otherwise stated		
Inter-corporate deposits		
- Related parties (Refer note 39)	50,000,000	-
- Others	570,000,000	-
B. Unsecured, considered good unless otherwise stated		
Inter-corporate deposits - Others	-	880,867,343
Advances recoverable in cash or kind		
Considered good		
- Related parties (Refer note 39)	5,460	6,297,269
- Others	171,102,360	62,482,969
Considered doubtful - Others	14,531,682	19,485,444
Less: Provision for doubtful advances	(14,531,682)	(19,485,444)
Prepaid expenses	2,008,687	3,513,668
TOTAL	793,116,507	953,161,249

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
20. OTHER CURRENT ASSETS		
Interest accrued on		
- Current investments	117,411,984	127,020,565
- Fixed deposits	1,952,136	2,744,596
- Inter corporate deposits	16,477,808	17,905,552
Unbilled construction work-in-progress	229,005,177	249,223,586
TOTAL	364,847,105	396,894,300

	March 31, 2016	March 31, 2015
21. REVENUE FROM OPERATIONS		
Revenue from		
- Engineering, Procurement and Construction (EPC)	756,503,605	958,521,251
- Build Operate Transfer (BOT) Business	311,695,587	314,627,335
- Sale of traded goods	777,623,325	543,307,907
Other operating revenues		
- Scrap sales	1,805,991	11,127,208
- Other material sales	14,282,317	25,410,599
- Renting of machineries	-	570,000
Revenue from operations (gross)	1,861,910,825	1,853,564,299
Less: Service tax	13,403,197	10,437,442
Revenue from operations (net)	1,848,507,628	1,843,126,857
Details of sale of traded goods		
Cotton products	777,623,325	199,086,464
Electric material	-	242,658
Mechanical material	-	2,622,718
Steel products	-	341,356,067
TOTAL	777,623,325	543,307,907

	March 31, 2016	March 31, 2015
22. OTHER INCOME		
Interest income		
- Bank deposits	20,959,126	19,230,299
- Inter corporate deposits	62,177,650	17,905,552
- Non current investments	-	80,487,605
- Current investments	650,524,001	492,099,726
- Loans and advances	10,247,069	-
- Others	5,617,137	4,284,379
Dividend income		
- Non current investments	11,200	-
- Current investments	2,007,717	26,116,622
Profit on sale of current investments (net)	37,547,725	-
Unclaimed liabilities written back	61,363,343	17,186,070
Insurance claim	5,368,192	2,864,234
Miscellaneous income	9,316,316	1,031,555
TOTAL	865,139,476	661,206,041

	March 31, 2016	March 31, 2015
23. COST OF MATERIALS CONSUMED		
Inventories at the beginning of the year	37,246,058	58,772,323
Add: Purchases	289,459,622	225,467,348
	326,705,680	284,239,671
Less: Inventories at the end of the year	(29,752,079)	(37,246,058)
TOTAL	296,953,601	246,993,613

	March 31, 2016	% of Consumption	March 31, 2015	% of Consumption
Indigenous	296,953,601	100%	246,993,613	100%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
23A. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	775,240,575	538,791,333
TOTAL	775,240,575	538,791,333
A Details of purchases of traded goods		
Cotton products	775,240,575	199,895,151
Steel products	-	337,463,704
Electric material	-	28,893
Mechanical material	-	1,403,585
	775,240,575	538,791,333

	March 31, 2016	March 31, 2015
24. INCREASE / DECREASE IN CONSTRUCTION WORK-IN-PROGRESS (INVENTORIES)		
Inventories / construction work-in-progress at the beginning of the year	249,223,586	217,003,707
Less : Inventories / construction work-in-progress at the end of the year	229,005,177	249,223,586
TOTAL	20,218,409	(32,219,879)

	March 31, 2016	March 31, 2015
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus (Refer note 39)	236,343,254	208,512,725
Contribution to provident and other funds	20,965,274	14,194,850
Employee stock option expenses (Refer note 33)	25,142,444	2,259,148
Staff welfare expenses	6,212,213	4,984,909
TOTAL	288,663,185	229,951,632

	March 31, 2016	March 31, 2015
26. FINANCE COSTS		
Interest expenses on		
- Term loans	90,064,288	103,893,559
- Working capital	14,088,934	15,953,447
- Others	467,388	280,770
Bank charges and other finance costs	6,996,786	10,904,012
TOTAL	111,617,396	131,031,788

	March 31, 2016	March 31, 2015
27. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on tangible fixed assets	23,108,330	60,348,185
Amortisation of intangible fixed assets	233,943,038	188,960,068
TOTAL	257,051,368	249,308,253

	March 31, 2016	March 31, 2015
28. OTHER EXPENSES		
Sub-contract and other costs	139,129,636	333,222,482
Site expenses	96,522,627	171,622,282
Civil Work	85,202,723	48,871,172
Hire charges	8,374,747	9,625,420
Power, fuel and water charges	42,752,230	42,866,692
Repairs and maintenance		
- Plant and machinery	3,897,506	2,533,378
- Building	72,607	181,001
- Road work	99,671,272	78,730,243
- Others	2,440,693	5,574,336
Project monitoring and maintenance fees	6,048,915	5,384,284
Rent	28,569,108	34,708,915

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
Rates and taxes	56,293,534	105,451,260
Insurance	7,645,474	9,307,662
Travelling and conveyance expense	24,882,099	8,878,624
Communication expenses	3,215,517	3,179,127
Legal and professional fees	147,360,087	74,502,820
Staff deputation expenses	-	8,252,187
Advertisement expenses	6,674,940	736,895
Business promotion	1,322,863	5,098,739
Printing and stationary	2,793,506	3,294,226
Directors sitting fees	1,701,000	906,000
Payment to Auditor's		
- Audit fees	2,200,000	1,460,000
- Certifications (including fees for limited review)	350,000	149,500
- Reimbursement of expenses	32,603	-
Changes in the carrying value of current investment	3,080,000	5,594,071
Loss on sale of current investment (net)	-	42,911,058
Loss on sale/discard of fixed assets (net)	704,934	5,804,806
Bad debts	17,130,369	245,140,434
Provision for doubtful debts and advances / (written back) (net)	(12,636,644)	(228,795,238)
Accrued interest income written off	47,383,910	-
Donation	6,953	32,100
Miscellaneous expenses	9,229,058	32,144,235
TOTAL	832,052,268	1,057,368,711

	March 31, 2016	March 31, 2015
29. EARNINGS PER SHARE (EPS)		
Net profit after tax available for equity shareholders	328,234,617	101,580,882
Weighted average number of equity shares of Rs.10 each outstanding during the year used for calculating basic EPS (Number of shares)	173,409,060	173,320,535
Weighted average number of equity shares of Rs.10 each outstanding during the year used for calculating diluted EPS (Number of shares)	174,213,837	173,330,732
Basic earnings per share	1.89	0.59
Diluted earnings per share	1.88	0.59

	March 31, 2016	March 31, 2015
30. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
Disputed labour cess demand (net of provision)	48,124,545	11,557,322
Stamp duty payable on concession agreement disputed in respect of BOT Projects	54,208,000	11,544,000
Arrears of House tax liabilities in respect of Ludhiana and Jalandhar Bus Terminal (net of provision)	43,594,979	43,594,979
Claims against the Company not acknowledged as debts	28,375,922	23,896,922
Bank guarantees issued	413,763,893	690,287,667
Guarantees given to the bankers for the facilities granted		
- Subsidiaries	226,321,400	3,432,350,891
- Jointly controlled entity	55,500,000	3,495,749,641
Disputed income tax liability	112,613,288	66,231,528
Disputed service tax liability	22,400,638	22,401,000
Disputed value added tax liability	17,074,367	-
Total	1,021,977,032	7,797,613,950

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. MODIFICATION TO THE SCHEME OF AMALGAMATION AND ARRANGEMENT

The Hon'ble High Court of Gujarat at Ahmedabad vide its order dated February 3, 2016 and the Hon'ble High Court of Judicature of Bombay vide its order dated March 23, 2016 have approved modifications to the Scheme (Refer note 32 below) which provided for recording of the equity shares issued by the Company pursuant to the Scheme ("Modified Scheme") at fair value and the same has resulted into reduction of Capital Reserves, and corresponding increase in the Securities Premium of the Company, by Rs.7,730,680,020. The Modified Scheme has become effective on April 28, 2016 (appointed date April 1, 2014) and has been given effect in these financial statements.

32. SCHEME OF AMALGAMATION AND ARRANGEMENT

During the previous year, the Board of Directors of Welspun Projects Limited (WPL) and Welspun Enterprises Limited (WEL) at their respective meeting held on November 4, 2014 approved the Scheme of Amalgamation and Arrangement under Sections 391 and 394 of the Companies Act, 1956 ("the Scheme") of WEL and its subsidiaries Welspun Infratech Limited (WITL), Welspun Infra Projects Private Limited (WIPPL) and Welspun Plastics Private Limited (WPPL) with WPL.

Pursuant to the Scheme approved by the Hon'ble High Court of Bombay vide its Order dated April 10, 2015 and the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated April 23, 2015, and the orders since filed with Registrar of Companies on May 11, 2015 ('Effective Date') the following Companies (Transferor Companies) whose nature of business stated there against are merged with WPL (Transferee Company) with effect from April 1, 2014 (the 'appointed date').

Name of the Transferor Company	Nature of Business
Welspun Enterprises Limited	Trading in steel, cotton etc and treasury operations
Welspun Infratech Limited	Infrastructure development
Welspun Infra Projects Private Limited	Infrastructure development
Welspun Plastics Private Limited	Oil & Gas exploration

The amalgamation had been accounted under the 'Purchase Method' as prescribed under Accounting Standard 14 'Accounting for Amalgamation' (AS 14) in accordance with the Scheme. Accordingly, the following assets and liabilities of the Transferor Companies as at April 1, 2014 have been recorded at their fair value.

Details of assets and liabilities acquired

Particulars	(Amount in ₹)	(Amount in ₹)
Non-Current Assets		
Fixed Assets	4,023,005	
Non-current investment	3,353,974,510	
Other non-current assets	123,927,178	3,481,924,693
Current Assets		
Current investments	7,674,504,437	
Cash and bank balances	315,820,214	
Other current assets	224,467,169	8,214,791,821
Total Assets		11,696,716,514
Less:		
Non-current liabilities		1,086,047,407
Current liabilities		140,030,823
Total Liabilities		1,226,078,230
Net Assets		10,470,638,284
Share capital movement		
New share capital issued	1,577,689,800	
Share capital cancellation*	(244,484,450)	1,333,205,350
Capital reserve on net asset taken over		9,137,432,934

* The investment held by WITL in the equity share capital of WPL had been cancelled. Accordingly, the share capital of WPL had been reduced to the extent of face value of shares held by WITL in WPL and had been cancelled.

Pursuant to the Scheme, the authorised share capital of Transferor Companies stood consolidated and vested in and had been merged with the authorized share capital of WPL and stood reclassified as consisting of only equity shares of Rs. 10 each.

Difference of the value of the net assets at fair value of the Transferor Companies acquired by the Transferee Company over the consideration paid to the shareholders of the Transferor Companies is recognized as Capital Reserve in the books of the Transferee Company.

In terms of the Scheme, every equity holder of Welspun Enterprises Limited holding 1 (one) equity share in Welspun Enterprises Limited of Rs. 10 each fully paid up as of the Record Date had been allotted to 12 (twelve) equity shares of Rs. 10 each, issued at par, credited as fully paid up of Welspun Projects Limited (now renamed as Welspun Enterprises Limited).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. In accordance with the "Welspun Managing Director Stock Option Plan 2014" the Company has granted 240,000 equity shares to the "Managing Director" of the Company at zero Cost on July 14, 2015. The intrinsic value of the above Stock Option of Rs. 12,060,000 calculated at the average rate of Rs. 50.25 per Share is amortized on the straight line basis over the vesting period of one Year in accordance with the Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Accordingly proportionate amount of Rs.8,609,591 on aforesaid option along with charge for 720,000 options granted during the previous year amounting to Rs 16,532,852 aggregating to Rs 25,142,444 is shown as "Employees stock option expenses" in the Statement of Profit and Loss (Refer note 25).

The salient features of the Scheme are as under

i) **Vesting:** Options to vest shall occur on the first anniversary of the Grant date. However, Vesting period may be extended by the entire duration of the leave period for Employees on the long Leave. The Vesting Schedule is as under:

Number of ESOP's	Date of Grant	Date of Vesting
720,000	February 16, 2015	February 16, 2016
240,000	July 14, 2015	July 14, 2016
240,000	July 14, 2016	July 14, 2017

ii) **Exercise:** Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	Number of Options Granted	Exercise Period	Exercise Price
July 14, 2015	240,000	2.5 years from date of Vesting of respective Employee Stock Options	Rs. Nil

March 31, 2016			March 31, 2015	
Summary of Stock Options	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	720,000	Nil	Nil	Nil
Options granted during the year	240,000	-	720,000	-
Options exercised during the year	720,000	Nil	Nil	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year	240,000	Nil	720,000	Nil
Options vested but not exercised at the year end	Nil	Nil	Nil	Nil

iii) Information in respect of options outstanding as at March 31, 2016

No. of Stock Options	Weighted Average remaining life in years	Weighted Average Exercise Price (₹)
240,000	2.5 years from the date of vesting	Nil

iv) The weighted average fair value of stock options granted during the year was Rs 44.35. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following input :-

	Grant Date : July 14, 2015
	Vest 2
Vesting date	July 14, 2016
Variables	
Stock Price	Rs 50.25
Volatility	56.84%
Risk free Rate	7.68%
Exercise Price	Nil
Time to Maturity	2.5
Dividend Yield	5%
Option Fair Value	Rs 44.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

v) The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(Amount in ₹)

	March 31, 2016	March 31, 2015
Profit after tax as reported	328,234,616	101,580,882
Add : ESOP cost using the intrinsic value method	25,142,444	2,259,148
Less : ESOP cost using the fair value method	24,543,304	2,315,401
Proforma profit after tax	328,833,756	101,524,629
Earnings per share :-		
Basic - As reported	1.89	0.59
Basic - Proforma	1.90	0.59
Diluted - As reported	1.88	0.59
Diluted - Proforma	1.89	0.58

vi) Effect of share- based payment plan on the Balance Sheet and Statement of Profit and Loss:

(Amount in ₹)

	March 31, 2016	March 31, 2015
Expense arising from employee share-based payment plan	25,142,444	2,259,148
Employees stock option outstanding	8,609,592	2,259,148

34. SEGMENT INFORMATION

The financial statements of the Company contain both the consolidated financial statements as well as the standalone financial statements of the Company. Hence, the Company has presented segment information based on the Consolidated Financial Statements as permitted by Accounting Standard - 17.

35. The Company has entered into settlement agreement dated 10 September, 2015 with ARSS Infrastructure Projects Limited ('ARSS') and its affiliates. Pursuant to the aforesaid agreement, the Company has acquired balance 51% stake in ARSS Bus Terminal Private Limited ('ABTPL') in consideration of the part of its loan recoverable from ARSS and waiver of interest accrued Rs 45,523,970 of earlier years. This amount has been included in other expenses for the year ended March 31, 2016. By virtue of this agreement, ABTPL became wholly owned subsidiary ('WOS') of the Company w.e.f September 10, 2015.

36. DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED)

(Amount in ₹)

	March 31, 2016	March 31, 2015
Contract revenue upto	3,792,417,456	3,064,287,695
Contract cost incurred upto	3,890,976,600	3,220,166,557
Recognized profits / (losses) upto	(98,559,144)	(155,878,862)
Advances received as at	1,605,702	49,566,634
Retention money as at	128,491,444	123,413,717
Gross amount due from customers for contract work as at	110,183,890	110,841,893

37. EXCEPTIONAL ITEMS (NET)

(Amount in ₹)

	March 31, 2016	March 31, 2015
a. Profit on sale of stake in joint venture [Refer note (i) below]	520,821,086	-
b. Amortisation of water pipeline project [Refer note (ii) below]	(449,030,805)	-
c. Provision for Welspun Maxsteel Limited (WMSL) obligations written back	-	703,000,000
d. Loss on sale of shares of Welspun Maxsteel Limited	-	(291,444,938)
e. Intangible asset under development written off	-	(257,309,647)
TOTAL	71,790,281	154,245,415

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i) During the year, the Company has sold 74% (proportionate share 37%) of its stake in Dewas Bhopal Corridor Private Limited (a 50% Joint Venture of the Company). Profit on such sale of Rs. 520,821,086 (net of selling expenses) has been shown under the head 'exceptional items'.

ii) During the year, the Company has reassessed useful life of Water Pipe Line project (on Public-Private Partnership basis) due to economic and policy developments and has revised the remaining useful life to 2.5 years in respect of the said asset w.e.f, 1 April 2015. Additional amortisation charge in respect of this amounting to Rs. 449,030,805 has been recognised and included under the head 'exceptional items'.

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

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is based on the actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

During the year, Company has recognized the following amount in the financial statements

Defined benefit plan

Details of defined benefit plan of Gratuity (Funded) are as follows:

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(Amount in ₹)

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Defined benefit obligation at the beginning of the year	17,648,235	8,930,953
Current service cost	2,240,309	2,321,820
Interest cost	1,411,859	1,571,060
Actuarial (gain)/loss	2,147,701	12,160,203
Benefits paid	(3,153,834)	(7,335,801)
Defined benefit obligation at the year end	20,294,270	17,648,235

b) Reconciliation of opening and closing balances of fair value of plan Assets

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Fair value of plan assets in the beginning of the year	8,322,230	15,259,700
Expected return on plan assets	332,889	2,296,676
Actuarial gain/(loss)	(332,889)	(5,177,517)
Employer contribution paid	4,573,283	1,912,110
Benefits paid	(1,394,275)	(5,968,739)
Fair value of plan assets at the end of the year	11,501,238	8,322,230

c) Reconciliation of fair value of plan assets and benefit obligation

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Fair value of assets as at March 31, 2016	11,501,238	8,322,230
Present value of obligation as at March 31, 2016	20,294,270	17,648,235
Liability recognized in Balance Sheet	8,793,032	9,326,005

d) Expenses recognized during the year

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Current service cost	2,240,309	2,321,820
Interest cost	1,411,859	1,571,060
Expected return on plan assets	(332,889)	(2,296,676)
Actuarial (gain) / loss	2,480,590	17,337,720
Total Expense	5,799,869	18,933,924

e) Amounts recognized in the current year and previous four years:

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	20,294,270	17,648,235	9,579,632	9,579,632	8,100,013
Fair value of plan assets	11,501,238	8,322,230	14,354,224	14,354,224	9,070,221
(Surplus) / deficit in the plan	8,793,032	9,326,005	(4,774,592)	(4,774,592)	(970,208)
Actuarial (gain) / loss on the plan obligation	2,147,701	12,160,203	783,170	783,170	2,266,750
Actuarial (gain) / loss on the plan assets	(332,889)	(5,177,517)	(321,575)	(321,575)	475,902

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f) Actuarial Assumptions

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Discount rate (per annum)	7.99%	8%
Expected rate of return on plan assets (per annum)	8%	8%
Attrition rate	1%-3%	1%-2%
Salary escalation (per annum)	9%	9%

Mortality – Indian assured lives Mortality (2006-08) ultimate for FY 2015-16 and FY 2014-15.

Notes:

- Amount recognized as an expense and included in Note 25 – Employee benefits expense is Gratuity of Rs 5,799,869 (Previous year Rs 18,933,924) and Leave encashment of Rs 2,930,366 (Previous year Rs 9,634,495).
- Contribution to provident and other funds is recognized as an expense in Note 25 of the Statement of Profit and Loss.
- The estimate of future salary increases considered in the actuarial valuation, taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

39. RELATED PARTY DISCLOSURES

a) Particulars Of Subsidiaries

Name of Entities Direct Subsidiaries	Relationship
MSK Projects (Himmatnagar Bypass) Private Limited	Wholly owned subsidiary
MSK Projects (Kim Mandvi Corridor) Private Limited	Wholly owned subsidiary
Anjar Water Solutions Private Limited	Wholly owned subsidiary
(Formerly known as Welspun Road Projects Private Limited)	
Welspun Build-Tech Private Limited	Wholly owned subsidiary
(Formerly known as Welspun Construction Private Limited)	
Welspun Natural Resources Private Limited	Wholly owned subsidiary
Anjar Road Private Limited ^	Wholly owned subsidiary
Welspun Delhi Meerut Expressway Private Limited *	Wholly owned subsidiary
ARSS Bus Terminal Private Limited (Refer note 35)	Wholly owned subsidiary
Welspun Maxsteel Limited	Subsidiary [#]

^ Ceased to be wholly owned subsidiary w.e.f November 20, 2015

* Became subsidiary on February 16, 2016.

[#] Ceased to be subsidiary w.e.f. October 31, 2014

b) Joint Venture Companies

Name of the Companies	Extent of Holding	Relationship
Dewas Bhopal Corridor Private Limited *	13% (50%)	Joint Venture
Adani Welspun Exploration Limited	35% (35%)	Joint Venture
(Held through Welspun Natural Resources Private Limited - Wholly owned subsidiary)		

* Ceased to be a joint venture company w.e.f. December 22, 2015.

c) Directors / Key managerial personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Executive Chairman
Mr. Sandeep Garg	Managing Director
Mr. Shriniwas Kargutkar ^	Chief Financial Officer
Mr. Lalit Jain ^^	Chief Financial Officer
Ms. Indu Daryani *	Company Secretary
Mr. Rajendra Sawant**	Company Secretary
Mr. Nilesh Javker ^^	Company Secretary

^ Appointed w.e.f. May 29, 2015

^^ Ceased w.e.f. May 29, 2015

* Appointed w.e.f. August 12, 2015

** Appointed and ceased w.e.f. May 29, 2015 and June 30, 2015 respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d) Other related parties with whom transactions have taken place or balances outstanding at the year end

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited, Welspun Mercantile Limited, Welspun Global Brands Limited, Welspun Energy Chattisgarh Private Limited, Welspun Captive Power Generation Limited, Welspun Logistics Limited, Welspun Energy Private Limited.

e) Related party transactions

Name of the Companies	Subsidiaries	Joint Ventures	Other Related Parties	Key Management Personnel
Construction contract revenue (including unbilled work-in-progress)	21,044,635	-	76,090,375	-
	(15,000,000)	(-)	(218,609,160)	(-)
Purchase of traded goods	-	-	-	-
	(330,950,094)	(-)	(-)	(-)
Rent expenses	-	-	21,905,260	-
	(-)	(-)	(26,257,260)	(-)
Hire charges	-	-	-	-
	(-)	(-)	(400,000)	(-)
Electricity expenses	-	-	3,327,327	-
	(-)	(-)	(-)	(-)
Business promotion expenses	-	-	1,231,839	-
	(-)	(-)	(-)	(-)
Staff welfare expenses	-	-	1,119,235	-
	(-)	(-)	(-)	(-)
Interest income	-	10,247,069	1,027,397	-
	(-)	(-)	(-)	(-)
Miscellaneous income	-	6,663,000	-	-
	(-)	(39,113,662)	(2,233,474)	(-)
Materials purchased	-	-	-	-
	(-)	(-)	(2,109,146)	(-)
Sale of materials	-	-	7,902,870	-
	(-)	(-)	(-)	(-)
Sale of fixed assets	-	-	376,085	-
	(-)	(-)	(-)	(-)
Reimbursement of expenses(net)	3,835,496	-	105,892	-
	(-)	(-)	(4,556,607)	(-)
Loans/ advances received	71,650,000	-	-	-
	(-)	(-)	(-)	(-)
Trade advances received	19,000,000	-	-	-
	(-)	(-)	(-)	(-)
Repayment of loans/ advances received	-	-	-	-
	(8,700,309)	(-)	(-)	(-)
Loans/ advances given	10,332,296	11,260,768	-	-
	(209,252,191)	(1,394,952)	(-)	(-)
Repayment of loans/ advances given	14,957,090	353,388,945	-	-
	(303,012,385)	(2,654,505)	(172,250)	(-)
Security deposit given refunded	-	-	10,000,000	-
	(-)	(-)	(-)	(-)
Guarantees given	-	-	-	-
	(11,300,000)	(-)	(-)	(-)
Sale of equity shares of subsidiary	-	-	100,000	-
	(-)	(-)	(-)	(-)
Mobilisation advance received	11,025,000	-	-	-
	(19,427,192)	(-)	(17,882,653)	(-)
Mobilisation advance repaid	-	-	9,039,505	-
	(-)	(-)	(48,278,123)	(-)
Investment in compulsorily convertible debentures	494,065,800	-	-	-
	(1,634,292,300)	(-)	(-)	(-)
Inter-corporate deposits given	-	-	150,000,000	-
	(-)	(-)	(-)	(-)
Inter-corporate deposits given repaid	-	-	100,000,000	-
	(-)	(-)	(-)	(-)
Sale of investment in compulsorily convertible debentures	115,000,000	-	-	-
	(-)	(-)	(-)	(-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Name of the Companies	Subsidiaries	Joint Ventures	Other Related Parties	Key Management Personnel
Investment in shares	100,000 (300,500,000)	- (-)	- (-)	- (-)
Remuneration to Key Managerial Personnel	- (-)	- (-)	- (-)	89,006,858 (25,339,815)
Closing Balance as at March 31, 2016				
Receivable at the end of the year	1,583,180,103 (1,587,336,340)	6,750,000 (333,489,679)	92,018,823 (61,124,240)	- (-)
Payable at the end of the year	19,000,000 (10,726,883)	- (-)	1,764,476 (10,645,207)	- (-)
Provision for doubtful loan	1,493,282,970 (1,493,282,970)	- (-)	- (-)	- (-)
Investment In shares	701,029,510 (482,174,510)	- (510,210,900)	3,262,600,000 (3,262,600,000)	- (-)
Investment in compulsorily convertible debentures	1,713,758,100 (1,334,692,300)	- (-)	- (-)	- (-)
Bank guarantee outstanding	3,100,000 (11,300,000)	- (234,500,000)	- (-)	- (-)
Corporate guarantee outstanding	372,000,000 (3,432,350,891)	236,000,000 (3,495,749,641)	- (-)	- (-)

Figures in brackets are in respect of previous year.

- f) Disclosure in respect of transactions with more than 10% of the total transactions of the same type with related party during the year.
- i. **Purchase of traded goods :**
- a) Welspun Maxsteel Limited Rs Nil (Previous year Rs. 330,950,094)
- ii. **Rent expenses:**
- a) Welspun Realty Private Limited Rs 21,905,260 (Previous year Rs. 26,257,260)
- iii. **Hire charges:**
- a) Welspun Logistics Limited Rs Nil (Previous year Rs. 400,000)
- iv. **Miscellaneous income:**
- a) Adani Welspun Exploration Limited Rs 6,663,000 (Previous year Rs Nil)
- b) Dewas Bhopal Corridor Private Limited Rs Nil (Previous year Rs. 39,113,662)
- c) Welspun Steel Limited Rs Nil (Previous year Rs 937,407)
- d) Welspun India Limited Rs Nil (Previous year Rs 1,296,067)
- v. **Material purchased:**
- a) Welspun Corp Limited Rs Nil (Previous year Rs. 2,109,146)
- vi. **Reimbursement of expenses (net):**
- a) MSK Projects (Himmatnagar Bypass) Private Limited Rs 3,835,496 (Previous year Rs Nil)
- b) Welspun Corp Limited Rs 105,892 (Previous year Rs. 4,556,607)
- vii. **Business/promotion expenses:**
- a) Welspun Global Brands Limited Rs. 1,231,839 (Previous year Rs. Nil)
- viii. **Staff welfare expenses:**
- a) Welspun Global Brands Limited Rs. 1,119,235 (Previous year Rs. Nil)
- ix. **Electricity expenses**
- a) Welspun Global Brands Limited Rs. 3,327,327 (Previous year Rs. Nil)
- x. **Construction contract revenue (including unbilled work-in-progress):**
- a) MSK Projects (Himmatnagar Bypass) Private Limited Rs. 11,250,000 (Previous year Rs. Nil)
- b) MSK Projects (Kim Mandvi Corridor) Private Limited Rs. 7,500,000 (Previous year Rs. Nil)
- c) Welspun Delhi Meerut Expressway Private Limited Rs 2,294,635 (Previous year Rs Nil)
- d) Welspun India Limited Rs. 74,945,522 (Previous year 214,752,672)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

xi. Interest income:

- a) Dewas Bhopal Corridor Private Limited Rs. 10,247,069 (Previous year Rs. Nil)
- b) Welspun Energy Chhattisgarh Private Limited Rs. 632,877 (Previous year Rs. Nil)
- c) Welspun Steel Limited Rs. 394,521 (Previous year Rs. Nil)

xii. Sale of materials:

- a) Welspun India Limited Rs. 5,220,317 (Previous year Rs. Nil)
- b) Welspun Captive Power Generation Limited Rs. 2,446,684 (Previous year Rs. Nil)

xiii. Sale of fixed assets:

- a) Welspun India Limited Rs. 349,131 (Previous year Rs. Nil)

xiv. Loans/ advances received:

- a) ARSS Bus Terminal Private Limited (ABTPL) Rs 71,650,000 (Previous year Rs. Nil)

xv. Trade advance received:

- a) MSK Projects (Himmatnagar Bypass) Private Limited Rs 19,000,000 (Previous year Rs. Nil)

xvi. Repayment of loans/ advances received:

- a) MSK Projects (Himmatnagar Bypass) Private Limited Rs Nil (Previous year Rs 8,700,309)

xvii. Loans/ advances given:

- a) MSK Projects (Kim Mandvi Corridor) Private Limited Rs 9,718,443 (Previous year Rs 124,437,997)
- b) Welspun Natural Resources Private Limited Rs. 295,925 (Previous year Rs. 84,727,398)
- c) Dewas Bhopal Corridor Private Limited Rs. 11,260,767 (Previous year Rs. 1,394,952)
- d) Welspun India Limited Rs Nil (Previous year Rs 172,250)

xviii. Repayment of loans/ advances given:

- a) MSK Projects (Kim Mandvi Corridor) Private Limited Rs 9,718,443 (Previous year Rs 218,285,062)
- b) Welspun Natural Resources Private Limited Rs Nil (Previous year Rs 84,727,323)
- c) ARSS Bus Terminal Private Limited Rs 5,238,647 (Previous year Rs. Nil)
- d) Dewas Bhopal Corridor Private Limited Rs 353,388,945 (Previous year Rs 2,654,505)

xix. Security deposit given refunded:

- a) Welspun Realty Private Limited Rs. 10,000,000 (Previous year Rs. Nil)

xx. Guarantee given:

- a) MSK Projects (Kim Mandvi Corridor) Private Limited Rs. Nil (Previous year Rs. 10,300,000)

xxi. Mobilisation advance received:

- a) MSK Projects (Himmatnagar Bypass) Private Limited Rs 11,025,000 (Previous year Rs 19,427,192)
- b) Welspun India Limited Rs Nil (Previous year Rs 17,882,653)

xxii. Mobilisation advance received repaid:

- a) Welspun India Limited Rs 9,039,505 (Previous year Rs 44,544,869)

xxiii. Investment in compulsorily convertible debentures (CCD):

- a) Welspun Natural Resources Private Limited Rs 472,709,900 (Previous year Rs. 1,269,692,300)
- b) Welspun Build-Tech Private Limited Rs. 11,177,500 (Previous year Rs. Nil)
- c) MSK Projects (Kim Mandvi Corridor) Private Limited Rs 10,178,400 (Previous year Rs. 205,000,000)

xxiv. Sale of compulsorily convertible debentures of MSK Projects (Kim Mandvi Corridor) Private Limited to:

- a) ARSS Bus Terminal Private Limited (ABTPL) Rs. 115,000,000 (Previous year Rs. Nil)

xxv. Investment in shares:

- a) Welspun Delhi Meerut Expressway Private Limited Rs 100,000 (Previous year Rs Nil)
- b) Welspun Natural Resources Private Limited Rs Nil (Previous year Rs. 300,000,000)

xxvi. Inter-corporate deposits given:

- a) Welspun Steel Limited Rs. 50,000,000 (Previous year Rs Nil)
- b) Welspun Energy Chattisgarh Private Limited Rs. 100,000,000 (Previous year Rs Nil)

xxvii. Inter-corporate deposits given repaid:

- a) Welspun Energy Chattisgarh Private Limited Rs. 100,000,000 (Previous year Rs Nil)

xxviii. Sale of equity shares of subsidiary to:

- a) Welspun Mercantile Limited (WML) Rs. 100,000 (Previous year Rs Nil)

xxix. Remuneration to Key Managerial Personnel:

- a) Mr Sandeep Garg – Rs 72,701,105 (Previous year Rs 19,869,996)
- b) Mr B. K. Goenka – Rs 10,096,774 (Previous year Rs Nil)
- c) Mr Lalit Jain* – Rs 911,319 (Previous year Rs 5,469,819)

* Ceased to be chief financial officer w.e.f. May 29, 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Closing Balances as at March 31, 2016

i) Receivable at the end of the year

- a) Loans, advances and deposits given
 - Welspun Natural Resources Private Limited Rs. 1,581,046,464 (Previous year Rs. 1,580,750,539)
 - Dewas Bhopal Corridor Private Limited Rs. Nil (Previous year Rs. 332,930,355)
 - Welspun Realty Private Limited Rs 30,000,000 (Previous year Rs 40,000,000)
 - Welspun Steel Limited Rs 50,000,000 (Previous year Rs. Nil)

b) Trade and other receivables

- Adani Welspun Exploration Limited Rs 6,750,000 (Previous year Rs. Nil)
- Welspun India Limited Rs 11,472,441 (Previous year Rs. 20,582,763)

c) Interest receivable

- Welspun Steel Limited Rs 394,521 (Previous year Rs. Nil)

ii) Payable at the end of the year

a) Trade advances and deposits received

- MSK Projects (Himmatnagar Bypass) Private Limited Rs. 19,000,000 (Previous year Rs. 10,726,883)

b) Other payables

- Welspun Global Brands Limited Rs 1,764,476 (Previous year Rs. Nil)
- Welspun India Limited Rs. Nil (Previous year Rs. 10,645,207)

iii) Provision for doubtful loans

- Welspun Natural Resources Private Limited Rs 1,493,282,970 (Previous year Rs 1,493,282,970)

iv) Bank guarantee outstanding

- MSK Projects (Kim Mandvi Corridor) Private Limited Rs 2,100,000 (Previous year Rs 10,300,000)
- MSK Projects (Himmatnagar Bypass) Private Limited Rs 1,000,000 (Previous year Rs 1,000,000)
- Adani Welspun Exploration Limited Rs Nil (Previous year Rs 234,500,000)

v) Corporate guarantee outstanding

- MSK Projects (Kim Mandvi Corridor) Private Limited Rs 372,000,000 (Previous year Rs 232,350,891)
- Welspun Maxsteel Limited Rs Nil (Previous year Rs 3,200,000,000)
- Adani Welspun Exploration Limited Rs 236,000,000 (Previous year Rs 270,100,000)
- Dewas Bhopal Corridor Private Limited Rs Nil (Previous year Rs 3,225,649,641)

vi) Investment in shares

- Welspun Natural Resources Private Limited Rs 300,000,000 (Previous year Rs 300,000,000)
- ARSS Bus Terminal Private Limited Rs 310,129,510 (Previous year Rs 91,274,510)
- Welspun Energy Private Limited Rs 3,262,600,000 (Previous year Rs 3,262,600,000)

vii) Investment in compulsorily convertible debentures

- Welspun Natural Resources Private Limited Rs 1,442,402,200 (Previous year Rs 969,692,300)
- Welspun Build-Tech Private Limited Rs 171,177,500 (Previous year Rs 160,000,000)
- MSK Projects (Kim Mandvi Corridor) Private Limited Rs 100,178,400 (Previous year Rs 205,000,000)

40. Confirmations of certain parties for amounts due from them as per accounts of the Company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, Company is confident of recovering the dues and accordingly they have been classified as “debt considered good” and therefore no provision is considered necessary, there against.

41. Under the Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”) which came into force effective from October 2, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not yet readily available and /or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act’ 2006, the information required under the said Act could not be compiled and disclosed.

42. Expenditure in Foreign currency : Rs. 2,616,249 (Previous year Rs. 665,364)
(Legal and professional fees)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. INTEREST IN JOINT VENTURE

Name of the Companies	Extent of Holding	Relationship
Dewas Bhopal Corridor Private Limited (DBCL)*	13% (50%)	Joint Venture
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited -Wholly owned subsidiary)	35% (35%)	Joint Venture

* Ceased to be a joint venture company w.e.f. December 22, 2015.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016 are as follows:

(Amount in ₹)

	March 31, 2016	March 31, 2015
Assets :		
Non current assets	2,991,586,438	5,564,989,993
Current assets	11,656,661	97,075,421
Total	3,003,243,099	5,662,065,414
Liabilities :		
Non current liabilities	470,223,640	2,288,353,328
Current liabilities	2,440,369,355	2,375,023,431
Total	2,910,592,995	4,663,376,759
Income*	326,171,364	467,238,939
Expenditure(Includes Exceptional items)*	353,107,213	373,462,200
Contingent liabilities	1,047,619*	129,037,619

*Company has paid Rs 675,675 for the liability on adhoc basis.

*Includes DBCL income and expenses @ 50% from April 1, 2015 to December 22, 2015

Unaudited accounts of DBCL as at December 21, 2015 (as furnished by the management of the Company) is taken into consideration.

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

- The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.
- There are no investments other than as disclosed in Note 12 and 15 forming part of the financial statements.

45. OPERATING LEASE

The Company has taken office premises and residential facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from six months to twenty four months. Lease rental charges for the year is Rs 28,569,108 (Previous year Rs 34,708,915)

46. Disclosure as required by Schedule V (A) (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

(Amount in ₹)

Name of the Companies	Balance as at March 31, 2016	Maximum amount outstanding during the year ended March 31, 2016	Balance as at March 31, 2015	Maximum amount outstanding during the year ended March 31, 2015
i. Loans and advances in the nature of loans to subsidiary				
Welspun Natural Resources Private Limited *	1,581,046,464	1,581,046,464	1,580,750,539	1,580,750,539
MSK Projects (Kim Mandvi Corridor) Private Limited	-	9,553,309	886,110	205,786,684
ARSS Bus Terminal Private Limited	307,253	4,488,319	5,238,547	5,238,547
Anjar Road Private Limited #	-	76,943	75,306	75,306
Anjar Water Solutions Private Limited (formerly Welspun Road Projects Private Limited)	737,245	737,245	732,030	732,030
MSK Projects (Himmatnagar Bypass) Private Limited	1,083,613	1,083,613	-	-
Welspun Delhi Meerut Expressway Private Limited ##	5,460	5,460	-	-
Welspun Build-Tech Private Limited (Formerly Welspun Construction Private Limited)	69	10,465,027	-	-
ii. Loans and advances in the nature of loans to Joint ventures				
Dewas Bhopal Corridor Private Limited ###	-	727,675,213	332,930,355	332,930,355
Adani Welspun Exploration Limited	6,750,000	6,750,000	559,324	5,151,833

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

Name of the Companies	Balance as at March 31, 2016	Maximum amount outstanding during the year ended March 31, 2016	Balance as at March 31, 2015	Maximum amount outstanding during the year ended March 31, 2015
iii. Loans and advances in the nature of loans to firms/companies in which directors are interested Welspun Steel Limited	50,000,000	50,000,000	-	-
iv. Investment by the loanee in the shares of the Company as at March 31, 2016	Nil	Nil	Nil	Nil

* Provision made for the loan of Rs 1,493,282,970 (Previous year Rs 1,493,282,970)

Ceased to be subsidiary w.e.f. November 20, 2015

Became subsidiary w.e.f. February 16, 2016

Ceased to be joint venture w.e.f. December 22, 2015

47. In the opinion of the Board of Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
48. Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN : 00270175

Shriniwas Kargutkar
Chief Financial Officer

Place: Mumbai
Date : May 23, 2016

Sandeep Garg
Managing Director
DIN : 00036419

Indu Daryani
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Welspun Enterprises Limited
(Formerly known as Welspun Projects Limited)

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Welspun Enterprises Limited** (Formerly known as Welspun Projects Limited) ("the Holding Company"), its subsidiaries and jointly controlled company (collectively referred to as "the Group") comprising of the consolidated balance sheet as at 31 March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Emphasis of Matter

- a) We draw attention to note 33 of the consolidated financial statements regarding approval of the Hon'ble High Courts to the Modified Scheme, which provided for recording of the equity shares issued by the Holding Company at fair value pursuant to the Modified Scheme and consequently Rs. 7,730,680,020 has been transferred from capital reserves to securities premium of the Holding Company.
- b) In view of their technical nature, we have placed reliance on technical / commercial evaluation by the management in respect of categorization of oil / gas wells as exploratory and allocation of cost incurred on them.

Our opinion is not modified in respect of the above matter.

6. Other Matters

- a) We did not audit the financial statements / consolidated financial statements of six subsidiaries and a jointly controlled company of the Group, whose financial statements reflect total assets of Rs. 4,659,022,327 as at 31 March, 2016, total revenues of Rs. 74,835,729 and net cash outflow amounting to Rs. 87,333,275 for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled company is based solely on the reports of the other auditors.
- b) The consolidated financial statements include total assets of Rs. 2,717,959,206 as at 31 March 2016, total revenue of Rs. 326,133,044 and net cash inflow amounting to Rs. 14,664,891 for the year then ended, in respect of two subsidiaries and a jointly controlled company (including a subsidiary and a jointly controlled company divested during the year), whose unaudited financial statements have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and a jointly controlled company, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

7. Report on Other Legal and Regulatory Requirements

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, and the consolidated cash flow statement 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies and jointly controlled company, none of the directors of the Group companies is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company and the operating effectiveness of such controls, refer to our separate Report in Annexure A; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 32 to the consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long term contracts including derivative contracts; and
 - iii. There are no amount required to be transferred to the Investor Education and Protection Fund by the Group.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

Annexure - A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(f) of the Independent Auditor's Report of even date to the members of the Welspun Enterprises Limited on the consolidated financial statements for the year ended 31 March, 2016.

In conjunction with our audit of financial statements of Welspun Enterprises Limited ("the Holding Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company.

1. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled company, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company, its subsidiaries and jointly controlled company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

2. Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiary company's and jointly controlled company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

5. Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies and jointly controlled company, considering the essential components of Internal control stated in the Guidance Note issued by the ICAI.

6. Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and jointly controlled company, is based on corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

Sanjay Kothari
Partner
Membership Number 048215

Place: Mumbai
Date : May 23, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

	Notes	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	1,740,405,350	1,733,205,350
(b) Reserves and surplus	3	13,339,848,625	13,415,951,755
		15,080,253,975	15,149,157,105
(2) Minority Interest			
		-	94,386,690
(3) Non-current liabilities			
(a) Long-term borrowings	4	1,254,358,046	3,063,014,737
(b) Deferred tax liabilities (net)	5	-	17,686,254
(c) Other long term liabilities	6	15,780,139	2,984,795
(d) Long-term provisions	7	371,170,690	378,987,137
		1,641,308,875	3,462,672,923
(4) Current liabilities			
(a) Short-term borrowings	8	1,620,324,698	1,239,731,625
(b) Trade payables	9	238,181,179	198,265,786
(c) Other current liabilities	10	472,740,074	665,035,461
(d) Short-term provisions	11	1,206,485	367,419,309
		2,332,452,436	2,470,452,181
TOTAL EQUITY AND LIABILITIES		19,054,015,286	21,176,668,899
ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		238,215,062	113,318,294
(ii) Intangible assets		1,465,825,200	4,895,534,270
(iii) Capital work-in-progress		2,210,453,002	2,154,605,656
		3,914,493,264	7,163,458,220
(b) Goodwill arising on consolidation (net)	46	29,701,408	
(c) Non-current investments	13	3,265,749,500	3,265,749,500
(d) Deferred tax assets (net)	14	67,081,326	-
(e) Long-term loans and advances	15	1,965,181,808	1,769,957,415
(f) Other non-current assets	16	7,127,137	7,829,812
		9,249,334,443	12,206,994,947
(2) Current assets			
(a) Current investments	17	7,850,795,154	6,277,758,391
(b) Inventories	18	29,752,079	37,246,058
(c) Trade receivables	19	373,522,219	334,532,333
(d) Cash and bank balances	20	387,629,370	701,012,156
(e) Short-term loans and advances	21	799,930,351	1,221,884,439
(f) Other current assets	22	363,051,670	397,240,575
		9,804,680,843	8,969,673,952
TOTAL ASSETS		19,054,015,286	21,176,668,899

Notes forming part of the consolidated financial statements

1 to 51

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

	Notes	March 31, 2016	March 31, 2015
REVENUE			
I. Revenue from operations	23	2,224,939,824	8,256,383,530
II. Other income	24	858,571,933	726,470,770
III. Total (I + II)		3,083,511,757	8,982,854,300
IV. EXPENSES			
Cost of materials consumed	25	296,953,601	6,027,948,450
Purchase of stock-in-trade	25A	775,240,575	538,791,333
(Increase) / decrease in construction work-in-progress	26	20,218,409	(732,015,962)
Employee benefits expense	27	311,328,982	468,434,410
Finance costs	28	285,261,485	1,379,891,278
Depreciation and amortization expense	29	324,481,564	881,633,157
Other expenses	30	943,923,765	2,048,827,114
Total		2,957,408,381	10,613,509,780
V. Profit/(loss) before exceptional items and tax (III - IV)		126,103,376	(1,630,655,480)
VI. Exceptional items (net)	38	(231,954,476)	1,742,195,847
VII. Profit/(loss) before tax for the year (V + VI)		(105,851,100)	111,540,367
VIII. Tax expense			
Current tax - current year		39,601,197	-
earlier years		-	(6,884,034)
Less : MAT credit entitlement		(38,869,197)	-
Deferred tax (benefit)/charge		(123,901,922)	111,676,377
IX. Profit after tax for the year (VII - VIII)		17,318,822	6,748,024
X. Earnings per equity share of Rs.10 each fully paid up			
Basic	31	0.10	0.04
Diluted		0.10	0.04

Notes forming part of the consolidated financial statements

1 to 51

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board
Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

	March 31, 2016	March 31, 2015
A Cash flow from operating activities		
Profit before exceptional item and tax	126,103,376	(1,630,655,480)
Adjustments for		
Depreciation and amortisation expense	324,481,564	881,633,157
Preliminary expenses written off	65,146	156,380
Preoperative/ project expenses written off	778,561	11,894,529
Interest expense	252,706,335	1,140,506,452
Loss on sale/ discard of fixed assets (net)	704,934	26,517,027
Provision for doubtful debts and advances / (written back) (net)	(12,636,644)	245,631,267
Provision for land	-	3,567,149
Bad debts	17,158,439	-
Foreign exchange gain	-	(2,772,317)
Provision written back	-	(6,005,056)
Interest income	(669,068,347)	(661,235,751)
(Gain)/ loss on sale of current investments (net)	(37,547,725)	62,541,792
Employees stock option expenses	25,142,444	-
Changes in the carrying value of current investment	3,080,000	5,594,071
Provision for leave encashment and gratuity	(8,510,522)	-
Unclaimed liabilities written back	(61,680,554)	(17,480,809)
Accrued interest written off	47,383,910	-
Dividend income	(2,018,916)	(30,813,771)
Operating profit before working capital changes	6,142,002	29,078,640
Adjustments for		
(Increase)/ decrease in trade and other receivables	(100,392,202)	(277,886,105)
Increase/ (decrease) in trade and other payables	87,946,467	655,808,283
(Increase)/ decrease in inventories	7,493,979	(511,153,631)
Cash generated from / (used in) operating activities	1,190,246	(104,152,813)
Direct taxes paid	-	(7,000,000)
Net cash generated from / (used in) operating activities (A)	1,190,246	(97,152,813)
B Cash Flow from investing activities		
Purchase of fixed assets (including Capital work in progress)	(450,458,387)	(1,430,896,568)
Sale of fixed assets	34,123,918	-
(Gain)/ loss on sale of current investments (net)	37,547,725	(62,541,792)
(Purchase) / sale of investments (net)	-	163,774,873
Sale of investment in joint venture	918,819,994	-
Increase/ (decrease) in other bank balances	38,260,929	(97,937,787)
Inter-corporate deposits given	(1,330,000,000)	(1,186,000,000)
Inter-corporate deposit given repaid	1,275,586,313	809,563,067
Dividend received	2,018,916	30,813,771
Interest received	557,121,307	521,384,152
Net cash generated from / (used in) investing activities (B)	1,083,020,715	(1,251,840,284)
C Cash Flow from financing activities		
Share issue expenses incurred	(17,110,342)	-
Proceeds of long-term borrowings	121,463,396	172,918,712
Repayment of long-term borrowings	(170,751,167)	-
Proceeds of short-term borrowings	6,883,815,715	-
Repayment of short-term borrowings	(6,503,222,643)	(140,423,182)
Contribution from minority interest	-	94,386,690
Interest paid	(246,388,915)	(1,144,941,878)
Net cash generated from / (used in) financing activities (C)	67,806,044	(1,018,059,658)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,152,017,005	(2,367,052,755)
Cash and cash equivalents at the beginning of the year	6,806,098,039	1,010,794,643
Add : Cash and cash equivalent of the subsidiary/ joint venture	(99,493,391)	8,162,356,150
Cash and cash equivalents at the end of the year	7,858,621,653	6,806,098,039
Notes: 1. Break up of cash and cash equivalents as follows		
Current investments	7,594,441,569	6,264,883,391
Cash and bank balances	264,180,084	541,214,649
Total	7,858,621,653	6,806,098,039

2. The above cash flow statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.

3. Transactions pursuant to settlement agreement dated September 10, 2015 for acquisition of additional stake in ARSS Bus Terminal Private Limited is not considered in the above Cash Flow Statement, being non-cash (Refer note 36)

4. The previous year figures are regrouped/ reclassified wherever necessary.

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

Welspun Enterprises Limited (formerly known as Welspun Projects Limited) ('WEL' or 'the Company' or 'the Parent company') is a public limited company incorporated in India. Its shares are listed on two stock exchanges in India. The Company, its subsidiaries and jointly controlled entity (collectively referred to as 'the Group') are engaged in the business of infrastructure development, trading, oil and gas exploration activities and corporate support to various infrastructure Special Purpose Vehicles ('SPV').

B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CFS)

The CFS are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of services/products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES

a) PRINCIPLES OF CONSOLIDATION

The CFS have been prepared by the Company in accordance with the requirements of Accounting Standard - AS-21 (Consolidated Financial Statements) and Accounting Standard - AS-27 (Financial Reporting of interest in joint ventures). The CFS have been prepared on the following basis.

- i) The financial statements of the Company and its subsidiary companies are combined on a line by line basis by adding together the book value of the like item of assets, liabilities, income and expenses after fully eliminating intra group balances, intra group transactions and unrealized profit.
- ii) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS-27) - Financial Reporting of Interest in Joint Ventures.
- iii) The difference between the Company's cost of investments in the subsidiaries over its position of equity at the time of acquisition of the shares is recognized in the CFS as Goodwill or Capital Reserve on consolidation as the case may be.
- iv) The difference between costs of the Group's interest in jointly controlled entity over its shares of net assets in the jointly controlled entity at the date on which interest is acquired is recognized in the CFS as Goodwill or Capital Reserve on consolidation as the case may be.
- v) The CFS are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and presented to the extent possible.

b) The CFS includes the financial statements of the parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of Subsidiary	Country of Incorporation	Extent of Holding
MSK Projects (Himmatnagar Bypass) Private Limited	India	100% (100%)
MSK Projects (Kim Mandvi Corridor) Private Limited	India	100% (100%)
Anjar Water Solutions Private Limited	India	100% (100%)
(Formerly known as Welspun Road Projects Private Limited)		
Welspun Build-Tech Private Limited	India	100% (100%)
(Formerly known as Welspun Construction Private Limited)		
Welspun Natural Resources Private Limited		
Anjar Road Private Limited *	India	100% (100%)
ARSS Bus Terminal Private Limited	India	-- (100%)
(Refer note 36)	India	100% (49%)
Welspun Delhi Meerut Expressway Private Limited *		
	India	100% (--)

* Ceased to be wholly owned subsidiary w.e.f November 20, 2015

* Became subsidiary w.e.f. February 16, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c) Jointly controlled entity considered in the CFS as under :

Name of Company	Country of Incorporation	% of ownership interest as at March 31, 2016
Dewas Bhopal Corridor Private Limited* Held through Welspun Natural Resources Private Limited	Joint Venture	13% (50%)
Adani Welspun Exploration Limited ('AWEL')	Joint Venture	35% (35%)

*Ceased to be jointly controlled entity w.e.f December 22, 2015 [Refer note 38(a)].

d) USE OF ESTIMATES

The preparation of the CFS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the CFS and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying CFS are based upon management's evaluation of the relevant facts and circumstances as of the date of the CFS. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

e) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. All revenues are accounted on accrual basis except to the extent stated otherwise.

i) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects Value Added Tax (VAT) and Central Sales Tax (CST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

ii) Toll collections

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

iii) Construction contract revenue

The Group follows the percentage completion method, based on the stage of completion at the Balance Sheet date taking in to account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of the actual work done. In case of lump-sum contract, revenue is recognized on the completion of milestone as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

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

Disputed amount under the contract works are recognized as revenue when the same are finally settled and there is reasonable assurance that the amount will be received.

Liquidated damages payable, if any, as per the terms of the contract, for the delays, if any, are accounted only when such delay is attributable to the Group.

iv) Revenue from services

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

v) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

vi) Dividend Income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

f) EXPENDITURE IN RESPECT OF BUILD, OPERATE & TRANSFER PROJECTS:

Expenditure incurred on construction of Build, Operate and Transfer (BOT) Project which does not represent Group's own assets is classified as "BOT PROJECT EXPENDITURE" (Toll Collection right) and shown under the head 'Intangible Assets'.

g) FIXED ASSETS

i) **Tangible Fixed Assets**

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii) **Intangible Assets**

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

iii) **Capital Work-in-Progress**

Capital work-in-progress includes preoperative expenditure and is stated at the amount incurred up to the date of balance sheet.

iv) **Oil and Gas Assets**

The Group follows the Full Cost method of accounting for oil and gas assets as set out by the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI) on "Accounting on Oil and Gas Producing activities". Expenditure incurred on the acquisition of the licenses are initially capitalized on a license by license basis. Costs including indirect cost incurred for the block are held, undepleted within "Exploratory Work in Progress" until the exploration phase relating to the license area is complete or commercial oil and gas reserves have been discovered. Exploratory/ appraisal drilling costs are initially capitalized within "Exploratory Work in Progress" on a block by block basis until the success or otherwise of the blocks are established. The success or failure of each exploration/ appraisal effort is judged on a block basis. Where results of seismic studies or exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially recoverable and no additional exploratory activity is firmly planned, all related costs are written off to the statement of profit and loss in the year of cessation of the exploration activity.

h) DEPRECIATION / AMORTISATION

i) Depreciation is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule - II of the Companies Act 2013.

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

Intangible assets representing BOT costs are amortised over the concession period, ranging from ten years to eighteen years, which is beyond the maximum period of ten years as specified in AS 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

The Group uses a rebuttable presumption that the useful life of an intangible asset (excluding BOT assets) will not exceed ten years from the date when the asset is available for use.

i) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

If internal / external indications suggest that an asset of the Group may be impaired, the recoverable amount of asset / cash generating asset is determined on the Balance Sheet date and if it is less than its carrying amount of the asset / cash generating unit the carrying amount of asset / cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such asset / cash generating unit, which is determined by the present value of carrying amount of the estimated future cash flow.

j) RETIREMENT AND OTHER EMPLOYEE BENEFITS

I. Short-term employee benefits

Short-term employee benefits are recognized in the period during which the services have been rendered. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

II. Long-Term Employee Benefits

i) Provident fund, family pension fund

As per Provident Fund Act, 1952 all employees of the Group are entitled to receive benefits under the provident fund and family pension fund which is defined contribution plan. These contributions are made to the plan administered and managed by Government of India.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

ii) Leave encashment

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

iii) Gratuity

The Group provides for gratuity obligations through a defined benefits retirement plan ("The Gratuity Plan") covering all employees. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining present value of the defined obligation under the defined benefit plan is based on the market yield on Government Securities as at the balance sheet date. Actuarial gains and losses are recognized in the statement of profit and loss account as and when determined.

The Group makes annual contribution to LIC for the gratuity plan.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

k) EMPLOYEE STOCK OPTION EXPENSES

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

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulation) and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The intrinsic value of the stock option calculated at the average rate per share is amortized on the straight line basis over the vesting period in accordance with SEBI Regulation. Accordingly proportionate expense is shown as "Employees stock option expenses" in Statement of Profit and Loss.

l) EARNINGS PER SHARE ('EPS')

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the notes.

n) OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
2. SHARE CAPITAL		
Authorised		
180,000,000 (Previous year: 180,000,000) Equity shares of Rs. 10/- each	1,800,000,000	1,800,000,000
TOTAL	1,800,000,000	1,800,000,000
Issued, subscribed and paid up		
174,040,535 (Previous year: 173,320,535) Equity shares of Rs. 10/- each fully paid up	1,740,405,350	1,733,205,350
TOTAL	1,740,405,350	1,733,205,350

a) Rights, preference and restriction on shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The dividend, incase proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except incase of interim dividend. In the event of liquidation of the Company, the holders of the equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of number of shares outstanding

	March 31, 2016		March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	173,320,535	1,733,205,350	40,000,000	400,000,000
Add : Issued pursuant to the ESOP Scheme 2014 (Refer note 35)	720,000	7,200,000	-	-
Add : Issued pursuant to the Scheme of Amalgamation and Arrangement (Refer note 34)	-	-	157,768,980	1,577,689,800
Less : Cancellation of intergroup holding pursuant to the Scheme of Amalgamation and Arrangement (Refer note 34)	-	-	(24,448,445)	(244,484,450)
Outstanding at the end of the period	174,040,535	1,740,405,350	173,320,535	1,733,205,350

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

	March 31, 2016	March 31, 2015
	Number of shares	Number of shares
Equity shares allotted as fully paid up for consideration other than cash		
- Pursuant to the Scheme of Amalgamation and Arrangement (Refer note 34)	-	157,768,980
- Pursuant to the ESOP Scheme 2014 (Refer note 35)	720,000	-

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

	March 31, 2016		March 31, 2015	
	Number of shares	% Holding	Number of shares	% Holding
Krishiraj Trading Limited	34,330,600	19.73%	34,330,600	19.81%
Granele Limited	21,023,328	12.08%	21,023,328	12.13%
Merrill Lynch Capital Markets S A S V	15,748,618	9.05%	12,004,212	6.93%
JP Morgan Chase Bank, NA	13,815,600	7.94%	13,815,600	7.97%
Welspun Mercantile Limited	8,686,620	4.99%	8,686,620	5.01%
Life Insurance Corporation and its schemes	7,232,604	4.16%	11,566,740	6.67%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
3. RESERVES AND SURPLUS		
Capital reserve		
As per last balance sheet	10,402,812,774	1,265,379,840
Add/(less) : Pursuant to the Scheme of Amalgamation and Arrangement (Refer note 34)	-	9,137,432,934
Transferred to securities premium pursuant to the Modified Scheme (Refer note 33)	(7,730,680,020)	-
	2,672,132,754	10,402,812,774
Capital reserve on consolidation		
As per last balance sheet	94,153,592	94,153,592
Less : Adjusted against goodwill on consolidation (Refer note 46)	(94,153,592)	-
	-	94,153,592
Securities premium		
As per last balance sheet	2,886,599,786	2,886,599,786
Add/(less) : Received on account of exercise of ESOP's (Refer note 35)	11,592,000	-
Transferred from capital reserve pursuant to the Modified Scheme (Refer note 33)	7,730,680,020	-
Share issue expenses	(17,110,342)	-
	10,611,761,464	2,886,599,786
Employee stock options outstanding		
As per last balance sheet	2,259,148	2,259,148
Add/ (less) : Compensation options granted during the year (Refer note 35)	25,142,444	-
ESOP's exercised during the year (Refer note 35)	(18,792,000)	-
	8,609,592	2,259,148
Amalgamation reserve		
As per last balance sheet	52,112,583	52,112,583
	52,112,583	52,112,583
Foreign currency translation reserve		
As per last balance sheet	-	-
Add : During the year	(100,462)	-
	(100,462)	-
General reserve		
As per last balance sheet	32,177,549	32,177,549
	32,177,549	32,177,549
Deficit in the statement of profit and loss		
As per last balance sheet	(54,163,676)	(51,198,658)
Add/ (less) : Adjustment as per transitional provisions of Schedule II to the Companies Act 2013	-	(5,302,577)
Adjustment pertaining to previous year for jointly controlled entity	-	(4,410,466)
Net profit during the year	17,318,822	6,748,024
	(36,844,855)	(54,163,676)
TOTAL	13,339,848,625	13,415,951,755

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4. LONG-TERM BORROWINGS				
Secured				
Term Loans				
- From banks	61,075,876	170,882,929	1,254,358,046	2,898,982,057
Less: Current portion disclosed under other current liabilities (Refer note 10)	(61,075,876)	(170,882,929)	-	-
Unsecured				
Loans and advances from other parties	-	-	-	164,032,680
TOTAL	-	-	1,254,358,046	3,063,014,737

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Nature of security and terms of repayment for secured borrowings				
4(a) In Parent Company				
<u>Term loans from banks</u>				
i) Industrial Development Finance Corporation Limited Secured by way of mortgage in favour of IDFC of all movable properties pertaining to the Dewas Water Supply Projects, present and future. A first charge by way of hypothecation of all the movable assets including movable plant and machinery, machinery spares, tools & accessories, furniture and fixtures, vehicles and all other movable assets pertaining to the project, present and future. First charge of all book debts, operating cash flows, revenues and receivables of the Company pertaining to the project, present and future. First charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. Assignment of all rights, title, interest, benefits, claims and demands of the Company in respect of all the assets of the projects agreement and contracts including concession agreement. First charge over the escrow account, debt service reserve account and other reserve and any other bank account the Company wherever maintained. Repayment terms :Repayment in monthly installments w.e.f.16.04.2016 i.e- FY 17-3%; FY18-7%; FY19-10%; FY20-20%; FY21-22%; FY22-33% . Interest shall be paid separately as and when due. Rate of Interest : 13% pa	17,269,000	-	558,368,317	575,637,317
ii) Dena Bank Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures. A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Company. A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company. A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects.	-	36,682,929	-	-
iii) Corporation Bank Secured by exclusive first charge by way of hypothecation of entire toll receivable under the Raisen Rahatgarh road Project.	-	33,600,000	-	98,316,324

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Amount in ₹)

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4(b)In Subsidiaries and Joint Ventures				
Term loans from banks				
i) State Bank of India	1,100,000	-	226,214,181	229,366,096
First charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects. First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank. First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders. First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects. Repayment terms : FY17- Rs 10 Lacs; FY18- Rs 158 Lacs; FY19- Rs172 Lacs; FY20- Rs 189 Lacs; FY21- Rs 308 Lacs; FY22- Rs 387 Lacs; FY23- Rs 473 Lacs; FY24- Rs 563 Lacs Rate of Interest : 10.32% p.a. (4.94% + 5.38% premium)				
ii) State Bank of India	-	28,000,000	-	383,783,179
Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				
iii) Punjab National Bank	-	28,000,000	-	382,326,964
Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4(b)In Subsidiaries and Joint Ventures				
iv)State Bank of India and State Bank of Indore Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.	-	4,200,000	-	57,299,401
v) State Bank of Bikaner and Jaipur Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.	-	8,400,000	-	113,802,857
vi)Dena Bank Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.	-	14,000,000	-	191,825,239

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	Current		Non Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
4(b)In Subsidiaries and Joint Ventures				
vii)State Bank of Travancore	-	14,000,000	-	191,369,985
Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				
viii)IDBI Bank	-	4,000,000	-	191,817,196
Secured by first pari passu charge with other term lenders on all rights (including step in charge) of the project covered by tri-partiate agreement that has been signed by the Company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created. Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account. Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of equity shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				
ix)External commercial borrowing (In Foreign Currency)	42,706,876	-	469,775,549	483,437,500
The above loan is secured by the first pari-passu charge on existing and future movable fixed assets, receivables and Letter of Comfort of other joint venturer Repayment terms : Repayable in 12 equal quarterly instalments of USD 1,841,667 each, starting from January 16, 2017. Rate of Interest : 3 Months Libor plus 490 basis points				
	61,075,876	170,882,929	1,254,358,047	2,898,982,057

	March 31, 2016	March 31, 2015
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
- Depreciation on fixed assets	-	325,035,164
Sub Total (A)	-	325,035,164
Deferred tax assets		
- Employees benefits	-	9,681,636
- Provision for bad debts	-	21,880,345
- Unabsorbed tax losses and unabsorbed depreciation	-	275,786,929
Sub Total (B)	-	307,348,910
TOTAL (A-B)	-	17,686,254

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
6. OTHER LONG-TERM LIABILITIES		
Foreign currency premium payable	15,780,139	2,984,795
TOTAL	15,780,139	2,984,795

	March 31, 2016	March 31, 2015
7. LONG-TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	8,725,065	19,247,278
- Leave encashment	15,445,625	12,739,859
Provision for Welspun Maxsteel Limited (WMSL) obligations *	347,000,000	347,000,000
TOTAL	371,170,690	378,987,137

*Represents certain obligations related to income tax, stamp duty, customs duty etc. of WMSL, an erstwhile subsidiary disposed off in previous year.

	March 31, 2016	March 31, 2015
8. SHORT-TERM BORROWINGS		
Secured		
Loan repayable on demand		
- From Bank	126,087,133	169,718,596
Unsecured		
Loans and advances from other parties	1,494,237,565	1,070,013,030
TOTAL	1,620,324,698	1,239,731,625

Nature of security and terms of repayment for secured borrowings

Loan from bank is secured by hypothecation of inventories and book debts of the Parent Company.

Rate of Interest : 12% p.a.

	March 31, 2016	March 31, 2015
9. TRADE PAYABLES		
Acceptances	23,781,325	10,703,255
Sundry creditors		
- Total outstanding due to creditors other than Micro, Small and Medium Enterprises (Refer note 41)	214,399,854	187,562,531
TOTAL	238,181,179	198,265,786

	March 31, 2016	March 31, 2015
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings		
- Secured loan from bank (Refer note 4)	61,075,876	170,882,929
Interest accrued but not due on borrowings	7,493,705	13,971,629
Share application money	-	51,954,047
Creditor for expenses	293,947,357	281,049,081
Trade advances and deposits	4,196,733	20,716,400
Security deposits/ retention money payable	79,957,049	92,139,865
Payable to employees	1,907,909	6,277
Statutory dues	17,196,426	19,864,131
Other payables	6,965,019	14,451,102
TOTAL	472,740,074	665,035,461

	March 31, 2016	March 31, 2015
11. SHORT-TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	393,055	793,747
- Leave encashment	363,430	656,812
Provision for minimum work program (Refer note 47)	-	365,968,750
TOTAL	1,206,485	367,419,309

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

12. FIXED ASSETS

	(Amount in ₹)									
	Gross block					Depreciation / Amortisation			Net block	
	April 1, 2015	Amalgamation (Refer note 34)	Additions for the year	Deletion for the year	March 31, 2016	Upto April 1, 2015	Amalgamation (Refer note 34)	Additions for the year	Disposal/ Adjustments for the year	Upto March 31, 2016
TANGIBLE ASSETS										
Freehold land*	14,044,390	-	168,592,256	-	182,636,646	-	-	-	-	182,636,646
Building	4,439,017	-	-	715,249	3,723,768	3,267,887	-	227,768	286,598	514,711
Plant and machinery	155,338,557	-	2,091,074	77,266,322	80,163,310	111,607,139	-	11,076,842	68,582,650	26,061,979
Construction equipments	114,945,816	-	-	31,449,084	83,496,732	78,431,372	-	7,959,171	5,323,074	81,067,469
Vehicles	80,452,113	-	5,845,881	43,054,418	43,243,576	70,497,051	-	3,542,128	41,826,068	32,213,110
Computers	17,686,842	-	148,495	9,420,546	8,414,790	16,926,138	-	225,844	9,054,320	8,097,662
Office and other equipments	16,410,190	-	360,042	9,274,936	7,495,296	11,584,520	-	1,846,773	8,507,386	2,571,389
Furniture and fixtures	7,842,533	-	313,625	7,327,160	828,999	6,327,059	-	394,150	6,403,272	511,062
Realisation value of impaired assets	800,000	-	11,342,418	-	12,142,418	-	-	-	-	-
Total A	411,959,458	-	188,693,791	178,507,715	422,145,535	298,641,165	-	25,272,676	139,983,368	183,930,473
Previous year	837,701,280	15,912,799,467	15,718,446	16,354,259,736	411,959,458	546,071,514	1,919,751,370	601,744,466	2,768,926,187	298,641,165
INTANGIBLE ASSETS										
Software	12,844,150	-	-	-	12,844,150	8,870,034	-	2,220,822	-	11,090,856
BOT Toll collection right										
Hoshanagabad-Harda- Khandwa projects	979,482,477	-	-	-	979,482,477	739,858,565	-	105,501,184	-	845,359,749
Raisen Rahatgarh projects	720,702,005	-	-	-	720,702,005	445,796,409	-	104,483,283	-	550,279,692
Jalandhar Bus Terminal project	188,877,689	-	-	-	188,877,689	188,877,689	-	-	-	188,877,689
Ludhiana Bus Terminal project	194,313,456	-	-	-	194,313,456	170,354,883	-	23,958,573	-	194,313,456
Dewas Water Supply project	1,190,956,828	-	-	-	1,190,956,828	68,379,821	-	449,030,805	-	517,410,626
Himmatnagar Bypass Private Limited	84,447,460	-	-	-	84,447,460	60,133,722	-	(6,196,115)	-	53,937,607
Kim Mandvi Corridor Private Limited	546,660,875	-	-	-	546,660,875	69,929,299	-	21,260,768	-	91,190,067
Dewas Bhopal Road Projects	3,002,775,553	-	-	3,002,775,553	-	273,325,801	-	47,980,370	321,306,170	-
Total B	6,921,060,493	-	-	3,002,775,553	3,918,284,940	2,025,526,223	-	748,239,688	321,306,170	2,452,459,740
Previous year	6,857,386,398	12,778,793	315,852,170	264,956,868	6,921,060,493	1,799,909,229	5,894,558	284,944,384	65,221,948	2,025,526,223
Capital Work-in-Progress C										
Total A+B+C	7,333,019,952	-	188,693,791	3,181,283,268	4,340,430,475	2,324,167,388	-	773,512,364	461,289,538	2,636,390,214
Previous year	7,695,087,678	15,925,578,260	331,570,616	16,619,216,604	7,333,019,952	2,345,980,743	1,925,645,928	886,688,850	2,834,148,135	2,324,167,388

*Includes value of land of Rs 3,567,140/- at Baulgaon, Tehsil, Indapor District, Pune for which the legal documents are yet to be executed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
13. NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)		
Non trade investments - Quoted		
Corporation Bank Limited 8,000 (Previous year: 8,000) Equity shares of Rs. 2 each fully paid up	128,000	128,000
Investment in others - Unquoted		
Welspun Energy Private Limited 60,493,342 (Previous year 60,493,342) Equity shares of Rs.10 each fully paid up	3,262,600,000	3,262,600,000
Sarv Shakti Synthetics Limited 1,500 (Previous year: 1,500) Equity shares of Rs. 10 each fully paid up	15,000	15,000
Myraj Consultancy Limited 30,000 (Previous year: 30,000) Equity shares of Rs. 10 each fully paid up	300,000	300,000
MSK Finance Limited 500 (Previous year: 500) Equity shares of Rs. 100 each fully paid up	50,000	50,000
Nutan Nagrik Sahakari Bank Limited 48 (Previous year: 48) Equity shares of Rs. 100 each fully paid up	4,800	4,800
Baroda Peoples Cooperative Bank Limited 37,652 (Previous year: 37,652) Equity shares of Rs. 10 each fully paid up	376,521	376,521
Baroda City Cooperative Bank Limited 63 (Previous year: 63) Equity shares of Rs. 50 each fully paid up	3,150	3,150
Classic Organisers Private Limited 1,000 (Previous year: 1,000) Equity shares of Rs. 10 each fully paid up	10,000	10,000
Sindh Merchantile Coopeartive Bank Limited 960 (Previous year: 960) Equity shares of Rs. 10 each fully paid up	9,600	9,600
Minar Trading Services Limited Nil (Previous year: 7,400) Equity shares of Rs. 10 each fully paid up	-	74,000
Less : Provision for dimution in value of investment	(769,071)	(843,071)
Investment in Government Securities		
Indira Vikash Patra	500	500
Sardar Sarovar Narmada Nigam Limited 3 (Previous year: 3) bonds of Rs.1,000,000/- each	3,000,000	3,000,000
National Securities Certificate (Lodged with VAT Authorities)	21,000	21,000
TOTAL	3,265,749,500	3,265,749,500
Aggregate book value of quoted investments	128,000	128,000
Aggregate book value of unquoted investments	3,266,390,571	3,266,464,571
Aggregate market value of quoted investments	312,400	417,600
Aggregate provision for diminution in value of investments	769,071	843,071
	March 31, 2016	March 31, 2015
14. DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets		
- Employees benefits	7,397,863	-
- Provision for bad debts	20,556,491	-
- Unabsorbed tax losses and unabsorbed depreciation	242,325,044	-
Sub Total (A)	270,279,398	-
Deferred Tax Liabilities		
- Depreciation on fixed assets	203,198,072	-
Sub Total (B)	203,198,072	-
TOTAL (A-B)	67,081,326	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
15. LONG-TERM LOANS AND ADVANCES		
Unsecured considered good, unless otherwise stated		
Capital advances	724,595	16,295,296
Security deposits		
- Related parties (Refer note 40)	30,000,000	40,000,000
- Others	41,050,904	9,412,287
Loans and advances to related parties (Refer note 40)	1,561,812,387	1,461,465,185
Other loans and advances		
Advances (recoverable in cash or kind)	101,482	669,122
Balances with government authorities		
- Direct tax (net of provision for taxation)	199,818,665	232,068,040
- Indirect tax	82,757,095	-
- MAT credit entitlement	48,916,681	10,047,484
TOTAL	1,965,181,808	1,769,957,415

	March 31, 2016	March 31, 2015
16. OTHER NON-CURRENT ASSETS		
Unamortised expenditure	1,103,112	107,586
Interest accrued on fixed deposit	657,379	442,873
In fixed deposit account having original maturity of more than 12 months *	5,366,646	7,279,353
TOTAL	7,127,137	7,829,812

* as margin money for debt services

	March 31, 2016	March 31, 2015
17. CURRENT INVESTMENTS		
(Valued at lower of cost and fair value, unless otherwise stated)		
I Non trade investments - Quoted		
a) Investments in bonds		
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 31,320 (Previous year 31,320) Bonds of Rs. 25,000 each	203,580,000	203,580,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 16,200 (Previous year 16,200) Bonds of Rs. 25,000 each	105,601,806	105,601,806
Industrial Finance Corporation of India Limited Deep Discount Bond 2034 41,470 (Previous year 41,470) Bonds of Rs. 25,000 each	269,555,000	269,555,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2037 17,370 (Previous year 17,370) Bonds of Rs. 25,000 each	112,905,000	112,905,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2038 41,470 (Previous year 41,470) Bonds of Rs. 25,000 each	269,555,000	269,555,000
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 7,010 (Previous year 7,010) Bonds of Rs. 25,000 each	45,565,000	45,565,000
7.50% Water & Sanitation Pooled Fund Bonds 09/09/2020 Nil (Previous year 15) Bonds of Rs. 100,000 each	-	1,525,650
10% Indian Overseas Bank Perpetual Bonds Nil (Previous year 68) Bonds of Rs. 1,000,000 each	-	68,136,000
10.95% ICICI BANK 31/10/2016 25 (Previous year 25) Bonds of Rs. 100,000 each	2,542,250	2,542,250
11.05% ICICI BANK 18/08/2016 18 (Previous year 18) Bonds of Rs. 100,000 each	1,831,680	1,831,680
11.10% ICICI BANK 05/07/2016 25 (Previous year 25) Bonds of Rs. 100,000 each	2,545,000	2,545,000
11.20% ICICI BANK 20/06/2016 2 (Previous year 2) Bonds of Rs. 100,000 each	203,860	203,860
11.50% ICICI BANK 16/06/2016 12 (Previous year 12) Bonds of Rs. 100,000 each	1,227,600	1,227,600

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
9.65% Reliance Capital Limited 18/03/2025 Nil (Previous year 4) Bonds of Rs. 1,000,000 each	-	4,000,400
9.98% ICICI Bank Perpetual Bonds 3 (Previous year 3) Bonds of Rs. 1,000,000 each	3,032,700	3,032,700
7.93% Power Grid Corporation of India Limited 20/05/2027 50 (Previous year 42) Bonds of Rs. 1,000,000 each	48,670,000	43,953,000
7.93% Power Grid Corporation of India Limited 20/05/2024 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,000,000
7.93% Power Grid Corporation of India Limited 20/05/2028 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,000,000
7.93% Power Grid Corporation of India Limited (SERIES XLIII) 20/05/2025 10 (Previous year 50) Bonds of Rs. 1,000,000 each	9,772,000	50,000,000
9.80% Gujarat State Petroleum C 22/03/2073 Nil (Previous year 21) Bonds of Rs. 1,000,000 each	-	21,564,900
8.79% Bangalore Metro Rail Corporation Limited 23/12/2024 Nil (Previous year 106) Bonds of Rs. 1,000,000 each	-	106,583,000
10.40% Reliance Ports and Terminals Limited 18/07/2021 Nil (Previous year 2) Bonds of Rs. 1,000,000 each	-	2,094,000
7.93% Power Grid Corporation of India Limited (SERIES XLIII) 20/05/2026 5 (Previous year 50) Bonds of Rs. 1,000,000 each	5,000,000	51,895,000
9.20% Tamil Nadu Generation and Distribution Corporation 18/12/2024 Nil (Previous year 35) Bonds of Rs. 1,000,000 each	-	37,827,335
8.15% Power Grid Corporation of India Limited (Series XLIX) 09/03/2020 Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	50,090,000
8.23% Punjab National Bank 09/02/2025 77 (Previous year 60) Bonds of Rs. 1,000,000 each	77,000,000	60,252,000
8.69% Rajasthan Rajya Vidyut Prasaran Nigam Limited 23/03/2027 Nil (Previous year 20) Bonds of Rs. 1,000,000 each	-	19,912,000
8.66% India Infrastructure Finance Corporation Limited 22/01/2034 Nil (Previous year 400) Bonds of Rs 1,000 each	-	450,200
9.00% Rajasthan Rajya Vidyut Prasaran Nigam Limited 24/12/2026 Nil (Previous year 25) Bonds of Rs. 1,000,000 each	-	25,507,500
9.48% Oriental Bank of Commerce Perpetual Bonds 443 (Previous year 105) Bonds of Rs. 1,000,000 each	483,389,700	103,365,000
8.69% Damodar Valley Corporation 25/03/2028 1483 (Previous year 275) Bonds of Rs. 1,000,000 each	1,616,766,600	289,162,500
9.75 % Industrial Finance Corporation of India Limited 26/04/2028 4 (Previous year 238) Bonds of Rs. 1,000,000 each	4,164,828	247,781,800
9.90 % Industrial Finance Corporation of India Limited 05/11/2022 Nil (Previous year 94) Bonds of Rs. 25,000 each	-	2,436,010
9.90 % Industrial Finance Corporation of India Limited 05/11/2032 Nil (Previous year 4,090) Bonds of Rs. 25,000 each	-	107,822,625
9.90 % Industrial Finance Corporation of India Limited 05/11/2037 Nil (Previous year 650) Bonds of Rs. 25,000 each	-	16,640,000
9.90 % Industrial Finance Corporation of India Limited 05/11/2027 Nil (Previous year 4,400) Bonds of Rs. 25,000 each	-	115,379,000
10.45% Gujarat State Petroleum Corp Limited 28/09/2072 573 (Previous year 41) Bonds of Rs. 1,000,000 each	619,907,100	44,292,300
8.80% Food Corporation of India 22/03/2028 Nil (Previous year 129) Bonds of Rs 1,000,000 each	-	139,823,100
9.08% Konkan Railway Corporation Limited 25/09/2024 Nil (Previous year 24) Bonds of Rs. 1,000,000 each	-	24,772,800
9.60% North Eastern Electric Power Corporation Ltd 01/10/2024 Nil (Previous year 150) Bonds of Rs. 1,000,000 each	-	154,470,000
9.51% Corporation Bank Perpetual Bonds Nil (Previous year 31) Bonds of Rs. 1,000,000 each	-	31,151,900
9.55% Canara Bank Perpetual Bonds Nil (Previous year 170) Bonds of Rs. 1,000,000 each	-	169,780,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
9.60% Housing Development Finance Corporation Limited 07/04/2016 1 (Previous year 1) Bonds of Rs. 1,000,000 each	1,009,800	1,009,800
8.27% Rural Electrification Corporation 09/03/2022 Nil (Previous year 90) Bonds of Rs. 1,000,000 each	-	88,938,000
9.84% Air India 27/09/2026 Nil (Previous year 3) Bonds of Rs. 1,000,000 each	-	3,296,100
9.90 % Industrial Finance Corporation of India Limited 11/06/2021 Nil (Previous year 7) Bonds of Rs. 1,000,000 each	-	7,359,100
9.48% Bank of Maharashtra Perpetual Bonds Nil (Previous year 50) Bonds of Rs. 1,000,000 each	-	47,575,000
10.75% IDBI Bank Limited Series II 28 (Previous year 642) Bonds of Rs 1,000,000 each	29,556,200	684,583,600
8.20% Power Grid Corporation 23/01/2030 Nil (Previous year 50) Bonds of Rs 1,000,000 each	-	50,090,000
8.69% Rajasthan Rajya Vidyut Prasaran Nigam Limited 23/03/2027 Nil (Previous year 30) Bonds of Rs 1,000,000 each	-	29,868,000
9.48% Bank of Maharashtra 70 (Previous year 31) Bonds of Rs 1,000,000 each	76,102,700	29,496,500
18% Ambience Infrastructure Developers Private Limited 23/07/2015 Nil (Previous year 499) Bonds of Rs 1,000,000 each	-	499,000,000
18% Ambience Infrastructure Developers Private Limited 10/10/2017 Nil (Previous year 670) Bonds of Rs 1,000,000 each	-	670,000,000
18% Ambience Infrastructure Developers Private Limited NCD 28/08/2017 Nil (Previous year 750) Bonds of Rs 1,000,000 each	-	750,000,000
10.90% DLF Emporio Limited 21/11/2021 Nil (Previous year 104) Bonds of Rs 1,000,000 each	-	106,080,000
10.90% DLF Promenade Limited NCD 21/12/2021 Nil (Previous year 30) Bonds of Rs 1,000,000 each	-	30,600,000
9.90% Industrial Finance Corporation India Limited 05/11/2032 Nil (Previous year 360) Bonds of Rs 25,000 each	-	9,495,531
8.06% Rural Electrification Corporation Limited 31/05/2032 100 (Previous year 100) Bonds of Rs 1,000,000 each	100,119,000	100,119,000
10.20% SREI Infrastructure Finance Limited 23/03/2020 Nil (Previous year 16) Bonds of Rs 1,000,000 each	-	16,641,600
9.48% Bank of Maharashtra Nil (Previous year 19) Bonds of Rs 1,000,000 each	-	18,078,500
IFMR Capital Mosec Ariadne 2014 Pass through Certificates	-	10,000,000
6.87% National Housing Bank 06/02/2023 3 (Previous year Nil) Bonds of Rs 1,000,000 each	2,973,978	-
7.28% Indian Railway Finance Corporation 21/12/2030 65,497 (Previous year Nil) Bonds of Rs 1,000 each	65,824,485	-
7.64% National Bank for Agricultural and Rural Development 23/3/2031 50,000 (Previous year Nil) Bonds of Rs 1,000 each	51,500,000	-
7.88% Power Finance Corporation Limited 21/10/2017 1,629 (Previous year Nil) Bonds of Rs 1,000,000 each	1,629,000,000	-
8.70% Power Finance Corporation Limited 15/01/2020 2 (Previous year Nil) Bonds of Rs 1,000,000 each	2,015,600	-
8.11% Rural Electrification Corporation 07/10/2025 200 (Previous year Nil) Bonds of Rs. 1,000,000 each	200,100,000	-
8.14% Nuclear Power Corporation of India 25/03/2027 56 (Previous year Nil) Bonds of Rs. 1,000,000 each	56,716,800	-
8.14% Nuclear Power Corporation of India 25/03/2028 27 (Previous year Nil) Bonds of Rs. 1,000,000 each	27,675,000	-
8.14% Nuclear Power Corporation of India 25/03/2029 38 (Previous year Nil) Bonds of Rs. 1,000,000 each	38,995,600	-
8.65% India Infradebt limited 21/3/2026 89 (Previous year Nil) Bonds of Rs. 1,000,000 each	89,000,000	-
9.15% Punjab National Bank 13/02/2099 466 (Previous year Nil) Bonds of Rs. 1,000,000 each	479,980,000	-
10.00% Tamil Nadu Generation and Distribution Corporation 08/02/2026 90 (Previous year Nil) Bonds of Rs. 1,000,000 each	90,000,000	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
10.20% Dena Bank 18/03/2099 1 (Previous year Nil) Bonds of Rs. 1,000,000 each	1,101,400	-
11.95% Union Bank of India 29/09/2099 46 (Previous year Nil) Bonds of Rs. 1,000,000 each	51,060,000	-
9.03% Gujarat State Petroleum C 22/03/2028 2 (Previous year Nil) Bonds of Rs. 1,000,000 each	2,053,800	-
9.55% Andhra Bank Perpetual Bonds 190 (Previous year Nil) Bonds of Rs. 1,000,000 each	189,810,000	-
Accrued interest on acquisition of bonds	60,289,082	3,839,744
Investment in Mutual Funds		
SBI - Premier Liquid Fund - Regular Plan Growth 175,622.408 (Nil) Units of face value Rs 1,000 each	416,743,000	-
Pramerica Dynamic Bond Fund - Growth Option 36,532.835 (Nil) Units of face value of Rs 1,000 each	50,000,000	-
Investment in Equity shares		
National Mineral Development Corporation 100,000 Shares (Previous year 100,000 shares) of face value of Rs 1/- each Market Price Rs 97.95 per share (Previous year Rs 128.75 per share)	9,795,000	12,875,000
Investment - Unquoted		
Other Investments		
Dewas Bhopal Corridor Private Limited (Refer note 38(a)) 13,000 (Previous year Nil) Equity shares of Rs 10/- each fully paid up	246,558,585	-
TOTAL	7,850,795,154	6,277,758,391
Aggregate book value of investments		
-Quoted	7,604,236,569	6,277,758,391
-Unquoted	246,558,585	-
Aggregate market value of quoted investments	7,751,702,010	6,415,726,000

	March 31, 2016	March 31, 2015
18. INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw materials	29,752,079	37,246,058
TOTAL	29,752,079	37,246,058
Details of raw materials		
- Steel pipes	22,553,050	22,553,050
- Others	7,199,029	14,693,008
	29,752,079	37,246,058

	March 31, 2016	March 31, 2015
19. TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	200,110,868	109,861,964
Considered doubtful	-	10,179,892
	200,110,868	120,041,856
Less: Provision for doubtful debts	-	10,179,892
Sub total	200,110,868	109,861,964
Others		
Considered good	173,411,351	224,670,369
Considered doubtful	-	7,075,236
	173,411,351	231,745,605
Less: Provision for doubtful debts	-	7,075,236
Sub total	173,411,351	224,670,369
TOTAL	373,522,219	334,532,333

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
20. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- In current accounts	99,166,416	386,865,477
- in deposit accounts having original maturity period of less than three months	162,781,351	149,826,035
Cheques on hand	100,000	-
Cash on hand	2,132,317	4,523,137
Sub total	264,180,084	541,214,649
Other bank balances		
In deposit accounts having original maturity period of more than three months but less than twelve months	10,709,659	7,030,907
In earmarked accounts		
- Held as margin money or security against guarantees and other commitments (with various government authorities and banks)	112,739,627	152,766,600
TOTAL	387,629,370	701,012,156

	March 31, 2016	March 31, 2015
21. SHORT-TERM LOANS AND ADVANCES		
A. Secured, considered good unless otherwise stated		
Inter-corporate deposits		
- Related parties (Refer note 40)	50,000,000	-
- Others	570,000,000	-
B. Unsecured, considered good unless otherwise stated		
Inter-corporate deposits - Others	-	880,867,343
Capital advances	-	160,051,500
Security deposits	477,750	477,750
Advances recoverable in cash or kind		
Considered good		
- Related parties (Refer note 40)	-	626,920
- Others	176,501,815	65,606,257
Considered doubtful - Others	14,531,682	19,485,444
Less: Provision for doubtful advances	(14,531,682)	(19,485,444)
Balances with government authorities		
- Direct tax (net of provision for taxation)	496,116	24,551,917
- Indirect tax	-	83,427,228
Prepaid expenses	2,454,670	6,275,524
TOTAL	799,930,351	1,221,884,439

	March 31, 2016	March 31, 2015
22. OTHER CURRENT ASSETS		
Interest accrued on		
- Current investments	117,411,984	127,020,565
- Fixed deposits	2,451,336	3,090,872
- Inter corporate deposits	16,477,808	17,905,552
Unbilled construction work-in-progress	226,710,542	249,223,586
TOTAL	363,051,670	397,240,575

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
23. REVENUE FROM OPERATIONS		
Revenue from		
- Engineering, Procurement and Construction (EPC)	737,978,605	946,386,627
- Build Operate Transfer (BOT) Business	706,652,783	737,603,708
- Unrealised profit in respect of BOT Projects (Joint Ventures)	-	111,961,814
- Sale of finished goods	-	6,480,433,523
- Sales of traded goods	777,623,325	540,442,530
Other operating revenues		
- Scrap sales	1,805,991	11,127,208
- Other material sales	14,282,317	25,410,599
- Hire charges of ships	-	58,669,289
- Export benefits	-	4,374,160
- Renting of machineries	-	570,000
Revenue from operations (gross)	2,238,343,021	8,916,979,458
Less: Service tax	13,403,197	10,437,442
Less: Excise duty	-	650,158,486
Revenue from operations (net)	2,224,939,824	8,256,383,530
Details of sale of finished goods		
Sponge iron	-	6,087,507,705
Iron ore fines	-	328,943,354
Liquid Co2	-	63,982,464
	-	6,480,433,523
Details of sale of traded goods		
Cotton products	777,623,325	199,086,464
Steel products	-	341,356,066
	777,623,325	540,442,530
	777,623,325	7,020,876,053

	March 31, 2016	March 31, 2015
24. Other income		
Interest income		
- Bank deposits	25,925,421	20,729,532
- Inter corporate deposit	62,177,650	17,905,552
- Non current investments	-	60,939,137
- Current investments	650,524,001	505,670,337
- Overdue trade receivables	-	51,648,759
- Others	5,661,159	4,342,435
Dividend income		
- Non current investments	11,200	-
- Current investments	2,007,716	30,813,771
Gain on sale of current investments (net)	37,547,725	-
Provision written back	-	6,005,056
Sundry credit balance written back (net)	317,211	17,480,809
Unclaimed liabilities written back	61,363,343	-
Maintenance income	586,700	-
Lease rental and hiring charges	-	965,904
Discount received	-	798,074
Foreign exchange gain	-	2,772,317
Insurance claim	5,381,362	4,819,386
Miscellaneous income	7,068,445	1,579,702
TOTAL	858,571,933	726,470,770

	March 31, 2016	March 31, 2015
25. COST OF MATERIALS CONSUMED		
Inventories at the beginning of the year	37,246,058	58,772,323
Add: Welspun Maxsteel Limited inventory at the beginning of the year	-	1,647,156,808
Add: Purchases	289,459,622	4,359,265,377
	326,705,680	6,065,194,508
Less: Inventories at the end of the year	29,752,079	37,246,058
TOTAL	296,953,601	6,027,948,450

	March 31, 2016	% of Consumption	March 31, 2015	% of Consumption
Indigenous	296,953,601	100%	6,027,948,450	100%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
25A. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	775,240,575	538,791,333
TOTAL	775,240,575	538,791,333
A Details of purchases of traded goods		
Cotton products	775,240,575	199,895,151
Steel products	-	337,463,704
Electric material	-	28,893
Mechanical material	-	1,403,585
	775,240,575	538,791,333

	March 31, 2016	March 31, 2015
26. INCREASE / DECREASE IN CONSTRUCTION WORK- IN- PROGRESS (INVENTORIES)		
(Increase) / decrease in construction work-in-progress (inventories)	20,218,409	(732,015,962)
TOTAL	20,218,409	(732,015,962)

	March 31, 2016	March 31, 2015
27. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus (Refer note 40)	256,282,370	422,034,187
Contribution to provident and other funds	22,793,128	27,408,355
Employee stock option expenses (Refer note 35)	25,142,444	2,259,148
Staff welfare expenses	7,111,040	16,732,720
TOTAL	311,328,982	468,434,410

	March 31, 2016	March 31, 2015
28. FINANCE COSTS		
Interest expenses on		
- Term loans	238,617,401	1,074,803,882
- Working capital	14,088,934	65,702,570
- Others	13,466,977	4,898,096
Bank charges and other finance costs	19,088,173	234,486,730
TOTAL	285,261,485	1,379,891,278

	March 31, 2016	March 31, 2015
29. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on tangible fixed assets	25,272,676	601,744,466
Amortisation of intangible fixed assets	299,208,888	284,944,384
	324,481,564	886,688,850
Less : amount capitalised	-	2,556,054
Depreciation on tangible fixed assets	-	2,499,639
Amortisation of intangible fixed assets	-	5,055,693
Depreciation on tangible fixed assets (net)	25,272,676	599,188,412
Amortisation of intangible fixed assets (net)	299,208,888	282,444,745
TOTAL	324,481,564	881,633,157

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
30. OTHER EXPENSES		
Sub-contract costs and other costs	139,129,636	333,222,482
Site expenses	96,708,428	176,818,611
Stores and spares consumed	3,660,988	93,029,488
Civil work	85,247,328	48,871,172
Hire charges	9,208,803	11,165,823
Power, fuel and water charges	45,915,480	73,878,528
Repairs and maintenance		
- Plant and machinery	3,948,405	75,812,221
- Building	72,607	4,373,635
- Road work	152,003,642	109,100,738
- Others	2,642,948	16,431,523
Project monitoring and maintenance fees	12,139,621	14,223,809
Rent	29,313,878	39,002,777
Rates and taxes	57,561,958	110,242,821
Insurance costs	8,606,215	18,068,893
Travelling and conveyance expenses	25,517,418	15,502,433
Communications expenses	3,474,357	4,043,143
Legal and professional fees	180,819,360	172,515,478
Staff deputation expenses	-	8,252,187
Freight and transportation	148,038	72,176,855
Ship operation expenses	-	32,591,965
Other operational expenses	-	25,026,489
Increase/ decrease in excise duty in finished goods	-	78,081,562
Advertisement expenses	6,823,664	974,128
Business promotion	1,876,244	5,098,739
Export duty	-	85,771,058
Printing and stationary	3,449,815	4,129,446
Directors sitting fees	2,013,500	966,000
Payment to Auditor's		
- Audit fees	2,200,000	1,460,000
- Certifications (including fees for limited review)	350,000	149,500
- Reimbursement of expenses	32,603	-
Changes in the carrying value of investment	3,080,000	5,594,071
Loss on sale of current investment (net)	-	62,541,792
Loss on sale/discard of fixed assets (net)	704,934	26,517,027
Bad debts	17,158,439	246,414,357
Provision for doubtful debts and advances / (written back) (net)	(12,636,644)	(783,090)
Accrued interest income written off	47,383,910	-
Donation	406,555	5,485,372
Preoperative/ project expenses written off	778,561	11,894,529
Preliminary expenses written off	65,146	156,380
Miscellaneous expenses	14,117,932	60,025,173
TOTAL	943,923,765	2,048,827,114

	March 31, 2016	March 31, 2015
31. EARNINGS PER SHARE (EPS)		
Net profit after tax available for equity shareholders	17,318,822	6,748,024
Weighted average number of equity shares of Rs. 10/- each outstanding during the year used for calculating basic EPS (Number of shares)	173,409,060	173,320,535
Weighted average number of equity shares of Rs. 10/- each outstanding during the year used for calculating diluted EPS (Number of shares)	174,213,838	173,330,732
Basic earnings per share	0.10	0.04
Diluted earnings per share	0.10	0.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

	March 31, 2016	March 31, 2015
32. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)		
Disputed labour cess demand (net of provision)	48,124,545	54,221,322
Stamp duty payable on concession agreement disputed in respect of BOT Projects	54,208,000	96,870,000
Arrears of House tax liabilities in respect of Ludhiana and Jalandhar Bus Terminal (net of provision)	43,594,979	43,594,979
Claims against the Company not acknowledged as debts	28,375,922	23,896,000
Bank guarantees issued	413,763,893	690,287,667
Corporate guarantees given to the bankers for the facilities granted to		
- Subsidiary	-	3,432,350,891
- Jointly controlled entity	55,500,000	3,495,749,641
Disputed income tax liability*	113,660,907	67,279,147
Disputed service tax liability	22,400,638	22,401,000
Disputed value added tax liability	17,074,367	-
TOTAL	796,703,251	7,926,650,647

*Group has paid Rs. 675,675 (Previous year Rs. 675,675) against the liability on adhoc basis on demand from department

33. MODIFICATION OF THE SCHEME OF AMALGAMATION AND ARRANGEMENT

The Hon'ble High Court of Gujarat at Ahmedabad vide its order dated February 3, 2016 and the Hon'ble High Court of Judicature of Bombay vide its order dated March 23, 2016 have approved modifications to the Scheme (Refer note 34 below) which provided for recording of the equity shares issued by the Company pursuant to the Scheme ("Modified Scheme") at fair value and the same has resulted into reduction of Capital Reserves, and corresponding increase in the Securities Premium of the Company, by Rs.7,730,680,020. The Modified Scheme has become effective on April 28, 2016 (appointed date April 1, 2014) and has been given effect in these CFS.

34. SCHEME OF AMALGAMATION AND ARRANGEMENT

During the previous year, the Board of Directors of Welspun Projects Limited (WPL) and Welspun Enterprises Limited (WEL) at their respective meeting held on November 4, 2014 approved the Scheme of Amalgamation and Arrangement under Sections 391 and 394 of the Companies Act, 1956 ("the Scheme") of WEL and its subsidiaries Welspun Infratech Limited (WITL), Welspun Infra Projects Private Limited (WIPPL) and Welspun Plastics Private Limited (WPPL) with WPL.

Pursuant to the Scheme approved by the Hon'ble High Court of Bombay vide its Order dated April 10, 2015 and the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated April 23, 2015, and the orders since filed with Registrar of Companies on May 11, 2015 ('Effective Date') the following Companies (Transferor Companies) whose nature of business stated there against are merged with WPL (Transferee Company) with effect from April 1, 2014 (the 'appointed date').

Name of the Transferor Company	Nature of Business
Welspun Enterprises Limited	Trading in steel, cotton etc and treasury operations
Welspun Infratech Limited	Infrastructure development
Welspun Infra Projects Private Limited	Infrastructure development
Welspun Plastics Private Limited	Oil & Gas exploration

The amalgamation had been accounted under the 'Purchase Method' as prescribed under Accounting Standard 14 'Accounting for Amalgamation' (AS 14) in accordance with the scheme. Accordingly, the following assets and liabilities of the Transferor Companies as at April 1, 2014 had been recorded at their fair value.

Particulars	(Amount in ₹)	(Amount in ₹)
Non-Current Assets		
Fixed Assets	4,023,005	
Non-current investment	3,353,974,510	
Other non-current assets	123,927,178	3,481,924,693
Current Assets		
Current investments	7,674,504,437	
Cash and bank balances	315,820,214	
Other current assets	224,467,169	8,214,791,821
Total Assets		11,696,716,514
Less:		
Non-current liabilities		1,086,047,407
Current liabilities		140,030,823
Total Liabilities		1,226,078,230
Net Assets		10,470,638,284
Share capital movement		
New share capital issued	1,577,689,800	
Share capital cancellation*	(244,484,450)	1,333,205,350
Capital reserve on net asset taken over		9,137,432,934

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

* The investment held by WITL in the equity share capital of WPL was cancelled. Accordingly, the share capital of WPL had been reduced to the extent of face value of shares held by WITL in WPL and had been cancelled.

Pursuant to the Scheme, the authorised share capital of Transferor Companies stood consolidated and vested in and had been merged with the authorized share capital of WPL and stood reclassified as consisting of only equity shares of Rs. 10 each.

Difference of the value of the net assets at fair value of the Transferor Companies acquired by the Transferee Company over the consideration paid to the shareholders of the Transferor Companies is recognized as capital Reserve in the books of the Transferee Company.

In terms of the Scheme, every equity holder of Welspun Enterprises Limited holding 1 (one) equity share in Welspun Enterprises Limited of Rs. 10 each fully paid up as of the Record Date had been to twelve equity shares of Rs. 10 each, issued at par, credited as fully paid up of Welspun Projects Limited (now renamed as Welspun Enterprises Limited).

35. In accordance with the "Welspun Managing Director Stock Option Plan 2014" the Company has granted 2,40,000 equity shares to the "Managing Director" of the Company at zero Cost on July 14, 2015. The intrinsic value of the above Stock Option of Rs. 12,060,000 calculated at the average rate of Rs. 50.25 per Share is amortized on the straight line basis over the vesting period of one Year in accordance with the Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Accordingly proportionate amount of Rs.8,609,591 on aforesaid option along with charge for 720,000 options granted during the previous year amounting to Rs 16,532,852 aggregating to Rs 25,142,444 is shown as "Employees stock option expenses" in the Statement of Profit and Loss (Refer note 27).

The salient features of the Scheme are as under:

i) **Vesting:** Options to vest shall occur on the first anniversary of the Grant date. However vesting period may be extended by the entire duration of the leave period for employees on the long leave. The Vesting Schedule is as under:

Number of ESOP's	Date of Grant	Date of Vesting
720,000	February 16, 2015	February 16, 2016
240,000	July 14, 2015	July 14, 2016
240,000	July 14, 2016	July 14, 2017

ii) **Exercise:** Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, within a period of 3 years from the date of vesting of the respective Employee Stock Options. In the event of cessation of employment due to death or permanent incapacity, all the vested and unvested options may be exercised immediately but not later than six months from the cessation of employment. In the event of cessation of employment due to normal retirement, all the vested options should be exercised immediately but not later than six months from date of retirement and all unvested options will stand cancelled. In the event of cessation of employment due to resignation prior to retirement, all the vested options should be exercised immediately but not later than one month from date of submission of resignation and all unvested options will stand cancelled.

Date of Grant	Number of Options Granted	Exercise Period	Exercise Price
July 14, 2015	240,000	2.5 years from date of Vesting of respective Employee Stock Options	Rs. Nil

Summary of Stock Options	March 31, 2016		March 31, 2015	
	No. of Stock Options	Weighted Average Exercise Price (₹)	No. of Stock Options	Weighted Average Exercise Price (₹)
Options outstanding at the beginning of the year	720,000	Nil	Nil	Nil
Options granted during the year	240,000	-	720,000	-
Options exercised during the year	720,000	Nil	Nil	Nil
Options cancelled/ lapsed during the year	Nil	Nil	Nil	Nil
Options outstanding at the end of the year	240,000	Nil	720,000	Nil
Options vested but not exercised at the year end	Nil	Nil	Nil	Nil

iii) **Information in respect of options outstanding as at March 31, 2016**

No. of Stock Options	Weighted Average remaining life in years	Weighted Average Exercise Price (₹)
240,000	2.5 years from the date of vesting	Nil

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iv) The weighted average fair value of stock options granted during the year was Rs. 44.35. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following input :-

	Grant Date : July 14, 2015
	Vest 2
Vesting date	July 14, 2016
Variables	
Stock Price	Rs 50.25
Volatility	56.84%
Risk free Rate	7.68%
Exercise Price	Nil
Time to Maturity	2.5
Dividend Yield	5%
Option Fair Value	Rs 44.35

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

v) The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(Amount in ₹)

	March 31, 2016	March 31, 2015
Profit after tax as reported	17,318,822	6,748,024
Add : ESOP cost using the intrinsic value method	25,142,444	2,259,148
Less : ESOP cost using the fair value method	24,543,304	2,315,401
Proforma profit after tax	17,917,962	6,691,771
Earnings per share :-		
Basic - As reported	0.10	0.04
Basic - Proforma	0.10	0.04
Diluted - As reported	0.10	0.04
Diluted - Proforma	0.10	0.04

vi) Effect of share- based payment plan on the Balance Sheet and Statement of Profit and Loss:

(Amount in ₹)

	March 31, 2016	March 31, 2015
Expense arising from employee share-based payment plan	25,142,444	2,259,148
Employees stock option outstanding	8,609,592	2,259,148

36. The Company has entered into settlement agreement dated September 10, 2015 with ARSS Infrastructure Projects Limited ('ARSS') and its affiliates. Pursuant to the aforesaid agreement, the Company has acquired balance 51% share in ARSS Bus Terminal Private Limited ('ABTPL') in consideration of the part of its loan recoverable from ARSS and waiver of interest accrued Rs 45,523,970 of earlier years. This amount has been included in other expenses for the year ended March 31, 2016. By virtue of this agreement, ABTPL became wholly owned subsidiary ('WOS') of the Company w.e.f September 10, 2015. Goodwill on consolidation accounted for Rs 123,855,000.

37. DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED)

(Amount in ₹)

	March 31, 2016	March 31, 2015
Contract revenue upto	3,792,417,456	3,064,287,695
Contract cost incurred upto	3,890,976,600	3,220,166,557
Recognized profits / (losses)	(98,559,144)	(155,878,862)
Advances received as at	1,605,702	49,566,634
Retention money as at	128,491,444	123,413,717
Gross amount due from customers for contract work	110,183,890	110,841,893

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. EXCEPTIONAL ITEMS (NET)

(Amount in ₹)

	March 31, 2016	March 31, 2015
a. Profit on sale of stake in joint venture [Refer note (i) below]	217,076,329	-
b. Amortisation of water pipeline project [Refer note (ii) below]	(449,030,805)	-
c. Provision for Welspun Maxsteel Limited (WMSL) obligations written back	-	703,000,000
d. Profit on sale of shares of Welspun Maxsteel Limited	-	1,476,505,494
e. Intangible asset under development written off	-	(257,309,647)
f. Capital work-in-progress written off	-	(180,000,000)
Net gain/ (loss)	(231,954,476)	1,742,195,847

i) During the year, the Company has sold 74% (proportionate share 37%) of its stake in Dewas Bhopal Corridor Private Limited (a 50% Joint Venture of the Company, 'DBCL'). Profit on such sale of Rs. 217,076,329 has been shown under the head 'exceptional items'. The balance stake is valued at Rs 246,558,585 which represents carrying amount of assets less liabilities of DBCL as on the date of disposal.

ii) During the year, the Company has reassessed useful life of Water Pipe Line project (on Public-Private Partnership basis) due to economic and policy developments and has revised the remaining useful life to 2.5 years in respect of the said asset w.e.f April 1, 2015. Additional amortisation charge in respect of this amounting to Rs. 449,030,805 has been recognised and included under the head 'exceptional items'.

39. DISCLOSURES PURSUANT TO ADOPTION OF ACCOUNTING STANDARD 15 (REVISED 2005) EMPLOYEE BENEFITS:

The employees' gratuity fund scheme is managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is based on the actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity.

During the year, Company has recognized the following amount in the financial statements

Defined benefit plan

Details of defined benefit plan of Gratuity (Funded) are as follows:

a) Reconciliation of opening and closing balances of Defined benefit obligation

(Amount in ₹)

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Defined benefit obligation at the beginning of the year	18,289,905	9,558,778
Current service cost	2,387,374	2,436,661
Interest cost	1,462,981	1,625,995
Actuarial (gain)/loss	2,083,558	12,396,051
Liability transferred out	182,190	-
Benefits paid	(3,153,834)	(7,727,578)
Defined benefit obligation at the year end	21,252,173	18,289,905

b) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Fair value of plan assets in the beginning of the year	8,925,465	16,142,414
Expected return on plan assets	380,949	2,373,472
Actuarial gain/(loss)	(332,889)	(5,198,407)
Employer contribution paid	4,727,186	1,968,501
Benefits paid	(1,394,275)	(6,360,516)
Fair value of plan assets at the end of the year	12,306,436	8,925,465

c) Reconciliation of fair value of plan assets and benefit obligation

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Fair value of assets as at March 31, 2016	12,306,436	8,925,465
Present value of obligation as at March 31, 2016	21,424,556	18,289,905
Liabilities recognized in Balance Sheet	9,177,088	9,364,441

d) Expenses recognized during the year

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Current service cost	2,418,952	5,547,688
Interest cost	1,462,981	876,177
Expected return on plan assets	(380,949)	(76,796)
Actuarial (gain)/ loss	2,739,441	3,637,144
Total expense	6,240,425	9,984,212

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

e) Amounts recognized in the current year and previous four years

(Amount in ₹)

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	21,606,745	18,289,905	10,207,457	10,982,891	9,323,484
Fair value of plan assets	12,306,436	8,925,465	15,236,938	15,981,523	9,304,446
(Surplus) / deficit in the plan	9,300,310	9,364,441	(5,029,482)	(4,998,632)	(1,959,454)
Actuarial (gain) / loss on the plan obligation	2,406,552	12,396,051	541,369	235,178	2,266,750
Actuarial gain / (loss) on the plan assets	(332,889)	(5,198,407)	(271,895)	(386,920)	475,902

f) Actuarial Assumptions

	Gratuity (Funded) 2015-16	Gratuity (Funded) 2014-15
Discount Rate (per annum)	7.90% - 7.99%	8%
Expected Rate of return on Plan assets (per annum)	8%	8%
Attrition Rate	1%-3%	1%-2%
Salary Escalation (per annum)	9%	9%

Mortality – Indian assured lives Mortality (2006-08) ultimate for FY 2015-16 and FY 2014-15.

Notes:

- Amount recognized as expenses and included in Note 27 – Employee benefits expense is Gratuity of Rs 6,240,425 (Previous year Rs 9,984,212) and Leave Encashment of Rs 3,138,190 (Previous year Rs 9,634,495).
- Contribution to provident and other funds is recognized as an expense in Note 27 of the Statement of Profit and Loss.
- The estimate of future salary increases considered in the actuarial valuation, taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

40. Related Party Disclosures

a) Joint Venture Companies

Name of Entities	Extent of Holding	Relationship
Dewas Bhopal Corridor Private Limited *	13% (50%)	Joint Venture
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited –Wholly owned subsidiary)	35% (35%)	Joint Venture

*Ceased to be a joint venture company w.e.f. December 22, 2015

b) Directors / Key managerial personnel (KMP)

Name of the Related Parties	Nature of Relationship
Mr. B. K. Goenka	Chairman
Mr. Sandeep Garg	Managing Director
Mr. Shriniwas Kargutkar ^	Chief Financial Officer
Mr. Lalit Jain ^^	Chief Financial Officer
Ms. Indu Daryani *	Company Secretary
Mr. Rajendra Sawant**	Company Secretary
Mr. Nilesh Javkar ^^	Company Secretary

^ Appointed w.e.f. May 29, 2015

^^ Ceased w.e.f. May 29, 2015

* Appointed w.e.f. August 12, 2015

** Appointed and ceased w.e.f. May 29, 2015 and June 30, 2015 respectively.

c) Other related parties with whom transactions have taken place or balances outstanding at the year end.

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Realty Private Limited, Welspun Mercantile Limited, Welspun Global Brands Limited, Welspun Energy Chattisgarh Private Limited, Welspun Captive Power Generation Limited, Welspun Logistics Limited, Welspun Energy Private Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d) Related Party Transactions

(Amount in ₹)

Name of the Companies	Joint Ventures	Other Related Parties	Key Management Personnel
Construction contract revenue	(-)	76,090,375	(-)
	(-)	(218,609,160)	(-)
Rent expenses	-	21,905,260	-
	(-)	(26,257,260)	(-)
Hire charges	-	-	-
	(-)	(400,000)	(-)
Electricity expenses	-	3,327,327	-
	(-)	(-)	(-)
Business Promotion expenses	-	1,231,839	-
	(-)	(-)	(-)
Staff Welfare expenses	-	1,119,235	-
	(-)	(-)	(-)
Interest Income	5,123,535	1,027,398	-
	(-)	(-)	(-)
Miscellaneous income	4,330,950	-	-
	(19,556,831)	(2,233,474)	(-)
Material purchased	-	-	-
	(-)	(2,109,146)	(-)
Sale of materials	-	7,902,870	-
	(-)	(-)	(-)
Sale of fixed assets	-	376,085	-
	(-)	(-)	(-)
Reimbursement of expenses (net)	-	105,892	-
	(-)	(4,556,607)	(-)
Loans/ advances given	5,630,384	-	-
	(697,476)	(-)	(-)
Repayment of loans/ advances given	176,694,472	-	-
	(1,327,253)	(172,250)	(-)
Security deposit given refunded	-	10,000,000	-
	(-)	(-)	(-)
Sale of equity shares of subsidiary	-	100,000	-
	(-)	(-)	(-)
Mobilisation advance received	-	-	-
	(-)	(17,882,653)	(-)
Mobilisation advance repaid	-	9,039,505	-
	(-)	(48,278,123)	(-)
Inter-corporate deposits given	-	150,000,000	-
	(-)	(-)	(-)
Inter-corporate deposits given repaid	-	100,000,000	-
	(-)	(-)	(-)
Remuneration to Key Managerial Personnel	-	-	89,006,858
	(-)	(-)	(25,339,815)
Closing Balance as at March 31, 2016			
Receivable at the end of the year	1,561,812,387	92,018,823	-
	(1,295,543,660)	(61,174,378)	(-)
Payable at the end of the year	-	1,764,476	-
	(-)	(10,645,207)	(-)
Investment in shares	-	3,262,600,000	-
	(-)	(3,262,600,000)	(-)
Bank guarantee outstanding	-	-	-
	(234,500,000)	(-)	(-)
Corporate guarantee outstanding	236,000,000	-	-
	(3,495,749,641)	(-)	(-)

Notes :

- Transactions with joint ventures have been reported at proportionate value
- Figures in brackets are in respect of previous year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- e) Disclosure in respect of transactions with more than 10% of the total transactions of the same type with related party during the year.
- i. Rent paid:
 - a) Welspun Realty Private Limited Rs 21,905,260 (Previous year Rs. 26,257,260)
 - ii. Hire charges:
 - a) Welspun Logistics Limited Rs Nil (Previous year Rs. 400,000)
 - iii. Miscellaneous income:
 - a) Adani Welspun Exploration Limited Rs. 4,330,950 (Previous year Rs Nil)
 - b) Dewas Bhopal Corridor Private Limited Rs Nil (Previous year Rs 19,556,831)
 - c) Welspun India Limited Rs Nil (Previous year Rs 1,296,067)
 - d) Welspun Steel Limited Rs Nil (Previous year Rs 937,407)
 - iv. Material purchased:
 - a) Welspun Corp Limited Rs Nil (Previous year Rs. 2,109,146)
 - v. Reimbursement of expenses (net):
 - a) Welspun Corp Limited Rs 105,892 (Previous year Rs. 4,556,607)
 - vi. Business promotion expenses:
 - a) Welspun Global Brands Limited Rs. 1,231,839 (Previous year Rs Nil)
 - vii. Staff welfare expenses:
 - a) Welspun Global Brands Limited Rs. 1,119,235 (Previous year Rs Nil)
 - viii. Electricity expenses:
 - a) Welspun Global Brands Limited Rs. 3,327,327 (Previous year Rs Nil)
 - ix. Civil construction revenue:
 - a) Welspun India Limited Rs. 74,945,522 (Previous year 214,752,672)
 - x. Interest income:
 - a) Dewas Bhopal Corridor Private Limited Rs. 5,123,535 (Previous year Rs Nil)
 - b) Welspun Energy Chhattisgarh Private Limited Rs. 632,877 (Previous year Rs Nil)
 - c) Welspun Steel Limited Rs. 394,521 (Previous year Rs Nil)
 - xi. Sale of materials:
 - a) Welspun India Limited Rs. 5,220,317 (Previous year Rs Nil)
 - b) Welspun Captive Power Generation Limited Rs. 2,446,684 (Previous year Rs Nil)
 - xii. Sale of fixed assets:
 - a) Welspun India Limited Rs. 349,131 (Previous year Rs Nil)
 - xiii. Loans/ advances given:
 - a) Dewas Bhopal Corridor Private Limited Rs. 5,630,384 (Previous year Rs. 697,476)
 - xiv. Repayment of loans/ advances given:
 - a) Dewas Bhopal Corridor Private Limited Rs 176,694,473 (Previous year Rs 1,327,253)
 - b) Welspun India Limited Rs Nil (Previous year Rs 172,250)
 - xvi. Security deposit given refunded:
 - a) Welspun Realty Private Limited Rs. 10,000,000 (Previous year Rs Nil)
 - xvii. Mobilisation advance received:
 - a) Welspun India Limited Rs Nil (Previous year Rs 17,882,653)
 - xviii. Mobilisation advance received repaid:
 - a) Welspun India Limited Rs 9,039,505 (Previous year Rs 44,544,869)
 - xix. Inter – corporate deposits given:
 - a) Welspun Steel Limited Rs. 50,000,000 (Previous year Rs Nil)
 - b) Welspun Energy Chattisgarh Private Limited Rs. 100,000,000 (Previous year Rs Nil)
 - xx. Inter – corporate deposits given repaid:
 - a) Welspun Energy Chattisgarh Private Limited Rs. 100,000,000 (Previous year Rs. Nil)
 - xxi. Sale of equity shares of subsidiary to:
 - a) Welspun Mercantile Limited (WML) Rs. 100,000 (Previous year Rs. Nil)
 - xxii. Remuneration to Key Managerial Personnel:
 - a) Mr Sandeep Garg – Rs 72,701,105 (Previous year Rs 19,869,996)
 - b) Mr B. K. Goenka – Rs 10,096,774 (Previous year Rs Nil)
 - c) Mr Lalit Jain* – Rs 911,319 (Previous year Rs 5,469,819)

* Ceased to be chief financial officer w.e.f. May 29, 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Closing Balances as at March 31, 2016

- i) Receivable at the end of the year
 - a) Loans, advances and deposits given
 - Dewas Bhopal Corridor Private Limited Rs. Nil (Previous year Rs. 166,465,178)
 - Adani Welspun Exploration Limited Rs 1,557,424,887 (Previous year Rs 1,294,422,536)
 - Welspun Realty Private Limited Rs 30,000,000 (Previous year Rs 40,000,000)
 - Welspun Steel Limited Rs 50,000,000 (Previous year Rs. Nil)
 - b) Trade and other receivables
 - Adani Welspun Exploration Limited Rs 4,387,500 (Previous year Rs. 559,324)
 - Welspun India Limited Rs 11,472,441 (Previous year Rs. 20,582,763)
 - c) Interest receivable
 - Welspun Steel Limited Rs 394,521 (Previous year Rs. Nil)
- ii) Payable at the end of the year
 - a) Trade advance and deposits received
 - Welspun Global Brands Limited Rs 1,764,476 (Previous year Rs. Nil)
 - Welspun India Limited Rs. Nil (Previous year Rs. 10,645,207)
- iii) Investment in shares
 - a) Welspun Energy Private Limited Rs 3,262,600,000 (Previous year Rs 3,262,600,000)
- iv) Bank guarantee outstanding
 - a) Adani Welspun Exploration Limited Rs Nil (Previous year Rs 234,500,000)
- iv) Corporate guarantee outstanding
 - a) Adani Welspun Exploration Limited Rs 236,000,000 (Previous year Rs 270,100,000)
 - b) Dewas Bhopal Corridor Private Limited Rs Nil (Previous year Rs 3,225,649,641)

41. Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from October 2, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not yet readily available and or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

In the absence of the necessary information with the Group relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.

42. UNHEDGED FOREIGN CURRENCY EXPOSURE

Foreign currency exposure not covered by derivative instruments or otherwise as on :

	March 31, 2016		March 31, 2015	
	USD	₹	USD	₹
Foreign borrowing	7,735,000	512,482,425	7,735,000	483,437,500
Current liability	15,049	997,068	15,049	940,560
Expenses payable	20,112	1,332,514	-	-
Interest accrued but not due	60,499	4,008,339	55,392	3,462,017
Other receivables	30,098	1,994,163	30,098	1,881,144

43. Expenditure in Foreign currency - Rs. 2,865,654 (Previous year Rs. 665,364)
(Legal and professional fees)

44. INTEREST IN JOINT VENTURE

Name of Entities	Extent of Holding	Relationship
Dewas Bhopal Corridor Private Limited (DBCL)*	13% (50%)	Joint Venture
Adani Welspun Exploration Limited (Held through Welspun Natural Resources Private Limited -Wholly owned subsidiary)	35% (35%)	Joint Venture

*Ceased to be a joint venture company w.e.f. December 22, 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016 are as follows:

	(Amount in ₹)	
	March 31, 2016	March 31, 2015
Assets :		
Non current assets	2,936,117,829	4,681,409,254
Current assets	11,656,661	97,075,420
Total	2,947,774,490	4,778,484,674
Liabilities :		
Non current liabilities	470,223,640	2,288,353,328
Current liabilities	1,549,471,707	1,461,639,755
Total	2,019,695,347	3,749,993,083
Income [#]	326,171,364	467,238,939
Expenditure (Includes Exceptional items)*	340,528,094	373,462,201
Contingent liabilities*	1,047,619	65,042,619

*Company has paid Rs 675,675 for the liability on adhoc basis.

[#] includes income and expenses @ 50% of Dewas Bhopal Corridor Private Limited from April 1, 2015 to December 22, 2015. Unaudited accounts of DBCL as at December 21, 2015 (as furnished by the management of the Company) is taken into consideration.

45. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CFS

Name of the Entity	March 31, 2016			
	Net Asset/(Net Liability) ie total assets minus total liabilities		Share in Profit/ (loss)	
	As a % of Consolidated Net Assets	Amount (in ₹)	As a % of Consolidated Profit/ (loss)	Amount (in ₹)
Parent				
Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)	100.63%	15,174,865,598	1895.25%	328,234,616
Subsidiaries				
MSK Projects (Himmatnagar Bypass) Private Limited	0.26%	39,226,735	2.92%	505,873
MSK Projects (Kim Mandvi Corridor) Private Limited	0.21%	31,550,242	(179.01%)	(31,002,318)
Anjar Road Private Limited	0%	100,000	-	-
Welspun Build-tech Private Limited (formerly known as Welspun Construction Private Limited)	(0%)	(104,442)	(1.05%)	(181,787)
Welspun Natural Resources Private Limited	1.14%	171,236,716	(2.77%)	(480,437)
Anjar Water Solutions Private Limited (Formerly known as Welspun Road Projects Private Limited)	(0%)	(695,638)	(4.59%)	(795,638)
ARSS Bus Terminal Private Limited	1.23%	186,074,833	(1.15%)	(199,677)
Welspun Delhi Meerut Expressway Private Limited	0%	94,540	-	(5,460)
Joint Ventures				
Delhi Bhopal Corridor Private Limited	-	-	265.71%	46,018,050
Adani Welspun Exploration Limited	0.61%	92,650,104	(421.24%)	(72,953,905)
Inter-company eliminations on consolidation	(4.08%)	(614,744,710)	(1454.07%)	(251,831,415)
	100%	15,080,253,975	100%	17,318,822

46. GOODWILL / CAPITAL RESERVE ARISING ON CONSOLIDATION (NET)

	(Amount in ₹)	
	March 31, 2016	March 31, 2015
Goodwill on consolidation	123,855,000	-
Less : Capital Reserve on consolidation	(94,153,592)	(94,153,592)
Net Goodwill/ (Capital Reserve) on consolidation	29,701,408	(94,153,592)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

47. The first exploratory phase of Mumbai Block, after considering the extension period as granted by the Directorate General of Hydrocarbons was expired on April 29, 2015. The jointly controlled entity of the Group namely Adani Welspun Exploration Limited ('AWEL') has already exercised its options for entering into Exploration phase II vide its letter dated April 27, 2015. DGH has communicated to AWEL that the same is awaiting approval from Ministry of Petroleum and Natural Gas.

48. Directorate General of Hydrocarbons has notified hydrocarbon discoveries in respect of both the Kutch blocks. In order to assess the full potential of the blocks, the Consortium comprising AWEL has decided to move into appraisal phase of the Production Sharing Contract and not to extend further the first exploration period, of the first phase.

49. OPERATING LEASE

The Group has taken office premises, godown and residential facilities under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from six months to twenty four months. Lease rental charges for the year is Rs 28,989,108 (Previous year Rs 34,708,915). Lease rental payable not later than one year Rs 420,000 (Previous year Rs Nil)

50. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group's reportable operating segments have been determined in accordance with the business operations, which is organised based on the operating business segments as described below. The geographical segment is not relevant as the group operates in a single geographical segment ie the Group is having the business activities in India only.

Segment reporting for the year ended March 31, 2016

(Amount in ₹)

	Infrastructure	Trading	Oil & Gas	Unallocable	Total
Segment Revenue					
External Revenue	1,446,061,274	777,623,325	1,255,225	-	2,224,939,824
Inter Segment Revenue	-	-	-	-	-
Revenue from Operations	1,446,061,274	777,623,325	1,255,225	-	2,224,939,824
Other Income	71,017,090	-	-	8,372,490	79,389,580
Total Income	1,517,078,364	777,623,325	1,255,225	8,372,490	2,304,329,404
Segment Result before interest and tax	69,524,821	2,234,712	(12,890,660)	(426,686,366)	(367,817,493)
Less : Interest Expenses	-	-	-	(285,261,485)	(285,261,485)
Add : Interest Income/ Dividend	-	-	-	779,182,353	779,182,353
Income/ Profit on Sale of Investment	-	-	-	-	-
Add : Exceptional Items	(231,954,476)	-	-	-	(231,954,476)
Less : Prior period expenses	-	-	-	-	-
Profit/ (loss) before tax	(162,429,654)	2,234,712	(12,890,660)	67,234,503	(105,851,100)
Current Tax	-	-	-	732,000	732,000
Deferred Tax	-	-	-	(123,901,922)	(123,901,922)
Profit/ (loss) after tax	(162,429,654)	2,234,712	(12,890,660)	190,404,424	17,318,822
Segment Assets	4,154,500,447	90,139,686	2,142,662,981	12,666,712,172	19,054,015,286
Segment Liabilities	1,540,356,151	88,996,874	1,980,211,860	364,196,426	3,973,761,311
Capital Expenditures	188,693,791	-	181,658,415	-	370,352,207
Depreciation & Amortisation	771,089,500	-	2,422,870	-	773,512,369
Non Cash expenditure other than Depreciation and Amortisation	25,142,444	-	-	51,242,471	76,384,915

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Segment reporting for the year ended March 31, 2015
(Amount in ₹)

	Infrastructure	Trading	Manufacturing	Oil & Gas	Unallocable	Total
Segment Revenue						
External Revenue	1,885,665,963	540,442,530	6,480,433,523	-	-	8,906,542,016
Inter Segment Revenue	-	-	-	-	-	-
Gross Revenue from Operations	1,885,665,963	540,442,530	6,480,433,523	-	-	8,906,542,016
Less : Excise	-	-	650,158,486	-	-	650,158,486
Net Revenue from Operation	1,885,665,963	540,442,530	5,830,275,037	-	-	8,256,383,530
Other Income	18,459,993	-	60,118,113	-	11,834,336	90,412,442
Total Income	1,904,125,955	540,442,530	5,890,393,150	-	11,834,336	8,346,795,972
Segment Result before interest and tax	135,743,123	1,342,049	(742,597,971)	(15,241,285)	(266,068,446)	(886,822,530)
Less : Interest Expenses	-	-	-	-	(1,379,891,278)	(1,379,891,278)
Add : Interest Income/ Dividend	-	-	-	-	636,058,328	636,058,328
Income/ Profit on Sale of Investment	-	-	-	-	-	-
Add : Exceptional Items	(437,309,647)	-	-	-	2,179,505,494	1,742,195,847
Less : Prior period expenses	-	-	-	-	-	-
Profit/ (loss) before tax	(301,566,524)	1,342,049	(742,597,971)	(15,241,285)	1,169,604,098	111,540,367
Current Tax	-	-	-	-	6,884,034	6,884,034
Deferred Tax	-	-	-	-	(111,676,377)	(111,676,377)
Profit/ (loss) after tax	(301,566,524)	1,342,049	(742,597,971)	(15,241,285)	1,064,811,755	6,748,024
Segment Assets	7,621,079,638	33,386,702	-	1,905,405,381	11,631,328,859	21,191,200,581
Segment Liabilities	3,610,504,716	32,620,606	-	1,919,981,080	478,937,074	6,042,043,476
Capital Expenditures	331,570,616	-	-	912,740,662	-	1,244,311,278
Depreciation and Amortisation	345,039,734	-	536,593,423	-	-	881,633,157
Non Cash expenditure other than Depreciation and Amortisation	267,176,221	-	11,894,529	-	5,594,071	284,664,821

51. Figures for the previous year are re- classified/ re - arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date

For MGB & Co. LLP

Chartered Accountants

Firm Registration Number 101169W/ W-100035

Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : May 23, 2016

For and on behalf of the Board

Balkrishan Goenka

Chairman

DIN : 00270175

Shriniwas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

[illegible]

Welspun Enterprises Limited
(Formerly known as Welspun Projects Limited)

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