



WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

22nd Annual Report 2016

ROAD TO FUTURE

A large green rectangular sign with a white border is mounted on a highway. The sign is positioned over a road that stretches into the distance under a blue sky with white clouds. In the background, there are some industrial structures and a large flame or fire.

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

A laurel wreath graphic surrounds the award text.

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 Bajjal - Alternate Director to Mr. Mintoo Bhandari
Ms. Mala Todarwal - Director

AUDIT COMMITTEE:

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

NOMINATION AND REMUNERATION COMMITTEE:

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

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. Shrinivas Kargutkar - Chief Financial Officer

SHARE TRANSFER AND INVESTOR GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Mala Todarwal
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

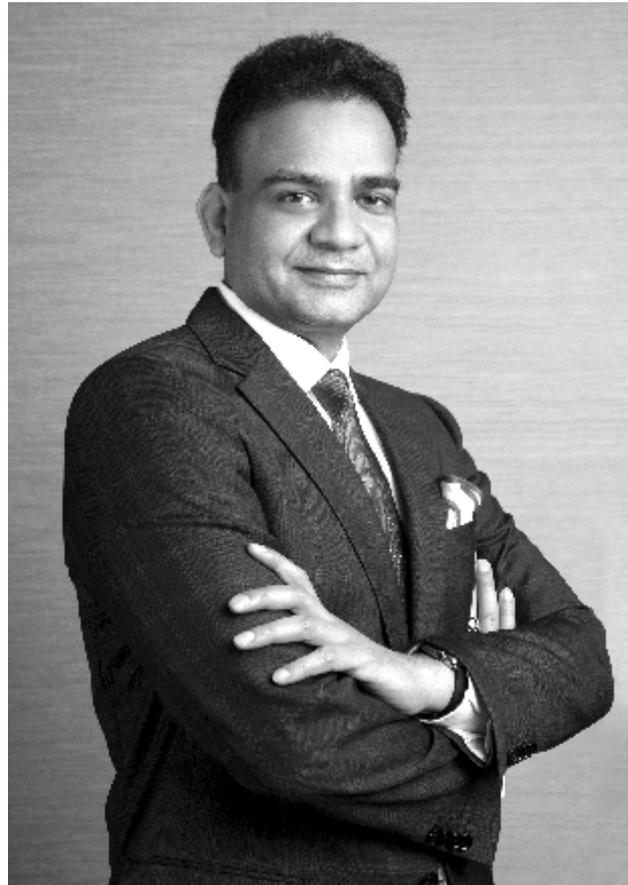
investment cycle and create value for our stakeholders through world class infrastructure. In order to realise this dream, the Company participated in road bidding projects through the newly conceptualised Hybrid Annuity Model (HAM) and was able to win one of the first projects to be awarded under this 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%208C%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%208B%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 Rambalal 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: <table border="1"> <thead> <tr> <th>No. of ESOPs</th> <th>Date of Grant</th> <th>Date of Vesting</th> <th>Date of Exercise</th> </tr> </thead> <tbody> <tr> <td>720,000</td> <td>16-02-2015</td> <td>16-02-2016</td> <td>17-02-2016</td> </tr> <tr> <td>240,000</td> <td>14-07-2015</td> <td>14-07-2016</td> <td></td> </tr> <tr> <td>240,000</td> <td>14-07-2016</td> <td>14-07-2017</td> <td></td> </tr> </tbody> </table> | 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 | |
| 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 Todarwal | 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) FIs | 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 Bajjal | | | | | | | |
| | 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. Shrinivas 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. Shrinivas 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 Todarwal | 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 Bajjal (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 Todarwal.

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 Todarwal | 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:

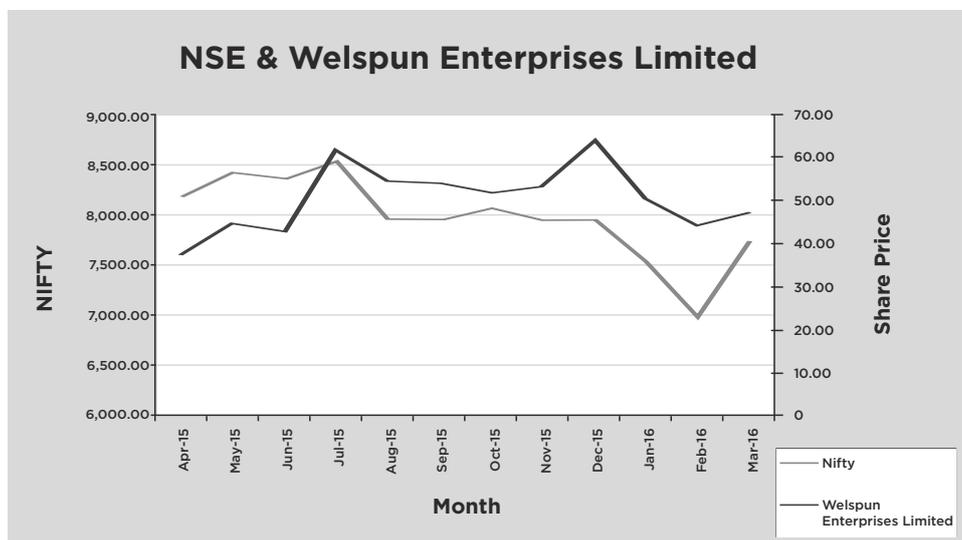
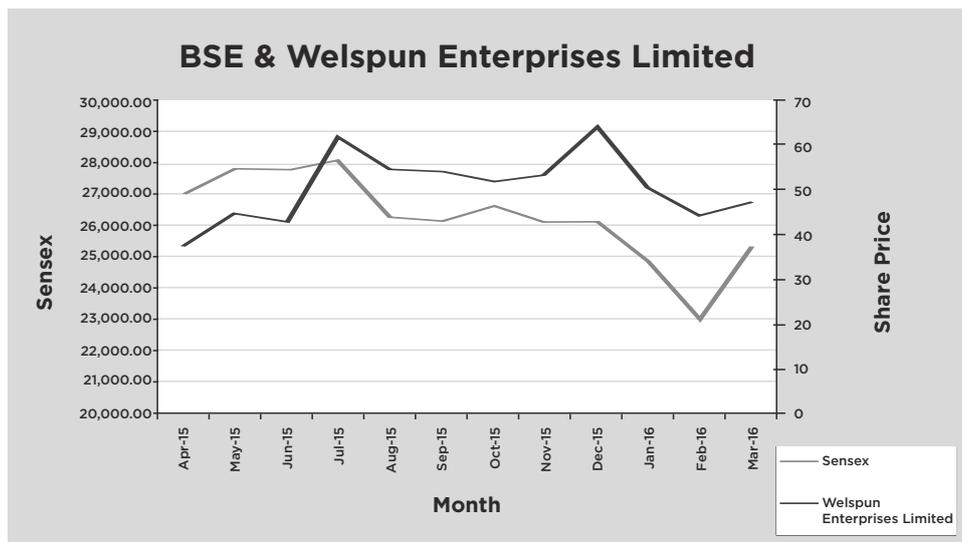
- ISIN No. (For dematerialized shares) : INE625G01013
- The Securities and Exchange Board of India (“SEBI”) had, vide order reference WTM/RKA/MRD/144/2015 dated November 9, 2015, directed the exit of Vadodara Stock Exchange Limited (“VSE”) as a stock exchange with effect from November 9, 2015. Based 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-para (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

Place: Mumbai
Date : May 23, 2016

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

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 | | | |
| Basic | 29 | 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 conserts 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 | March 31, 2016 | 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 | 12,431,635 | |
| Building | 3,870,517 | - | 146,528 | 3,723,989 | 3,207,621 | 174,974 | 120,963 | 462,357 | 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 | 28,148,339 | 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 | 10,872,527 | 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 | 238,278 | 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 | 768,733 | 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 | 291,180 | 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 | 65,355,467 | 265,365,894 | 105,681,556 | 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 | 377,983,666 | 105,681,556 | 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 | 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 | 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 | 1,991,251,033 | 1,766,746,646 | 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/- each fully paid up 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 dimunition 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 |
| | 2,97,52,079 | 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 |

| 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 |

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:

- a) 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).
b) Contribution to provident and other funds is recognized as an expense in Note 25 of the Statement of Profit and Loss.
c) 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 | - |
| Purchase of traded goods | (15,000,000) | (-) | (218,609,160) | (-) |
| Rent expenses | (330,950,094) | (-) | (-) | (-) |
| Hire charges | (-) | (-) | 21,905,260 | (-) |
| Electricity expenses | (-) | (-) | (26,257,260) | (-) |
| Business promotion expenses | (-) | (-) | (-) | (-) |
| Staff welfare expenses | (-) | (-) | (400,000) | (-) |
| Interest income | (-) | 10,247,069 | 3,327,327 | (-) |
| Miscellaneous income | (-) | (-) | (-) | (-) |
| Materials purchased | (-) | 6,663,000 | 1,231,839 | (-) |
| Sale of materials | (-) | (39,113,662) | (-) | (-) |
| Sale of fixed assets | (-) | (-) | (2,233,474) | (-) |
| Reimbursement of expenses(net) | 3,835,496 | (-) | (-) | (-) |
| Loans/ advances received | (-) | (-) | 1,119,235 | (-) |
| Trade advances received | 71,650,000 | (-) | (-) | (-) |
| Repayment of loans/ advances received | (-) | (-) | 1,027,397 | (-) |
| Loans/ advances given | (-) | (-) | (-) | (-) |
| Trade advances given | 19,000,000 | (-) | (-) | (-) |
| Repayment of loans/ advances given | (-) | (-) | (-) | (-) |
| Security deposit given refunded | (8,700,309) | (-) | (-) | (-) |
| Guarantees given | 10,332,296 | 11,260,768 | (-) | (-) |
| Sale of equity shares of subsidiary | (209,252,191) | (1,394,952) | (-) | (-) |
| Mobilisation advance received | 14,957,090 | 353,388,945 | (-) | (-) |
| Mobilisation advance repaid | (303,012,385) | (2,654,505) | (172,250) | (-) |
| Investment in compulsorily convertible debentures | (-) | (-) | 10,000,000 | (-) |
| Inter-corporate deposits given | (-) | (-) | (-) | (-) |
| Inter-corporate deposits given repaid | (11,300,000) | (-) | (-) | (-) |
| Sale of investment in compulsorily convertible debentures | (-) | (-) | 100,000 | (-) |
| | (-) | (-) | (-) | (-) |
| | 11,025,000 | (-) | (-) | (-) |
| | (19,427,192) | (-) | (17,882,653) | (-) |
| | (-) | (-) | 9,039,505 | (-) |
| | (-) | (-) | (48,278,123) | (-) |
| | 494,065,800 | (-) | (-) | (-) |
| | (1,634,292,300) | (-) | (-) | (-) |
| | (-) | (-) | 150,000,000 | (-) |
| | (-) | (-) | (-) | (-) |
| | (-) | (-) | 100,000,000 | (-) |
| | (-) | (-) | (-) | (-) |
| | 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:

| | 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 [#] | 2,910,592,995 | 4,663,376,759 |
| Expenditure(Includes Exceptional items) [#] | 326,171,364 | 467,238,939 |
| Contingent liabilities | 353,107,213 | 373,462,200 |
| | 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

| Name of the Companies | (Amount in ₹) | | | |
|---|------------------------------|---|------------------------------|---|
| | 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 |
| | | 19,054,015,286 | 21,176,668,899 |
| TOTAL EQUITY AND LIABILITIES | | | |
| 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 |
| | | 19,054,015,286 | 21,176,668,899 |
| TOTAL ASSETS | | | |

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 | 31 | | |
| Basic | | 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 (Formerly known as Welspun Road Projects Private Limited) | India | 100% (100%) |
| Welspun Build-Tech Private Limited (Formerly known as Welspun Construction Private Limited) | India | 100% (100%) |
| 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 | | | | |
| 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. 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 |
| <p>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.</p> <p>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</p> <p>Rate of Interest : 10.32% p.a. (4.94% + 5.38% premium)</p> | | | | |
| ii) State Bank of India | - | 28,000,000 | - | 383,783,179 |
| <p>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.</p> | | | | |
| iii) Punjab National Bank | - | 28,000,000 | - | 382,326,964 |
| <p>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.</p> | | | | |

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 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 | - | 191,369,985 |
| viii)IDBI 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. | - | 4,000,000 | - | 191,817,196 |
| ix)External commercial borrowing (In Foreign Currency) 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 | 42,706,876 | - | 469,775,549 | 483,437,500 |
| | 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 | March 31, 2016 | March 31, 2015 |
| TANGIBLE ASSETS | | | | | | | | | | | | |
| Freehold land* | 14,044,390 | - | 168,592,256 | - | 182,636,646 | - | - | - | - | - | 182,636,646 | 14,044,390 |
| Building | 4,439,017 | - | - | 715,249 | 3,723,768 | - | 227,768 | 286,598 | 286,598 | 3,209,057 | 514,711 | 1,171,130 |
| Plant and machinery | 155,338,557 | - | 2,091,074 | 77,266,322 | 80,163,310 | - | 11,076,842 | 68,582,650 | 68,582,650 | 54,101,331 | 26,061,979 | 43,731,418 |
| Construction equipments | 114,945,816 | - | - | 31,449,084 | 83,496,732 | - | 7,959,171 | 5,323,074 | 5,323,074 | 81,067,469 | 2,429,263 | 36,514,444 |
| Vehicles | 80,452,113 | - | 5,845,881 | 43,054,418 | 43,243,576 | - | 3,542,128 | 41,826,068 | 41,826,068 | 32,213,110 | 11,030,466 | 9,955,063 |
| Computers | 17,686,842 | - | 148,495 | 9,420,546 | 8,414,790 | - | 225,844 | 9,054,320 | 9,054,320 | 8,097,662 | 317,128 | 760,704 |
| Office and other equipments | 16,410,190 | - | 360,042 | 9,274,936 | 7,495,296 | - | 1,846,773 | 8,507,386 | 8,507,386 | 4,923,907 | 2,571,389 | 4,825,671 |
| Furniture and fixtures | 7,842,533 | - | 313,625 | 7,327,160 | 828,999 | - | 394,150 | 6,403,272 | 6,403,272 | 317,937 | 511,062 | 1,515,474 |
| Realisation value of impaired assets | 800,000 | - | 11,342,418 | - | 12,142,418 | - | - | - | - | - | 12,142,418 | 800,000 |
| Total A | 411,959,458 | - | 188,693,791 | 178,507,715 | 422,145,535 | - | 25,272,676 | 139,983,368 | 139,983,368 | 183,930,473 | 238,215,062 | 113,318,294 |
| Previous year | 837,701,280 | 15,912,799,467 | 15,718,446 | 16,354,259,736 | 411,959,458 | 1,919,751,370 | 601,744,466 | 2,768,926,187 | 2,768,926,187 | 298,641,165 | 113,318,294 | - |
| INTANGIBLE ASSETS | | | | | | | | | | | | |
| Software | 12,844,150 | - | - | - | 12,844,150 | - | 2,220,822 | - | - | 11,090,856 | 1,753,294 | 3,974,116 |
| BOT Toll collection right | | | | | | | | | | | | |
| Hoshanagabad-Harda- Khandwa projects | 979,482,477 | - | - | - | 979,482,477 | - | 105,501,184 | - | - | 845,359,749 | 134,122,728 | 239,623,912 |
| Raisen Rahatgarh projects | 720,702,005 | - | - | - | 720,702,005 | - | 104,483,283 | - | - | 550,279,692 | 170,422,313 | 274,905,596 |
| Jalandhar Bus Terminal project | 188,877,689 | - | - | - | 188,877,689 | - | - | - | - | 188,877,689 | - | - |
| Ludhiana Bus Terminal project | 194,313,456 | - | - | - | 194,313,456 | - | 23,958,573 | - | - | 194,313,456 | - | 23,958,573 |
| Dewas Water Supply project | 1,190,956,828 | - | - | - | 1,190,956,828 | - | 449,030,805 | - | - | 517,410,626 | 673,546,203 | 1,122,577,007 |
| Himmatnagar Bypass Private Limited | 84,447,460 | - | - | - | 84,447,460 | - | (6,196,115) | - | - | 53,937,607 | 30,509,853 | 24,313,738 |
| Kim Mandvi Corridor Private Limited | 546,660,875 | - | - | - | 546,660,875 | - | 21,260,768 | - | - | 91,190,067 | 455,470,809 | 476,731,576 |
| Dewas Bhopal Road Projects | 3,002,775,553 | - | 3,002,775,553 | - | - | - | 47,980,370 | 321,306,170 | - | - | 2,729,449,752 | - |
| Total B | 6,921,060,493 | - | 3,002,775,553 | 3,918,284,940 | 3,918,284,940 | - | 748,239,688 | 321,306,170 | 321,306,170 | 2,452,459,740 | 1,465,825,200 | 4,895,534,270 |
| Previous year | 6,857,386,398 | 12,778,793 | 315,852,170 | 264,956,868 | 6,921,060,493 | 5,894,558 | 284,944,384 | 65,221,948 | 65,221,948 | 2,025,526,223 | 4,895,534,270 | - |
| Capital Work-in-Progress C | | | | | | | | | | | | |
| Total A+B+C | 7,333,019,952 | - | 188,693,791 | 3,181,283,268 | 4,340,430,475 | - | 773,512,364 | 461,289,538 | 461,289,538 | 2,636,390,214 | 3,914,493,264 | 7,163,458,220 |
| Previous year | 7,695,087,678 | 15,925,578,260 | 331,570,616 | 16,619,216,604 | 7,333,019,952 | 1,925,645,928 | 886,688,850 | 2,834,148,135 | 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 |
|---|----------------------|----------------------|
| 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 |
| | Gratuity (Funded) 2015-16 | Gratuity (Funded) 2014-15 |
| 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. Shrinivas 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.

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

Shrinivas Kargutkar

Chief Financial Officer

Place: Mumbai

Date : May 23, 2016

Sandeep Garg

Managing Director

DIN : 00036419

Indu Daryani

Company Secretary

Welspun Enterprises Limited
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