WELSPUN INDIA
HOME TEXTILES

WEAVING
SUSTAINABILITY

WELSPUN INDIA LIMITED

ANNUAL REPORT 2015-16

FORWARD-LOOKING STATEMENT

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

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2015-16
was an exceptional year for your company. We delivered record sales, profits and expanded our business in key growth markets. We were ranked No. 1 among the 'Top 15 Home Supplier Giants to USA' for the 4th consecutive year. Our unmatched focus on customer centricity, innovation and technology enabled us to strengthen our leadership position.

Revenue up by
13% YOY

EBIDTA Margin at
26% UP BY 202 BPS

Profit after tax up by
30% YOY

EBIDTA up by
20% YOY

For more information please visit **www.welspunindia.com**

Welspun India is guided by the belief that sustainability is about crafting material impact for its stakeholders and communities. This helps us understand the rapidly transforming market and prepares us to align our insight to build sustainable business models, communities and environment.

As India implements significant policy measures for greater social inclusion, our designs, products, and initiatives are intertwined for our own sustainable future and the communities that we operate in.

We strongly believe in the exciting synergies achieved from our sustainable business model. They ensure consistent performance, optimal resource allocation and value creation for our stakeholders.

Sustainability forms an intrinsic part of our DNA at Welspun India and does not just stop at having a business model that is strongly sustainable for times to come. It is reflected from sourcing cotton responsibly, to the multitude of environment-friendly practices in manufacturing and operations, to our initiatives under the SPUN project. Besides this, our Corporate Social Value (CSV) initiatives focus on the 3Es - Education, Environment and Health and Empowerment. Our objective is to seamlessly integrate our weaves with the lives of our community members.

By creating such experiences, we ensure our growth positively impacts livelihoods and environment.

Our overall efforts reflect a higher purpose that goes beyond our products and bottom line.

Our sustainable operations result in, not just better value for our stakeholders but also in improving the society around us and the communities that we serve.

ABOUT WELSPUN INDIA

A part of the US$ 3 billion Welspun Group, Welspun India Limited (WIL) is one of the world's largest home textile manufacturer. Welspun India is a fully integrated one-stop shop for home textiles. Our product portfolio comprises of towels, bath robes, bath rugs/mats, area rugs, carpets, bed sheets, utility bedding and fashion bedding.

34%
of FY16 sales was contributed by innovative products developed/ owned by the company

During FY16 we became the largest exporter of bed linen from India.

With a distribution presence in more than 50 countries, WIL is also the largest exporter of home textile products from India and has been consistently recognised by TEXPROCIL for last several years. During FY16 we also became the largest exporter of bed linen from India.

The Company has world-class manufacturing facilities at Anjar and Vapi in Gujarat. Centered on excellence and transparency, WIL has been a trusted partner to 18 of the top 30 global retailers such as Walmart, Costco, Bed Bath and Beyond, Target, Macy's, Carrefour and so on.

Our presence across categories helps in cross-selling and provides us with the competitive edge as a complete home solution provider to our clients. Major global markets for us constitute US, UK and Europe. Welspun India actively engages with emerging markets like India, Middle East and China and new markets like Australia, Latin America and the Far East.

Our revenue growth is driven by volumes from existing and new customers, new geographies, new product categories and new channels such as e-commerce, hospitality and healthcare.

What makes us different

FULLY INTEGRATED SUPPLY CHAIN
We have a fully backward and forward integrated supply chain where we engage with the customers on various levels .

PRODUCT DEVELOPMENT & DESIGN INFRASTRUCTURE
We have state of the art design studios in Mumbai, Anjar, Vapi and New York.

SUSTAINABLE BUSINESS MODEL
Strongly reflected through our efforts right from sourcing cotton responsibly to environment friendly practices in manufacturing and operations.

ENHANCED CAPABILITIES
We invested USD 380 mn from 2013-14 to 2015-16 for modernisation, automation and expansion of our facilities. This investment will help us in increasing the capacities at required time in the future without investing too much in upgradation.

BUSINESS TRANSFORMATION ACROSS VALUE CHAIN
We are engaging with global consulting firms to transform our value chain.

FOCUS ON INNOVATION AND BRANDING
Our customers are at the heart of our innovation philosophy. 34% of FY16 sales was contributed by innovative products developed/ owned by the company. We have 26 patents including pending ones. During FY16, the share of branded sales reached 13% in the overall sales of the company.

Few of our global retail partners

UNITED STATES
Bed Bath & Beyond, Costco, Home Depot Macy's, Target, Walmart

INDIA
@Home, HomeTown, Lifestyle, Shopper's Stop, All major e-tailers
1000+ multi brand outlets

EUROPEAN UNION
Auchan, Carrefour, JYSK, Kaufland, LIDL, Rusta

UNITED KINGDOM
ASDA, Debenhams, House of Frazer, John Lewis, Tesco, Sainsbury,

Our definitive strengths

- Welspun India is one of the world's largest home textile manufacturer and supplier.
- Our state-of-the-art manufacturing facilities are located at Vapi and Anjar in Gujarat, India.
- Welspun India has been ranked No. 1 among the 'Top 15 Home Supplier Giants to USA' for the 4th consecutive year by Home & Textiles Today, a leading industry magazine.
- Currently, our home textile products are exported to over 50 countries and are sold by 18 out of the top 30 global retailers such as Walmart, J C Penny and Macy's.
- We are also the proud suppliers of towels to sports tournaments such as the Wimbledon Championship, 2015 Rugby World Cup and ICC World Twenty20 India 2016.
- For the record, every 5th towel sold in the US is manufactured by Welspun India.
- Since 2005, our textile business revenue has posted 22% CAGR.
- We have 26 global patents including pending ones.
- We are certified as a 'Women's Business Enterprise' by the US-based WEConnect International.
- 1st Indian textiles Company to be certified with the Egyptian Cotton Trade Mark.

MILESTONES

1985

Our journey began as Welspun Winilon Silk Mills Pvt. Ltd., a synthetic yarn business in India.

1993

Welspun India sets up its manufacturing facility at Vapi, Gujarat.

2000

Welspun USA incorporated as a wholly owned subsidiary of Welspun India Ltd.

2005

Welspun sets up its manufacturing facility at Anjar, Gujarat.

2006

Acquired Christy – the most prestigious brand of towels in the UK.

2008

Marked our entry into the Rugs category.

2010

Welspun India Ltd. demerged its Sales and Marketing and Investment divisions into two separate companies – Welspun Global Brands Ltd. and Welspun Investments & Commercials Ltd., respectively.

2011

- Welspun India Ltd. raised INR 1,560 million through Qualified Institutional Placement.
- Conferred with Sustainability Award for Process Innovation by Indian Carbon Outlook.

2014

- No. 1 Home Textiles exporter to the US for the 2nd consecutive year.
- Initiated backward integration in Spinning and Weaving at Anjar.
- Welspun Global Brands Ltd. recognised as a 'Certified Woman Business Enterprise'.
- Conferred with Environmental Growth through effective Recycling and Energy initiative Award by Business Excellence Awards.
- Conferred with Green Believers Award by Frost & Sullivan.

2016

- Ranked No. 1 among the 'Top 15 Home Supplier Giants to USA' for the 4th consecutive year by Home & Textiles Today, a leading industry magazine.
- Expanded the sports portfolio to manufacture towels for Rugby World Cup and ICC T20 World Cup 2016.
- 1st Indian textiles Company to be certified with the Egyptian Cotton Gold Seal.
- Highest Overall Global Exports, Highest Exports in Bed Category and Highest Exports in Towels Category from India – TEXPROCIL.
- Conferred with Responsible Sourcing Award by Target.
- Conferred with Frost & Sullivan's Sustainability 4.0 Challengers Certificate of Merit.

2015

- No. 1 Home Textiles exporter to the US for the 3rd year in a row.
- Commissioned India's largest spinning facility under one roof at Anjar, Gujarat.
- Foray into e-commerce: Launch of Shopwelspun.in in India and Shopwelspun.com in the US.
- Launched major campaign for Spaces in India with actor Parineeti Chopra as the brand ambassador; launched the brand, SPUN, globally; 'Hygro' branding campaign in the US, and Christy stores in China.
- Conferred with Global Inclusion and Diversity Award by J C Penney.
- Conferred with Green Manufacturing Excellence Award by Frost & Sullivan.
- Conferred with Golden Peacock Eco Innovation Award.

2013

- No. 1 Home Textiles exporter to the US by Home & Textiles Today.
- Re-organisation of the home textiles business and consolidation of the textiles business under a single umbrella to create a unified stronger entity.

GLOBAL PRESENCE

Delivery and Reach in over
50 countries

Corp HQ/Marketing Offices

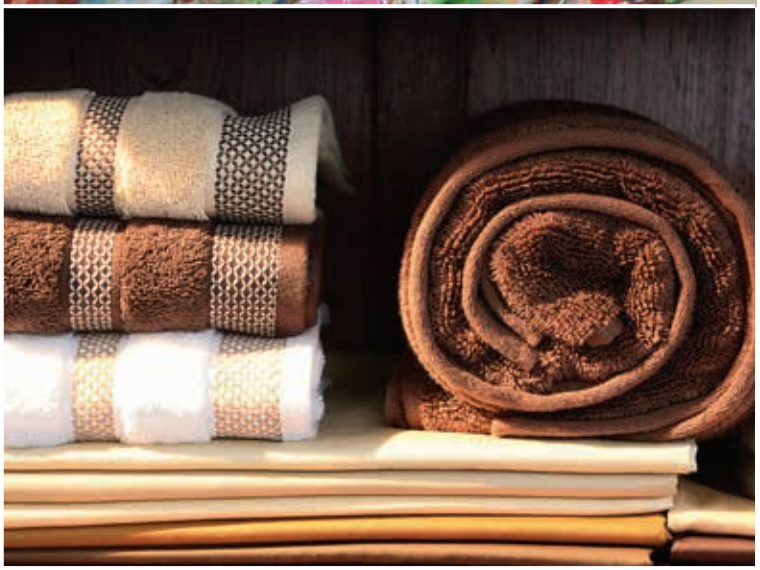
Country Served

Manufacturing Facilities

Warehouses

OUR PRODUCTS AND SOLUTIONS

We seek to redefine our customer's tastes and needs while designing, innovating and manufacturing our products.



Our Brands

Hygrocotton® is an ingredient brand where the fabric is made via a patented fabric manufacturing process.

Largest Terry Towel brand in the UK, growing well in China and the Middle East. Present in the US; good growth in e-commerce.

Premium brand with presence in India, Footprint of 200 shop-in-shop outlets and distribution.

Value brand in the UK with a focus on bedding. Targeting the affordable fashion segment.

Value brand; presence in India via mass retailers; also growing via distributors.

Handcrafted indigenous products like decorative pillows, rugs, table linen sets, duvet covers, quilts and other accessories made out of remnant fabric.

Towels

- Leading supplier of bath towels in the US. Every fifth towel sold in the US is made by us.
- Product range includes wash cloths, face towels, hand towels, bath towels, bath sheets and beach towels.
- Understand the unique taste and requirements of our customers and this reflects in the towels that we make.
- Differentiated products comprise simple, solid colour towels to intricate yarn-dyed jacquards.
- Manufacture towels using carded/combed cotton, ring spun, zero twist, low twist and Hygrocotton® yarns.

Bath Rugs/Mats

- Added bath rugs manufacturing plant with a capacity of 8 mn pieces in 2009.
- With machine tufting and hand tufting capabilities, it manufactures Cotton, Nylon, PET and Polyester filament-based Drylon and Resilon yarn rugs and the bi-component fibre (BCF) rugs called Kushlon.

Bed sheets

- Largest supplier of bed sheets from India in FY16.
- Began bed sheets production in 2004-05 with a sheeting facility at Anjar, Gujarat.
- Produces solid-colour flat and fitted sheets, damask stripes, intricate jacquards and woven dobby patterns across thread counts in cotton and blended yarn/fabric.
- Equipped with rotor and digital printing capabilities.

Utility Bedding

- Manufactures pillow fillers, mattress pads and down-alternative filled comforters, known as Utility Bedding, at Anjar.
- Fashion core comforters in solid and stripes that coordinate with its sheets also produced.

Fashion Bedding

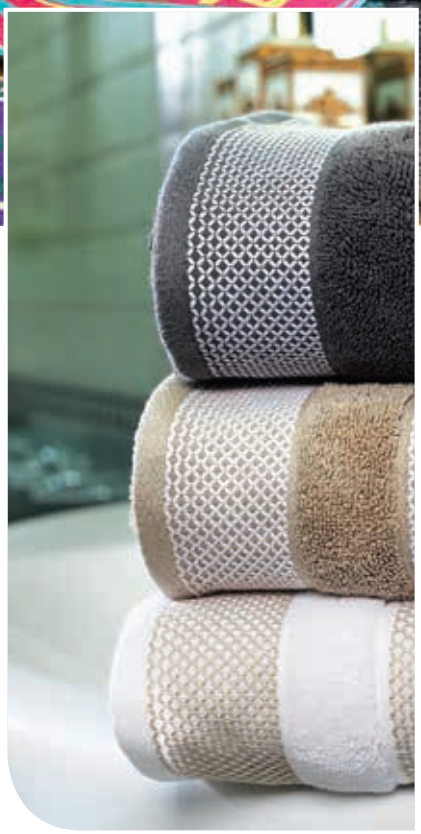
- Welspun's design studios create and develop unique printed and woven textured patterns for bedrooms.
- Utility and Fashion Bedding capacities produce a combined 1.8 mn units per annum.

Area Rugs

- Our expertise in fibre extrusion and design innovation provides us with a diverse set of products and styles.
- Welspun uses consumer research to develop best-in-class merchandising aids.

HYGROCOTTON®

HYGRO COTTON
Hollow core comfort is here



Welspun has a unique range of Hygrocotton® products where the fabric is made via a patented fabric manufacturing process leading to hollow core yarns. A path-breaking process that helps regulate the temperature of the fabric – keeping it cool in summers and warm in winters while the towels get loftier and absorbent after every wash. The Hygrocotton® product range includes bed sheets, towels, rugs and comforters.

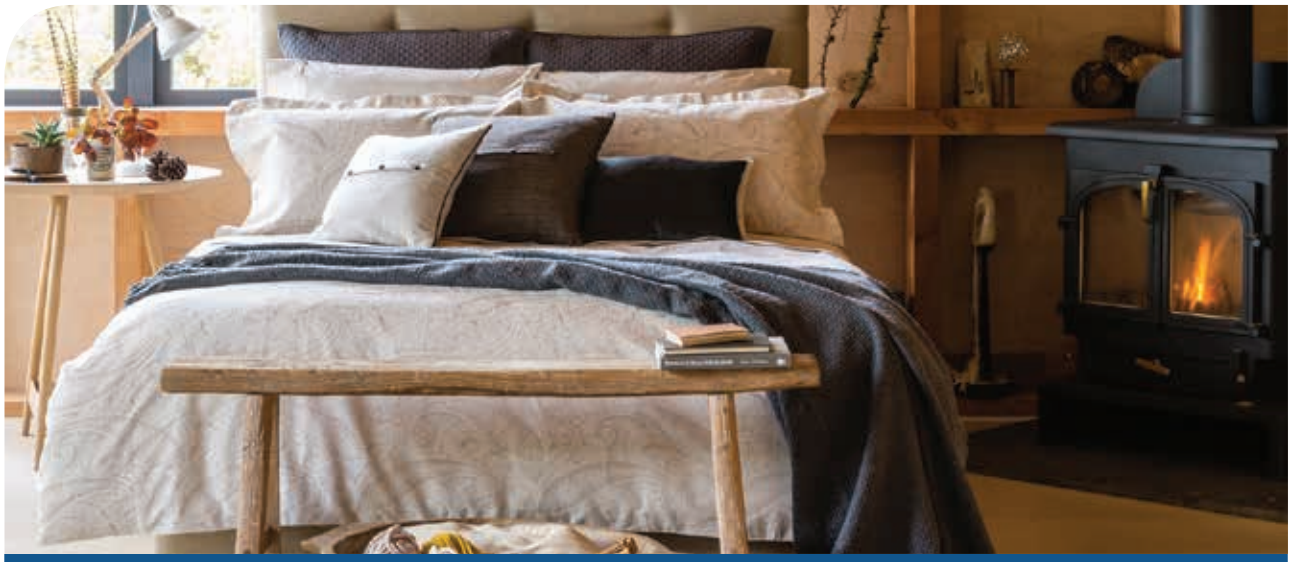
PRESTIGIOUS SPORTS PORTFOLIO

Every year Welspun produces over 100,000 towels for the Championships Wimbledon, the majority of which are sold during the tournament fortnight. Christy, a Welspun brand has been a proud licensee of the towels for 29 years now.

The championship towels are the fastest selling product during the tournament and have become the iconic 'must have' product of the event.

After being the official towel suppliers to the Wimbledon Championship, Welspun India has expanded its prestigious sports portfolio to include towels for the Rugby 2015 World Cup and ICC World Twenty20 Cricket Tournament.

FINANCIAL HIGHLIGHTS



Sales Growth
13%

Operating EBITDA margin
26%

PAT
7Bn INR

Net Debt to Equity
1.3x

Net Debt to Operating EBITDA
1.6x

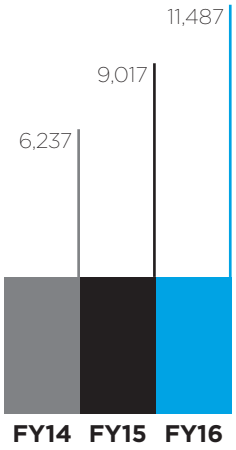
ROCE (pre-tax)
26%

Long term Credit Rating upgraded to
AA– from A+

Positive Free Cash Flow
3.8Bn INR
(after capex of ~11 bn)

Per Share Total Dividend
1.30 INR
(130% of the face value)

Cash Profit (₹ Million)

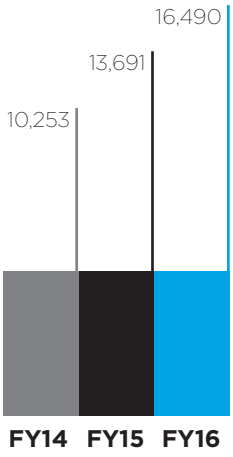


Networth (₹ Million)

Net Fixed Assets (₹ Million)

Revenue (₹ Million)

EBIDTA (₹ Million)



EBIDTA Margin (%)

CHAIRMAN'S MESSAGE

2015 -16 was a landmark year for Welspun India Limited. Your Company achieved record annual sales and profit. We were ranked as the No. 1 Home Textile Supplier to the US for the fourth year in a row. Our consistent focus on customer centricity and innovation has shown results.

My dear fellow stakeholders,
I am pleased to share with you that the fiscal 2015 -16 was a landmark year for Welspun India Limited. Firstly, in this Financial year, your Company achieved record annual sales and profit. Secondly, we were ranked as the No. 1 Home Textile Supplier to the US for the fourth year in a row. I'm also proud to announce that we have become the first Indian textile Company to receive the 'Egyptian Cotton Trade Mark Certification Gold Seal'. All this has been possible owing to our unique approach to Home Textiles which has helped us cement our leadership position across the globe.

WELSPUN 2.O

Friends, we now have a new vision, mission and values and are undertaking initiatives to transform Welspun into an institution in the times to come. As we have taken the first step towards this journey that we call Welspun 2.O, we have adopted 'Leading Tomorrow Together' as our new philosophy for the Group.

Our textile industry, like several others, is being profoundly altered by new technologies and changing customer expectations. As we take Welspun India to the next level with Welspun 2.O, we are assessing our businesses through a fine lens. We have aligned our focus on people development and professional management. Through this we are targeting a stronger leadership pipeline that can consolidate Welspun India's position as one of the 'Most Innovative Home Textiles' company in the market and a great place to work. Our future success depends on our ability to harness our market intelligence, unique product portfolio and brand offerings. Therefore, we are continuously re-engineering ways to elevate client experiences through collaboration by launching innovative products with technology as the back-bone to achieve inclusive and sustainable growth.

DELIVERING ON COMMITMENTS

All our efforts have translated into strong financial results. Over the years, we have consistently delivered on our commitments, better than what we promised. FY15-16 was also a stellar year, as we crossed the ₹ 7 billion PAT milestone. We also generated positive free cash flows during the year. Our brand 'Spaces Home & Beyond' was one of the key focus areas for the domestic market resulting in strong growth in the domestic retail segment i.e., 47% during the year. The share of branded sales has reached 13% in the overall sales of the company, up from 11% during the previous year. Apart from this, the Company has also increased its focus on new channels such as e-commerce and hospitality resulting in new channels contributing 5% of overall sales. We are also developing various products specifically to cater to the hospitality segment customers. The hospitality business of the Company has doubled during the year.

Customer-Centricity

During the year, we have significantly enhanced our customer focus by strengthening our product portfolio. With an emphasis on technology and through the use of Data Analytics and VMI Support, our focus is to enhance product differentiation and develop unique designs that provide us significant competitive advantage. Also, in order to cater to the growing demand, we have increased our capacities during the year. We increased our towel and sheet capacity by 20% each during the year. We are further increasing these capacities in FY17 – towels from 60,000 MTPA to 72,000 MTPA, sheets from 60 million metres p.a. to 90 million metres p.a. and rugs and carpets from 8 million sq. metres p.a. to 10 million sq. metres p.a.

With its global reach, delivering to more than 50 countries and 18 of the top 30 global retailers, Welspun India is the preferred choice for its clients in the Home Textiles space globally. Today, the Company has 20% market share in the US in towels and 11% in bed linen.

Innovation

In line with our vision of Welspun 2.O, we are working diligently on differentiating ourselves from our peers to establish top-of-mind recall for our customers and clients. Our major thrust has been on innovation and development of new products. Apart from our own innovation lab, we have partnered with various institutions to develop new products and solutions. Currently Welspun India has twenty- six patents (including pending ones). In fact, 34% of the FY2016 sales were contributed by innovative products developed/ owned by the company.

Branding

In the past year, we have consistently worked on branding and marketing our innovative products. We undertook a highly successful nation-wide media campaign in the US for our patent Hygrocotton® which is also now an ingredient brand. This resulted in Hygrocotton® crossing the US$100 million milestone in sales and accounting for more than 10% of the company's overall revenues.

BUILDING A RESPONSIBLE BUSINESS

Sustainability

Water being a principle element in Welspun India's operations, we have taken a significant step this year towards water recycling. In order to fulfill the Clean Environment campaign by the Government of India and our sustainable water requirements, we have 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 waste water generated in these cities.

Through these efforts we intend to decrease our dependency on fresh water consumption which would increase the availability of fresh water for the communities around us.

Inclusive Growth

We have worked 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.

VISION 2020

As stated in my last year's message, the outlook for the Indian home textile industry continues to be positive. The Indian industry is expected to further expand its market share in the US, Europe and Japan as well as the domestic market. In my view, Welspun India is poised to capitalise on this opportunity with additional capacities in Towels, Bed Linen and Rugs and Carpets. Keeping these factors in mind, we have coined our Vision 2020 for Welspun India.

Through our Vision 2020, we intend to achieve:

- Revenue: USD 2 bn
- Net debt: Nil
- Innovative share: 40%
- Branded share: 25%
- Domestic share: 20%

Lastly, I 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

BCI-CERTIFIED VENDORS

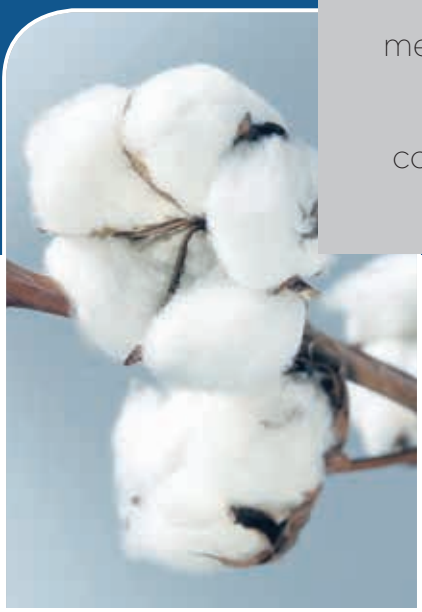
We are aware of the environmental impact of large quantities of water and pesticides sprayed for cotton cultivation. The negative effect of climate change on the production of the crop is also a matter of concern for us. Keeping this in mind, we procure a certain amount of cotton from Better Cotton Initiative-certified vendors. This ensures that the cotton used by us is responsibly sourced, environmental impact is reduced, and leads to improved livelihoods and economic development in the cotton producing areas of India.

WELSPUN INDIA
HOME TEXTILES

SOURCING SUSTAINABLY

As a purpose-driven manufacturer of home textiles, we are committed to being inclusive and providing textile products and solutions using environment friendly practices.

It is our primary objective to implement sourcing methods that also positively make a difference to farmers' lives who grow cotton, the key raw material of our value chain.



ORGANIC PRACTICES

To minimise environmental impact we have aligned the manufacturing of certain products as per the guidelines set by Global Organic Textile Standard (GOTS). The guidelines ensure that textile products are manufactured organically, right from the harvesting of cotton to manufacturing that is carried out in a socially and environmentally responsible manner.

In addition, our facilities at Anjar and Vapi are certified by OKEO-TEX® Standard 100, a test and certification system for product safety and sustainable production. We follow the 'REACH' (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations that restrict the use of harmful substances during our manufacturing processes and reuse cotton waste to lower the consumption of our key raw material.

WELSPUN INDIA
HOME TEXTILES

ENVIRONMENT MANAGEMENT

Environmental conservation is embedded in our business operations. Through efficient environment conservation practices we also contribute towards the development of our neighbouring communities.

At Welspun India, we are committed towards leadership across our business operations and attaining leadership in environment management is a strategic imperative.

We have a system that helps the organisation to adhere to environment protection measures.

KEY PRACTICES IN PLACE

- Sustainability is inherent to our product innovation and design. At Welspun India, we have introduced 'eco smart rugs' and 'recycled polyester' products as well as other items produced with minimal usage of water and energy as part of our 'Bath, Bed and Rugs' product lines.
- We also encourage environmental awareness among our employees. In the absence of proper methods of e-waste disposal at homes, we encourage our employees to dispose their e-waste at our corporate office. The e-waste is then disposed through a responsible vendor.
- We sensitise employees and generate awareness on environmental conservation, primarily on the ways to save water, reduce energy consumption, plant trees and reduce waste.
- We reduced energy consumption at our plants by efficiently utilizing the Condensate Heat Recovery method. Over and above this, Energy efficiency projects were carried out based on the results of Energy Audits.
- We compressed our secondary packaging to ensure less space taken and more products transported, thus, reducing emissions substantially.

WATER MANAGEMENT

Water is a principal element for Welspun India's operations. Importantly, recycling water is critical since it is a scarce resource.

- Waste water is recycled and reused at Anjar and Vapi manufacturing units of Welspun.
- Presently, no Municipal Sewage Treatment Plant is available in the city of Anjar, Gandhidham and Adipur.
- We have entered into a concession agreement with the Anjar, Gandhidham - Adipur Nagar Palika, to set up a sewage treatment plant with necessary allied works. This would enable recycling and reusing of sewage water which will be used for

our operations thus decreasing the intake of fresh water for our manufacturing processes.

We intend to decrease our dependency on fresh water consumption which would increase the availability of fresh water for the communities around us.

Biogas Plant at Anjar

WASTE MANAGEMENT

- We reuse waste as an alternate source of material that can be used in a different operation of our business.
- For instance, we reuse coal ash - waste generated from our operations - to make bricks used for constructing workers' homes and boundary walls.
- At Anjar, we have a bio gas plant that converts bio-degradable waste to energy. The kitchen waste as well as horticulture waste is sent to the bio-gas plant that generates energy for cooking meals in our canteen at Anjar.
- We send our waste PET bottles for recycling through an NGO at our corporate office thus mitigating the harmful impacts to the environment. We also send the waste paper at our corporate office to the same NGO for recycling and the same gets converted to note pads.

SPUN™ WASTE NOT™

Driven by the local women artisans of Kutch, the 'Spun™ Waste Not™' is a model wherein factory scraps are re-used in innovative ways to create a catalogue of sustainable contemporary products, such as decorative pillows, rugs, table linen sets, duvet covers, quilts and other accessories with an indigenous appeal.

EXPLORE RICHES OF KUTCH WITH SPUNDANA TRAIL

The change that the SPUN Project is bringing about needs to be experienced. This thought led to the genesis of the SPUNDANA Trail. Signifying positive vibrations and motivations, SPUNDANA is a journey aimed at experiencing the lost arts of Kutch, women empowerment and the SPUN project.

The trail begins with an overnight stay at Welspun City, Anjar, followed by a visit to the SPUN vocational centres at Ratnal and Khambra. Visitors get a first-hand experience of the efforts of talented women at work. A visit to the Fossil Park follows that has the largest premium collection dating back to the Indus Valley Civilisation. A stop at Nirona, an artisans' village is next. Artisans here specialise in Rogan Art, Bell Making and Leather work.

WELSPUN INDIA
HOME TEXTILES

SPUN: THREADS WITH A SOUL

By reviving traditional arts and indigenous techniques such as block printing, kantha embroidery, mirror work and applique techniques,

the SPUN project seeks to empower rural women artisans and craftsman and connects them with the global markets.

This is followed by a view of the sunset across pristine miles of the White Rann. A traditional Kutchi haveli at Devpur is the venue of dinner that includes regional cuisine and a home stay. This trail will soon be opened for travellers.

The Traditional Kutchi Haveli at Devpur

SPUNDANA

Seeks to garner support for the daughters of the desert through memories of Kutch and souvenirs from SPUN.

Designed by one of India's Top 10 travel bloggers, Lakshmi Sharath, and Kutch expert, Krutarthsinh Jadeja.

OUR STRATEGY – HOW WE WEAVE VALUE

Our business model seeks to weave and sustain long-term value for the stakeholder ecosystem that we operate in.

We have adopted a clear strategy, in line with our Vision 2020, that seeks to potentially transform our business. The process has begun and our focus is aligned to an efficient value chain, improved market share, greater integration of the supply chain, enhancing capabilities, launching newer and better products. Importantly, we aim to derive competitive advantage and increased economic value from our operating model.

CUSTOMER CENTRICITY IS KEY TO SUSTAINABLE VALUE CREATION

Customer centricity plays a critical role in designing and creating best-in-class home textile products. We consistently design and offer new solutions to delight our customers. During the year, we further enhanced customer focus strengthening our product portfolio. In addition, we have sustained our leading position in Terry Towels and Cotton Sheets segments in the US.

Our efforts have resulted in higher market share in the US market compared to the previous year.

Our state of the art design studios drive our product development and design efforts. From ideation of design, to customer interactions, our teams collaborate to enhance product differentiation and develop unique designs that provide us significant competitive advantage. Our teams marry consumer needs from 50 countries with insight and a well-planned brand and delivery focus. The Product Development team and Welspun Innovation Lab contribute to new design themes. While our Technology and Product delivery resources use B2C/B2B Connect, Data Analytics and VMI Support to offer better solutions to customers. Such capabilities have contributed substantially to our industry leading products, market growth and adaptability to changing segment demands.

UNIQUE REVENUE MIX AND HIGHER MARKET SHARE

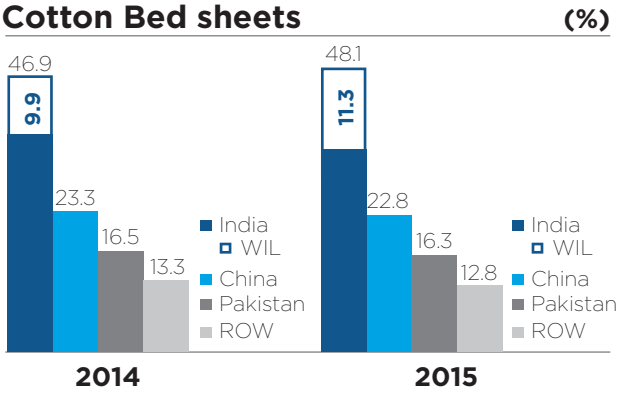
Our unique innovation-led, market oriented and purpose driven approach has significantly grown our business in 2015-16 by 13%. Innovative products contribute 34% to the overall revenue. We improved our market share in the US Towels segment to 20.1%; 11.3% in the US Bed Linen segment. Our domestic retail operations grew 47% on account of a focused marketing and branding strategy and stronger relationships with key customers.

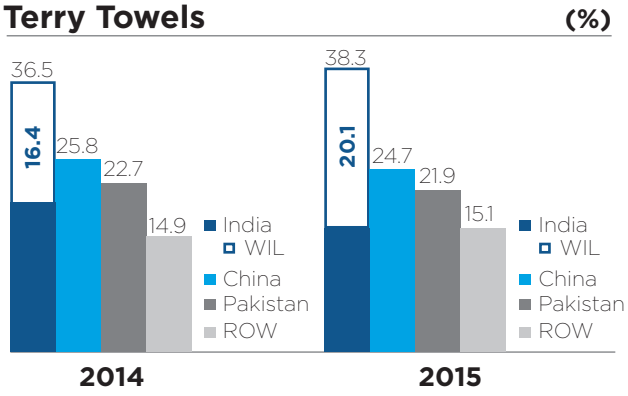
Branded products contribute to 13% of the total revenue.

Our new channels, including the e-commerce venture, has considerable growth potential and currently contributes 5% to the top line.

Customer centricity plays a critical role in designing and creating best-in-class home textile products. We consistently design and offer new solutions to delight our customers.

EMINENT POSITION IN THE US MARKET





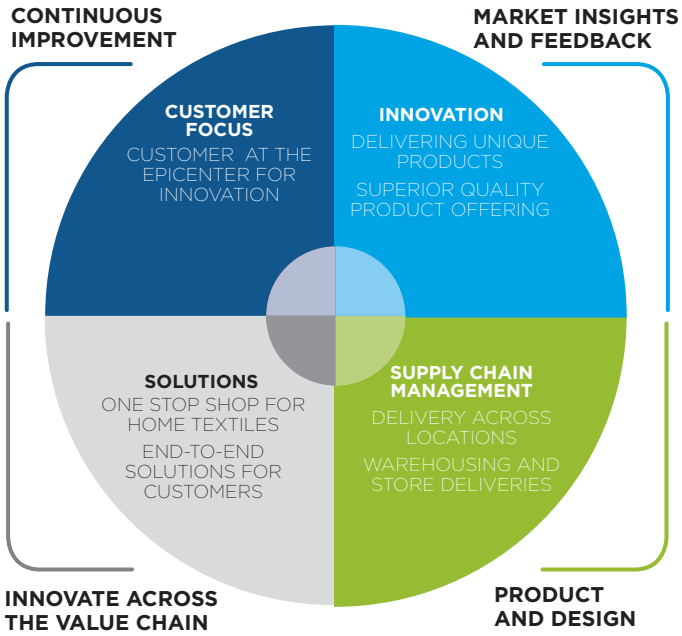
Source : OTEXA, Company Financials

UPGRADING CAPABILITIES, INVESTING FOR TOMORROW

Technology and Automation are among our key business differentiators, which allow us to be nimble, resilient and innovative. A significant part of our capex in the last three years was to modernize our manufacturing systems. The objective of this initiative was backward integration and increase operational efficiency. Preparing for the future is a key imperative for us and we will invest another USD 120 million for plant modernization and finished product capacity expansion in FY 17.

Higher utilization of world-class capacities allows us to scale our business with lower marginal costs. The project will further enable vertical integration. This enables us to be nimble with faster speed-to-market.

INNOVATIVE PHILOSOPHY



WELSPUN 2.0
TOMORROW TAKES WINGS TODAY

During the year, we embarked on a historic, transformative journey that has the potential to shape Welspun India of the future.

Our journey is inspired from our fundamental abilities: an ambition to grow big and our risk-taking capability. This spirit essentially defined our growth till 2015. However, as we prepare to address the markets, customers and growth strategies for the future, we embarked on a new journey, a journey we call Welspun 2.0. We are gradually equipping ourselves for the future with renewed goals and revolutionary initiatives.

OUR VISION

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

By 2020, we aim to be amongst:

The top 2 value creators in each of our business

The top 10 most respected Indian brands

OUR PHILOSOPHY

Leading
Integrity, Dare to Risk, Speed

Tomorrow
Innovation, Technology, Customer Centricity

Together
Inclusive Growth, Collaboration, Adaptability

WAY OF LIFE

A clear and ambitious vision is the bedrock of strong and uncompromising values. These values then shape a whole new way of life. At Welspun, we have identified some key attributes that we must all consciously build into our daily routine. These will help us change our approach to work and us achieve our mission together.

OUR CORE VALUES

Customer Centricity

We understand our customers and always act in their best interest. We make them central to everything we do and share their stories across the organisation. We live by a customer-first philosophy and prioritise them over everyone else.

Technology

We embrace technology to elevate performance. We are working with colleagues and are simplifying processes to make technology work for us. We are adapting to change willingly to make things better in the future.

Collaboration

We are working together towards common goals that put Welspun first. We are developing a strong sense of connect and trust with people we work with across teams and are willingly sharing credit and success with those who helped us along the way. We are breaking down silos between departments and work as One Welspun.

Inclusive Growth

We are committed to giving back to the society. We consciously aim to build and enhance Corporate Social Value by contributing our bit towards the community and the environment. We are making Welspun an employer of choice for women through progressive policies. We are also consciously working towards increasing the women work-force by 20% across the Group, by the year 2020.

WELSPUN2.0

Accepting Future

We are committed to being relevant... through technology and innovation, by responding to customer needs and by encouraging our people to dare to risk. We are finding new ways to work, shape a new culture and create a sustainable enterprise. We are fulfilling our social responsibilities and will continue to foster women empowerment at all times.

"We have always been ahead of our competition because of our high level of commitment and team work. Whatever, Welspun is today is because of each and every Welspunite's hard work and dedication. As I see the rich potential in the team that we have all built and as we focus on our 2020 vision, I am extremely proud and confident. I know that my dream of Welspun becoming an institution will become a reality."

- BK Goenka
Chairman,
Welspun Group

THE PEOPLE EDGE

The people charter at Welspun India is driven with considerable focus on building skills relevant for the new age, acquire competitive advantage and provide sustainable business edge.

We have focused on inculcating a transformational culture with an emphasis on technology and processes. Some of the key initiatives during the last financial year included.

We strive to strengthen our Leadership pipeline. We have built our design for this, right from diagnostics to development to future-readiness.

IMPLEMENTATION OF SUCCESS FACTORS AT THE GROUP LEVEL

We commenced this initiative in 2015-16 and intend to complete its implementation across the organisation. The objective is to have a consistent people process system that streamlines decision making. In addition, we have continued with our work on building a unified Welspun culture and experience. The focus on four values of Customer Centricity, Collaboration, Technology and Inclusive Growth has been enhanced.

LEADERSHIP BUILDING REMAINS A THRUST AREA

We strive to strengthen our Leadership pipeline. We have built our design for this, right from diagnostics to development to future-readiness. Execution has begun and we have committed to build in-house talent pipeline and prepare them for future roles.

HR TRANSFORMATION

High performance is the top priority for us. To instil this culture, we have embarked on a journey that focuses on adoption of best in-class practices, processes and policies. We have also built a standardised induction and on-boarding module that ensures a unique 'end to end' candidate experience.

SKILL DEVELOPMENT

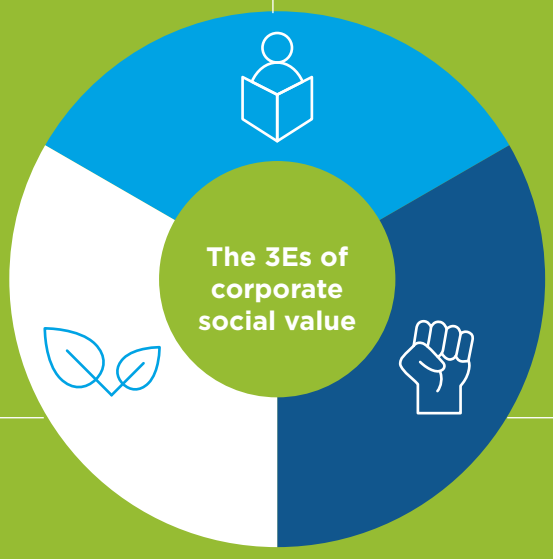
Training and Development is the foundation of growth for an individual, the organisation and the nation. We leveraged our corporate resources and expertise to provide tailor-made programmes that accelerated the growth of our own people.

WELSPUN INDIA
HOME TEXTILES

MAKING CHANGE HAPPEN TOGETHER

VIRTUOUS CYCLE OF SOCIAL DEVELOPMENT AT WELSPUN

Education
- Child and adult education
- Interventions



Environment & Health
- Sustainability Focus
- Health Camps
- Mobile Medical Vans
- Natural/recycled products
- 300K trees planted
- Rain water harvesting

Empowerment
- Vocational training
- Employability

CORPORATE SOCIAL VALUE CREATION BY FOCUSING ON 3Es

EMPOWERMENT

We believe in empowering the community to improve their lives, through enhancing their skills and positively impacting their livelihoods.

We strive to make people active partners. We champion social entrepreneurship through our programmes that empower women and our own people. Going ahead, we will continue to innovate, strengthen our ongoing CSR activities and expand the scope and coverage of our programmes. Our initiatives for the local women offer innovative and sustainable solutions to address the myriad social challenges associated with a growing India. Our efforts are woven in our heritage as a home textiles manufacturer, and therefore, we add value by leveraging our expertise serving the women through offering them opportunities at our various vocational centres.

WOMEN EMPOWERMENT AT CSR	WELSPUN INDIA HOME TEXTILES
8	Vocational Centers to Train Women in Cutting & Stitching
219	Women were employed of WIL after completion of training of the vocational Centers
141	Women Engaged across our vocational Centers
748	Women Trained in stitching at the Vocational Centers
3,486	Average Earning per women per month across all Vocational Centers
5,41,681	Total Bed Sheets Produced till date
12,90,128	Total number of products devloped across all vocational Centers
1,32,97,599	Total Earning of women beneficiaries of the vocational centers

Global Women's Economic Empowerment Initiative

Welspun works with Walmart's SWASTI foundation for Women Empowerment and Training. Through this partnership, we have successfully trained 2,335 women in foundation-level course and another 519 women in advanced level course.

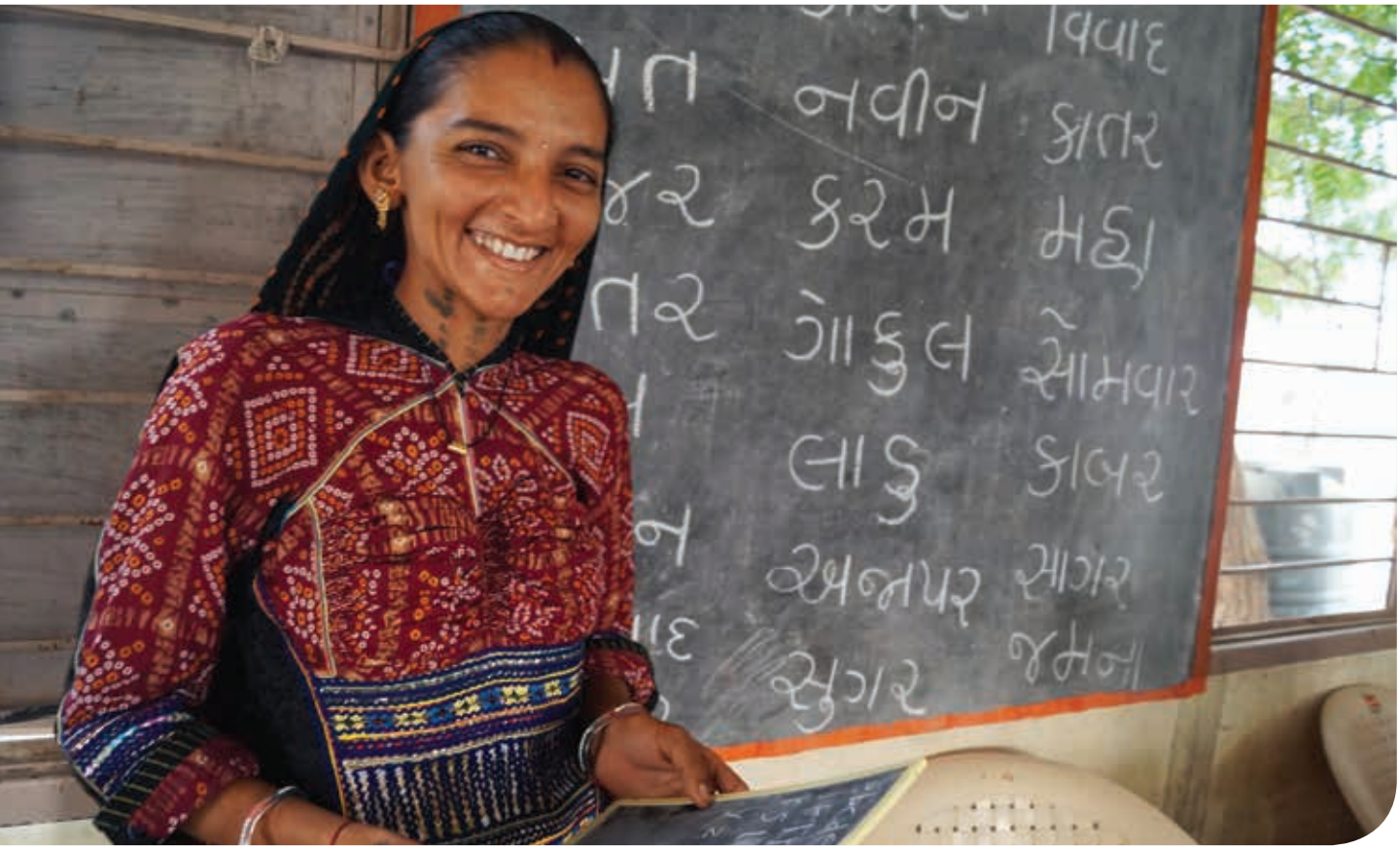
CORPORATE SOCIAL VALUE CREATION BY FOCUSING ON 3Es

EDUCATION

We have demonstrated an ability to be guided by our belief that we can create an impact beyond yarns and textiles. Education can change lives for the better. Over the course of the next five years, by 2020, we plan to extend the reach of our education projects to all government schools in Anjar.

Our key initiatives on promoting education include:

- Welspun Vidya Mandir at Anjar focuses on providing quality education to 1500 students, up to standard XII and following the CBSE curriculum. Extracurricular activities such as community engagement, welfare programmes, art and crafts are integrated into a holistic learning approach.
- Quality Education Project at 41 government schools in Anjar reaches out to over 10,000 students.
- Deployment of 60 Para teachers at Anjar.
- 'Smart Classes' installed in all 28 schools in Anjar to deliver the curriculum in an engaging and interactive audio-visual



format. Libraries, furniture and televisions to aid teaching through audio-video mediums were installed in primary schools at Kudregundi & Holalu villages in Mandya.

- 3 Adult Literacy Classes for 175 women at 3 villages in Anjar, Ratnal, Sinugra and Satapar.
- Vocational training at a Secondary School in Ratnal, Anjar where 55 students from the 9th grade are being trained.

41
Government schools at Anjar

60
Para teachers at Anjar.

CORPORATE SOCIAL VALUE
CREATION BY FOCUSING ON 3Es

ENVIRONMENT AND HEALTH

Some of our initiatives in the Environment and Health segment include setting up of RO plants around our facilities, conducting health camps, providing mobile health vans, constructing sanitation facilities, planting of trees and bio-diversity drives.

Our efforts comprised

- Partnered Anjar, Gandhidham - Adipur Nagar Palika to build a sewage treatment plant (STP) at Anjar. The project will recycle and treat waste water generated in the two cities. The total water requirement at the Anjar plant will be met by processed water from the STP. We intend to decrease our dependency on fresh water consumption which would increase the availability of fresh water for the communities around us.
- Created awareness among communities to plant trees and distributed saplings.
- Green Village program: 8000 saplings planted in 14 villages of Anjar Taluka.
- 200 saplings planted at 2 govt. schools in Mandya.
- Beach Cleanup drive at Juhu beach by employees after Ganesh Chaturti.

LENDING A HELPING HAND

WFHK commits to promote and protect community health through a range of initiatives from delivering preventive healthcare services, improving community hygiene and sanitation, providing clean drinking water, awareness and blood donation drives, and improving the quality of healthcare infrastructure.

Our key initiatives include:

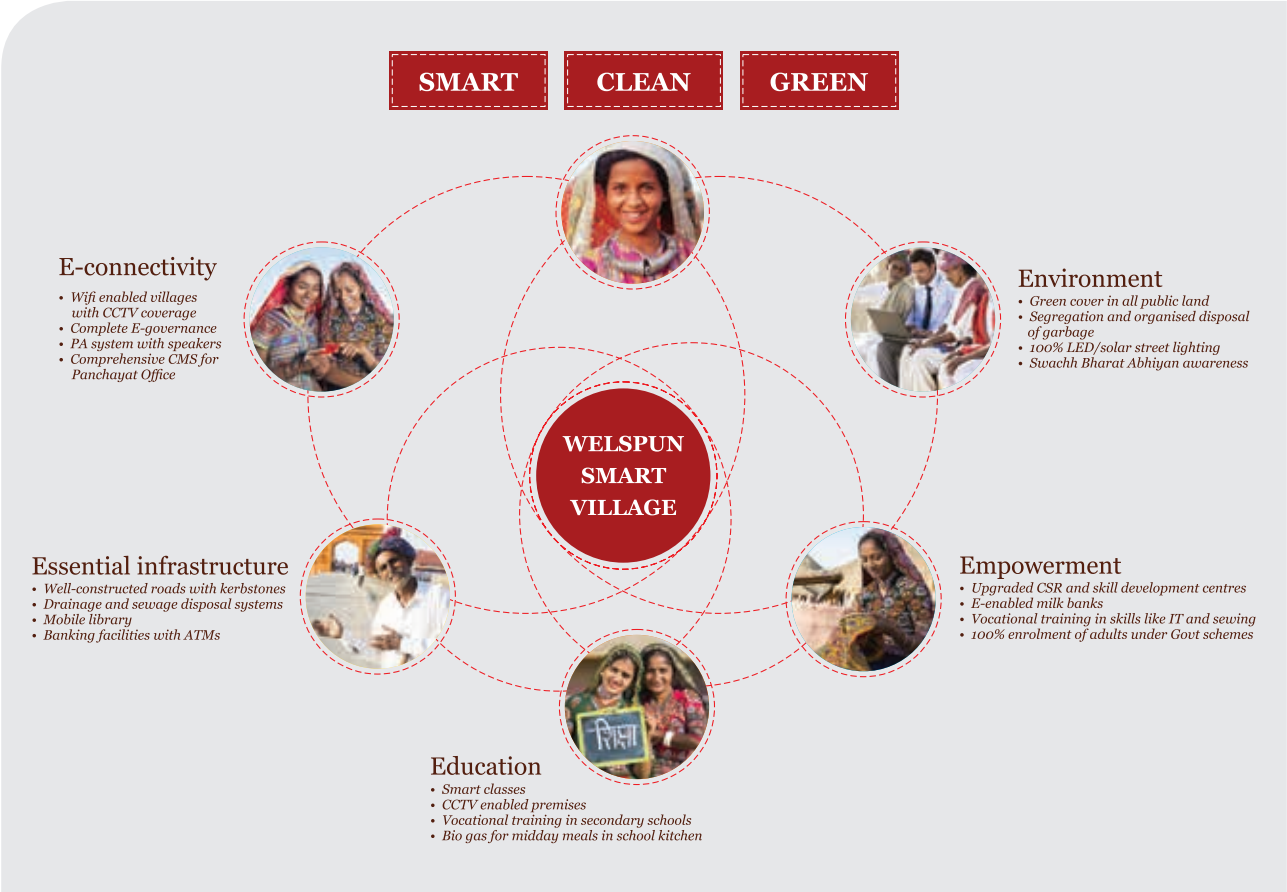
- Mobile Health Vans (MHV) have been deployed in partnership with another NGO. The MHV is a moving dispensary manned by a qualified doctor, pharmacist and a social worker. It is fully equipped with medicines and diagnostic tools and can travel to rural villages to provide basic healthcare facilities. MHVs reach out to 17 villages with a target of over 20,000 individuals.
- Health Camps were conducted to address specific healthcare concerns. We provide healthcare support facilitated by specialists and trained doctors through periodic medical check-ups, diagnosis camps, blood donation drives, and awareness sessions on maternal healthcare, child care, malnourishment, HIV/Aids, hygiene and sanitation.
- To promote hygiene and sanitation, 1500 toilets have been constructed at 18 villages in Anjar, Gandhidham and Rapar Taluka.
- Blindness Control Program for elderly people where 468 individuals were screened and 85 referred for eye surgery.
- Facilitated a Pulse Polio Drive in association with District Government Health Department across Mandya District.
- Community based RO plants installed in 4 villages- Versamedi, Satapar, Lakhapar and Ambapar and 1 250 LPH installed in Versamedi Primary School, providing pure drinking water to over 20000+ villagers and around 700 school children.

Pushing ahead with a meaningful growth agenda

We are proud of our CSR achievements. Nevertheless, there is a lot of ground to cover and our priorities for 2016 have opened up a world of possibilities. Our targets for 2016 include substantial growth across Social Development goals and we remain confident of positively affecting several more lives.

We will expand hostels for girl students, vocational centres for SPUN, add Smart Villages, extend Skill Development capabilities and strengthen the Global Women Empowerment initiative.

CORPORATE SOCIAL VALUE CREATION BY FOCUSING ON 3Es



OUR SMART VILLAGE MODEL

In line with the Government's vision for smart villages in India, we have instituted our first smart village at Versamedi at Anjar (Gujarat). With a focus on 5Es our efforts to improve our villages include a focus on essential infra, e-connectivity, empowerment, environment and education. We plan to replicate this model to more villages in the coming years.

Transformation of Versamedi Village

A Case Study

Versamedi village in Kutch district, Gujarat has about 1500 households and a total population of about 6000 people.

Versamedi village in Kutch district, Gujarat has about 1500 households and a total population of about 6000 people. We entered this village with a vision to convert it into a smart village in collaboration with the Versamedi Gram Panchayat and identified various gaps in the process. Our attempt at bringing about a change at the grassroots' level enabled us to look over those grey areas and move ahead in a strong and sturdy manner.

Our planning phase involved a lot of interaction with the locals as well as a comparative research analysis to ensure best results. We started off with a detailed interaction with the Sarpanch and other prominent people of Versamedi to understand the aspirations of the villagers. It helped us create a detailed check list of existing facilities along with keeping the aspirations and features that can be incorporated, in mind. The models of other smart villages like Punsari were studied in detail and a visit was arranged for the Sarpanch and a few selected villagers to sensitize them about this new concept. After a huge round of research, a detailed plan including budget and source of funding was formulated which brought us a step closer to our vision.

Some of the activities that were initiated under our 5E model are as follows:

EDUCATION

School Renovation, SMART Class, AANGANWADI- Pre Primary center for village children.

EMPOWERMENT

Vocational Center, Kaushalya Vardhan Kendra (K.V.K.), ITI Center, Mobile Library.

ENVIRONMENT & HEALTH

Health Programs, Green & Clean Village (Plantation of approx. 5000 Trees & Shrubs), Development of lawn, Public Health Center, 2 community based RO plants (500 LPH) have been installed in 2 different locations of village - 1 RO plant of 250LPH is installed at Primary School, Biogas Plant (Installation of 1*60 m3/day capacity IB Plant at Varsamedi – Construction Ongoing)

ESSENTIAL INFRA

LED Lighting, Construction of New Roads, Development of Sports Complex - Yoga, Gym, Basketball & Volleyball, New Shopping Complex, New Bus Stands, Posters and Banners (22 sign boards & 50 awareness boards installed.)

E-CONNECTIVITY

WIFI (Total 8 WiFi Zones created to facilitate internet access facility), PA System (Entire Village is covered with 52 speakers for centralized public announcement from CMS Room), CCTV (32 cameras installed to monitor all the critical locations of the village from CMS Room & Smart Terminal), website (Website www.varsamedi.com was launched to keep people updated about the village information - population, geographical area, governing body, history, current facilities etc.)

WELSPUN INDIA
HOME TEXTILES

SWACHH WELSPUN ABHIYAN

We at Welspun believe that great values are often associated with clean organizations. Under this belief, our Chairman Balkrishan Goenka launched "Swachh Welspun Abhiyan" (SWA) at Welspun Group. The Chairman formulated nine groups to own the cleanliness drive and directed each of them to form a network for driving the initiative. SWA was initiated at WIL, Anjar during December 2014 by Anil Channa, Executive Director, WIL.

5S – THE FOUNDATION

Cleanliness is simply an outcome of doing an activity efficiently. We needed an input tool to create Organizational discipline. The 5S system is one of the most common Lean Manufacturing principles, and generally the first one applied during implementation. 5S is a philosophy that focuses on effective total workplace organization cleanliness and standardization.

It is a Japanese technique and stands for five Japanese words starting with the letter "S" viz. Seiri, Seiton, Seiso, Seiketsu and Shitsuke.

THIS WAS ACHIEVED THROUGH

- Organogram and Review Mechanism: Organogram was formed with 9 Zone Leaders Team covering all the areas from end to end. The Review Mechanism was derived with a clear TNA and responsibility charter.
- A Signature Campaign: A signature campaign with "Litter – free workplace" was conceived. The idea was to take an oath and sign in the banners and display across the organization involving every individual of the Organization from top to bottom.

- Learning & Development: Effective communication and Training is imperative during any new initiative. Public Addressing Systems such as Skit displays, Group meetings with Operators, Announcements, Electronic Communication and displaying Videos at Canteen and Workplace were utilized to create awareness among massive workforce. Visual Training to the Operators was given by the Zone and Sub Zone Leaders.
- Implementation concept: We worked on an implementation concept by creating Model workstations; further calling the Zone Leaders to discuss about the pros and cons of the implementation. Based on the outcome of the Review, the suggestions were considered before the proliferation through Horizontal deployment.
- Daily 5minutes cleaning: In order to ensure the involvement and participation of the Team, we set up with a daily 5 Minutes cleaning activity with a Cleaning Music to encourage the rhythm of the Operators in the Cut and Sew Floors. It reminded every individual that it is time to clean up workplace and hand it over to the next Shift Operator.
- Waste Management and Greenery Development: The basic 3R Principle – Remove, Repair and Recycling concepts were implemented with the Six Sigma approach namely DMAIC (Define – Measure – Analyse – Improve – Control) to maximize the utilization of Bio gas, Conservation of Drinking Water, CRP Heat Water recovery, Consumption of Sewing Threads and Shredder were key among the giant steps taken towards the Waste Management.

Besides keeping the internal workplace clean, the focus is also on preserving and maintaining the greenery outside the facility. During 2015, we had planted more than 10,000 units of Plantations across WIL in which the survival rate is more than 85 percent.

AWARDS AND RECOGNITION

2015

- Dipali Goenka appointed on the Board of Directors of Social Accountability Accreditation Services (SAAS).
- 'Supplier of the Year' in Bed & Bath category – Walmart.
- Highest Overall Global Exports, Highest Exports in Bed Category and Highest Exports in Towels Category – Texprocil.
- 5 Star Vendor of the Year - Macy's.
- Golden Peacock Eco Innovation Award 2015.
- Exemplary Supply Chain and Speed Award - Kohl's.
- Best Innovation Award 2015 – Wilkinson.
- Only Indian vendor invited as a 'Gold Supplier' by Carrefour in the General Merchandise Category.
- Total Transparency certificate - Gold Supplier from Egyptian Cotton Association.
- Global Inclusion and Diversity Award for 2015 – JC Penney.

2016

- Dipali Goenka was ranked No. 16 on the Forbes Asia's 50 Power Businesswomen 2016 list.
- First Textiles Company in India to get the Egyptian Cotton Trade Mark Certification Gold Seal.
- Responsible Sourcing Award 2016 – Target.
- Overall Winner for the Corporate Responsibility Award – Tesco.
- Dun & Bradstreet Corporate Awards 2016.
- Frost & Sullivan's Sustainability 4.0 Challengers Certificate of Merit.

CORPORATE INFORMATION

BOARD OF DIRECTORS

BALKRISHAN GOENKA
Chairman
APURBA KUMAR DASGUPTA
Director
RAM GOPAL SHARMA
Director
ARUN TODARWAL
Director
ARVIND KUMAR SINGHAL
Director
MS. PADMA BETAI
Nominee Director – IDBI Bank
RAJESH MANDAWEWALA
Managing Director
MS. DIPALI GOENKA
Joint Managing Director & CEO

THE STAKEHOLDERS' RELATIONSHIP, SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

APURBA KUMAR DASGUPTA
BALKRISHAN GOENKA
RAJESH MANDAWEWALA

AUDIT COMMITTEE

RAM GOPAL SHARMA
APURBA KUMAR DASGUPTA
ARUN TODARWAL

COMPANY SECRETARY

SHASHIKANT THORAT

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

RAM GOPAL SHARMA
RAJESH MANDAWEWALA
MS. DIPALI GOENKA

NOMINATION AND REMUNERATION COMMITTEE

APURBA KUMAR DASGUPTA
RAM GOPAL SHARMA
ARUN TODARWAL

AUDITORS

PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP

CORPORATE OFFICE

Welspun House, 6th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, INDIA

Tel: 022-66136000/ 2490 8000
Fax: 022-24908020

Email: companysecretary_wil@welspun.com
Website: http://www.welspunindia.com

REGISTERED OFFICE AND WORKS

(Registered Office)
Welspun City, Tal. Anjar, Dist. Kutch,
Gujarat – 370 110, INDIA

Tel: (02836) 661111,
Fax: (02836) 279010

Survey No. 76, Village Morai,
Vapi, Dist. Valsad, Gujarat – 396 191, INDIA

Tel: (0260) 2437437
Fax: (0260) 2437088

MANAGEMENT TEAM

Rajesh Mandawewala, Managing Director
Ms. Dipali Goenka, Joint Managing Director & CEO
Altaf Jiwani, Chief Financial Officer
Anil Channa, *Exe. Director- Operations, Anjar
A. K. Joshi, *Director-Operations, Vapi
Suneel Mohnot, President (Commercial)
Mukesh Savlani, President - Innovation & Global Sales
Barry Leonard, President & CEO, Welspun USA. Inc
*Not a member of the Board

STOCK EXCHANGES WHERE THE COMPANY'S SECURITIES ARE LISTED

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

BANKERS

Andhra Bank
Allahabad Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
Exim Bank Ltd.
ICICI Bank
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
State Bank of Travancore
Tamilnad Mercantile Bank
Union Bank of India
Vijaya Bank
Yes Bank

MANAGEMENT DISCUSSION AND ANALYSIS

Rajesh Mandawewala
Managing Director

"Despite a subdued global market scenario, the Indian home textile industry and Welspun India in particular has shown considerable growth.

I am happy to report that FY15-16 was a momentous year for WIL. During the year, we achieved our highest ever sales and profitability. While we maintained our dominance in the home textile segment, we undertook several initiatives for long-term growth and market leadership. We continued to receive several awards and accolades for our high quality standards, consistent innovation and growing sustainability initiatives."

The Management Discussion and Analysis (MDA) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun India Ltd ('Welspun' or 'WIL' or the 'Company'), and the notes thereto for the year ended 31st March, 2016. This MDA covers Welspun's financial position and operational performance for the year ended 31st March, 2016. Currency for this MDA is Indian Rupees unless otherwise indicated. The numbers for the year ending 31st March, 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.

WELSPUN INDIA LTD - BUSINESS OVERVIEW

Welspun India Limited ('Welspun' or 'WIL' or the 'Company') is the global leader in home textiles; and was ranked as No.1 supplier to the US for 2015 by Home & Textiles Today magazine. This is the fourth year in a row that the Company has achieved this distinction. With its global reach, delivering to over 50 countries and 18 of the top 30 global retailers, WIL has emerged as the preferred choice for its clientele in the home textiles space globally. Today, the Company has a 20% market share in the US in towels; and 11% in bed linen.

With world-class manufacturing facilities in Gujarat, India, the Company offers a wide-range of home textile products in Bath, Bedding and Flooring solutions to a wide consumer cross-section globally. Welspun had highest global exports from India in the financial year ended 31st March 2016 in towels, bed linen and overall home textiles categories. It is India's first textile company to receive the Egyptian Cotton Trademark Certification. About 95% of its revenue is derived from exports to various countries across the world; with the Company having strong presence in key markets, such as USA, Canada, UK, and continental Europe.

The Company owns brands (such as Christy, Spaces and Welhome) which constitute around 13% of its sales. It has a strong and consistent emphasis on innovation. This is evident in the number of patents (26 global patents, including pending patents) and trademarks, which it holds/ awaits approval. Around 34% of WIL's total revenues come from innovative products developed by the company.

GLOBAL ECONOMIC OVEVIEW

In 2015, economic activity across geographies remained largely subdued. Global growth again betrayed expectations in 2015, declining from 3.4% in 2014 to 3.1%. Growth in emerging markets and developing economies—while still accounting for over 70% of global growth— faced significant headwinds. Growth in these markets declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Weak demand and soft commodity prices triggered fears of deflation in some key advanced economies, prompting renewed divergence in monetary policy stances.

With fragile domestic economic fundamentals, emerging economies remained vulnerable to market swings and capital outflows. Three key transitions continued to influence the global outlook during the year: (1) the gradual slowdown and rebalancing of economic activity in China, away from investment and manufacturing towards consumption and services; (2) lower prices for energy and other commodities; and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery; as several other major advanced economy central banks continued to ease monetary policy.

Oil prices have declined considerably in CY2015, reflecting expectations of sustained escalation in production by the Organization of the Petroleum Exporting Countries (OPEC) members, amid continued global oil production in excess of oil consumption. Monetary easing in the Euro area and Japan is proceeding broadly as previously envisaged, while in December 2015 the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound.

Overall, financial conditions within advanced economies remained very accommodative. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions. The result is declining capital flows, and further currency depreciations in many emerging market economies.

The collapse of international commodity prices, especially of crude oil, seems to have reallocated demand across the economies. Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and stagnant investments across economies. Additionally, the dramatic decline in imports in multiple emerging markets and developing countries in economic distress also weighed heavily on global trade.

Going forward, global growth is projected to edge up, but at a slower pace. It is expected to reach 3.2 percent in 2016 and 3.5 percent in 2017. Growth in advanced economies is projected to remain flat in

2016 at 1.9 percent, and marginally improve in 2017 to 2.0 percent. Overall activity remains resilient in the United States, supported by still-easy financial conditions and strengthening housing and labour markets, but with dollar strength weighing on manufacturing activity and lower oil prices curtailing investment in oil & gas sector. Risks to the global outlook remain tilted to the downside and relate to on-going adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States.

Source: RBI, IMF, WTO

Indian Economy

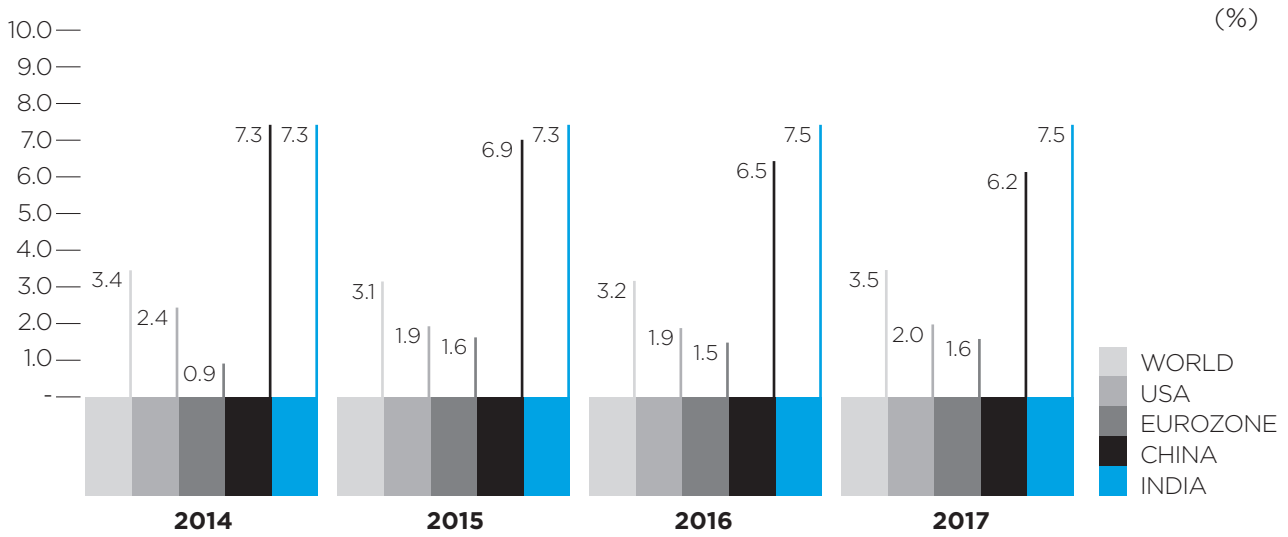
Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Inflation, fiscal deficit, and current account deficit have declined, rendering India a relative haven of macro stability in these turbulent times. Economic growth appears to be recovering, albeit at 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 a soft recovery; and is expected to grow 7.6-8.0% in 2016-17. 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

FIGURE 1: GDP GROWTH ACROSS REGION

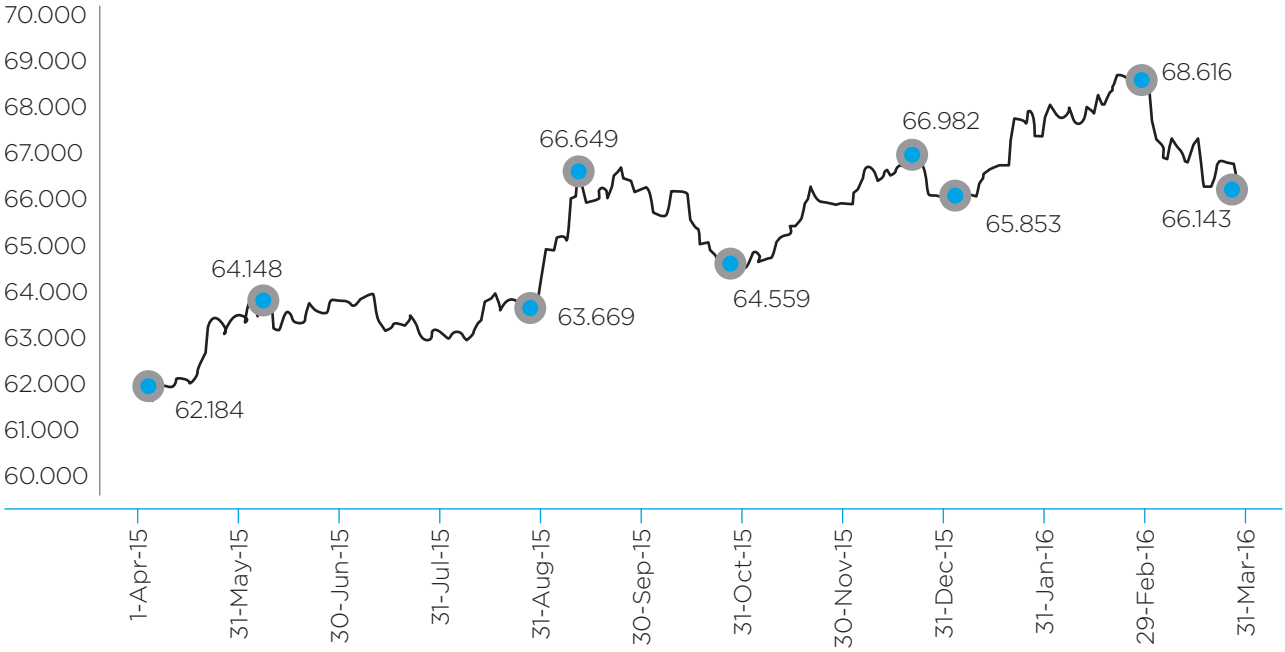


Source : IMF Report, April 2016

FOREIGN EXCHANGE

India's currency has faced considerable volatility for most part of the year vis-à-vis the US dollar. The rupee opened the financial year at 62.18 vis-a-vis the US Dollar in April 2015. It gradually depreciated to 64.15 levels in May 2015. It appreciated to around 63.9 in July 2015; again depreciated to 66.6 in Aug 2015. The appreciation between Oct and Nov was short-lived and the currency depreciated to 68.5 levels by February. However, in March, the rupee gained some ground closing the year at 66.14 levels.

FIGURE 2: US$ - INR EXCHANGE RATE



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

GLOBAL TEXTILE INDUSTRY AND TRADE

According to the WTO, the global Textile and Clothing trade has touched US$ 797 billion in CY2014. This indicates a CAGR of nearly 10% from the 2009 levels at the peak of the economic crisis. Of the total trade, clothing or apparel trade constituted US$ 483 billion in 2014, while the remaining was on account of textile trade (US$ 314 billion).

Leading countries (the U.S, EU and Japan) focus solely on highest-value stages of textile and apparel value chain, which are designing, marketing and distribution. Meanwhile, manufacturing activities are concentrated in China, India and other developing countries (Bangladesh, Vietnam, Pakistan, Indonesia, among others). The connection between manufacturers and the end-users created by traders from Hong Kong, South Korea and Taiwan is a unique trait of global textile and apparel sector.

$797bn

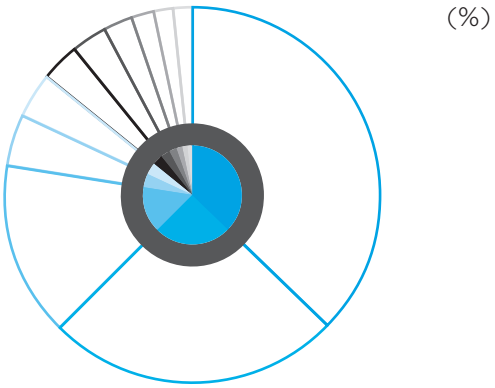
According to the WTO, the global Textile and Clothing trade has touched US$ 797 billion in CY2014

5%

The textile and clothing trade is expected to grow at around 5% annually over the next decade

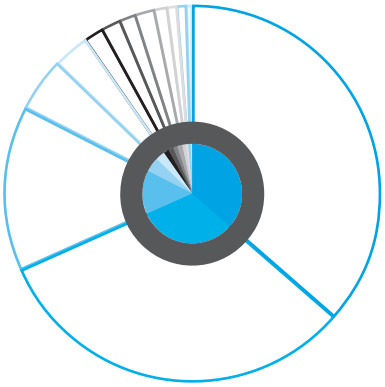
FIGURE 3: KEY TEXTILE AND APPAREL EXPORTERS AND IMPORTERS

TEXTILE & APPAREL EXPORTERS



- CHINA, 37.41%
- OTHERS, 15.09%
- TURKEY, 3.66%
- VIETNAM, 3.11%
- REPUBLIC OF KOREA, 1.78%
- INDONESIA, 1.55%
- EUROPEAN UNION, 25.17%
- INDIA, 4.53%
- BANGLADESH, 3.38%
- UNITED STATES OF AMERICA, 2.57%
- PAKISTAN, 1.76%

TEXTILE AND APPAREL IMPORTERS

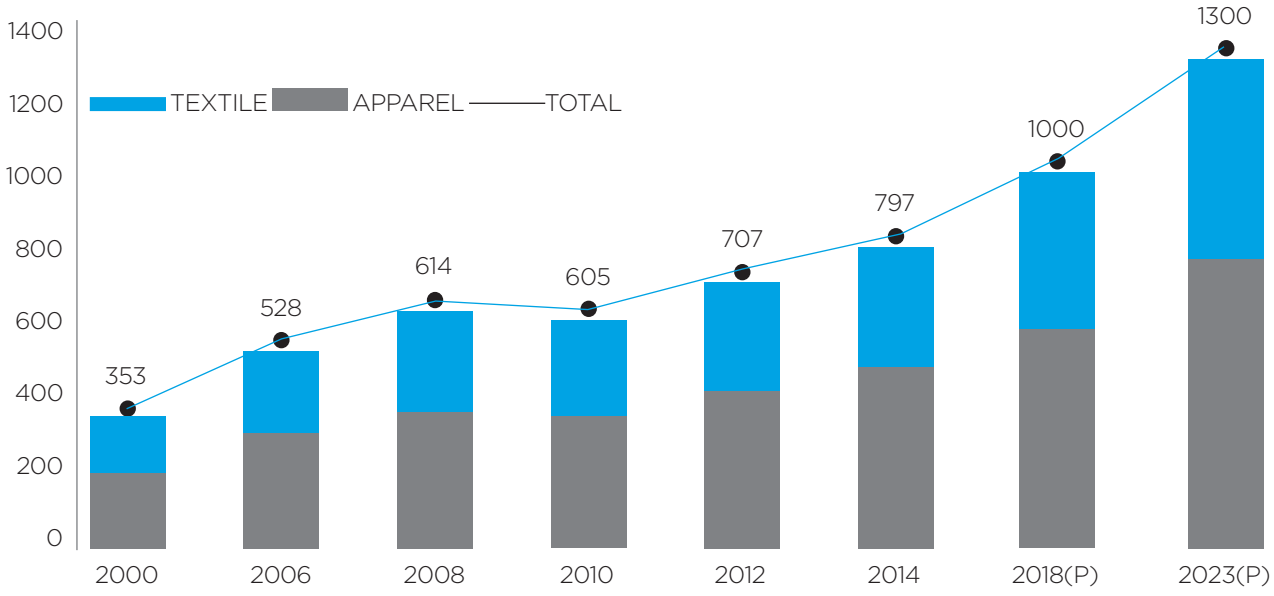


- OTHERS, 36.59%
- UNITED STATES OF AMERICA, 14.10%
- CHINA, 3.06%
- REPUBLIC OF KOREA, 1.61%
- Russia, 1.46%
- BANGLADESH, 0.87%
- EUROPEAN UNION, 31.84%
- JAPAN, 4.65%
- Canada, 1.70%
- VIETNAM, 1.49%
- TURKEY, 1.20%
- INDONESIA, 0.74%
- INDIA, 0.51%

Source: WTO 2015 statistics for CY2014.

The textile and clothing trade is expected to grow at around 5% annually over the next decade; and is expected to breach the US$ 1.3 trillion mark by the CY 2023 as shown in Figure 4. [Source: Technopak Estimates 2014 and WTO 2015 Statistics]

FIGURE 4: GLOBAL TEXTILE & APPAREL TRADE – US$ BILLION



Source: WTO 2015 Statistics & Technopak 2014

INDIAN TEXTILE INDUSTRY

India's textile industry (worth around US$ 108 billion) contributes 4% to India's GDP and constitutes 13% of the country's export earnings. It is the second largest employer after agriculture, employing over 45 million people directly and 60 million people indirectly. The industry contributes approximately 14% to the overall Index of Industrial Production (IIP).

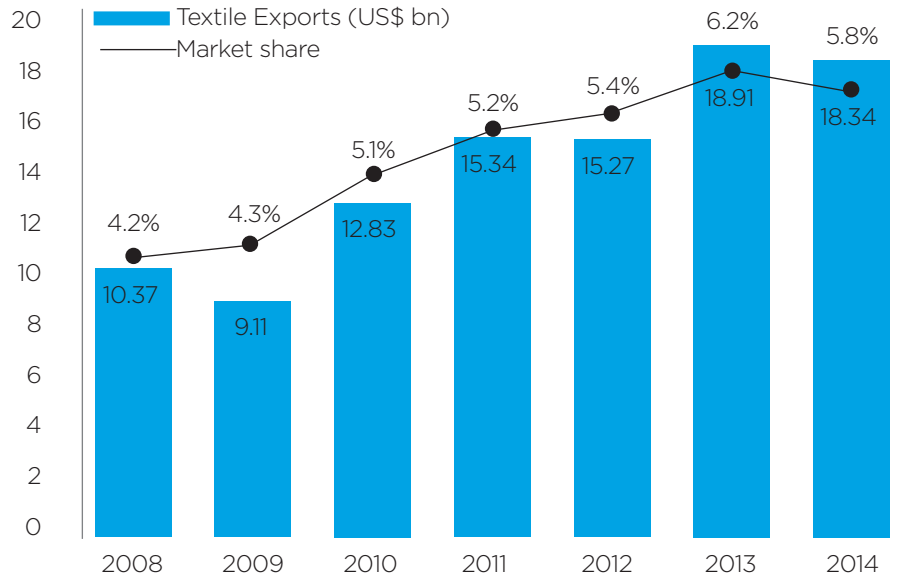
14%

The industry contributes approximately 14% to the overall Index of Industrial Production

The industry has emerged as a significant source for the global market during the last five years. The country has emerged as the third largest global exporter of textiles and apparels in 2014 after China and EU with around 4.5% market share as per WTO data for CY2014.

In apparel, India is the sixth largest exporter with around 4% market share in CY 2014 (behind China, EU, Turkey, Bangladesh and Vietnam). The country's position is stronger in textiles (non-clothing) trade, where it is the third largest exporter with a 5.8% share in CY2014. It was 4.2% in CY2008; and has been increasing over the last few years. It dipped in 2014 compared to 2013, mainly due to lower exports in cotton and cotton yarn, primarily to China (Figure 5).

FIGURE 5: INDIA'S SHARE IN WORLD TEXTILE (NON-CLOTHING) TRADE



Source : WTO , 2014 trade statistics for Textiles

Textile and apparel exports performed well in an otherwise dull exports scenario in FY15. A weaker rupee and firm overseas demand helped the sector add US$ 41 billion to overall exports of US$ 310 billion, second only to engineering goods. Besides, the domestic market is also growing considerably, and is estimated to be close to US$ 67 billion.

The country's textile and apparel industry, especially cotton-based textiles and apparel, enjoys a sweet spot. It is driven by multiple structural changes in the global textile scenario. On the contrary, key competing economies (China and Pakistan) are facing headwinds.

Some of India's key advantages comprise:

Cotton availability:
India, world's largest cotton producer, is also a net exporter of cotton and cotton yarn. On the other hand, China is a net importer of cotton and cotton yarn. Pakistan is a net cotton importer.

FIGURE 6: WORLD COTTON BALANCE SHEET – 2015-16 ESTIMATE (IN MN METRIC TONNES)

Country	Opening Stock	Output	Import	Consumption	Exports	Ending Stock
World	24.4	21.7	1.1	23.9	1.1	22.3
US	0.8	2.8	0.0	0.8	2.1	0.8
India	2.9	5.8	0.2	5.3	1.3	2.4
China	14.8	5.2	1.1	7.1	0.0	13.9
Pakistan	0.6	1.5	0.6	2.2	0.1	0.5

Source: USDA Statistics, April 2016

Competitive costs: In the last five years, India has enhanced cost competitiveness in key inputs (labour and power). Higher wage inflation and currency appreciation has made China more expensive in the last few years.

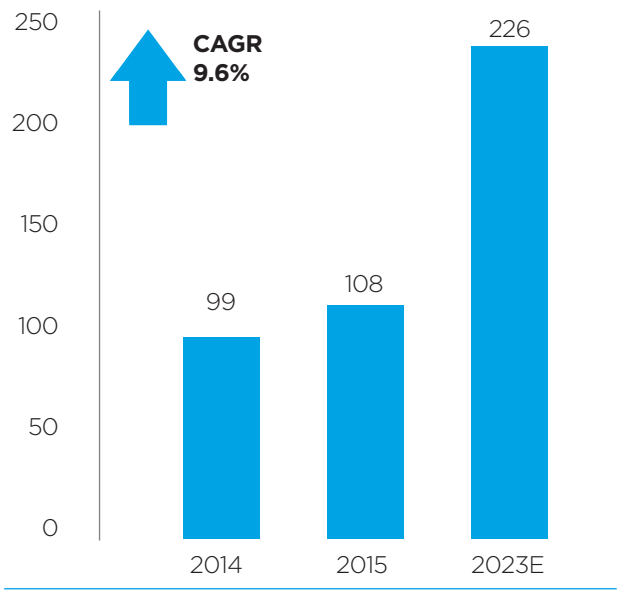
Socio-economic factors: India's strong, vibrant democracy stands out in sharp contrast vis-à-vis key competing countries, grappling with geopolitical risks. The result is that customers are sourcing more of their requirement from India. India's environmental and labour law compliances are also better than relevant competing countries.

Supportive government policies: The textile industry is a significant contributor to the country's economic engine. Hence, the central government as well as various state governments have put in place policies, which are supportive of the industry.

Strong domestic consumption growth: The domestic market is becoming increasingly attractive for local players over the last few years. With rising consumerism and disposable income, the retail sector has grown rapidly in the past decade. Several international players have tried to leverage those growth opportunities.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. The country's textile market is expected to reach US$ 226 billion by 2023, implying around 10% CAGR.

FIGURE 7: PROJECTED INDIAN TEXTILE AND CLOTHING INDUSTRY – DOMESTIC + EXPORTS (US$ BILLION)



Source: IBEF presentation, January 2016

4.5%

The country has emerged as the third largest global exporter of textiles and apparels in 2014 after China and EU with around 4.5% market share

$226bn

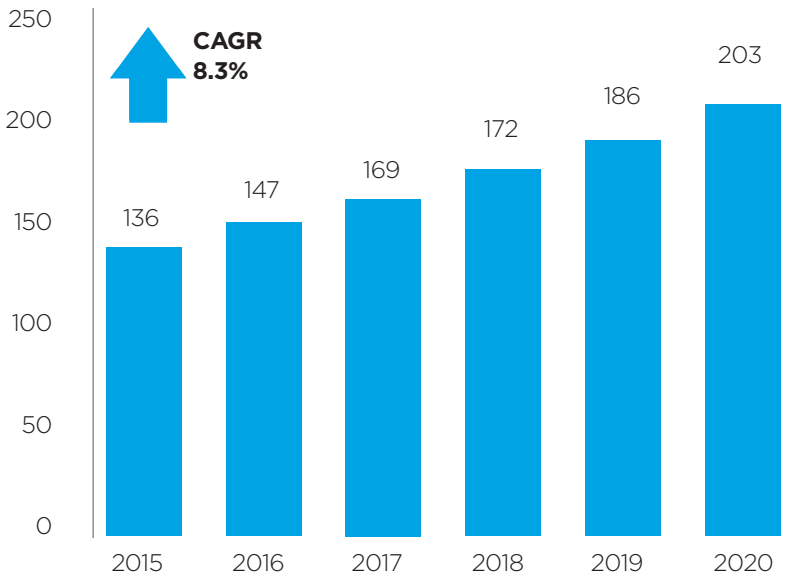
The country's textile market is expected to reach US$ 226 billion by 2023, implying around 10% CAGR

The Textile Ministry's Vision 2024-25 envisages a CAGR of at least 15% in exports from FY15-25. India is expected to have a market share of 15-20% of the global textile and apparel trade from the present 5%. The domestic market is also expected to grow at 12% or higher.

HOME TEXTILES MARKET

The home textiles and furnishing sector (terry towels, bed sheets, top of the beds, curtains, pillows cases, rugs, carpets) forms a significant part of the overall textile industry. At the wholesale level, the global home textile market is estimated to be close to US$45 billion. At the retail level, the market was valued at $136 billion in 2015; and is likely to reach $203 billion by 2020, growing at 8.3% CAGR.

FIGURE 8: REVENUE (US$ BILLION)



Source: Technavio

Over the past five years, home textiles demand has grown consistently owing to rising consumer spending on home renovation, accelerating investments on infrastructure, and demand from Asian markets like India, China, Korea, and Indonesia. Product innovation and development has allowed retailers and manufacturers to widen their customer reach. Globalisation has also played a key role in market development.

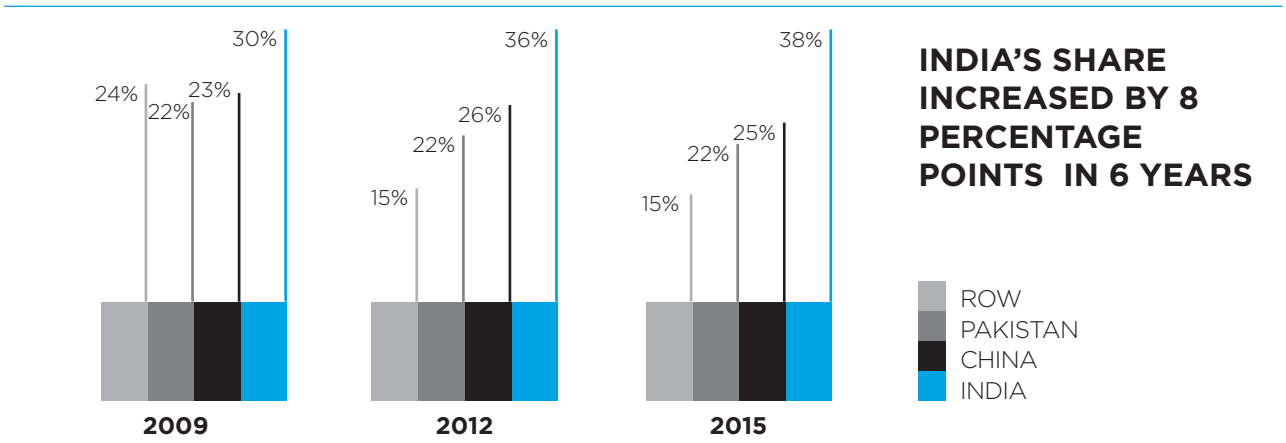
The US and Europe are the largest consumers of the global home furnishings market. On the other hand, India, China, and Pakistan are among the key suppliers. While developed economies have tended towards smaller households and demand for comfort, enhanced value and convenience of use, the growth in emerging countries has been driven by an increase in the number of new homes for the burgeoning middle class, who prefer affordability and shopping convenience.

The 'India advantage' is most prominent in the home textile segment. Indian players have the scale and technology to compete with large manufacturers in China and other countries. India's share in home textile trade is around 11%, more than double its share in textiles. In the US Cotton Home textile categories (valued at US$ 7.5billion), the country has 31% market share, very close to China's 39%. In certain product categories (towels and bed linen), the share is even higher and better than China. India has been constantly growing its market share over the last few years in this space.

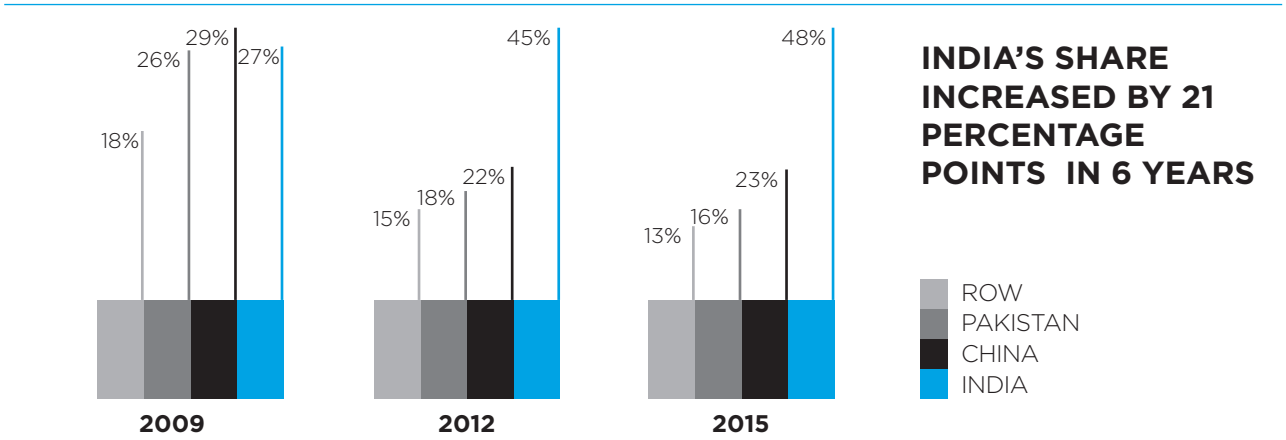
The imports share of cotton towels to the US has grown significantly (from 30% to 38% from CY 2009 to CY 2015). Also in the cotton sheets segment, India's market share has grown from 27% in CY2009 to 48% in CY2015 according to the Office of Textiles and Apparels, US. Figure 9 shows the share of key competing countries in US imports in cotton towels and sheets.

FIGURE 9: US IMPORTS BY COUNTRY IN COTTON TOWELS AND COTTON SHEETS

TOWELS



SHEETS



Source : OTEXA

WELSPUN OVERVIEW

FIGURE 10 : WIL PRODUCT PORTFOLIO

Bath

- Towels
- Bath robes

Bedding

- Bed sheets
- Top of beds
- Basic & Fashion bedding

Flooring

- Carpets
- Rugs

KEY DEVELOPMENTS IN FY 2015-16

FY15-16 was a landmark year for WIL with its highest ever sales and profitability. While the Company maintained its dominance in the Home Textile segment, it undertook several initiatives for long-term growth and market leadership. The Company continued to receive several awards and accolades for its quality, innovation and sustainability initiatives.

Sustained leadership

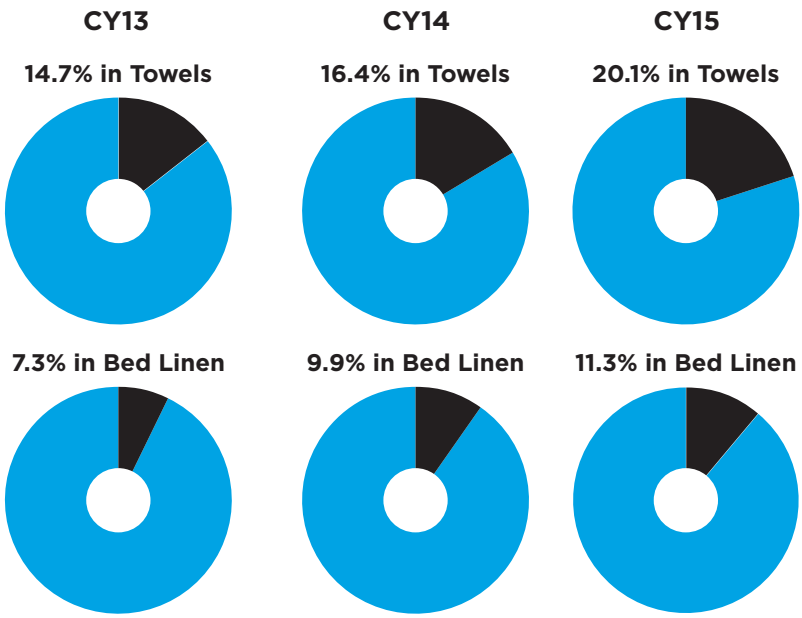
WIL was ranked the No. 1 home textile supplier to the US for the fourth year in a row by the magazine Home & Textile Today. The Company was recognized by Texprocil for highest exports in all three categories (towels, bed linen and overall home textiles). The Company recorded 13% growth in sales during the year; and was running at near-full capacity utilization in towels and bed sheets.

To cater to the growing demand, the Company embarked on an expansion of its finished product capacities. This resulted in a capacity growth of around 20% in both the Company's key products.

Product	Unit	FY16-capacity	FY-15 Capacity
Towels	MT	60,000	50,000
Bed Linen	'000 metres	72,000	60,000
Rugs & Carpets	'000 sq. metres	8,000	8,000

The Company has been gaining market share in the US, its key market. In CY15, it further increased its market share in both towels and bed linen.

FIGURE 11:



Source : OTEXA, Company Financials

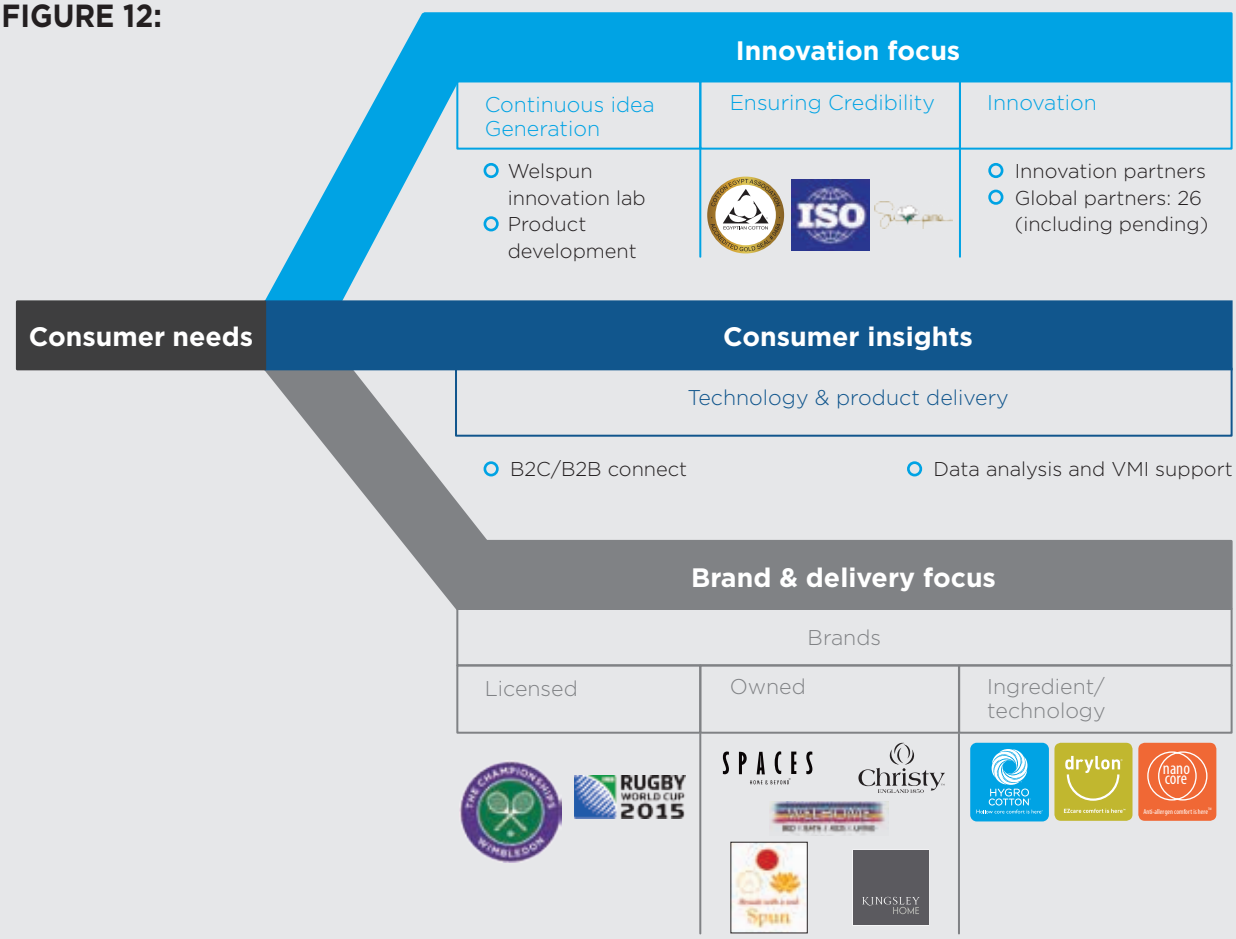
Dipali Goenka
Joint Managing Director & CEO

"I am excited to share that we continue to maintain our No. 1 position in the US. We have been able to maintain this position through our customer centric approach in our operations delivering superior products to our customers. Our export business continues to grow backed by improved sales in newer geographies like Europe, Japan, Russia and South Africa which has earned us the highest exporter awards across various product categories. With our focus on growing our patent portfolio to brands, we invested in a multi-million marketing campaign for our Hygrocotton® range of products made using our patented manufacturing technology. In India, we have focused on building our brands Spaces Home & Beyond & Welhome in the domestic market which grew by 47% in the previous year. We continue to focus on driving our vision to be recognized as the most innovative home textiles company in the world."

Consumer-Centric approach

The Company's unique customer-centric approach to home textiles has helped it achieve market leadership. In the last three decades, WIL has evolved from being a commodity manufacturer to a creator of unique product and brand experiences. These experiences are created through a combination of brands, products, technologies and new channels as depicted in Figure 12.

FIGURE 12:



The Company has considerable focus on innovation and new product development. Apart from its own innovation lab, it also partners with various institutions to develop new products and solutions. During FY16, 34% of sales was contributed by innovative products developed/owned by the company.

The Company has also worked on branding and marketing its innovation. We undertook a highly successful nation-wide media campaign in the US for our patent Hygrocotton® which is also now an ingredient brand. This was well received by consumers, resulting in HygroCotton® crossing the US$100 million milestone in sales and accounting for over 10% of the Company's overall revenues.

Apart from ingredient brands, the Company also increased its focus on its own and licensed brands. The key focus during the year was the 'Spaces' brand for the domestic market. This resulted in strong growth in the domestic retail segment - 47% during the year. The share of branded sales has reached 13% in the overall Company's sales, up from 11% during the previous year.

Besides, the Company also sharpened its focus on new channels (e-commerce and hospitality). It is developing various products to cater to the hospitality segment (hotels, spas, resorts, cruise lines, and so on); the Company's hospitality business doubled during the year.

In the e-commerce segment, the Company launched its online portal – "www.shopwelspun.in" in India and "www.shopwelspun.com" in the US. WIL has also launched Christy products in the US through its e-commerce partners. These initiatives have resulted in attractive sales through new channels, touching 5% of overall sales

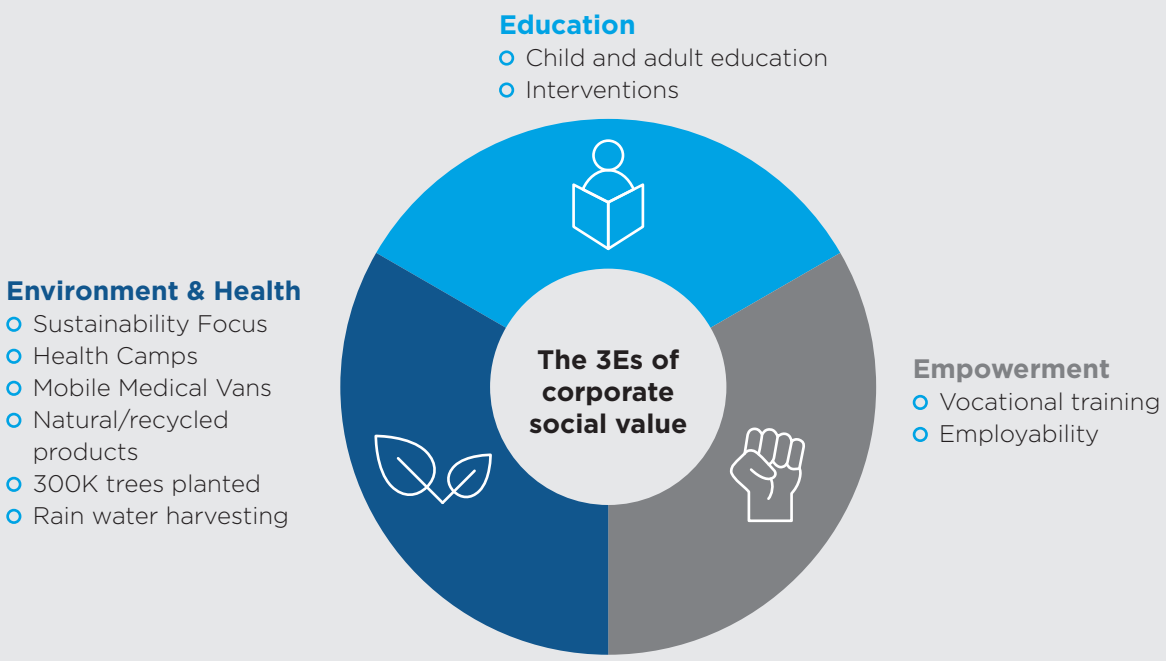
Not just delivering innovative products, the Company also helps its customers in their supply chain management. WIL's dedicated data analytics team analyses sales data from its customer stores to forecast future demand. This solution helps customers reduce inventory and increase inventory turns, while minimizing stock-outs at the same time.

Inclusive growth

Sustainability and inclusive growth are key components of Welspun's social commitment. Some of the key initiatives are depicted in Figure 13. A more detailed look at Welspun's Sustainability initiatives are discussed in the Sustainability Section.

FIGURE 13:

VIRTUOUS CYCLE OF SOCIAL DEVELOPMENT AT WELSPUN



Rewards and Recognitions

The Company continued to receive several accolades for quality, innovation and sustainability.

- First Indian company to receive the Egyptian Cotton Gold Seal
- Walmart Supplier of the Year award in Bed & Bath category
- CSR Award by Tesco
- Texprocil Award for Highest Overall Global Exports, Highest Exports in Bed Category and Highest Exports in Towels Category
- 5 Star Vendor of the Year by Macy's
- Golden Peacock Eco Innovation Award 2015
- Wilkinson Best Innovation Award 2015
- ASDA George Home: Best Product Quality award for Egyptian Nanospun Towel

- Ms. Dipali Goenka, Jt. MD. & CEO, featured at #16 in Asia's 50 Power Businesswomen 2016 by Forbes and #4 among Indian women
- Ms. Dipali Goenka appointed on the Board of Directors of Social Accountability Accreditation Services (SAAS)

OUTLOOK

The outlook for the Indian home textile industry continues to be positive. The factors which contribute to the India advantage are expected to continue over the medium term. This is expected to help India enhance its market share further in the US and other key geographies.

Welspun is well placed to capitalise on this opportunity. The Company is also planning to increase its capacity in all three major product lines – towels, bed linen and rugs and carpets.

Product	Unit	FY17 expected capacity
Towels	MT	72,000
Bed Linen	'000 meters	90,000
Rugs & Carpets	'000 sq. meters	10,000

The Company's future priorities are:

- Expanded product range
- Increased share from innovation
- New channels
- New segments
- New geographies
- Personalised/Customised products
- Achieving and maintaining operational excellence

The Company has announced Vision 2020 which aims to achieve in five years:

- Revenue of US$ 2 billion
- Debt-free (on a net debt basis)
- Innovative products share of revenues at 40%
- Branded products share of revenue at 25%
- Domestic market share of revenue at 20%

KEY RISK FACTORS

Risk is integral to any business and WIL is no exception. The various external factors that could impact WIL's business, going forward with its mitigation measures is as below:

Rising Input Costs	Secures a significant part of its cotton requirement during the cotton season ; WIL's backward integration provides 70% of its yarn and fabric requirements; Company's 80MW captive power plant at Anjar reduces power costs and provides continous supply
Labour Availibility	The Company is continuously providing its workforce vocational training to improve their skill level. It is also focusing on improving labour retention and reducing attrition. WIL is actively employing more women to diversify its workforce. The Company has started skill development centres where it aims to train 100,000 people in five years
Poor economic environment and consumer sentiment	The Company is trying to address this through geographic diversification into newer market regions such as Korea, Australia and Japan as well as the domestic market.
Competition	Company's strategy of providing end-to-end solutions and innovative products, and maintaining strong relationship with clients helps in reducing competitive risks.
Currency movements	Hedges significant portion of its export revenues expected for the following year
Change in Indian Government Policies	The Company continuously monitors Govt policies and take measures to minimize any adverse impact.
Trade Barriers	Geographic diversifaction to reduce impact of trade barrier imposed by any particular country.

HUMAN RESOURCE

The Company believes that human capital is its most important asset. WIL has 19,156 permanent employees on its payroll as on 31.03.2016, There are several measures taken to ensure a positive work environment for all its employees.

WIL's key HR initiatives comprise:

Employee Development: WIL focuses on building a strong leadership pipeline to catapult the organization into the position of the 'Most Innovative Home Textiles' brand in the market. To achieve this objective, WIL has instituted the 'Welspun Leadership Academy' in partnership with the people consulting firm, Hay Group. These interventions will help the participants live the Welspun values, collaborate and lead teams more effectively. As a part of this journey, the leaders have also undergone assessments that have helped them unearth some of the behaviours that determine why they do what they do. The leadership development journey also has elements of gamification such as badges and medals to incentivize positive behaviors.

Apart from Leadership Academy, Welspun Group has also partnered with Indian School of Business (ISB) for designing and delivering a customized general management course for its senior leaders to support their learning and development. The General Management Programme aims at developing these leaders on areas of Customer Focused Marketing Strategy, Operational Excellence and other areas of business relevance.

Talent Acquisition: New concepts like predictive index test and behavioural interview are used to match the person's capabilities to the profile requirement.

Employee Communication & Engagement: These initiatives include mini town halls, coffee with Director, shining star, shabash workers and skip levels. The objective is to develop a culture that recognises employees as an integral part of the organisation.

Diwali, Women's day, Holi and monthly birthdays are celebrated in the organisation. Welspun Women's Cricket League and monthly newsletters were some other employee-engagement initiatives taken during the year.

WIL also engaged with educational institutions; some of the Company's top leaders conducted interactive sessions in those institutes. Further, the Company invited a few educational institutes to visit its facility for better understanding.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The internal control system encompasses the policies, processes, tasks, behaviours and other aspects of WIL that taken together, facilitate effective and efficient operation, quality of internal and external reporting, compliance with applicable laws and regulations. WIL's objectives, its internal organisation and the environment in which it operates are continuously evolving and as a result, the risks it faces are continuously changing. To make its internal control effective and sound, WIL thoroughly and regularly evaluates the nature and extent of risks to which the Company is exposed. The operation and monitoring of the system of internal control has been taken by individuals who collectively possess the necessary skills, technical knowledge, objectivity, understanding of the Company, industries and markets in which it operates. The qualified, experienced and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening whenever required. WIL has a strong Management Information System, which is an integral part of the control mechanism.

DISCUSSION OF FINANCIAL PERFORMANCE – FY16

FY16 was the 'Best Ever' financial year for WIL with the Company recording the highest annual sales and profitability in its history. WIL crossed the ₹ 7 billion milestone for PAT, during the year. The operating EBITDA margin also reached an all-time high level, at 26%. The Company generated free cash flows after meeting the year's capex requirements.

Herewith is the comparative analysis of key financial numbers of FY16 vis-à-vis FY15:

₹ million

Particulars	FY 16	FY 15	Growth
Revenue from Operations (Net)	**59,795**	**53,025**	**12.8%**
Other income	915	949	-3.6%
Cost of material	26,612	25,443	4.6%
Manufacturing expenses	6,614	5,874	12.6%
Employee cost	5,364	4,460	20.3%
Selling administration and other expenses	5,630	4,506	24.9%
Operational EBITDA	**15,575**	**12,742**	**22.2%**
Operational EBITDA Margin	**26.0%**	**24.0%**	**202 bps**
Reported EBITDA	**16,490**	**13,691**	**20.4%**
Reported EBITDA Margin	**27.6%**	**25.8%**	**176 bps**
Finance costs	2,362	2,829	-16.5%
Depreciation and amortisation expense	3,750	3,329	12.6%
Taxes	3,224	2,090	54.3%
Profit before Minority Interest	**7,153**	**5,443**	**37.8%**
Minority's share of profit in subsidiaries	125	45	177.4%
Net Profit	**7,029**	**5,398**	**30.2%**
Net Profit Margin	**11.8%**	**10.2%**	**157 bps**
EPS (Basic and Diluted)	7.00	5.38	30.2%

1. REVENUE

a. Revenue from operations (Net)

Net sales stood at ₹ 59,795 million in FY16, compared to ₹ 53,025 million in FY15, registering 13% growth over the previous year. This growth in revenue was driven by higher volumes across products, favourable exchange rate movement and higher mix of innovative and branded products.

b. Other income

Income from other sources was ₹ 915 million in FY16, as against ₹ 949 million in FY15. This comprised interest income of ₹ 228 million, income on status holder incentive scripts of ₹ 442 million and dividend and other miscellaneous income of ₹ 245 million.

2. Expenditure

a. Cost of materials

Consumption of raw materials stood at ₹ 26,612 million during the year. This accounts for 45% of sales for FY16 vis-a-vis 48% during FY15, lower owing to higher vertical integration and better product mix.

b. Manufacturing expenses

Manufacturing expense was at ₹ 6614 million in FY16, compared to ₹ 5,874 million in FY15. The manufacturing expense includes power, fuel and water charges of ₹ 1,335 million, dyes and chemicals of ₹ 2,377 million, and labour and job work charges of ₹ 941 million.

As a percentage of sales, manufacturing expense was at 11.06% in FY16, compared to 11.08% in FY15.

c. Employee cost

Employee cost stood at ₹ 5,364 million in FY16 as against ₹ 4,460 million in FY15. As a

12.8%

Net sales stood at ₹ 59,795 million in FY16, compared to ₹ 53,025 million in FY15, registering 12.8% growth over the previous year

percentage of sales it has increased to 8.9%, compared to 8.4% in the previous year. This was due to increase in average wages and higher head count during the year.

d. Selling, administration and other expenses

Selling administration and other expenses was reported at ₹ 5,630 million in FY16, compared to ₹ 4,506 million in FY15. This increase was primarily on account of higher advertising and sales promotion expenses. As a percentage to sales, the expense under this head increased to 9.4% in FY16 as against 8.5% in FY15.

e. Finance costs

Financial expenses in FY16 was ₹ 2,362 million. The corresponding figure in FY15 was ₹ 2,829 million. The decrease was owing to the reduction in base rate by banks, issuance of commercial paper at finer rates and incentives from Central & State Governments.

f. Depreciation and amortisation expense

Depreciation was reported at ₹ 3,750 million during FY16, as compared to ₹ 3,329 million in FY15. This was primarily due to the capitalisation of the modernisation & expansion projects.

3. Margins

a. EBITDA

Operating EBITDA in FY16 has grown 22.2% to ₹ 15,575 million, resulting in an EBITDA margin of 26% from ₹ 12,742 million (margin 24%) in the previous year. It was driven by higher vertical integration, higher share of innovative and branded products and tighter cost control. The reported EBITDA in FY16 was ₹ 16,490 million, a significant improvement compared to the FY15 figure of ₹ 13,691 million. Operating profit and margin during FY16 were the highest ever achieved by the Company.

b. Profit after tax

Profit after tax, post minority interest stood at ₹ 7,029 million in FY16, compared to ₹5,398 million in FY15, representing 30.2% Y-o-Y growth.

4. Earnings per share (Basic)

Earnings per share (EPS) for the year ending 31st March, 2016 (Basic) (before extra-ordinary item) stood at ₹ 7 per share, compared to ₹ 5.38 per share in the year ended 31st March, 2015.

5. TABLE: BALANCE SHEET

(₹ million)

Particulars	As at 31st March, 2016	As at 31st March, 2015	Change
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1,005	1,005	
Reserves and surplus	18,872	13,314	5,558
	19,877	**14,319**	**5,558**
Minority interest	**503**	**378**	**125**
Non- current liabilities			
Long-term borrowings	17,877	15,946	1,931
Deferred tax liabilities (Net)	1,178	641	538
Other long-term liabilities	18	11	7
Long-term provisions	1,278	1,009	270
Current liabilities			
Short-term borrowings	7,732	10,034	-2,303
Trade payables	10,080	6,910	3,170
Other current liabilities	3,653	6,773	-3,120
Short-term provisions	76	932	-856
Sub-total	**41,893**	**42,257**	**-364**
TOTAL	**62,273**	**56,953**	**5,319**

(₹ million)

Particulars	As at 31st March, 2016	As at 31st March, 2015	Change
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	31,487	24,442	7,045
Intangible assets	117	1,828	-1,712
Capital work-in-progress	1,832	1,564	268
Goodwill on Consolidation	1,775	-	1,775
Sub-total	**35,211**	**27,834**	**7,376**
Non-current investments	**30**	**15**	**15**
Long-term loans and advances	**1,206**	**1,377**	**-172**
Other non-current assets	**210**	**170**	**40**
Current assets			
Current investments	533	1,405	-872
Inventories	11,046	11,006	40
Trade receivables	6,114	4,467	1,647
Cash and cash equivalents	1,243	3,252	-2,009
Short-term loans and advances	5,214	6,097	-883
Other current assets	1,466	1,330	136
Sub-total	**25,616**	**27,557**	**-1,941**
TOTAL	**62,273**	**56,953**	**5,319**

6. Net worth

The Company's net worth stood at ₹ 19,877 million as on 31st March, 2016, compared to ₹ 14,319 million as on 31st March, 2015.

Book value of equity shares touched ₹19.78 per equity share as on 31st March 2016, vis-a-vis 14.25 per equity share in FY15.

The details of movement in various heads of net worth are as under:

a. Share capital

The issued, subscribed and paid-up share capital as on 31st March, 2016 stood at ₹ 1,004.73 million.

b. Reserves and surplus

Securities premium account: The securities premium account stood at ₹ 3,238.12 million in FY16, in line with the figure at the end of FY15 (₹ 3,237.8 million).

i) Capital redemption reserve: The balance as on 31st March, 2016 amounted to ₹ 488.38 million, same as at the end of the previous year.

ii) Capital reserve: The balance as on 31st March, 2016 amounted to ₹ 1,475 million, same as at the end of the previous year.

iii) Foreign exchange translation reserve as on 31st March 2016 was at ₹ 656 million against ₹ 567 million in the previous year.

iv) Profit and loss account: The balance in the profit and loss account as on 31st March, 2016 was ₹ 12,993 million from ₹ 7,630 million as on 31st March, 2015. This increase was primarily owing to profits earned during the year.

7. Loan funds

Gross debt as on 31st March, 2016 stood at ₹ 26,632 million as against ₹ 30,851 million at the end of FY15, showing a decline of ₹ 4,219 million. The long-term debt amounted to ₹ 18,901 million as against ₹ 20,817 million at the end of the previous financial year.

The Company's cash and cash equivalents at end-FY16 stood at ₹ 1,384 million as against ₹ 4,297 million in the previous year.

Net debt as on 31st March, 2016 was ₹ 25,248 million (after reducing the cash and bank balance and liquid investment) vis-a-vis ₹ 26,554 million as on 31st March 2015.

Net debt to equity stood at 1.27 times in FY16 (1.85 times in FY15). Net debt / operational EBITDA stood at 1.62 times during the year (2.08 times in FY15), showing the Company's strong performance.

8. Fixed assets

Gross block of fixed assets touched ₹ 55,148 million at the end of FY16, compared to ₹ 44,933 million at the end of FY15. This increase was mainly on account of capex for modernisation and capacity expansion. Net block of fixed assets (tangible and intangible) including capital work in progress was ₹ 35,211 million in FY16, compared to ₹ 27,834 million in FY15.

9. Inventory

Inventory as on 31st March, 2016 stood at ₹ 11,046 million as against ₹ 11,006 million in as at 31st March 2015. In number of days, inventory was 67 days as on 31st March 2016 vis-a-vis 76 days as at 31st March 2015, showing an improvement in the inventory turns during the year. The inventory turnover ratio stood at 5.41 times in FY16, compared to 4.82 times in FY15.

10. Debtors

Sundry debtors as on 31st March, 2016 was at ₹ 6,114 million, compared to ₹ 4,467 million as on 31st March 2015. The number of days debtors' were 37 at the end of FY16 as against 31 in at the end of FY15.

11. Cash and bank balances and liquid investment

Cash and bank balances and liquid investment was ₹ 1,384 million as on 31st March, 2016. At the end of FY15, the corresponding figure was ₹ 4,297 million.

The Company has generated positive cash flows for the year after meeting its capex requirement.

12. Loans and advances

Loans and advances (short term and long term) as on 31st March, 2016 stood at ₹ 6,419 million, compared to ₹ 7,474 million in FY15 end. Loans and advances include advances given to related parties, capital advances, security deposits, advance taxes and balances with the government authorities like customs and excise, among others.

13. Current liabilities

- Trade payables stood at ₹ 10,080 million as of end-FY16, compared to ₹ 6,910 million in FY15 end. Trade payables are at 62 days at the end of FY16 as against 48 days at the end of FY15.

- Other current liabilities (excluding current maturities of long-term borrowings) stood at ₹ 2,629 million in as on 31st March, 2016, compared to ₹ 1,903 million at the end of FY15.

- Short-term provisions stood at ₹ 77 million at the end of FY16 vis-a-vis ₹ 932 million at end-FY15. This decrease was mainly on account of lesser provision for the proposed dividend on equity shares (including the dividend distribution tax) .

14. Cash conversion cycle

Cash conversion cycle for FY16 has decreased to 43 days as against 59 days in the previous year, primarily owing to a decrease in the inventory, receivables and increase in payable days as on 31st March 2016.

15. Dividend

The Company has a declared dividend distribution policy, where-in the payout will be 25% of the PAT of Standalone financials of the Company including dividend distribution tax, if any. During the year, the Company announced interim dividend twice as well as a final dividend, aggregating ₹ 1.30/share on face value of ₹ 1/share i.e. 130% of the face value.

KEY FINANCIAL INDICATORS:

(₹ in million except ratios)

Particulars		As at 31st March, 2016	As at 31st March, 2015
Revenue from Operations (Net)	₹ Mn	59,795	53,025
EBITDA	₹ Mn	16,490	13,691
EBIT	₹ Mn	12,740	10,362
Net Profit after Tax	₹ Mn	7,029	5,398
Net Worth	₹ Mn	19,877	14,319
Net Debt	₹ Mn	25,248	26,554
Net Debt/Equity	Times	1.27	1.85
Net Debt/ Op EBITDA	Times	1.62	2.08
Net Sales/ Net Worth	Times	3.01	3.70
Current Ratio	Times	1.17	1.10
Return on Capital Employed (ROCE) - Pre Tax	%	26.4%	22.8%
Return on Equity (ROE)	%	41.1%	42.5%
Inventory Days	Days	67	76
Receivable Days	Days	37	31
Payable Days	Days	62	48
Net Operating Cycle (In Days) (Inventory + Receivable - Payable)	Days	43	59
Book Value Per Share	₹	19.78	14.25

DIRECTORS' REPORT

30.21%
Recorded a remarkable growth on Profit after Tax in the FY 15-16

To
The Members,
Welspun India Limited

Your Directors have pleasure in presenting the 31st Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2016.

1. FINANCIAL HIGHLIGHTS:

₹ million

Particulars	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Revenue from Operations (Net)	48,679	44,035	59,795	53,025
Other Income	937	944	915	949
TOTAL REVENUE	**49,616**	**44,979**	**60,710**	**53,975**
EBITDA	**13,277**	**11,327**	**16,490**	**13,691**
EBITDA Margins (%)	**27.27**	**25.72**	**27.58**	**25.82**
Finance Cost	1,539	1,806	2,362	2,829
Depreciation and amortization	3,256	2,663	3,750	3,329
PROFIT BEFORE TAX	**8,482**	**6,857**	**10,377**	**7,533**
Tax Expense	2,465	1,756	3,224	2,090
PROFIT AFTER TAXATION	**6,017**	**5,101**	**7,029**	**5,398**
Earnings per share (Basic & Diluted) (Nominal value per share ₹ 1)	**5.99**	**5.08**	**7.00**	**5.38**

2. PERFORMANCE AND OUTLOOK:

During the year under review, your Company's revenue from operations on standalone basis increased to ₹ 48,679 million, a growth of 10.55% and on consolidated basis it increased to ₹ 59,795 million, a growth of 12.77% over the previous year. Substantial portion of this revenue is replenishment orders

from majority of the customers. The EBITDA Margin on standalone basis increased to 27.27%, a growth of 6.03% and on consolidated basis it increased to 27.58%, a growth of 6.82% over the previous year. The business delivered a remarkable growth of 17.96% in Profit after taxation on standalone basis and a growth of 30.21% on consolidated basis over the previous year. You may refer to 'Management Discussion & Analysis' Section of this Report for further details of your Company's performance.

3. DIVIDEND:

Considering your Company's performance during the Financial Year ("FY") 2015-16, the Board of Directors has recommended for approval of the members a final dividend of ₹ 0.05 per share for FY 2015-16. The dividend, if approved by the members, would result in cash outflow of ₹ 50.24 million excluding Dividend Distribution Tax.

During FY 2015-16, your Company declared and paid 1st interim dividend of ₹ 6.50 per equity share having nominal value of ₹ 10/- and 2nd interim dividend of ₹ 0.60 per equity share having nominal value of ₹ 1/- each. The final dividend, if approved by the members, would result, together with the interim dividends already paid, in total dividend payment of ₹ 1,306.14 million (i.e. ₹ 1.30 per share of ₹ 1/- each excluding Dividend Distribution Tax). Dividend will be paid to those members, who will hold shares on the last day of book-closure i.e. June 28, 2016. Your Company has a dividend policy to pay 25% dividend on Profit after Tax.

A snapshot of the dividend payout by your Company in the FY 2015-16 (considering final dividend excluding Dividend Distribution Tax) vis-a-vis FY 2014-15 is as under:

Financial Year	Total Dividend (%)	Cash Outflow ₹ million
2015-16	130%	1,306.14
2014-15	105%	1,054.73

4. SUB-DIVISION OF EQUITY SHARES:

The Board of Directors, at its meeting held on February 02, 2016, considered and approved sub-division of each equity share of your Company having face value of ₹ 10/- into 10 (Ten) equity shares of face value ₹ 1/- and consequential alteration in the relevant clause of the Memorandum of Association of the Company. The sub-division of equity shares was approved by the Members of your Company through Postal Ballot on March 04, 2016, the equity shares of face value of ₹ 1/- each were issued to all the Members who were holding equity shares of ₹ 10/- each on the record date i.e. March 22, 2016, fixed for this purpose.

5. SUBSIDIARIES:

Welspun Captive Power Generation Limited ("WCPGL"), a subsidiary of your Company has issued Rated, Secured, Redeemable, Non-Convertible Taxable Debentures of face value of ₹ 1 million each for cash at par aggregating ₹ 2.20 billion. These Debentures have been listed on National Stock Exchange of India Limited with effect from April 13, 2016.

A report on the performance and financial position of each of the subsidiary companies of your Company included in the consolidated financial statement is presented in Form AOC-1 annexed as Annexure - 1 to this Report. Your Company's policy on Material Subsidiary as approved by the Board is hosted on your Company's website and the web link thereto is: http://www.welspunindia.com/policy/material_subsidiary_policy.pdf.

During the year, your Company formed a Company named "Welspun Flooring Limited" ("WFL") as a wholly owned subsidiary with the objective to set-up a business of carpet manufacturing.

6. AUDITORS AND AUDITOR'S REPORT:

i. Statutory Auditors:

Your Company's Auditors, Price Waterhouse Chartered Accountants LLP who were appointed up to the conclusion of the 32nd 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 for the remaining tenure. The Auditors are 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 by passing an ordinary resolution under Section 139 of the Companies Act, 2013 ("the Act").

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

ii. Cost Auditors:

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Kiran J. Mehta, Cost Accountants as the Cost Auditors of your Company for FY 2016-17 on the recommendations made by the Audit Committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the forthcoming Annual General Meeting.

iii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Uday Sohoni, Practicing Company Secretary, as the Secretarial Auditor of your Company for the FY 2016-17. The Secretarial Audit Report is annexed as Annexure - 2 to this Report and it does not contain any qualification, reservation or adverse remark.

7. SHARE CAPITAL & LISTING:

i. Issue of equity shares with differential rights, sweat equity shares:

During the year, no share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share.

ii. Issue of employee stock options:

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

A	Date of members approval		September 28, 2005
B	Total number of options approved under ESOP		3,654,476
C	Vesting requirements		20% of options shall vest on each of 1st and 2nd anniversary. 30% of options shall vest on each of 3rd and 4th anniversary
D	Maximum term of options granted		3 years from the date of vesting
E	Source of shares (primary, secondary or combination)		Primary
F	Options granted on June 30, 2009		2,265,000
G	Options vested (excluding vested portion of lapsed Options), options exercised since June 30, 2009 and total number of equity shares arising as a result of exercise of Options		1,304,500*
H	Options lapsed		960,500
I	Exercise Price (₹)		35.60
J	Variation of terms and conditions		N.A.
K	Money realized by exercise of Options		46,440,200
L	Money realized during the year by exercise of Options		448,560
M	Total number of Options in force and exercisable at the end of the year		NIL
N	Employee wise details of options granted to	Key Managerial Personnel	NIL
		Senior management personnel	NIL
		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 your Company at the time of grant.	NIL
O	Diluted Earnings Per Share pursuant to issue of shares on exercise of option for FY 2015-16 (₹ per share)		5.99
P	Weighted-average exercise price (₹)		35.60
Q	Weighted-average fair value of option (₹)		17.49

** No. of equity shares prior to sub-division of equity shares from ₹ 10 each to ₹ 1 each.*

Voting rights, in respect of equity shares issued on exercise by an employee, of stock options referred to above, are exercised only by such employee.

Your Company has adopted intrinsic value method for the valuation and accounting of the stock options granted by the Company as per SEBI Regulations. No options were granted during the year. Refer Note 36 of the audited financial statements for details.

8. DISCLOSURE OF SHARES HELD IN SUSPENSE ACCOUNT:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense 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
1,397,400	3,962	26,640	62	26,550	63	1,370,850	3,899

The voting rights on these shares shall remain frozen until the shares have been claimed by, and transferred to, the rightful owner.

9. LISTING WITH THE STOCK EXCHANGES:

Your Company's equity shares are listed on Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). Annual listing fees for the year 2016-17 have been paid to BSE and NSE.

10. FINANCE:

i. Credit Rating:

During the year, your Company's long term credit rating has been upgraded two notches to AA- by CARE and highest short term credit rating of A1+ has been reaffirmed by CARE. Your Company's long-term issuer rating is IND AA- by India Ratings & Research, a Fitch Group company.

ii. Non-convertible Debentures:

During the year, your Company has redeemed 1,000 Secured, Redeemable Non-Convertible Debentures at par on May 21, 2015, of face value of ₹ 1 million each.

iii. Deposits:

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

11. BOARD OF DIRECTORS:

Your Company's Board comprises of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, management and business strategy. Except the nominee appointed by IDBI Bank and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Act. It is confirmed that, except for Mr. Balkrishan Goenka and Ms. Dipali Goenka who are husband and wife, there is no relationship between the directors inter-se. The details of the Directors, their meetings held during the year and the extracts of the Nomination and Remuneration Policy has been given in the Corporate Governance Report, which forms part of this Report.

i. Changes in Directors and Key Managerial Personnel:

Ms. Padma Betai has been nominated by IDBI Bank Limited as the Nominee Director on the Board of your Company with effect from August 22, 2015 in place of Mr. Ajay Sharma. The Board placed on records its appreciation of the valuable contribution and guidance provided by Mr. Ajay Sharma to your Company.

Your Board of Directors has elevated the designation of Ms. Dipali Goenka as Joint Managing Director & CEO of your Company. Further, the Board re-appointed her as Joint Managing Director for a term of 5 years effective from April 01, 2016, subject to the members' approval.

Your Board of Directors has confirmed that Mr. Arvind Singhal is an Independent Director of your Company.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Mr. Rajesh Mandawewala is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment.

Details about the directors being appointed / re-appointed is given in the Notice of the forthcoming Annual General Meeting.

ii. Declaration by an Independent Director(s) and re- appointment, if any:
Your Company has received declarations from all the Independent Directors as per the provisions of Section 149(7) of the Act, confirming that they meet the criteria of Independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on the date of this Report which may affect their respective status as an Independent Director.

iii. Directors' Evaluation:
In compliance with the Act and SEBI (Listing Obligations and Disclosure 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 and all the results were satisfactory.

iv. Familiarization programme for Independent Director(s):
The familiarization programme aims to provide the Independent Directors with the scenario within the textile 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 the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and a web link thereto is: http://www.welspunindia.com/policy/familiarisation_program.pdf.

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

12. LOANS, GUARANTEES AND INVESTMENTS:

Information of aggregate amounts of loans, guarantees given, or investments made, or security provided by your Company as on March 31, 2016 is as given under:

	₹ million
Particulars	**Amount**
Investments	6,430.12
Loans / Receivables	15.56*
Guarantees	7,562.68
Security	-
TOTAL	**14,008.36**

Corporate Guarantee of ₹ 2.20 billion was given to holders of non-convertible debentures (NCDs) issued by WCPGL. Proceeds of NCDs were used by WCPGL in refinancing loan of ₹ 2.20 billion which was availed for setting up of captive power plant. Other corporate guarantees were given to secure working capital facilities availed by other subsidiaries of your Company. Disclosures pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given at Note 46 of the audited financial statements.

** Provision for doubtful loans and advances of ₹ 15.56 million (March 31, 2015: ₹ 15.56 million) has been made w.r.t. loan given to BESA Developers and Infrastructure Private Limited, 100% subsidiary of your Company.*

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business, to serve mutual need and mutual interest. There were no materially significant related party transactions made by your Company. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company's policy on Related Party Transactions as approved by the Board is hosted on your Company's website and a web link thereto is: http://www.welspunindia.com/policy/related_party_transaction_policy.pdf.

Disclosures as required under the Act are given in Form AOC-2 as Annexure - 3 to this Report.

The details of the related party transactions as required under Accounting Standard – 18 are set out in Note 44 to the Standalone financial statements forming part of this Report.

14. DETAILS OF MANAGERIAL REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(a) the ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of your Company for FY 2015-16 is as given below:

Name and Designation	Remuneration ₹ million	The percentage increase in remuneration	The ratio of the remuneration to the median remuneration of the employees	Comparison of the remuneration of the Key Managerial Personnel with EBITDA
Balkrishan Goenka - Chairman	83.96	18.04	603.63	N.A.
Rajesh Mandawewala - Managing Director	101.29	14.31	728.22	0.76%
Ms. Dipali Goenka - Joint Managing Director & CEO	98.96	14.90	711.47	0.75%
Altaf Jiwani - Chief Financial Officer	22.40	-	161.04	0.17%
Shashikant Thorat - Company Secretary	3.40	23.64	24.44	0.03%

(b) The percentage increase in the median remuneration of employees in FY 2015-16 was 15.00%.

(c) Your Company had 19,156 permanent employees on its payrolls as on March 31, 2016.

(d) The turnover of your Company increased by 10.55% and EBIDTA of your Company increased by 17.22% during FY 2015-16. Median remuneration increased by 15%. Increase in median remuneration was in line with the performance of your Company.

(e) The remuneration of the Key Managerial Personnel is 1.70% of EBIDTA of your Company for FY 2015-16.

(f) Market Capitalisation of your Company as on March 31, 2016 was ₹ 99.42 billion and as on March 31, 2015, it was ₹ 35.74 billion.

(g) Price earnings ratio as at the close of March 31, 2016 was 16.52 and at the closing of March 31, 2015, it was 7.00.

(h) The share price increased by 19.79 times (₹ 98.95 as on March 31, 2016 after sub-division of equity shares to ₹ 1 per share) in comparison to the rate at which the Company came out with the public issue in April, 1993 i.e. ₹ 50 per share (face value was ₹ 10 per share).

(i) Average percentage increase in the salaries of employees other than the

managerial personnel in FY 2015-16 was 8.30%. The percentage increase in the managerial remuneration was 15.59%.

(j) The key parameters for any variable component of remuneration availed by the directors are as per the Nomination and Remuneration Policy. Chairman, Managing Director and Joint Managing Director are being paid commission of 1% of profits as approved by the members of your Company.

(k) We affirm that the remuneration is as per the Nomination and Remuneration Policy of your Company.

ii. Details of the employees of your Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Name, Designation, Age, DOJ, Current CTC (₹ million), Qualification, Previous Company, Nature of Employment, % of Equity Shares held in the Company, Relative of any Director/ Manager of the Company.

Anil Channa, Executive Director* – Operations, 66, 03.10.2014, 10.66, BE, B.Tech , MBA, PGDM, S. Kumars Nationwide Limited, Permanent, 0, No; Asim Chakraborty, Director* – Civil, 54, 23.01.2003, 11.22, BE (Civil), Welspun Corp Limited, Permanent, 0, No; Dipali Goenka, Joint Managing Director & CEO, 46, 01.04.2013, 98.96, B.A. (Psychology),N.A., Contractual, 0.07, Yes; Milind Hardikar, Executive Director* – Textile Park, 54, 24.04.2012, 13.28, BE (Mech), MMS, Arvind Limited, Permanent, 0, No; Altaf Jiwani, Chief Financial Officer, 49, 02.02.2015, 22.40, B.TECH/MMS, RPG Group, Permanent, 0, No; Ashok Kumar Joshi, Executive Director* – Operations, 56, 26.07.2001, 16.30, B.TECH, Donear Industries Limited, Permanent, 0, No; D.S Kalra, President – Projects, 46, 23.05.2014, 7.98, PGDM, B.TECH, SEL Manufacturing Company Limited, Permanent, 0, No; Rajesh Mandawewala, Managing Director , 53, 01.12.1985, 101.29, CA,N.A., Contractual, 0 No; Suneel Mohnot, President – Commercial, 56, 26.08.2013, 9.34, M.COM, MBA, Reliance Industries Limited, Permanent, 0, No; Anil Nimbargi, Senior Vice President – IT, 50, 09.09.2009, 7.96, BSc., MBA (Prod/MKTG/ MGMT), Ispat Industries Limited, Permanent, 0, No; Rajesh Padmanbhan, Director* - HCGA, 54, 01.02.2016, 32.50, MBA (Finance / HR), Vedanta Group, Permanent, 0, No; Chintan Thaker, Vice President-CASPC, 38, 01.04.2013, 7.00, MBA, Gujarat Water Infrastructure Limited, Permanent, No; Bharat Thanvi, Vice President – Commercials, 42, 27.01.1996, 6.28, BE (Mech), GDMM – MM, N.A., Permanent, 0, No; RR. Vinod, Senior Vice President- Procurement , 46, 04.01.2016, 6.10, PGDRM, B.TECH, Arvind Mills, Permanent, 0, No.

* Not a Member of Board

iii. Ms. Dipali Goenka, Joint Managing Director & CEO who is receiving remuneration and commission from your Company, receives ₹ 15 million as remuneration and commission of 2% of profits also from Welspun Global Brands Limited, a subsidiary of your Company.

iv. Details of managerial remuneration and payments to other directors is given in the Corporate Governance Report forming part of this Report.

15. EXTRACT OF THE ANNUAL RETURN:

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is annexed as Annexure - 4 to this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is annexed as Annexure – 5 to this Report.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The key philosophy of all CSR initiatives of the Company is enshrined in the three E's which have become guiding principles of our CSR initiatives – Education, Empowerment (of Women) and Environment & Health.

The CSR Policy of your Company as approved by the Board of Directors' is hosted on the Company's website and a web link thereto is: http://www.welspunindia.com/policy/csr_policy.pdf

The initiatives undertaken by your Company during FY 2015-16 in CSR have been detailed in this Report.

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed as Annexure - 6 to this Report.

18. INTERNAL CONTROLS:

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation of Section 134(5)(e) of the Act, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other relevant statutes applicable to your Company.

Your Company has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted by business needs. The Internal Auditors continuously monitor the efficiency of the internal controls / compliance with the SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the year ended March 31, 2016, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

19. RISK MANAGEMENT:

Your Company is exposed to risks across all levels and functions of the organisation. The Board has approved Enterprise Risk Management Policy (ERMP) to effectively address financial, operational, business, compliance and strategic risk. A structured enterprise risk management program has been formulated and implemented. Refer to the Management Discussion and Analysis Section in this Report for risks and threats applicable to your Company.

20. CORPORATE GOVERNANCE:

The 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite Compliance Certificate is obtained from Mr. Uday Sohoni, Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Corporate Governance Report.

21. VIGIL MECHANISM:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated Whistle Blower Policy and Vigil Mechanism for its directors and employees and any director or employee may make protected disclosures to the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee.

22. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

c. the directors 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. the directors have prepared the annual accounts on a going concern basis;

e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

23. MISCELLANEOUS:

During the year, 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. 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. Further, based on the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace, the Internal Complaints Committee for each locations of your Company informed that no case of sexual harassments was reported during the year under review. Your Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

24. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Mumbai
April 25, 2016

ANNEXURE - 1

Form AOC - 1

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

Performance and financial position of the subsidiaries

₹ million

Sr. No.	1	2	3	4	5	6	7	8	9	10
Name of the Subsidiary company	WGBL	WUSA	WCPGL	#CHL	WUL	CLL	CWG	WZTL	WHTUKL	WASEZ
Reporting period year ended	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
Reporting currency and Exchange rate	INR NA	USD ₹ 62.255	INR NA	GBP ₹ 95.18	GBP ₹ 95.18	USD ₹ 62.255	Euro ₹ 75.42	INR NA	GBP ₹ 95.18	INR NA
Share Capital	393.84	9.69	1,280.00	157.84	149.66	-	10.03	55.00	731.91	179.88
Reserves & Surplus	2,907.96	869.55	82.15	341.33	347.41	29.98	(5.88)	41.52	(412.42)	2,186.44
TOTAL ASSETS	**7,583.01**	**5,203.53**	**3,641.78**	**1,731.69**	**3,117.72**	**161.33**	**25.27**	**97.73**	**611.81**	**2,510.12**
TOTAL LIABILITIES	**4,288.98**	**4,324.29**	**2,279.63**	**1,232.52**	**2,620.65**	**131.35**	**21.12**	**1.22**	**292.32**	**603.47**
Investments(excluding investments in subsidiaries)	7.77	-	-	-	-	-	-	0.01	-	459.67
Turnover	51,107.19	12,402.31	2,863.09	2,590.65	2,409.27	163.80	31.63	0.10	-	-
Profit / (Loss) before Taxation	1,087.30	453.42	496.30	141.29	149.98	41.57	(2.02)	0.49	(0.57)	(9.12)
Provision for Taxation	393.67	141.34	167.35	54.11	(29.23)	(24.88)	-	0.59	2.27	0.31
Profit / (Loss) after Taxation	693.63	312.08	328.95	87.18	179.21	66.45	(2.02)	(0.10)	(2.84)	(9.43)
Proposed Dividend (Equity)	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.03%	98.64%	68.00%	98.17%	98.17%	98.17%	98.17%	100.00%	98.17%	100.00%

 # Consolidated Figures of the Company are given.
Reporting currency and Exchange rate is as on the last date of the relevant financial year in the case of foreign subsidiaries.
WGBL = Welspun Global Brands Limited, WUSA = Welspun USA, Inc., WCPGL = Welspun Captive Power Generation Limited, CHL = CHT Holdings Limited, WUL = Welspun UK Limited, CLL = Christy Lifestyle LLC, CWG = Christy Welspun GmbH, WZTL = Welspun Zucchi Textiles Limited, WHTUKL = Welspun Home Textiles UK Limited UK, WASEZ = Welspun Anjar SEZ Limited

₹ million

Sr. No.	11	12	13	14	15	16	17	18	19	20
Name of the Subsidiary company	CHT	NHT	WMEL	WHPL	ERK	BDI	AITP	WFL	CL	CUL
Reporting period year ended	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
Reporting currency and Exchange rate	GBP ₹ 95.18	MXN ₹ 3.83	USD ₹ 62.255	GBP ₹ 95.18	GBP ₹ 95.18	INR NA	INR NA	INR NA	GBP ₹ 95.18	GBP ₹ 95.18
Share Capital	149.66	53.22	16.54	1.62	0.20	0.10	0.10	0.10	-	-
Reserves & Surplus	15.51	(57.35)	37.44	449.39	55.87	(14.57)	-	-	817.88	2.47
TOTAL ASSETS	**1,092.95**	**-**	**59.86**	**454.18**	**56.06**	**1.10**	**0.61**	**0.10**	**1,259.23**	**279.07**
TOTAL LIABILITIES	**927.78**	**4.13**	**5.88**	**3.17**	**(0.01)**	**15.57**	**0.51**	**-**	**441.35**	**276.59**
Investments(excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-	-	-
Profit (Loss) before Taxation	(11.85)	-	(0.73)	(0.44)	-	0.07	-	-	-	-
Provision for Taxation	-	-	-	-	-	0.01	-	-	-	-
Profit (Loss) after Taxation	(11.85)	-	(0.73)	(0.44)	-	0.06	-	-	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.17%	98.03%	98.03%	98.17%	98.17%	100.00%	100.00%	100.00%	98.17%	98.17%

Reporting currency and Exchange rate is as on the last date of the relevant Financial year in the case of foreign subsidiaries.
CHT = Christy Home Textiles Limited, NHT = Novelty Home Textiles S A DE C V, WMEL = Welspun Mauritius Enterprises Limited, WHPL = Welspun Holdings Private Limited, ERK = E. R. Kingsley (Textiles) Limited, BDI = Besa Developers and Infrastructure Private Limited, AITP = Anjar Integrated Textile Park Developers Private Limited, WFL = Welspun Flooring Limited, , CL = Christy 2004 Limited, CUL = Christy UK Limited.
Notes:
1) Anjar Integrated Textile Park Developers Private Limited is yet to commence its business.
2) Welspun Flooring Limited is yet to commence its business.
3) WASEZ has been denotified as Special Economic Zone.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Rajesh Mandawewala
Managing Director
DIN: 00007179

Shashikant Thorat
Company Secretary
FCS: 6505

Altaf Jiwani
Chief Financial Officer

Date: April 25, 2016
Place: Mumbai

ANNEXURE - 2

Form No. MR -3

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

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

To,
The Members,
WELSPUN INDIA LIMITED
Welspun City, Village Versamedi, Anjar – 370110, Gujarat, India.
CIN: L17110GJ1985PLC033271
BSE Scrip Code – 514162
NSE Code – WELSPUNIND Series EQ

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WELSPUN INDIA LIMITED** (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('Audit Period'), 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 :

I 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, 2013 / The Companies Act, 1956 (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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

(d) 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 28 October 2014;

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

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (No event occurred requiring compliance during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (No event occurred requiring compliance during the audit period).

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

(i) Secretarial Standard issued by The Institute of Company Secretaries of India;

(ii) Listing Agreements / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

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

I 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 thereon 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.

Decisions were carried out through by majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I 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.

I, further report that during the year under review, the shares of the Company were sub-divided in the ratio of 10 equity shares of ₹ 1/- each in lieu of 1 equity share of ₹ 10/- each by resolution passed by the shareholder's through Postal Ballot, results declared on March 04, 2016. Further, the Company has complied with the provisions of the Act, The Secretarial Standards, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and all other applicable provisions in the process of sub-division.

I, further report that during the year under review, the Company declared and paid final dividend of ₹ 7.50 per equity share having nominal value of ₹ 10/- each for the financial year ended on March 31, 2015, 1st interim dividend of ₹ 6.50 per equity share having nominal value of ₹ 10/- each and 2nd interim dividend of ₹ 0.60/- per equity share having nominal value of ₹ 1/- each for the financial year ended on March 31, 2016.

I, further report that during the year under review, the Company formed a wholly owned subsidiary named "Welspun Flooring Limited" ("WFL").

I, further report that during the year under review, the Company has issued 12,600 (Twelve Thousand Six Hundred) equity shares of ₹ 10 (Rupees Ten only) each at a premium of ₹ 25.60 (Rupees Twenty-five and paise sixty only) upon exercise of Employee Stock Options (ESOPs).

Uday Sohoni
Practising Company Secretary
ACS 29359, CP 10916
April 25, 2016
Mumbai

ANNEXURE - 3

Form No. AOC-2

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

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

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: NIL

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS.

(a)	Name(s) of the related party and nature of relationship	Welspun Global Brands Limited	Welspun Captive Power Generation Limited
(b)	Nature of contracts/arrangements/ transactions	Sale of products of the Company	Purchase of power and steam
(c)	Duration of the contracts / arrangements/transactions	Perpetual	Perpetual
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The price for sale of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.	As may be mutually agreed periodically considering prevalent market conditions.
(e)	Date(s) of approval by the Board	July 30, 2014	July 30, 2014
(f)	Amount paid as advances, if any:	N.A.	N.A.

Note: The above transactions are material as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other transactions which are not material transactions but entered into in the ordinary course of business and on arm's length basis are mentioned in the Note No. 44 of the audited financial statements.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Date: April 25, 2016
Place: Mumbai

ANNEXURE - 4

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 :- L17110GJ1985PLC033271

ii. Registration Date : January 17, 1985

iii. Name of the Company : Welspun India Limited

iv. Category / Sub Category of the Company: Public Limited Company

v. Address of the Registered office and contact details: Welspun City, Village Versamedi, Taluka Anjar. Dist. Kutch, Gujarat-370110. Contact: The Company Secretary, Tele.: +91 2836 661111; Email Companysecretary_WIL@welspun.com.

vi. Whether listed company: Yes.

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are as given below:

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company.
1	Manufacture of other textiles	139	99.07%

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	Anjar Integrated Textile Park Developers Private Limited 707/708 Sterling Centre, R C Dutt Road, Alkapuri, Baroda, Gujarat – 390005	U74120GJ2011PTC064912	Subsidiary	100.00	2(87)(ii)
2	Besa Developers and Infrastructure Private Limited Trade World, B Wing, 9th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U45400MH2008PTC178773	Subsidiary	100.00	2(87)(ii)
3	Christy 2004 Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XN	-	Subsidiary	98.17	2(87)(ii)
4	Christy Home Textiles Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XN	-	Subsidiary	98.17	2(87)(ii)
5	Christy Lifestyle LLC (USA) 3901, Gantz Road, Grove City, OH 43123	-	Subsidiary	98.17	2(87)(ii)

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
6	Christy UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.17	2(87)(ii)
7	Christy Welspun GmbH (Germany) Obere Breite 14, 72336 Balingen	-	Subsidiary	98.17	2(87)(ii)
8	CHT Holdings Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.17	2(87)(ii)
9	E. R. Kingsley (Textiles) Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.17	2(87)(ii)
10	Krishiraj Trading Limited Survey No. 76, Village Morai, Vapi, Gujarat - 396191	U65990GJ1992PLC050965	Holding	50.27	2(46)
11	Novelty Home Textiles S.A. de C.V. (Mexico) Boulevard Zaragoza 1650, Colonia Salvacar, Ciudad Juarez, Chihuahua 32574	-	Subsidiary	98.03	2(87)(ii)
12	Welspun Anjar SEZ Limited Welspun City, P.O. Versamedi, Taluka Anjar, Gujarat – 370110	U22210GJ1995PLC027871	Subsidiary	100.00	2(87)(ii)
13	Welspun Captive Power Generation Limited Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110	U40100GJ2010PLC060502	Subsidiary	68.00	2(87)(ii)
14	Welspun Flooring Limited Survey No. 76, Village Morai, Vapi Valsad, Gujarat - 396191	U17291GJ2016PLC086292	Subsidiary	100.00	2(87)(ii)
15	Welspun Global Brands Limited Survey No. 675, Welspun City, Anjar, District Kutch, Gujarat - 370110	U71210GJ2004PLC045144	Subsidiary	98.03	2(87)(ii)
16	Welspun Holdings Private Limited (Cyprus) 10, Diomidous Avenue, Building Alphamega – Acropolis, 3rd Floor, Office 401, 2024 Nicosia, Cyprus	-	Subsidiary	98.17	2(87)(ii)
17	Welspun Home Textiles UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.17	2(87)(ii)
18	Welspun Mauritius Enterprises Limited (Mauritius) Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	98.03	2(87)(ii)
19	Welspun UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.17	2(87)(ii)
20	Welspun USA, Inc. (USA) Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	98.64	2(87)(ii)
21	Welspun Zucchi Textiles Limited B/9, Trade World, Kamala Mills Compound, S B Marg, Lower Parel, Mumbai - 400013	U18101MH1997PLC107982	Subsidiary	100.00	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held 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) Individuals/ Hindu Undivided Family	344,401	-	344,401	0.34%	3,444,010	-	3,444,010	0.34%	0.00%
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	73,483,318	-	73,483,318	73.15%	734,833,180	-	734,833,180	73.14%	(0.01)%
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any other(Specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL(A1)	**73,827,719**	**-**	**73,827,719**	**73.49%**	**738,277,190**	**-**	**738,277,190**	**73.48%**	**(0.01)%**
2. Foreign									-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB TOTAL(A2)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)= (A1)+(A2)	**73,827,719**	**-**	**73,827,719**	**73.49%**	**738,277,190**	**-**	**738,277,190**	**73.48%**	**(0.01)**
B. Public shareholding									
1. Institutions									
a) Mutual Funds/ UTI	4,037,213	11,350	4,048,563	4.03%	27,347,325	112,100	27,459,425	2.73%	(1.30)%
b) Banks / FI	908,935	250	909,185	0.91%	784,187	2,500	786,687	0.08%	(0.83)%
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	3,563,476	-	3,563,476	3.55%	127,196,277	-	127,196,277	12.66%	9.11%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others (Specify) - UTI	-	-	-	-	1,400	-	1,400	0.00	0.00%
SUB-TOTAL (B1)	**8,509,624**	**11,600**	**8,521,224**	**8.49%**	**155,329,189**	**114,600**	**155,443,789**	**15.47%**	**6.98%**
									-
2. Non-institutions									-
a) Bodies Corporate									
i Indian	6,940,648	7,189	6,947,837	6.93%	30,578,348	33,070	30,611,418	3.05%	(3.88)%
ii Overseas	-	-	-	-	-	-	-	-	-

Category of shareholders			No. of shares held at the beginning of the year				No. of shares held at the end of the year*				% change during the year
			Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b)	Individuals									-	-
	i	Individual shareholders holding nominal share capital up to ₹ 2 lakh	3,990,897	594,823	4,585,720	4.56%	35,960,321	5,730,580	41,690,901	4.15%	(0.41)%
	ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	6,022,721	-	6,022,721	6.00%	30,733,499	-	30,733,499	3.06%	(2.94)%
c)	Qualified Foreign Investor		-	-	-	-	-	-	-	-	-
d)	Any Other (specify)										
	i	Clearing member	264,992	-	264,992	0.26%	1,758,605	-	1,758,605	0.18%	(0.08)%
	ii	Non Resident Indians	114,217	21,165	135,382	0.13%	2,144,681	205,750	2,350,431	0.24%	0.11%
	iii	Unclaimed Shares Demat Suspense Account	139,740	-	139,740	0.14%	1,370,850	-	1,370,850	0.14%	0.00%
	iv	Hindu Undivided Family	-	-	-	-	2,359,507	-	2,359,507	0.23%	0.23%
	v	Directors / Relatives	3,614	875	4,489	0.00%	25,010	-	25,010	0.00%	0.00%
	vi	Trust	2,233	-	2,233	0.00%	103,950	-	103,950	0.00%	0.00%
	vii	Foreign Portfolio Investor	7,858	-	7,858	0.01%	-	-	-	-	(0.01)%
SUB-TOTAL (B2)			**17,486,920**	**624,052**	**18,110,972**	**18.03%**	**105,034,771**	**5,969,400**	**111,004,171**	**11.05%**	**(6.98)%**
TOTAL PUBLIC SHAREHOLDING (B)= (B1)+(B2)			**25,996,544**	**635,652**	**26,632,196**	**26.52%**	**260,363,960**	**6,084,000**	**266,447,960**	**26.52%**	**(0.00)%**
TOTAL (A)+(B)			**99,824,263**	**635,652**	**100,459,915**	**100.00%**	**998,641,150**	**6,084,000**	**1,004,725,150**	**100.00%**	**-**
c)	Shares held by Custodians and against which Depository Receipts have been issued		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)			**99,824,263**	**635,652**	**100,459,915**	**100.00%**	**998,641,150**	**6,084,000**	**1,004,725,150**	**100.00%**	**-**

** Each Equity Share of face value of ₹ 10/- each was sub- divided into 10 (Ten) Equity Shares of face value ₹ 1/- each pursuant to resolution passed by members through Postal Ballot on March 04, 2016.*

ii. Shareholding of Promoters

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year*			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares*	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Krishiraj Trading Limited	50,509,877	50.28	-	505,098,770	50.27	-	(0.01)%
2	Welspun Mercantile Limited	11,246,576	11.20	-	112,465,760	11.20	-	0.00%
3	Welspun Wintex Limited	8,425,291	8.39	-	84,252,910	8.39	-	0.00%
4	Welspun Infra Developers Limited	2,749,773	2.74	-	27,497,730	2.74	-	0.00%
5	Welspun Tradewel Limited (Formerly known as Welspun Finance Limited)	542,402	0.54	-	5,424,020	0.54	-	0.00%
6	Radhika Goenka	200,860	0.20	-	2,008,600	0.20	-	0.00%
7	Dipali Goenka	72,360	0.07	-	723,600	0.07	-	0.00%
8	Balkrishan Goenka	68,389	0.07	-	683,890	0.07	-	0.00%
9	Methodical Investment And Trading Co. Private Limited	7,694	0.01	-	76,940	0.01	-	0.00%
10	Dipali Goenka jointly with Balkrishan Goenka	2,680	0.00	-	26,800	0.00	-	0.00%
11	AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	1,485	0.00	-	14,850	0.00	-	0.00%
12	Welspun Steel Limited	110	0.00	-	1,100	0.00	-	0.00%
13	Welspun Zucchi Textiles Limited	110	0.00	-	1,100	0.00	-	0.00%
14	Rajesh Mandawewala	103	0.00	-	1,030	0.00	-	0.00%
15	Balkrishan Goenka jointly with Dipali Goenka	9	0.00	-	90	0.00	-	0.00%
	TOTAL	**73,827,719**	**73.49**	**-**	**738,277,190**	**73.48**	**-**	**(0.01)%**

** Each Equity Share of face value of ₹ 10/- each was sub- divided into 10 (Ten) Equity Shares of face value ₹ 1/- each pursuant to resolution passed by members through Postal Ballot on March 04, 2016.*

iii. Change in Promoter Groups' shareholding

Sr. No	Constituent of the Promoter Group	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares*	% of total shares of the company
1.	At the beginning of the year	73,827,719	73.49	73,827,719	73.49
	Increase / decrease in Promoter Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No change except as mentioned in the note below			
	At the end of the year	738,277,190	73.48	738,277,190	73.48

** Each Equity Share of face value of ₹ 10/- each was sub- divided into 10 (Ten) Equity Shares of face value ₹ 1/- each pursuant to resolution passed by members through Postal Ballot on March 04, 2016.*

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

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Goldman Sachs India Funds Limited	2,058,185	2.05	01.04.2015			2,058,185	2.05
				24.04.2015	132,810	Purchase	2,190,995	2.18
				05.06.2015	96,894	Purchase	2,287,889	2.28
				26.06.2015	56,168	Purchase	2,344,057	2.33
				31.07.2015	123,378	Purchase	2,467,435	2.46
				14.08.2015	-19,276	Sale	2,448,159	2.44
				21.08.2015	-154,778	Sale	2,293,381	2.28
				28.08.2015	-14,334	Sale	2,279,047	2.27
				04.09.2015	-215,969	Sale	2,063,078	2.05
				11.09.2015	-16,433	Sale	2,046,645	2.04
				22.03.2016	18,419,805	Sub-Division	20,466,450	2.04
		20,466,450	2.04	31.03.2016			20,466,450	2.04
2.	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	2,727,804	2.72	01.04.2015			2,727,804	2.72
				01.05.2015	25,000	Purchase	2,752,804	2.74
				08.05.2015	-60,000	Sale	2,692,804	2.68
				26.06.2015	-143,800	Sale	2,549,004	2.54
				03.07.2015	-5,900	Sale	2,543,104	2.53
				10.07.2015	-28,200	Sale	2,514,904	2.50
				17.07.2015	-18,704	Sale	2,496,200	2.48
				24.07.2015	-205,335	Sale	2,290,865	2.28
				31.07.2015	-364,515	Sale	1,926,350	1.92
				07.08.2015	-37,000	Sale	1,889,350	1.88
				21.08.2015	-76,443	Sale	1,812,907	1.80
				28.08.2015	100,000	Purchase	1,912,907	1.90
				11.09.2015	34,074	Purchase	1,946,981	1.94
				18.09.2015	-29,074	Sale	1,917,907	1.91
				25.09.2015	-1,735	Sale	1,916,172	1.91
				09.10.2015	42,247	Purchase	1,958,419	1.95
				23.10.2015	50,000	Purchase	2,008,419	1.99
				30.10.2015	10,000	Purchase	2,018,419	2.01
				06.11.2015	25,000	Purchase	2,043,419	2.03

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				04.12.2015	-16,265	Sale	2,027,154	2.02
				11.12.2015	469	Purchase	2,027,623	2.02
				18.12.2015	-4,969	Sale	2,022,654	2.01
				25.12.2015	-27,700	Sale	1,994,954	1.99
				31.12.2015	-66,754	Sale	1,928,200	1.92
				08.01.2016	-200,000	Sale	1,728,200	1.72
				15.01.2016	-90,240	Sale	1,637,960	1.63
				22.01.2016	109,000	Purchase	1,746,960	1.74
				29.01.2016	-25,000	Sale	1,721,960	1.72
				05.02.2016	-85,600	Sale	1,636,360	1.63
				12.02.2016	-138,460	Sale	1,497,930	1.49
				04.03.2016	33,015	Purchase	1,530,945	1.52
				11.03.2016	-55,004	Sale	1,475,941	1.47
				18.03.2016	-281,451	Sale	1,194,490	1.19
				22.03.2016	10,750,410	Sub-Division	11,944,900	1.19
				25.03.2016	-159,500	Sale	11,785,400	1.18
		11,407,700	1.14	31.03.2016	-377,700	Sale	11,407,700	1.14
3.	Pyramis Global Advisors Trust Company A/C Pyramis Group Trust For Employee Benefit Plans*	Nil	0.00	01.04.2015			Nil	0.00
				15.01.2016	38,639	Purchase	38,639	0.04
				22.01.2016	130,589	Purchase	169,228	0.17
				29.01.2016	24,086	Purchase	193,314	0.19
				05.02.2016	12,922	Purchase	206,236	0.21
				12.02.2016	59,216	Purchase	265,452	0.26
				19.02.2016	38,614	Purchase	304,066	0.30
				26.02.2016	31,788	Purchase	335,854	0.33
				04.03.2016	46,773	Purchase	382,627	0.38
				11.03.2016	29,712	Purchase	412,339	0.41
				18.03.2016	239,255	Purchase	651,594	0.65
				22.03.2016	50,240	Purchase	701,834	0.70
				22.03.2016	6,316,506	Sub-Division	7,018,340	0.70
				25.03.2016	30,414	Purchase	7,048,754	0.70
		7,539,635	0.75	31.03.2016	490,881	Purchase	7,539,635	0.75
4.	Vimal Jain	752,400	0.75	01.04.2015			752,400	0.75
				22.03.2016	6,771,600	Sub-Division	7,524,000	0.75
		7,524,000	0.75	31.03.2016			7,524,000	0.75
5.	HSBC Equity Fund*	Nil	0.00	01.04.2015			Nil	0.00
				26.06.2015	202,112	Purchase	202,112	0.20
				30.06.2015	65,300	Purchase	267,412	0.27
				10.07.2015	35,000	Purchase	302,412	0.30
				07.08.2015	208,000	Purchase	510,412	0.51
				21.08.2015	120,000	Purchase	630,412	0.63
				28.08.2015	25,000	Purchase	655,412	0.65
				04.09.2015	25,000	Purchase	680,412	0.68
				11.09.2015	8,900	Purchase	689,312	0.69
				18.09.2015	50,000	Purchase	739,312	0.74
				23.10.2015	68,500	Purchase	807,812	0.80

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				30.10.2015	13,000	Purchase	820,812	0.82
				06.11.2015	10,000	Purchase	830,812	0.83
				19.02.2016	-68,000	Sale	762,812	0.76
				18.03.2016	-70,778	Sale	692,034	0.69
				22.03.2016	-221,622	Sale	470,412	0.47
				22.03.2016	4,233,708	Sub-Division	4,704,120	0.47
				25.03.2016	2,153,000	Purchase	6,857,120	0.68
		6,857,120	0.68	31.03.2016			6,857,120	0.68
6.	Wasatch Emerging Markets Small Cap Fund*	Nil	0.00	01.04.2015			Nil	0.00
				08.01.2016	92,900	Purchase	92,900	0.09
				15.01.2016	80,894	Purchase	173,884	0.17
				22.01.2016	21,410	Purchase	195,294	0.19
				29.01.2016	91,011	Purchase	286,305	0.28
				05.02.2016	81,052	Purchase	367,357	0.37
				19.02.2016	72,713	Purchase	440,070	0.44
				26.02.2016	19,197	Purchase	459,267	0.46
				04.03.2016	28,598	Purchase	487,865	0.49
				11.03.2016	3,292	Purchase	491,157	0.49
				18.03.2016	50,000	Purchase	541,157	0.54
				22.03.2016	70,270	Purchase	611,427	0.61
				22.03.2016	5,502,843	Sub-Division	6,114,270	0.61
		6,114,270	0.61	31.03.2016			6,114,270	0.61
7.	California Public Employees' Retirement System, Managed By Wasatch Advisors, Inc.*	Nil	0.00	01.04.2015			Nil	0.00
				18.12.2015	13,955	Purchase	13,955	0.01
				25.12.2015	8,117	Purchase	22,072	0.02
				31.12.2015	148,246	Purchase	170,318	0.17
				01.01.2016	23,286	Purchase	193,604	019
				08.01.2016	119,836	Purchase	313,440	0.31
				15.01.2016	12,090	Purchase	325,530	0.32
				22.01.2016	5,147	Purchase	330,667	0.33
				29.01.2016	47,200	Purchase	377,877	0.38
				05.02.2016	68,560	Purchase	446,437	0.44
				12.02.2016	80,888	Purchase	527,325	0.52
				19.02.2016	12,934	Purchase	540,259	0.54
				26.02.2016	19,269	Purchase	559,528	0.56
				22.03.2016	22,817	Purchase	582,345	0.58
				22.03.2016	5,241,105	Sub-Division	5,823,450	0.58
		5,823,450	0.58	31.03.2016			5,823,450	0.58
8.	Macquarie Emerging Markets Asian Trading Pte. Limited*	Nil	0.00	01.04.2015			Nil	0.00
				15.01.2016	491,839	Purchase	491,839	0.49
				29.01.2016	41,300	Purchase	533,139	0.53
				12.02.2016	11,212	Purchase	544,351	0.54
				04.03.2016	25,443	Purchase	569,794	0.57
				22.03.2016	5,128,146	Sub-Division	5,697,940	0.57
		5,697,940	0.57	31.03.2016			5,697,940	0.57

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
9.	Anil Kumar Goel*	484,000	0.48	01.04.2015			484,000	0.48
				24.04.2015	1,000	Purchase	485,000	0.48
				01.05.2015	21,000	Purchase	506,000	0.50
				08.05.2015	4,000	Purchase	510,000	0.51
				05.06.2015	1,269	Purchase	511,269	0.51
				12.06.2015	589	Purchase	511,858	0.51
				19.06.2015	333	Purchase	512,191	0.51
				26.06.2015	-1,191	Sale	511,000	0.51
				24.07.2015	-76,000	Sale	435,000	0.43
				11.09.2015	1,965	Purchase	436,965	0.43
				18.09.2015	35	Purchase	437,000	0.43
				16.10.2015	8,000	Purchase	445,000	0.44
				23.10.2015	29,000	Purchase	474,000	0.47
				30.10.2015	75,000	Purchase	549,000	0.55
				13.11.2015	1,000	Purchase	550,000	0.55
				20.11.2015	-1,000	Sale	549,000	0.55
				04.12.2015	-1,000	Sale	548,000	0.55
				31.12.2015	-1,000	Sale	547,000	0.55
				22.01.2016	1,000	Purchase	548,000	0.55
				11.03.2016	-1,000	Purchase	547,000	0.55
				22.03.2016	4,923,000	Sub-Division	5,470,000	0.55
		5,470,000	0.55	31.03.2016			5,470,000	0.55
10.	ICICI Prudential Midcap Fund	985,490	0.98	01.04.2015			985,490	0.98
				29.05.2015	-56,770	Sale	928,720	0.92
				05.06.2015	-28,720	Sale	900,000	0.90
				26.06.2015	-15,000	Sale	885,000	0.88
				10.07.2015	-78,875	Sale	806,125	0.80
				17.07.2015	-69,176	Sale	736,409	0.73
				18.12.2015	-86,409	Sale	650,000	0.65
				31.12.2015	-26,942	Sale	623,058	0.62
				01.01.2016	-38,358	Sale	584,700	0.58
				08.01.2016	-6,616	Sale	578,084	0.58
				12.02.2016	-6,484	Sale	571,600	0.57
				11.03.2016	-8,015	Sale	563,585	0.56
				18.03.2016	-20,753	Sale	542,832	0.54
				22.03.2016	4,885,488	Sub-Division	5,428,320	0.54
		5,428,320	0.54	31.03.2016			5,428,320	0.54
11.	BNP Paribas Arbitrage#	731,182	0.73	01.04.2015			731,182	0.73
				10.04.2015	38,107	Purchase	769,289	0.77
				17.04.2015	147,208	Purchase	916,497	0.91
				01.05.2015	57,912	Purchase	974,409	0.97
				08.05.2015	63,990	Purchase	1,038,399	1.03
				05.06.2015	12,000	Purchase	1,050,399	1.05
				19.06.2015	2,233	Purchase	1,052,632	1.05
				26.06.2015	-28,487	Sale	1,024,145	1.02
				30.06.2015	-28,087	Sale	996,058	0.99
				10.07.2015	-75,366	Sale	920,692	0.92
				17.07.2015	-100,181	Sale	820,511	0.82

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
				24.07.2015	-32,478	Sale	788,033	0.78
				31.07.2015	-134,162	Sale	653,871	0.65
				07.08.2015	-33,003	Sale	620,868	0.62
				14.08.2015	-50,952	Sale	569,916	0.57
				21.08.2015	-81,645	Sale	488,271	0.48
				28.08.2015	-90,193	Sale	398,078	0.40
				16.10.2015	47,912	Purchase	445,990	0.44
				23.10.2015	101,410	Purchase	547,400	0.54
				18.12.2015	-34,636	Sale	512,764	0.51
				22.01.2016	-31,746	Sale	481,018	0.48
				29.01.2016	-2,904	Sale	478,114	0.48
				05.02.2016	-94,302	Sale	383,812	0.38
				19.02.2016	-94,125	Sale	289,687	0.28
				04.03.2016	-62,612	Sale	227,075	0.23
				11.03.2016	-77,388	Sale	149,687	0.15
				22.03.2016	1,347,183	Sub-Division	1,496,870	0.15
		1,392,856	0.14	31.03.2016	-104,014	Sale	1,392,856	0.14
12.	Life Insurance Corporation of India#	699,824	0.70	01.04.2015			699,824	0.70
				05.06.2015	-177	Sale	699,647	0.70
				19.06.2015	-82,805	Sale	616,842	0.61
				26.06.2015	-239,922	Sale	376,920	0.38
				30.06.2015	-57,324	Sale	319,596	0.32
				17.07.2015	-75,314	Sale	244,282	0.24
				24.07.2015	-170,495	Sale	73,787	0.07
				31.07.2015	-73,787	Sale	Nil	0.00
		Nil	0.00	31.03.2016			Nil	0.00
13.	RVB Enterprise LLP#	689,469	0.69	01.04.2015			689,469	0.69
				10.04.2015	38,581	Purchase	728,050	0.72
				17.04.2015	-12,728	Sale	715,322	0.71
				08.05.2015	-17,000	Sale	698,322	0.70
				15.05.2015	46,177	Purchase	744,499	0.74
				22.05.2015	-20,000	Sale	724,499	0.72
				29.05.2015	-25,530	Sale	698,969	0.70
				05.06.2015	-42,225	Sale	656,744	0.65
				26.06.2015	-8,000	Sale	648,744	0.65
				30.06.2015	-5,000	Sale	643,744	0.65
				17.07.2015	-30,461	Sale	613,283	0.61
				24.07.2015	-11,000	Sale	602,283	0.60
				31.07.2015	-41,839	Sale	560,444	0.56
				14.08.2015	-29,000	Sale	531,444	0.53
				28.08.2015	-15,000	Sale	516,444	0.51
				11.09.2015	-32,000	Sale	484,444	0.48
				18.09.2015	-5,762	Sale	478,682	0.48
				22.01.2016	16,364	Purchase	495,046	0.49
				29.01.2016	136	Purchase	495,182	0.49
				04.03.2016	30,000	Purchase	525,182	0.52
				25.03 .2016	-525,182	Sale	Nil	0.00
		Nil	0.00	31.03.2016			Nil	0.00

Sr. No	Shareholder Names	Shareholding at the beginning (01-04-15) / end of the year (31-03-16)		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
	For each of the top ten Shareholders	No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
14.	Quant Capital Securities Private Limited#	592,143	0.59	01.04.2015			592,143	0.59
				03.04.2015	-16,487	Sale	575,656	0.57
				10.04.2015	-100,656	Sale	475,000	0.47
				01.05.2015	-18,000	Sale	457,000	0.46
				29.05.2015	-200,000	Sale	257,000	0.26
				07.08.2015	-128,554	Sale	128,446	0.13
				14.08.2015	-28,446	Sale	100,000	0.10
				30.09.2015	21,000	Purchase	121,000	0.12
				13.11.2015	29,000	Purchase	150,000	0.15
				20.11.2015	-29,000	Sale	121,000	0.12
				27.11.2015	-29,000	Sale	92,000	0.09
				04.12.2015	-2,000	Sale	90,000	0.09
				11.12.2015	-90,000	Sale	Nil	0.00
		Nil	0.00	31.03.2016			Nil	0.00
15.	Max Life Insurance Company Limited#	585,476	0.58	01.04.2015			585,476	0.58
				10.04.2015	-30,000	Sale	555,476	0.55
				17.04.2015	-224,474	Sale	331,002	0.33
				24.04.2015	-100,000	Sale	231,002	0.23
				31.07.2015	-1,150	Sale	229,852	0.23
				07.08.2015	-2,400	Sale	227,452	0.23
				14.08.2015	-37,613	Sale	189,839	0.19
				21.08.2015	-36,192	Sale	153,647	0.15
				16.10.2015	-22,603	Sale	131,044	0.13
				23.10.2015	-18,000	Sale	113,044	0.11
				25.03.2015	-113044	Sale	Nil	0.00
		Nil	0.00	31.03.2016			Nil	0.00
16.	Akash Bhansali#	569,590	0.57	01.04.2015			569,590	0.57
				22.05.2015	-69,590	Sale	500,000	0.50
				03.07.2015	-50,000	Sale	450,000	0.45
				10.07.2015	-60755	Sale	389,245	0.39
				17.07.2015	-108,460	Sale	280,785	0.28
				24.07.2015	-125,000	Sale	155,785	0.16
				31.07.2015	-96,541	Sale	59,244	0.06
				07.08.2015	-28,459	Sale	30,785	0.03
				11.09.2015	-10,000	Sale	20,785	0.02
				18.09.2015	-6,801	Sale	13,984	0.01
				25.09.2015	-3,984	Sale	10,000	0.01
				02.10.2015	-10,000	Sale	Nil	0.00
		Nil	0.00	31.03.2016			Nil	0.00

 # Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2015.

** Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.*

@ Dates of weekly BENPOS received from the Registrar and Share Transfer Agent. Exact date of change is not available.

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year.	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shareholding of Directors				
1.	**Balkrishan Goenka (including holding of Balkrishan Goenka HUF and joint holding)**				
	At the Beginning of Year	68,398	0.07	68,398	0.07
	At the end of year*	683,980	0.07	683,980	0.07
2.	**Ram Gopal Sharma**				
	At the Beginning of Year	1	0.00	1	0.00
	At the end of year*	10	0.00	10	0.00
3.	**Apurba Kumar Dasgupta**				
	At the Beginning of Year	3,500	0.00	3,500	0.00
	At the end of year*	25,000	0.00	25,000	0.00
	Shareholding of Key Managerial Person				
4.	**Rajesh Mandawewala –Managing Director**				
	At the Beginning of Year	103	0.00	103	0.00
	At the end of year*	1,030	0.00	1,030	0.00
5.	**Ms. Dipali Goenka – Joint Managing Director & CEO (including joint holding)**				
	At the Beginning of Year	75,040	0.07	75,040	0.07
	At the end of year*	750,400	0.07	750,400	0.07
6.	**Shashikant Thorat – Company Secretary**				
	At the Beginning of Year	1	0.00	1	0.00
	At the end of year*	10	0.00	10	0.00

Other Directors of the Company and Chief Financial Officer did not hold any share of the Company, any time during the year.
** Each Equity Share of face value of ₹ 10/- each was sub- divided into 10 (Ten) Equity Shares of face value ₹ 1/- each pursuant to resolution passed by members through Postal Ballot on March 04, 2016..*

V. INDEBTEDNESS:

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

₹ million

		Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	22,763.07	1,902.04	-	24,665.11
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	60.68	-	-	60.68
TOTAL (i + ii + iii)		**22,823.75**	**1,902.04**	**-**	**24,725.79**
Change in indebtedness during the financial year.					
•	Addition	-	-	-	-
•	(Reduction)	(1,605.02)	(812.26)	-	(2,417.28)
Net change		(1,605.02)	(812.26)	-	(2,417.28)
Indebtedness at the end of the financial year					
i.	Principal Amount	21,137.99	1,089.78	-	22,227.77
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	80.74	-	-	80.74
TOTAL (i + ii + iii)		**21,218.73**	**1,089.78**	**-**	**22,308.51**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director (MD), whole-time directors (WTD) and/or Manager

₹ million

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Rajesh Mandawewala	Ms. Dipali Goenka	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	17.00	15.00	32.00
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	0.32	-	0.32
	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	83.96	83.96	167.92
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	101.29	98.96	200.25
	Ceiling as per the Act.	420.35	420.35	840.70

B. Remuneration to other directors

₹ million

Sr. No.	Particulars of Remuneration	Name of Directors					Total amount (₹)
1.	Independent Directors	Apurba Kumar Dasgupta	Dadi Engineer *	Arvind Kumar Singhal	Ram Gopal Sharma	Arun Todarwal	
	• Fee for attending board, committee and general meetings	0.64	0.09	0.13	0.85	0.64	2.36
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	TOTAL (1)	**0.64**	**0.09**	**0.13**	**0.85**	**0.64**	**2.36**
2.	Other Non Executive Directors	Ms. Padma Betai *	Balkrishan Goenka	Ajay Sharma*			
	• Fee for attending board committee meetings	0.07	-	0.03			0.10
	• Commission	-	83.96	-			83.96
	• Others, please specify (Advisory Fees)	-	-	-			-
	TOTAL (2)	**0.07**	**83.96**	**0.03**			**84.06**
	TOTAL (B) = (1 + 2)						**86.42**

C. Total Managerial Remuneration

₹ million

Total Managerial Remuneration (A+B)	286.67
Overall Ceiling as per the Act.	924.77

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ million

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.00	3.27	23.27
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	2.40	0.13	2.53
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 196	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify	-	-	-
	TOTAL	**22.40**	**3.40**	**25.80**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Date: April 25, 2016
Place: Mumbai

ANNEXURE - 5

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

(i) The steps taken or impact on conservation of energy:

The Company is continuously engaged in the process of energy conservation through continuous improvements in operational and maintenance practice.

Following measures have been taken by different units of the Company:

-Modernization of Spinning Machines to enchance productivity and Power Saving

-Energy Saving through Condensate Water Recovery

-Energy Saving Through Hot Water Recovery

-Replaced all conventional luminary with Energy saving LED lightings

(ii) the steps taken by the company for utilizing alternate sources of energy:

Your Company's Anjar plant has installed a Bio-Gas Plant to generate biogas from all biodegradable wastes like Biological Sludge, garden, kitchen and canteen waste.

(iii) the capital investment on energy conservation equipments: - NIL

Technology Absorption

(i) The efforts made towards technology absorption:

Developing products across categories viz. Towels, Sheets, Rugs, Carpets, TOB and Utility Bedding. Further, your Company has international as well as domestic tie ups for research and in addition your Company works with the vendors to come up with innovative solutions. Your Company has received 2 patents in USA and 1 design application in Europe, apart from that your Company has also filed additional 10 patents in this financial year.

This has been possible because of the robust research infrastructure your Company has developed. Your Company plans to build further capabilities in R&D across categories to create differentiation in the market.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Developed a premium range of products to attract new business and customers and maintain leadership through innovation in market. It has resulted in the improvement of quality of the products and reduced operation cost. Upgradation of products to the new requirements has been possible because of R&D done in your Company since inception on a continuous basis. It helps your Company in providing customers with wide range of products to select and create a brand image for better penetration in market.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

(iv) Expenditure on R&D:

	₹ million
Capital	36.25
Recurring	268.41
TOTAL	304.66
TOTAL R&D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.63%

Foreign Exchange Earnings and Outgo

Refer to Note no. 38 and 41 of the audited financial statements for details.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN: 00270175

Date: April 25, 2016
Place: Mumbai

ANNEXURE - 6

Corporate Social Responsibility (CSR)

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

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

   The Company is not only committed for doing Corporate Social Responsibility but it 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 & Health.

These 3E's are implemented through:

- The programs organized by the Trust created by the Group;
- Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
- Facilitating Government initiatives.

The Company's CSR Policy is hosted on the website of the Company and a web link thereto is: http://www.welspunindia.com/policy/csr_policy.pdf

2. The Composition of the CSR Committee.

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

3. Average net profit of the Company for last three financial years: ₹ 2,860.84 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) ₹ 57.22 million.

5. Details of CSR spent during the financial year.

   a. Total amount to be spent for the financial year: ₹ 57.22 million
   b. Amount unspent, if any: Nil

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

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 (₹ in millions)	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative exp. up to the date reporting period	Amount spent : Direct or through implementing agency
1	Health check-up and medical awareness camps, Construction of toilets under government approved CSR scheme, Providing safe Drinking water system	Preventive Healthcare Schedule 7(i)	Vapi, Gujarat / Anjar, Gujarat	28.81	Direct Expenditure		
2	Development of teachers at 45 village & municipal schools and Maint. Expenses at government school, Providing computers and software at Smart Class in village schools in Vapi and providing maintenance of smart classes in Anjar, Operational Expenses of Ved Kutir	Education Schedule 7(ii)	Vapi, Gujarat / Anjar, Gujarat	3.59	Direct Expenditure	56.00	Through implementing agency - Welspun Foundation for Health and Knowledge
3	Development of CSR Centres for providing avenues to women for livelihood at villages and reducing inequality among under privileged children	Women Empowerment Schedule 7(iii)	Anjar, Gujarat / Vapi, Gujarat	2.38	Direct Expenditure		
4	Contribution to Prime Minister's National relief fund	Schedule 7(viii)	Anjar, Gujarat / Vapi, Gujarat	1.21	Direct Expenditure		
5	Development of model village (Smart Village concept)	Rural Development Schedule 7(x)	Anjar, Gujarat / Vapi, Gujarat	20.01	Direct Expenditure		
	TOTAL DIRECT EXPENDITURE						**56.00**
	Staff salaries and overheads						1.32
	GRAND TOTAL						**57.32**

It is hereby confirmed by and on behalf of the CSR 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 Company's CSR Committee

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

Rajesh Mandawewala
Managing Director
DIN: 00007179

Date: April 25, 2016
Place: Mumbai

CORPORATE GOVERNANCE REPORT

Growth with transparency, accountability and integrity to attain highest level of good Corporate Governance Practice

I. PHILOSOPHY ON CORPORATE GOVERNANCE:

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

II. BOARD OF DIRECTORS:

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

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

	Name of the Director	Category	Board Meetings Attended during the Year 2015-16	Attendance at the Last AGM	No. of other Directorship			Member / Chairman in No. of Board/ Committees including other Companies@	Number of Shares held
					Pub.	Pvt.	Other Body Corporate		
(01)	Balkrishan Goenka Chairman	C, P, NE	4	No	7	5	7	2M	683,980
(02)	Rajesh Mandawewala Managing Director	P, E	4	Yes	9	5	12	3M	1,030
(03)	Ms. Dipali Goenka Joint Managing Director & CEO	P, E	4	No	9	3	3	-	750,400
(04)	Ms. Padma Betai Nominee IDBI Bank *	NE, NI, L	2	No	2	-	-	-	-
(05)	Apurba Kumar Dasgupta Director	NE, I	4	No	5	5	-	2C,5M	25,000
(06)	Dadi Engineer # Director	NE, I	1	No	6	3	-	-	-
(07)	Ajay Sharma Nominee IDBI Bank *	NE, NI, L	2	No	2	-	-	-	-
(08)	Ram Gopal Sharma Director	NE, I	5	Yes	5	3	-	3C, 2M	10
(09)	Arvind Kumar Singhal Director	NE, I	3	No	4	7	1	1M	-
(10)	Arun Todarwal Director	NE, I	4	Yes	8	2	-	4C, 5M	-

* *IDBI Bank substituted the nomination of Ajay Sharma with Ms. Padma Betai w.e.f. August 22, 2015*
\# *Dadi Engineer has resigned from the Board of the Company with effect from April, 29, 2015*
@ *Chairmanship/membership of Audit Committee, The Stakeholders' Relationship, Share Transfer and Investors' Grievance Committee considered.*

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

5 meetings of the Board of Directors were held during the financial year 2015-16 on the following dates: April 29, 2015, July 20, 2015, October 20, 2015, February 02, 2016 and March 10, 2016.

Ms. Dipali Goenka is spouse of Mr. Balkrishan Goenka. None of the other directors are related to any other director on the Board.

III. AUDIT COMMITTEE:

The Committee comprises of 3 (Three) Independent Directors. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Ram Gopal Sharma	Chairman	15/15
Arun Todarwal	Member	14/15
Apurba Kumar Dasgupta	Member	12/15

The Company Secretary of the Company, Mr. Shashikant Thorat acts as the Secretary of the Committee.

15 meetings of the Audit Committee were held during the financial year 2015-16 on the following dates: April 28, 2015, April 29, 2015, July 14, 2015, July 16, 2015, July 20, 2015, September 04, 2015, October 16, 2015, October 17, 2015, October 19, 2015, October 20, 2015, January 12, 2016, January 15, 2016,February 02, 2016, February 22, 2016 and March 22, 2016.

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

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 ("the Act").

IV. NOMINATION AND REMUNERATION COMMITTEE:

The Committee comprises of 3 (Three) Independent Directors. The Composition of Committee and attendance of the members is given hereunder:

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

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

Name of the Member	Member/ Chairman	Number of Meetings Attended
Apurba Kumar Dasgupta	Chairman	4/5
Ram Gopal Sharma	Member	5/5
Arun Todarwal	Member	4/5

The Company Secretary of the Company, Mr. Shashikant Thorat acts as the Secretary of the Committee.

5 meetings of the Nomination & Remuneration Committee were held on April 29, 2015, July 16, 2015, October 20, 2015, January 15, 2016 and February 02, 2016.

Board evaluation: The evaluation process was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within and effective functioning of the Board. The evaluation process invited through IT enabled platform graded responses to a structured questionnaire for each aspect of evaluation viz. time spent by each of the director, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of the Director, active participation and contribution during discussions.

Nomination and Remuneration Policy:

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

Appointment of Directors:

- While identifying persons who may be appointed as director(s), the Committee shall consider business of the Company, strengths, weaknesses, opportunities and threats to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and, background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board.

- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications

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

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

- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders. There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

- The remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent. The Non-Executive Directors may be paid commission after complying with required provisions of the Act. Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, the growth of business, profitability, Company's business plan and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

Details under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr No.	Particulars	Balkrishan Goenka Chairman	Rajesh Mandawewala Managing Director	Ms. Dipali Goenka Joint Managing Director & CEO
1.	Salary	-	₹ 17.00 Million	₹ 15.00 Million
2.	Commission	1% of the profit	1% of the profit	1% of the profit
3.	Service Contract / Term of approval	April 1, 2011 to March 31, 2016#	April 1, 2014 to March 31, 2017	April 1, 2013 to March 31, 2016*
4.	Notice Period	NIL	3 months	3 months
5.	Severance Fees	NIL	NIL	NIL
6	Stock Options	NIL	NIL	NIL

* *Service Contract renewed w.e.f April 01, 2016*

\# Resolution is proposed in forthcoming 31st Annual General Meeting for approval to payment of Commission for a period of 5 years commencing from April 01, 2016.

V. THE STAKEHOLDERS' RELATIONSHIP, SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE:

The Stakeholders' Relationship, Share Transfer and Investors' Grievance Committee is in accordance with the Section 178 of the Act and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to examine complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and to review the functioning of the investors grievance redressal system.

The Committee comprises of 3 (Three) Non-Executive Directors and the Chairman of the Committee is an Independent Director.

The composition of the Committee is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Apurba Kumar Dasgupta	Chairman	4/4
Balkrishan Goenka	Member	4/4
Rajesh Mandawewala	Member	4/4

The Company Secretary of the Company, Mr. Shashikant Thorat acts as the Secretary of the Committee

4 meetings of the Committee were held on June 20, 2015, September 28, 2015, October 5, 2015 and March 22, 2016.

Number of Shareholders complaints / requests received during the year

During the year under review, total 151 shareholders complaints were received. Break-up and number of complaints received under different category is given hereunder:

Sr. No.	Nature of Grievances	Nos
1	Non-receipt of Share Certificate	32
2	Non-receipt of Dividend	97
3	Non-receipt of Annual Report	7
4	Non-receipt of Rejected DRF	1
5	Non receipt of Replacement/Split/Consolidated/Duplicate share certificate	1
6	Others	13
TOTAL		**151**

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.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee is formed in accordance with Section 135 of the Act.

Terms of reference: To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.

Composition of the Committee: The Committee comprises of 3 (Three) members. The Chairman of the Committee is an Independent Director.

Name of the Member	Member/ Chairman	Meeting Attended
Ram Gopal Sharma	Chairman	Yes
Rajesh Mandawewala	Member	No
Ms. Dipali Goenka	Member	Yes

VII. SHAREHOLDING OF THE DIRECTORS:

Refer to Sr. no. IV(v) of Annexure 4 of the Directors' Report.

VIII.GENERAL BODY MEETINGS:

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

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
28th Annual General Meeting	Tuesday, September 24, 2013	10.00 a.m.	Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110	• Approving investment of ₹ 1 Crore in share capital of Welspun Global Brands Limited.
29th Annual General Meeting	Thursday, September 25, 2014	10.45 a.m.	Same as above	• Appointment of Mr. Arvind Kumar Singhal as a director, liable to retire by rotation • Appointment of independent directors • 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 Act. • Approving remuneration payable to Cost Auditors. • Authorizing purchase of equity shares in JV company held by JV partner • Approving transactions with the related parties • Approving revision in remuneration of Executive Director • Approving revision in remuneration payable to directors' relatives.
30th Annual General Meeting	Monday, August 31, 2015	3.00 p.m.	Same as above	• Approval of Borrowing by issuing securities on private placement basis.

Procedure for postal ballot:

Procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 were followed. The postal ballot and all other papers relating to postal ballot including voting by electronic means, remained under the safe custody of the scrutinizer till the Chairman considered, approved and signed the minutes and thereafter, the scrutinizer returned the ballot papers and other related papers and register to the Company for preservation. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company.

During the year under review 2 (Two) postal ballots were conducted and resolutions u/s 186, 13, 61 and 64 of the Act were passed through postal ballot. Details of voting pattern on those resolutions, person who conducted the postal ballot exercise, nature of resolution and procedure for postal ballot were as under:

(i) Postal Ballot Notice dated July 20, 2015

Resolution	Whether special / Ordinary Resolution	% of votes polled on outstanding shares	% of votes in favor of total votes polled	% of votes against of total votes polled	who conducted the postal ballot exercise
u/s 186	Special	81.81%	94.91%	5.09%	CS Sanjay Risbud Proprietor of M/s. S.S. Risbud & Co

(ii) Postal Ballot Notice dated February 02, 2016

Resolution	Whether special / Ordinary Resolution	% of votes polled on outstanding shares	% of votes in favor of total votes polled	% of votes against of total votes polled	who conducted the postal ballot exercise
u/s 61 (1) (d), 64	Ordinary	85.60%	99.99%	0.001%	CS Uday Sohoni Company Secretary
u/s 13, 61	Ordinary	85.61%	99.99%	0.001%	

IX. DISCLOSURE:

a. Related Party Transactions:

For related party transactions, refer Note 46 of Notes to Accounts annexed to the Financial Statements. The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is hosted on the Company's website and a web link thereto is as under: http://www.welspunindia.com/policy/related_party_transaction_policy.pdf

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - None

c. Code of Conduct:

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been hosted on the Company's website, a web link thereto is: http://www.welspunindia.com/policy/code_conduct.pdf for information of all the members, of the Board and management personnel. All Board members and senior management personnel have affirmed compliance with 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 from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2015-16.

Rajesh Mandawewala
Managing Director

d. Whistleblower Policy and Vigil Mechanism:

Refer Point no. 21 of the Directors' Report.

e. Policy for determining 'material' subsidiaries:

The Company's policy on determining material subsidiaries as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is hosted on the Company's website and a web link thereto is as under:
http://www.welspunindia.com/policy/material_subsidiary_policy.pdf

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

The Company is in compliance with the mandatory requirements mentioned under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable and in addition the Company at its discretion adopted requirements as mentioned 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.

g. Disclosure related to familiarization programme imparted to independent directors:

Refer point no. 11 of the Director's Report.

X. MEANS OF COMMUNICATION:

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

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

XI. GENERAL SHAREHOLDER INFORMATION:

1. **Annual General Meeting** shall be held on Wednesday, July 27, 2016 at 11.30 am at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

2. **Financial Year** of the Company is April 1 of a year to March 31 of the following year.

3. **Date of Book Closure:** Monday, June 27, 2016, to Tuesday June 28, 2016 2016 (both days inclusive).

4. **Dividend payment date:** July 28, 2016 - August 06, 2016.

5. **Listing on Stock Exchanges:** The Equity Shares of your Company are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

6. **Stock Code/Symbol for equity shares:**

   Bombay Stock Exchange Limited: 514162

   The National Stock Exchange of India Limited: WELSPUNIND; Series: EQ

   ISIN No. (For dematerialized shares): INE192B01031

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

	BSE		NSE	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2015	492.00	438.80	493.05	437.00
May-2015	570.00	547.00	572.45	545.40
June-2015	650.00	629.25	649.90	627.85
July-2015	910.75	878.00	910.00	879.00
August-2015	777.00	745.00	777.00	744.15
September-2015	854.50	831.20	854.95	829.20
October-2015	768.85	714.25	772.05	710.00
November-2015	894.00	815.00	894.50	813.50
December-2015	926.80	910.10	926.00	910.00
January-2016	852.00	824.00	852.50	822.20
February-2016	840.00	800.00	841.50	797.85
March-2016*	101.20	99.00	101.00	98.10

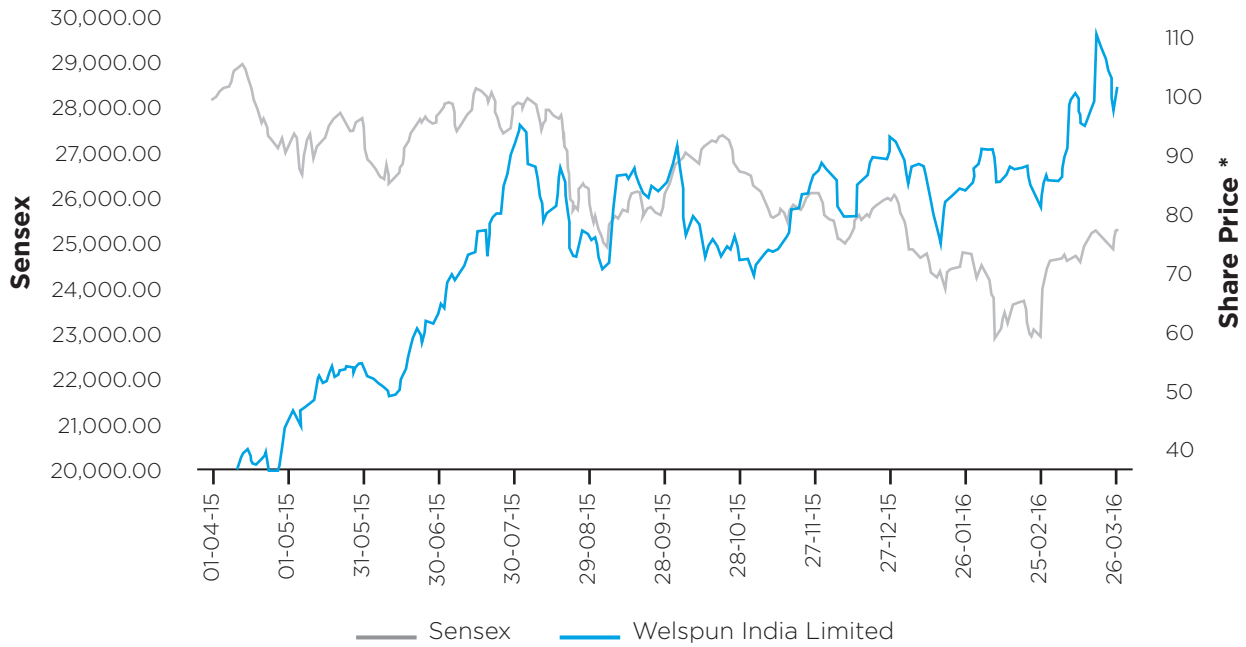
** The Members of the Company through Postal Ballot on March 04, 2016 approved the sub-division of each equity share of the Company having face value of ₹ 10/- each into 10 (Ten) equity shares of ₹ 1/- each.*

8. 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 (₹)	NSE (S&P Nifty)	Closing price of Share (₹)
April - 2015	27011	475.30	8181	473.85
May-2015	27828	563.45	8433	565.60
June-2015	27780	642.35	8368	642.85
July-2015	28114	896.25	8532	897.10
August-2015	26283	771.90	7971	771.85
September-2015	26154	843.35	7948	845.15
October-2015	26656	721.30	8065	718.65
November-2015	26145	869.80	7935	871.25
December-2015	26117	914.75	7946	912.85
January-2016	24870	831.10	7563	830.75
February-2016	23002	809.25	6987	811.85
March-2016*	25341	99.35	7738	98.95

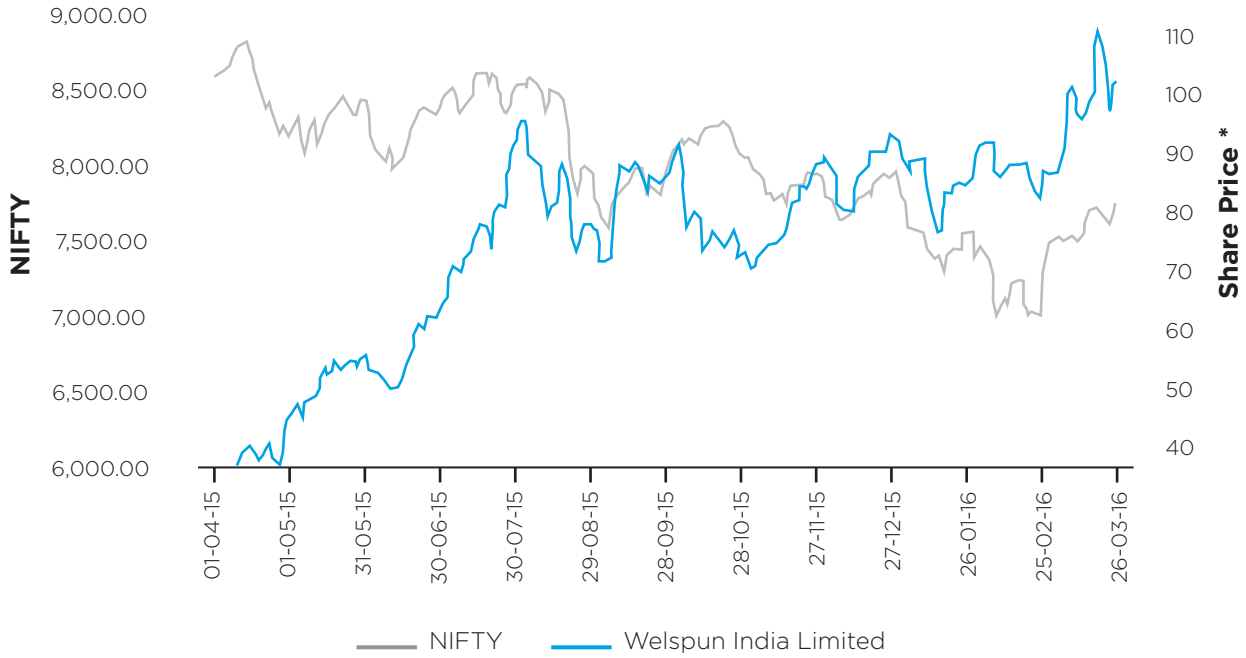
** The Members of the Company through Postal Ballot on March 04, 2016 approved the sub-division of each equity share of the Company having face value of ₹ 10/- each into 10 (Ten) equity shares of ₹ 1/- each.*

BSE & WELSPUN INDIA LIMITED



** In order to make the price comparable, Company has adjusted the share price with effect from April 01, 2015 due to sub-division*

NSE & WELSPUN INDIA LIMITED



** In order to make the price comparable, Company has adjusted the share price with effect from April 01, 2015 due to sub-division*

9. **Registrar and Transfer Agent:** Registrar and Transfer Agent of the Company handles the share transfer work and resolves the complaints of shareholders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. Link Intime India Private Limited
Unit : Welspun India Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.

Email - rnt.helpdesk@linkintime.co.in

Tele. No.: +91-22-25946970
Fax No. : +91-22–25946969

10. **Share Transfer System:** The Company's Registrar and Transfer Agent registers shares received from the shareholders for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Transfer documents under objection are returned within two weeks.

11. **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	14,939	48.85%	2,376,363	0.24%
501-1,000	7,511	24.56%	6,223,801	0.62%
1,001-2,000	3,897	12.74%	5,878,289	0.59%
2,001-3,000	1,563	5.11%	3,853,620	0.38%
3,001-4,000	522	1.71%	1,832,081	0.18%
4,001-5,000	451	1.47%	2,130,490	0.21%
5,001-10,000	710	2.32%	5,200,413	0.51%
10,001 and above	991	3.24%	9,777,230,093	97.26%
TOTAL	**30,584**	**100.00%**	**1,004,725,150**	**100.00%**

12. **De-materialization of shares and liquidity:** As on March 31, 2016, 99.37% equity shares have been dematerialized and have reasonable liquidity on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Average Volume Traded on Bombay Stock Exchange (Daily Basis)		Average Volume Traded on National Stock Exchange (Daily Basis)	
Period Prior to Sub- division	Period After Sub-Division	Period Prior to Sub- division	Period After Sub-Division
44,527	212,814	225,252	1,174,631

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

14. **Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**
Refer to point No. 8 to the Directors' Report.

15. Commodity price risk or foreign exchange risk and hedging activities:
Refer to Management Discussion & Analysis' Section of this Report.

16. The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

17. Plant locations of the Company

(i) Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370 110

(ii) Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396191

18. Address for correspondence
The Company Secretary,
Welspun India Limited
7th Floor, Welspun House,
Kamala City,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Tel: +91-22-66136000; +91-22-24908000,
Fax: +91-22-24908020 /21

e-mail: CompanySecretary_WIL@welspun.com

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE REPORT

To
The Members
WELSPUN INDIA LIMITED

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

The compliance of conditions of Corporate Governance is the responsibility of the Management. My 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 my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

I state that in respect of investor grievance 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.

Uday Sohoni
Practicing Company Secretary
ACS 29359
CP 10916

Place: Mumbai
Date: April 25, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of Welspun India Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of **Welspun India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 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.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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.

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Gov-

ernment of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A.

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

        i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its standalone financial statement.

        ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. The Company does not have long term derivative contracts as at March 31, 2016.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2016

ANNEXURE A

to Independent Auditor's Report

Referred to in paragraph 10(f) of the Independent Auditor's Report of even date to the members of Welspun India Limited on the standalone financial statements for the year ended March 31, 2016

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of Welspun India Limited ("the Company") as of March 31, 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

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

AUDITOR'S RESPONSIBILITY

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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

7. 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

8. 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 March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2016

ANNEXURE B

to Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditor's Report of even date to the members of Welspun India Limited on the standalone financial statements as of and for the year ended March 31, 2016

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 13 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties and stocks in transit have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees provided by it.

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the 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 other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of custom and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax demand including interest	157.00	AY 2005-06 to AY 2011-12	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax Demand	4.44	AY 2013-14	Assessing Officer
Gujarat Sales Tax Act, 1969	Sales Tax including penalty and interest	5.84	2000-01, 2003-04 and 2004-05	Joint Commissioner of Sales Tax (Appeals - 2), Vadodara
Central Excise Act, 1944	Excise Duty	17.07	September 2005 to July 2006	Joint Secretary, Ministry of Finance, Department of Revenue
Central Sales Tax Act, 1958	Central Sales Tax including penalty and interest	2.37	2006-07 to 2007-08	Joint Commissioner of Commercial Taxes, Rajkot
Gujarat Value Added Tax, 2003	Value added Tax including penalty and interest	21.05	2006-07 to 2007-08	Joint Commissioner of Commercial Taxes, Rajkot
Central Excise Act, 1944	CENVAT	0.17	March 2010 to August 2010	CESTAT, Ahmedabad
Central Excise Act, 1944	CENVAT including penalty	185.41**	2007-08	Appellant Tribunal, Ahmedabad
Central Excise Act, 1944	CENVAT including penalty	1.29	March 2005	Joint Commissioner of Commercial Taxes, Rajkot
Central Excise Act, 1944	CENVAT	0.58	2008-2010 and 2010-2011	CESTAT, Ahmedabad
Central Excise Act, 1944	CENVAT	10.07	2004	CESTAT, Ahmedabad
Central Excise Act, 1944	CENVAT	0.99	2012	Commissioner Appeal, Daman.
Central Excise Act, 1944	CENVAT including penalty	2.48	2002-03 to 2005-06	Commissioner Appeals, Valsad Commissionerate.
Central Excise Act, 1944	CENVAT	0.20	April 2015	Commissioner Appeal, Daman.
Maharashtra Value Added Tax Act, 2002	Value added Tax including interest and penalty	11.43	2005-06	Deputy Commissioner (Sales Tax)
Central Sales Tax Act, 1958	Central Sales Tax including penalty and interest	7.52	2005-06	Deputy Commissioner (Sales Tax)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.15	2010-11	Deputy Commissioner (Sales Tax)

*Net of amount paid under protest.
**Stay order has been obtained.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company does not have any loans from Government. Further, the Company has not issued any debenture.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2016

BALANCE SHEET

As at March 31, 2016

₹ million

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	1,004.73	1,004.60
Reserves and Surplus	4	17,780.45	13,321.24
Non-current Liabilities			
Long-term Borrowings	5	15,894.83	12,786.03
Deferred Tax Liabilities (Net)	6	1,495.50	1,121.44
Other Long-term Liabilities	7	4.51	5.11
Long-term Provisions	8	1,356.52	1,107.77
Current liabilities			
Short-term Borrowings	9	5,532.49	7,380.95
Trade Payables	10		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		61.42	39.88
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		7,013.25	5,038.27
Other Current Liabilities	11	2,613.86	5,541.43
Short-term Provisions	12	68.57	921.88
TOTAL		**52,826.13**	**48,268.60**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	26,312.14	18,955.76
Intangible Assets	14	101.95	31.12
Capital Work-in-Progress		1,810.95	1,533.50
Non-current Investments	15	6,356.44	6,163.43
Long-term Loans and Advances	16	970.31	1,217.82
Other Non-current Assets	17	85.96	134.47
Current Assets			
Current Investments	18	73.68	896.08
Inventories	19	8,116.35	7,816.80
Trade Receivables	20	3,625.12	3,866.03
Cash and Bank Balances	21	617.50	2,666.24
Short-term Loans and Advances	22	3,862.19	4,126.21
Other Current Assets	23	893.54	861.14
TOTAL		**52,826.13**	**48,268.60**

The accompanying notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of the even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

STATEMENT OF PROFIT AND LOSS

For The Year Ended March 31, 2016

₹ million

	Note	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations (Gross)	24	49,071.65	44,885.24
Less : Excise Duty		392.23	850.37
Revenue from Operations (Net)		**48,679.42**	**44,034.87**
Other Income	25	936.99	944.17
TOTAL REVENUE		**49,616.41**	**44,979.04**
EXPENSES			
Cost of materials consumed	26	21,761.83	21,796.26
Purchases of stock-in-trade	27	247.32	60.04
Changes in inventory of finished goods, work-in-progress and stock-in-trade	28	17.84	(700.31)
Employee benefits expense	29	3,900.39	3,253.32
Finance costs	30	1,539.22	1,806.37
Depreciation and amortization expense	31	3,256.23	2,662.90
Other expenses	32	10,411.46	9,242.98
TOTAL EXPENSES		**41,134.29**	**38,121.56**
Profit before tax		8,482.12	6,857.48
Tax Expense			
- Current Tax		2,038.43	1,523.20
- Short Provision for Tax in Earlier Years		52.27	-
- Deferred Tax		374.06	232.92
Profit for the year		**6,017.36**	**5,101.36**
Earnings Per Share (₹) [Nominal value per share : Re. 1 (March 31, 2015 : Re. 1)]	42		
- Basic		5.99	5.08
- Diluted		5.99	5.08

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of the even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

CASH FLOW STATEMENT

For the Year Ended March 31, 2016

₹ million

	For the Year ended March 31, 2016	For the Year ended March 31, 2016	For the Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		8,482.12	6,857.48
Adjustments for :			
Depreciation and Amortisation Expenses	3,256.23		2,662.90
Unrealised Foreign Exchange Differences	(7.94)		1.64
Loss / (Profit) on Sale of Fixed Assets	46.97		34.90
Loss / (Profit) on Redemption/ Sale of Units in Mutual Funds	(41.08)		(0.13)
Provision for Diminution in Value of Investments Written Back	(13.34)		-
Loss / (Profit) on Sale of Bonds/ Certificate of Deposits	2.93		3.03
Dividend Income	(69.90)		(12.78)
Liabilities Written Back as no Longer Required	(40.35)		-
Provision for Doubtful Loans and Advances	7.18		1.94
Debts/ Advances Written off	0.61		-
Interest Income	(210.49)		(250.31)
Interest and Other Expenses	1,539.22		1,806.37
		4,470.04	**4,247.56**
Operating Profit Before Working Capital Changes		12,952.16	11,105.04
Adjustments for changes in working capital :			
Trade Receivables	240.30		(1,683.00)
Trade and Other Payables and Provisions	2,333.57		749.10
Inventories	(299.55)		(944.50)
Loans and Advances and Other Assets	282.22		(1,362.40)
		2,556.54	**(3,240.80)**
Cash Flow Generated from Operations		15,508.70	7,864.24
Income Tax paid		(1,846.60)	(1,422.36)
NET CASH FLOW FROM OPERATING ACTIVITIES		**13,662.10**	**6,441.88**
B. CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of Fixed Assets and Capital Work-in-Progress		(10,463.11)	(5,776.35)
Sale of Fixed Assets		43.98	28.03
Capital Subsidy		73.81	95.22
Investment in Fixed Deposits and Margin Money (Net)		1,132.01	(228.54)
Sales/ (Purchase) of Investment (Net)		680.88	441.96
Dividend Received		69.90	12.78
Interest Received		410.27	173.70
NET CASH FLOW USED IN INVESTING ACTIVITIES		**(8,052.26)**	**(5,253.20)**

CASH FLOW STATEMENT

For the Year Ended March 31, 2016

₹ million

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares/ Share Application Money pending Allotment	0.45	3.51
Issue of Debentures	-	1,000.00
Proceeds from Borrowings (Net)	(2,437.34)	552.17
Dividend Paid	(1,996.37)	(599.29)
Tax on Dividend Paid	(395.44)	(111.42)
Interest and Other Finance Expenses	(1,749.80)	(2,100.88)
NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES	**(6,578.50)**	**(1,255.91)**
Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	**(968.66)**	**(67.23)**
Cash and Cash Equivalents at the beginning of the year	1,450.60	1,517.83
Cash and Cash Equivalents at the end of the year	481.94	1,450.60
Net Increase in Cash and Cash Equivalents	**(968.66)**	**(67.23)**

Notes :

1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
2. Cash and Cash Equivalents as at March 31, 2016 includes fixed deposits of ₹ Nil (March 31, 2015: ₹98.33 million) which are not available for use by the Company as these are earmarked for the repayment of borrowings.

This is the Cash Flow referred to in our report of the even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

1. GENERAL INFORMATION

Welspun India Limited (WIL) is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April1, 2016.

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 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 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Tangible Assets

Tangible Assets except land are stated at cost (net of cenvat credit, wherever applicable) less accumulated depreciation and impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost is recognised in the Statement of Profit and Loss.

Depreciation on tangible assets, other than plant and machinery (except electrical installations) is provided on a pro-rata basis on the straight-line method over the estimated useful lives.

Assets	Useful Life (years)
Factory Building	28
Residential and Other Buildings	58
Vehicles	5
Electrical Installation	10
Furniture and Fixtures	10
Office Equipment	5
Computers	3

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has, wherever required, to reflect the actual usage of above mentioned assets, realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Also refer Note 4 (b).

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

Plant and Machinery (except electrical installations) is depreciated on written down value method over the useful life ranging between 7.5 years to 18 years, based on technical evaluation done by Management's expert, which is equal to

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

or lower than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of Plant and Machinery based on technical evaluation, has not undergone a change on account of transition to the Companies Act, 2013.

Leasehold improvements are amortised on straight-line basis over the primary period of lease or its useful life, whichever is lower.

2.3 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets comprise of computer software which is amortised on the straight-line method over a period of five years. Cost of software includes license fees and implementation/ integration expenses.

2.4 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

2.5 Investments

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

2.6 Inventories

(a) Inventories are stated at lower of cost and net realisable value.

(b) Cost of raw materials (includes packing material) and stores and spares are determined on weighted average basis. Cost of traded goods is determined on weighted average basis. Cost of work-in-progress and finished goods comprises of raw material, direct labor, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Current Tax and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.8 Employee Benefits

Provident Fund

The Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund

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

Gratuity

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

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

Compensated Absences

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

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

2.9 Foreign Currency Translation

Initial Recognition

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

Subsequent Recognition

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

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Forward Exchange Contracts and Swaps

In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps, the Company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement". Accordingly, forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.

Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs. Changes in the fair value of the hedging instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

2.10 Revenue Recognition

(a) Sale of Products: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties. Domestic sales are recognised on dispatch to customers. Export sales are recognised on the date of cargo receipts, bill of lading or other relevant documents, in accordance with the terms and conditions for sales.

(b) Export Benefits: In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme, Merchandise Export Incentive Scheme and Focus Market Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme, Merchandise Export Incentive Scheme and Focus Market Scheme are recognised on shipment of direct exports.

2.11 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

Income on Statusholder Incentive Scheme is recognised when the license is actually utilised against purchase of Plant and Machinery.

2.12 Government Grants

Government grants are accounted for when it is reasonably certain that ultimate collection will be made. Capital grants relating to specific assets granted under the Technology Upgradation Fund Scheme (TUFS) are reduced from the gross value of the Fixed Assets. Revenue grants, in the nature of interest subsidy are adjusted against interest expense. Revenue grants, in the nature of Sales Tax benefits are recognized in the Statement of Profit and Loss on a systematic/appropriate basis.

2.13 Impairment

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

2.14 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.15 Employees Stock Option Schemes

Equity settled stock options granted under "Employee Stock Option Schemes" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (share Based Employee Benefits) Regulations, 2014.

2.16 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

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

2.17 Cash and Cash Equivalents

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

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

3. SHARE CAPITAL

₹ million

	As at March 31, 2016	As at March 31, 2015
Authorised		
1,555,000,000 (March 31, 2015 : 155,500,000) Equity Shares of Re. 1 each. (March 31, 2015 : ₹ 10 each) (Refer Note (a) below)	1,555.00	1,555.00
	1,555.00	**1,555.00**
Issued, Subscribed and Paid Up		
1,004,725,150 (March 31, 2015 : 100,459,915) Equity Shares of Re. 1 each (March 31, 2015 : ₹ 10 each) fully paid up (Refer Note (a) below)	1,004.73	1,004.60
TOTAL	**1,004.73**	**1,004.60**

(a) Reconciliation of number of shares

₹ million

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Balance as at the beginning of the year	100,459,915	1,004.60	100,346,515	1,003.47
Add : Shares issued to Employees under Employee Stock Option Scheme (Refer Note 36)	12,600	0.13	113,400	1.13
Add : Sub-division of equity shares having face value of ₹ 10 per share into ten equity shares having face value of Re. 1 per share (Refer Note 3 (a) (1))	904,252,635	-	-	-
Balance as at the end of the year	**1,004,725,150**	**1,004.73**	**100,459,915**	**1,004.60**

3 (a) (1)

The Board of Directors of the Company at its meeting held on February 2, 2016 has approved the sub-division of equity shares of the Company having a face value of ₹ 10 per share into 10 equity shares having a face value of Re. 1 each. This has been approved by the shareholders at their meeting held on March 4, 2016.

(b) Shares held by holding company and subsidiary of holding company (Holding company as defined in AS-18 : "Related Party Disclosure")

₹ million

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Krishiraj Trading Limited	505,098,770	505.10	50,509,877	505.10
Welspun Infra Developers Limited (Formerly known as Welspun Infra Developers Private Limited) (a 78.66% subsidiary of Goldenarch Estate Private limited which in turn is a 94.37% subsidiary of Krishiraj Trading Limited)	27,497,730	27.50	2,749,773	27.50
	532,596,500	**532.60**	**53,259,650**	**532.60**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun Mercantile Limited	112,465,760	11.20	11,246,576	11.20
Welspun Wintex Limited	84,252,910	8.39	8,425,291	8.39
Krishiraj Trading Limited	505,098,770	50.28	50,509,877	50.28

(d) Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has one class of equity shares having a par value of Re. 1 (March 31, 2015 : ₹ 10) per share . Each shareholder is eligible for one vote per share held. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Shares alloted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceeding March 31, 2016)

10,475,496 equity shares of ₹ 10 each fully paid were issued in January 2013 to the erstwhile shareholders of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited) pursuant to the composite scheme of arrangement between Welspun Global Brands Limited, the Company and Welspun Retail Limited without payment being received in cash.

(f) Shares reserved for issue under options

Refer Note 36 for details of shares to be issued under the Employee Stock Option Plan

4. RESERVES AND SURPLUS

₹ million

	As at March 31, 2016	As at March 31, 2015
Capital Redemption Reserve		
Balance as at the beginning of the year	478.38	478.38
Add : Additions during the year	-	-
Balance as at the End of the Year	**478.38**	**478.38**
Capital Reserve		
Balance as at the beginning of the year	1,474.72	1,474.72
Add : Additions during the year	-	-
Balance as at the End of the Year	**1,474.72**	**1,474.72**
Securities Premium Account		
Balance as at the beginning of the year	3,237.80	3,234.90
Add : Additions during the year	0.32	2.90
Balance as at the End of the Year	**3,238.12**	**3,237.80**
Hedging Reserve		
Balance as at the beginning of the year	-	(68.02)
Add : Amount recognised in Hedging Reserve during the year (net)	-	-
Less : Ineffective portion of cash flow hedge transferred to Statement of Profit and Loss	-	68.02
Balance as at the End of the Year	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

	As at March 31, 2016	As at March 31, 2015
General Reserve		
Balance as at the beginning of the year	711.39	201.25
Add : Additions during the year	-	510.14
Balance as at the End of the Year	**711.39**	**711.39**
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	7,418.95	4,168.08
Less : Adjustment for written down value of fixed assets fully depreciated as at April 1, 2014 on revision of useful life (net of tax) [Refer Note (a) below]	-	71.88
Add : Profit for the year	6,017.36	5,101.36
	13,436.31	**9,197.56**
Less : Appropriations		
Interim dividend on Equity Shares for the year	1,255.91	301.28
Dividend distribution tax on Interim dividend on Equity Shares	242.05	60.24
Proposed final dividend on Equity Shares for the year [Refer Note (b) below]	50.24	753.45
Dividend distribution tax on proposed Final dividend on Equity Shares	10.23	153.38
Final Dividend on Equity Shares for Previous Year on incremental shares	0.03	0.10
Dividend distribution tax on final dividend on incremental shares	0.01	0.02
Transfer to General Reserve	-	510.14
Balance as at the End of the Year	11,877.84	7,418.95
TOTAL	**17,780.45**	**13,321.24**

Notes:

(a) During previous year, the Company realigned the remaining useful lives of few assets in accordance with the rates prescribed under Schedule II to the Act. Consequently, in case of assets which had completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹ 71.88 million (net of deferred tax of ₹ 37.01 million) was adjusted to Reserves and Surplus and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

(b) The Board of Directors at their meeting held on April 25, 2016 recommended final dividend of Re. 0.05 per equity share having nominal value of Re. 1 per share.

5. LONG-TERM BORROWINGS

₹ million

	As at March 31, 2016	As at March 31, 2015
Secured :		
Debentures		
10.40% Redeemable Non-convertible Debentures [Refer Note (a) below]	-	1,000.00
Term Loans		
From Banks		
Rupee Loans [Refer Note (b) below]	15,853.19	10,543.24
Foreign Currency Loans [Refer Note (b) below]	-	239.77
From Financial Institutions [Refer Note (b) below]	-	877.50
Unsecured :		
Loans from Banks [Refer Note (c) below]	40.31	119.21
Loan from Others [Refer Note (c) below]	1.33	6.31
TOTAL	**15,894.83**	**12,786.03**

Notes :

(a) Nature of security and terms of repayment for secured debentures :

The Company had alloted 1,000 debentures on March 31, 2015 aggregating to ₹ 1,000 million, carrying interest rate of 10.40% p. a. payable half yearly. These debentures were redeemable at the end of 3 years from the date of allotment. However, the same have been redeemed on May 19, 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(b) Nature of security and terms of repayment for secured borrowings (other than debentures) :

	Nature of Security	Terms of Repayment*
1	Rupee term loan amounting to ₹ 1,228.12 million (March 31, 2015 : ₹ 1,362.99 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 30 quarterly instalments commencing from January 2012 Last installment due in April 2019.
2	Rupee term loan amounting to ₹ 608.39 million (March 31, 2015 : ₹ 628.44 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from June 2013 Last installment due in March 2020.
3	Rupee term loan amounting to ₹ 222.66 million (March 31, 2015 : ₹ 229.82 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 32 quarterly instalments commencing from April 2014 Last installment due in December 2021.
4	Rupee term loan amounting to ₹ 3,341.49 million (March 31, 2015 : ₹ 3,524.14 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from December 2014 Last installment due in September 2021.
5	Rupee term loan amounting to ₹ 1,072.86, million (March 31, 2015 : ₹ 1,133.41 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from January 2015 Last installment due in October 2021.
6	Rupee term loan amounting to ₹ 228.12 million (March 31, 2015 : ₹ 239.77 million)** is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from June 2014 Last installment due in March 2021.
7	Rupee term loan amounting to ₹ 7,503.88 million (March 31, 2015 : ₹ 4,027.11 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 30 quarterly instalments commencing from January 2016 Last installment due in June 2023.
8	Rupee term loan amounting to ₹ 2,384.60 million (March 31, 2015 : ₹ 62.50 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 31 quarterly instalments commencing from March 2017 Last installment due in September 2024.
9	Rupee term loan amounting to ₹ 46.40 million (March 31, 2015 : ₹ Nil) is secured by first pari passu charge over the present and future fixed assets, all movable and	Repayable in 30 quarterly instalments commencing from February 2018 Last installment due in May 2025.
10	Rupee term loan amounting to ₹ 12.13 million (March 31, 2015 : ₹ Nil) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 31 quarterly instalments commencing from March 2018 Last installment due in June 2025.
11	Rupee term loan amounting to ₹ Nil (March 31, 2015 : ₹ 3,786.04 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from April 2009 Last installment was due in January 2016.
12	Rupee term loan amounting to ₹ Nil (March 31, 2015 : ₹ 260 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly instalments commencing from April 2009 Last installment was due in January 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

13	Rupee term loan from financial institution amounting to ₹ Nil (March 31, 2015 : ₹ 900 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	The Term Loan was originally repayable in 20 quarterly instalments commencing from March 2016.Last installment was due in December 2020. The Company has repaid whole amount of loan on May 28, 2015.

* The rate of interest on the Long Term Loans in the table above are in the range of 10.60% to 11.75% (Previous Year : 10.93% to 12.75%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

** FCNR (B) Dollar loan amounting to ₹ 239.77 million as on March 31, 2015 has been converted into Rupee loan during the year.

(c) Terms of repayment for unsecured borrowings :

	Borrowings	Terms of Repayment
1	Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ 6.32 million (March 31, 2015 : ₹ 10.73 million)	Repayable in 59 monthly instalments beginning from October 2012. Rate of Interest 11% p.a.
2	Unsecured loan amounting to ₹ 40.31 million (March 31, 2015 : ₹ 119.21 million)	This loan will be replaced through a drawdown of a secured term loan. The term of repayment will be determined upon it's drawing. (Buyers Credit)

6. DEFERRED TAX LIABILITIES (NET)

₹ million

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities arising on account of Timing differences in :		
- Depreciation	1,741.60	1,209.44
Deferred Tax Asset arising on account of Timing differences in:		
- Provision for Doubtful Debts/ Advances	37.11	34.01
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	46.36	21.34
- Provision for Employee Benefits	32.28	29.92
- Expenses inadmissible under Section 40(a) of the Income Tax Act, 1961	31.50	0.65
- Unabsorbed Depreciation under the Income Tax Act, 1961	98.85	-
- Others	-	2.08
TOTAL	**1,495.50**	**1,121.44**

7. OTHER LONG-TERM LIABILITIES

₹ million

	As at March 31, 2016	As at March 31, 2015
Security Deposits	4.51	5.11
TOTAL	**4.51**	**5.11**

8. LONG-TERM PROVISIONS

₹ million

	As at March 31, 2016	As at March 31, 2015
Provision for Compensated Absences	87.08	82.43
Other Provisions:		
- Taxation	1,269.44	1,025.34
(Net of Advance Tax and Tax Deducted at Sources March 31, 2016 : ₹ 4,746.04 million; March 31, 2015 : ₹ 2,899.44 million)		
TOTAL	**1,356.52**	**1,107.77**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

9. SHORT-TERM BORROWINGS

₹ million

	As at March 31, 2016	As at March 31, 2015
Secured :		
- Working Capital Loans from Banks [Refer Note below]	4,489.34	5,608.85
Unsecured :		
- Working Capital Loans from Banks	43.15	272.10
- Commercial Paper	1,000.00	1,500.00
TOTAL	**5,532.49**	**7,380.95**

Note :
The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw materials, stock-in-process, finished goods, semi finished goods, stores, spares and book debts and other current assets of the Company and second charge on entire fixed assets of the Company.

10. TRADE PAYABLES

₹ million

	As at March 31, 2016	As at March 31, 2015
- Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 49]	61.42	39.88
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Acceptances [Refer Note below]	3,448.31	2,556.36
- Others	3,564.94	2,481.91
TOTAL	**7,074.67**	**5,078.15**

Note :
Acceptance includes unsecured vendor financing of ₹ 2,165.59 million (March 31, 2015: ₹ 672.11 million) from various banks.

11. OTHER CURRENT LIABILITIES

₹ million

	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note (b) below and Note 5(b)]	795.46	4,471.21
- From Financial Institutions [Refer Note 5(b)]	-	22.50
- From Others [Refer Note 5(c)]	4.99	4.42
Interest Accrued but not due on Borrowings	80.74	60.40
Interest Accrued but not due on Debentures	-	0.28
Security Deposits	120.24	39.93
Advances from Customers	22.63	6.93
Temporary Overdraft with Scheduled Banks	3.46	29.86
Unpaid dividends [Refer Note (a) below]	18.89	5.87
Statutory dues (including Provident Fund and Tax deducted at Source)	232.59	197.35
Employee Benefits Payable	495.09	364.54
Creditors for Capital Purchases	770.27	318.24
Other Payables	69.50	19.90
TOTAL	**2,613.86**	**5,541.43**

Notes:
(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.**
**Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.
(b) Fixed Deposits of ₹ 44.45 million (March 31, 2015 : ₹ 1,144.90 million) are earmarked for repayment of the above Current Maturities of Long Term Loans

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

12. SHORT-TERM PROVISIONS

₹ million

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Provision for Compensated Absences	6.20	5.60
Others		
- Fringe Benefit Tax (Net of Advance Tax March 31, 2016 : ₹ 36.11 million; March 31, 2015 : ₹ 36.11 million)	1.90	1.90
- Provision for mark-to-market losses on derivatives	-	7.55
- Provision for proposed final dividend on equity shares	50.24	753.45
- Provision for dividend distribution tax on proposed final divided on equity shares	10.23	153.38
TOTAL	**68.57**	**921.88**

13. TANGIBLE ASSETS

₹ million

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at March 31, 2015	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2016	Accumulated upto March 31, 2015	For the Year	On Deletions during the year	Accumulated upto March 31, 2016	As at March 31, 2016
Own Assets:									
Freehold Land	217.73	38.45	-	256.18	-	-	-	-	256.18
Buildings (Refer Note 13.4)	5,352.21	1,594.15	22.94	6,923.42	939.33	163.93	6.77	1,096.49	5,826.93
Leasehold Improvements	49.22	-	-	49.22	34.08	5.23	-	39.31	9.91
Plant and Machinery (Refer Notes 13.1, 13.2, 13.3 and 13.4)	29,713.20	8,992.19	699.55	38,005.84	15,665.63	2,998.85	556.29	18,108.19	19,897.65
Vehicles	62.25	8.36	2.36	68.25	33.16	9.76	2.20	40.72	27.53
Furniture and Fixtures	265.44	56.18	12.37	309.25	110.49	36.74	9.09	138.14	171.11
Office Equipment	128.04	40.41	7.67	160.78	81.38	15.04	7.22	89.20	71.58
Computers	175.92	33.13	24.41	184.64	144.18	12.17	22.96	133.39	51.25
TOTAL	**35,964.01**	**10,762.87**	**769.30**	**45,957.58**	**17,008.25**	**3,241.72**	**604.53**	**19,645.44**	**26,312.14**

Notes :

13.1 Borrowing Costs aggregating ₹ Nil (March 31, 2015: ₹ 176.17 million) attributable to the acquisition or construction of qualifying assets are capitalised during the year as part of the cost of such assets.

13.2 Deletions/ Adjustments for Plant and Machinery includes adjustments for the capital subsidy of ₹ 73.81 million (Previous Year : ₹ 95.22 million) granted under the Technology Upgradation Fund (TUF) Scheme.

13.3 Additions to fixed assets during the year include capital expenditure of ₹ 36.25 million (Previous Year : ₹ 51.31 million) incurred on in-house Research & Development activities [Refer Note 50]

13.4 The Company has given certain assets on operating lease, details of which are given below:

₹ million

Particulars	31-Mar-16		31-Mar-15	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Gross Block	1.21	35.18	1.21	35.18
Accumulated Depreciation	0.28	32.35	0.26	32.10
Net Block	0.93	2.83	0.95	3.08
Depriciation for the year	0.02	0.25	0.02	0.29

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

13. TANGIBLE ASSETS

₹ million

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at March 31, 2014	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year (Refer Note below)	On Deletions during the year	Accumulated upto March 31, 2015	As at March 31, 2015
Own Assets:									
Freehold Land	138.05	79.68	-	217.73	-	-	-	-	217.73
Buildings	4,184.87	1,190.00	22.66	5,352.21	813.10	136.03	9.80	939.33	4,412.88
Leasehold Improvements	49.22	-	-	49.22	28.85	5.23	-	34.08	15.14
Plant and Machinery	22,186.44	7,994.88	468.12	29,713.20	13,494.35	2,502.21	330.93	15,665.63	14,047.57
Vehicles	54.24	16.08	8.07	62.25	28.84	7.93	3.61	33.16	29.09
Furniture and Fixtures	219.81	51.18	5.55	265.44	77.20	37.13	3.84	110.49	154.95
Office Equipment	110.88	18.60	1.44	128.04	46.06	36.57	1.25	81.38	46.66
Computers	187.78	19.14	31.00	175.92	137.22	36.43	29.47	144.18	31.74
TOTAL	**27,131.29**	**9,369.56**	**536.84**	**35,964.01**	**14,625.62**	**2,761.53**	**378.90**	**17,008.25**	**18,955.76**

Note :

The Company realigned the remaining useful lives of few assets in accordance with the rates prescribed under Schedule II to the Act. Consequently, in case of assets which had completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹ 71.88 million (net of deferred tax of ₹ 37.01 million) was adjusted to Reserves and Surplus and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

As a result of change, depreciation for the year ended March 31, 2015 was higher by ₹ 383.03 million and profit before tax was lower by ₹ 383.03 million with a consequential impact on profit after tax.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

14. INTANGIBLE ASSETS

₹ million

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at March 31, 2015	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2016	Accumulated upto March 31, 2015	For the Year	On Deletions during the year	Accumulated upto March 31, 2016	As at March 31, 2016
Own Assets									
Computer Software	104.91	85.34	-	190.25	73.79	14.51	-	88.30	101.95
Goodwill	1.56	-	-	1.56	1.56	-	-	1.56	-
TOTAL	**106.47**	**85.34**	**-**	**191.81**	**75.35**	**14.51**	**-**	**89.86**	**101.95**

(₹ million)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at March 31, 2014	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year	On Deletions during the year	Accumulated upto March 31, 2015	As at March 31, 2015
Own Assets									
Computer Software	102.40	6.27	3.76	104.91	67.08	10.26	3.55	73.79	31.12
Goodwill	1.56	-	-	1.56	1.56	-	-	1.56	-
TOTAL	**103.96**	**6.27**	**3.76**	**106.47**	**68.64**	**10.26**	**3.55**	**75.35**	**31.12**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

15. NON-CURRENT INVESTMENTS

Trade Investments (valued at cost unless stated otherwise)

₹ million

		As at March 31, 2016	As at March 31, 2015
Unquoted Equity instruments			
In Subsidiaries			
10,000	(March 31, 2015 : 10,000) Equity Shares of ₹10 each fully paid up of BESA Developers and Infrastructure Private Limited	0.10	0.10
10,000	(March 31, 2015 : 10,000) Equity Shares of ₹10 each fully paid up of Anjar Integrated Textile Park Developers Private Limited	0.10	0.10
50,700	(March 31, 2015 : 50,700) Equity Shares of ₹10 each fully paid up of Welspun Anjar SEZ Limited	2,200.00	2,200.00
23,065,503	(March 31, 2015 : 23,065,503) Equity Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	1,281.34	1,281.34
13,464,800	(March 31, 2015 : 13,464,800) 0% Redeemable Cumulative Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	134.65	134.65
1,389,575	(March 31, 2015 : 1,389,575) 0% Redeemable Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	1,389.58	1,389.58
1,000,000	(March 31, 2015 : 1,000,000) 1% Redeemable Cumulative Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	10.00	10.00
20,084,998	(March 31, 2015 : 20,084,998) Equity Shares of ₹10 each fully paid up of Welspun Captive Power Generation Limited	200.85	200.85
66,956,672	(March 31, 2015 : 66,956,672) 10% Non-cumulative Redeemable Preference Shares of ₹10 each of Welspun Captive Power Generation Limited**	669.57	669.57
17,937,000	(March 31, 2015 : Nil) 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited	179.37	-
668,706	(March 31, 2015 : 668,706) Equity Shares of US $ 0.10 each, fully paid up of Welspun USA Inc.	146.88	146.88
1,500	(March 31, 2015 : 1,500) Equity Shares of GBP 1 each, fully paid up of Welspun Holdings Private Limited, Cyprus	111.52	111.52
	Less : Provision for other than temporary Diminution in value of investment	81.79	81.79
		29.73	**29.73**
5,500,000	(March 31, 2015 : 5,500,000) Equity Shares of ₹10 each fully paid up of Welspun Zucchi Textiles Limited	92.13	92.13
Other Investments (valued at cost unless stated otherwise)			
a) Quoted Equity Instruments			
283,500	(March 31, 2015 : 283,500) Equity Shares of ₹ 10 each fully paid up of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	18.94	18.94
	Less : Provision for other than temporary diminution in value of investment	-	13.34
		18.94	**5.60**
80	(March 31, 2015 : 80) Equity Shares of Re. 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

		As at March 31, 2016	As at March 31, 2015
b) Unquoted Equity Instruments			
100	(March 31, 2015 : 100) Equity Shares of ₹ 10 each fully paid up of Welspun Steel Limited (Formerly known as Welspun Power and Steel Limited)	*	*
5	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Trading and Holding Private Limited	*	-
5	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Alloy Holding Private Limited	*	-
c) Others			
	Investment - Indiafirst SM	1.80	1.80
	Investment - SBI Life Insurance	0.60	0.50
	Investment - Canara HSBC	0.80	0.60
		3.20	**2.90**
TOTAL		**6,356.44**	**6,163.43**
	Aggregate amount of Unquoted Investments	6,337.50	6,157.83
	Aggregate amount of Quoted Investments	18.94	5.60
	Market Value of Quoted Investments	27.63	9.74
	Aggregate provision for diminution in value of Investments	81.79	95.13

* Amount is below the rounding norms adopted by the Company

** 6% up to March 31, 2015

16. LONG-TERM LOANS AND ADVANCES

Unsecured, considered good (unless otherwise stated) :

₹ million

	As at March 31, 2016	As at March 31, 2015
Capital Advances to Related Parties		
- Wel-treat Enviro Management Organisation Limited	75.00	75.00
- Welspun Projects Limited	-	4.19
- Welspun Anjar SEZ Limited	-	2.00
Capital Advances to Others	638.03	842.35
Security Deposits to Related Parties		
- Welspun Realty Private Limited	57.20	62.25
- Mertz Estates Limited (Formerly known as Mertz Securities Limited)	-	8.00
Security Deposits to Others	84.66	73.45
Loans to Related Parties		
- Intercorporate Deposit to Besa Developers and Infrastructure Private Limited	15.56	15.56
Less : Provision for Doubtful Loans/ Advances	15.56	15.56
	-	**-**
- Intercorporate Deposit to Welspun Anjar SEZ Limited	-	32.91
Equity Share Application pending allotment		
- Welspun Flooring Limited	0.10	-
Advances Recoverable in Cash or in Kind or for Value to be Received		
- Considered Good	11.46	11.49
- Considered Doubtful	30.00	30.00
	41.46	**41.49**
Less : Provision for Doubtful Advances	30.00	30.00
	11.46	**11.49**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

	As at March 31, 2016	As at March 31, 2015
- Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	103.86	106.18
- Considered Doubtful	55.23	48.05
	159.09	**154.23**
Less : Provision for Doubtful Balances	55.23	48.05
	103.86	**106.18**
TOTAL	**970.31**	**1,217.82**

17. OTHER NON-CURRENT ASSETS

₹ million

	As at March 31, 2016	As at March 31, 2015
Statusholder Incentive Scrips in Hand	17.47	28.21
Fixed deposits with Banks with maturity period more than 12 months	55.29	94.98
Margin Money Deposit Accounts	4.01	3.23
Interest Accrued on Deposits	9.19	7.09
Interest Accrued on Loan given to Welspun Anjar SEZ Limited	-	0.96
Interest Accrued - Others	3.50	3.50
Less : Provision for Accrued Interest	3.50	3.50
	-	-
TOTAL	**85.96**	**134.47**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

18. CURRENT INVESTMENTS

₹ million

		As at March 31, 2016	As at March 31, 2015
Non Trade - (Quoted)			
(At Cost or market value whichever is less)			
Investment in Mutual Funds			
1,880,636 (March 31, 2015 : Nil)	L & T Flexi Bond Fund - Dividend	20.00	-
Investment in Bonds			
-	(March 31, 2015 : 10) 8.06% Rural Electrification Corporation Limited 31/05/2023 Bonds of Face Value of ₹ 1,000,000 each	-	10.12
-	(March 31, 2015 : 1,660) 9.90% Industrial Finance Corporation of India Limited 05/11/2027 Bonds of Face Value of ₹ 25,000 each	-	43.53
-	(March 31, 2015 : 1,720) 9.90% Industrial Finance Corporation of India Limited 05/11/2037 Bonds of Face Value of ₹ 25,000 each	-	44.03
-	(March 31, 2015 : 8) 7.93% Power Grid Corporation of India Limited 20/05/2027 Bonds of Face Value of ₹ 1,000,000 each	-	8.61
-	(March 31, 2015 : 19) 9.48% Oriental Bank of Commerce Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	19.00
-	(March 31, 2015 : 41) 9.55% Canara Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	41.41
-	(March 31, 2015 : 50) 8.65% Rajasthan Rajya Vidyut Utpadan Nigam Limited 05/01/2027 Bonds of Face Value of ₹ 1,000,000 each	-	49.78
-	(March 31, 2015 : 60) 8.74% Rajasthan Rajya Vidyut Utpadan Nigam Limited 26/03/2027 Bonds of Face Value of ₹ 1,000,000 each	-	59.12
-	(March 31, 2015 : 101) 10.40% Vijaya Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	101.00
-	(March 31, 2015 : 25) 9.84% Air India 27/09/2026 Bonds of Face Value of ₹ 1,000,000 each	-	27.49
-	(March 31, 2015 : 74) 10.00% Indian Overseas Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	74.01
-	(March 31, 2015 : 243) 10.75% IDBI Bank Limited Omni (2014 -15 - Series II) Tier I Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	259.18
-	(March 31, 2015 : 500,000) 8.27% GOI 09/06/2020 Bonds of Face Value of ₹ 100 each	-	51.33
-	(March 31, 2015 : 500,000) 8.60% GOI 2028 Bonds of Face Value of ₹ 100 each	-	53.79
500,000	(March 31, 2015 : 500,000) 8.30% GOI 2042 Bonds of Face Value of ₹ 100 each	53.68	53.68
TOTAL		**73.68**	**896.08**
	Aggregate amount of quoted investments	73.68	896.08
	Market Value of quoted investments	77.25	920.27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

19. INVENTORIES

₹ million

	As at March 31, 2016	As at March 31, 2015
Raw Materials (Includes in transit ₹ 24.38 million; March 31, 2015 : ₹ 47.80 million)	3,346.65	3,324.84
Packing Materials	246.83	187.60
Work-in-Progress	3,026.19	3,174.71
Finished Goods	934.58	797.02
Traded Goods	-	6.88
Stores, Spares, Dyes and Chemicals	562.10	325.75
TOTAL	**8,116.35**	**7,816.80**
Details of Inventory:		
(a) Details of Goods Manufactured		
Terry Towels, Bed Linen Products, Carpet, Rugs & Bathrobes	889.24	765.70
Others	45.34	31.32
TOTAL	**934.58**	**797.02**
(b) Details of Work-in-Progress		
Terry Towels, Bed Linen Products, Carpet, Rugs & Bathrobes	2,701.86	2,897.19
Others	324.33	277.52
TOTAL	**3,026.19**	**3,174.71**
(c) Details of Traded Goods		
Terry Towels, Bed Linen Products, Carpet, Rugs & Bathrobes	-	6.88
TOTAL	**-**	**6.88**

20. TRADE RECEIVABLES

₹ million

	As at March 31, 2016	As at March 31, 2015
Unsecured		
Debts Outstanding for a period exceeding six months from the date they are due for payment :		
- Considered Good	1.21	2.20
- Considered Doubtful	2.95	2.95
	4.16	**5.15**
Less : Provision for Doubtful Debts	2.95	2.95
	1.21	**2.20**
Other Debts :		
- Considered Good	3,623.91	3,863.83
TOTAL	**3,625.12**	**3,866.03**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

21. CASH AND BANK BALANCES

₹ million

	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Cash on Hand	0.52	1.09
Bank balances		
- In current accounts	476.55	1,351.18
- Fixed deposits (less than 3 months maturity)	4.87	98.33
	481.94	**1,450.60**
Other Bank balances		
- Fixed deposits*	116.67	1,209.77
- Unpaid dividend account	18.89	5.87
TOTAL	**617.50**	**2,666.24**

* Includes the following balances which are not available for use by the Company
Fixed Deposits of ₹ 44.45 million (March 31, 2015 : ₹ 1,144.90 million) are earmarked for repayment of Current Maturities of Long Term Borrowings

22. SHORT-TERM LOANS AND ADVANCES

₹ million

	As at March 31, 2016	As at March 31, 2015
Unsecured considered good, unless otherwise stated :		
Advances to Related Parties		
- Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	-	2.11
- Welspun Captive Power Generation Limited	7.25	1.57
- Welspun Corp Limited	0.36	-
- AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	-	0.03
- Welspun Enterprises Limited	0.14	-
- Anjar Integrated Textile Park Developers Private Limited	0.50	0.50
- CHT Holdings Limited	13.38	8.65
- Welspun USA Inc.	20.54	5.39
- Welspun Home Textiles UK Limited	-	8.32
- Welspun UK Limited	-	0.22
Advances Recoverable in Cash or in Kind or for Value to be Received	796.47	1,549.38
Others		
Balances with Customs, Excise, Sales Tax and other Government Authorities	3,009.47	2,536.04
Security Deposits to Others	14.08	14.00
TOTAL	**3,862.19**	**4,126.21**

23. OTHER CURRENT ASSETS

₹ million

	As at March 31, 2016	As at March 31, 2015
Technology Upgradation Fund Credit Receivable	870.20	639.56
Interest Accrued on Bonds/ Certificate of Deposits	1.03	25.41
Interest Receivable under Subvention Scheme	7.98	-
Interest Accrued on Deposits	11.65	196.17
Mark-to-Market gain (Net) on Forward/ Swap Contracts	2.68	-
TOTAL	**893.54**	**861.14**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

24. REVENUE FROM OPERATIONS

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Products		
Finished Goods	46,631.35	41,897.59
Traded Goods	266.89	71.87
	46,898.24	**41,969.46**
Other Operating Revenue		
Sales Tax Benefit	801.40	1,107.27
Sale of Scrap	599.64	494.25
Job Work and Processing Charges	0.82	10.95
Export Benefits	771.55	1,303.31
	2,173.41	**2,915.78**
Revenue from Operations (Gross)	**49,071.65**	**44,885.24**
Less : Excise Duty	392.23	850.37
REVENUE FROM OPERATIONS (NET)	**48,679.42**	**44,034.87**
(a) Details of Sales (Finished Goods)		
Terry Towels, Bed Linen Products, Carpet, Rugs & Bathrobes	44,795.21	40,545.30
Others	1,836.14	1,352.29
	46,631.35	**41,897.59**
(b) Details of Sales (Traded Goods)		
Terry Towels, Bed Linen Products, Carpet, Rugs & Bathrobes	84.57	45.76
Others	182.32	26.11
	266.89	**71.87**

25. OTHER INCOME

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income		
On Fixed Deposits	63.50	134.20
On Loans given to related parties and others	5.86	1.07
On Bonds	122.43	75.90
On Others	18.70	39.14
Cash Discount received	18.33	78.31
Rent	23.71	13.25
Dividend Income		
From Subsidiaries	66.96	-
From Others	2.94	12.78
Insurance Claim	1.11	2.88
Profit on Redemption/ Sale of Units in Mutual Funds	41.08	0.13
Liabilities Written Back as no Longer Required	40.35	-
Provision for Diminution in Value of Investments Written Back	13.34	-
Profit on Cancellation of Forward/ Swap Contracts	2.68	-
Service Charges	6.40	6.40
Income on Statusholder Incentive Scrips	441.70	508.92
Commission on Corporate Guarantees Issued	34.66	37.06
Miscellaneous	33.24	34.13
	936.99	**944.17**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

26. COST OF MATERIALS CONSUMED

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Raw material consumed		
Opening inventory	3,324.84	3,255.08
Add: Purchases (net)	19,653.42	20,008.34
Less : Inventory at the end of the year	3,346.65	3,324.84
	19,631.61	**19,938.58**
Packing material consumed		
Opening inventory	187.60	158.48
Add : Purchases (net)	2,189.45	1,886.80
Less : Inventory at the end of the year	246.83	187.60
	2,130.22	**1,857.68**
	21,761.83	**21,796.26**

27. PURCHASES OF STOCK-IN-TRADE

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Purchases of Stock-in-Trade	247.32	60.04

28. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods	934.58	797.02
Work-in-Progress	3,026.19	3,174.71
Stock-in-trade	-	6.88
TOTAL A	**3,960.77**	**3,978.61**
Less : Stock at the beginning of the year :		
Finished Goods	797.02	679.53
Work-in-Progress	3,174.71	2,581.71
Stock-in-trade	6.88	17.06
TOTAL B	**3,978.61**	**3,278.30**
(INCREASE) / DECREASE IN STOCKS (A-B)	**17.84**	**(700.31)**

29. EMPLOYEE BENEFITS EXPENSE

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages, Allowances and Other Benefits	3,261.78	2,701.67
Contribution to Provident and Other Funds	252.47	207.29
Managerial Remuneration	284.21	245.88
Staff and Labour Welfare	101.93	98.48
TOTAL	**3,900.39**	**3,253.32**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

The Company has classified the various benefits provided to employees as under :-

I Defined Contribution Plans

₹ million

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:	2015-2016	2014-2015
- Employers' Contribution to Provident Fund*	92.18	76.07
- Employers' Contribution to Employees' State Insurance *	30.58	25.70
- Employers' Contribution to Employees' Pension Scheme*	128.07	103.52
- Employers' Contribution to Superannuation Scheme*	1.64	2.00
	252.47	**207.29**

* Included in Contribution to Provident and Other Funds

II Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

1 The Company operates a gratuity plan through the "Welspun India Limited Employees Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

a Major Assumptions

	2015-2016 % p.a.	2014-2015 % p.a.
Discount Rate	8.04	7.99
Expected Rate of Return on Plan Assets	8.04	7.99
Salary Escalation Rate @	8% for 5 years and 6% thereafter	8% for 5 years and 6% thereafter

@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b. Change in the Present Value of Obligation

₹ million

	2015-2016	2014-2015
Opening Present Value of Obligation	203.03	143.06
Current Service Cost	59.60	48.85
Interest Cost	16.22	13.32
Benefit/ Exgratia paid	(15.88)	(18.14)
Actuarial Loss/ (gain) on Obligations	(5.70)	15.94
CLOSING PRESENT VALUE OF OBLIGATION	**257.27**	**203.03**

c. Change in Fair Value of Plan Assets

₹ million

	2015-2016	2014-2015
Opening Fair Value of Plan Assets	204.27	144.75
Expected Return on Plan Assets	16.32	12.59
Actuarial gain / (Loss) on Obligations	(1.94)	4.98
Contributions	51.60	57.50
Benefits paid	(12.38)	(15.55)
CLOSING FAIR VALUE OF PLAN ASSETS	**257.87**	**204.27**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

₹ million

	As at March 31, 2016	As at March 31, 2015
Present Value of Funded Obligation	257.27	203.03
Fair Value of Plan Assets	257.87	204.27
Funded Status	257.87	204.27
Amount not recognised as Assets	0.60	1.24
Assets recognised in the Balance Sheet as other current assets	-	-

e. Expenses Recognised in the Statement of Profit and Loss

₹ million

	2015-2016	2014-2015
Current Service Cost	59.60	48.85
Interest Cost	16.22	13.32
Expected Return on Plan Assets	(16.32)	(12.59)
Excess of Plan Assets over Obligation	(0.60)	(1.24)
Net Actuarial Loss/ (gain) recognised in the year	(3.76)	10.96
TOTAL Expenses recognised In the Statement of Profit and Loss	**55.14***	**59.30***

*Included in Employee Benefits Expense above

f. Major Category of Plan Asset as a % of total Plan Assets

	2015-2016	2014-2015
Insurer managed funds	100.00	100.00

g. Amounts recognised in current year and previous years

₹ million

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined Benefit obligation at the end of the year	257.27	203.03	143.06	114.35	93.71
Fair Value of Plan Assets	257.87	204.27	144.75	118.42	99.99
(Surplus)/ Deficit	(0.60)	(1.24)	(1.69)	(4.07)	(6.28)
Experience (gain)/ loss adjustments on plan liabilities	(4.36)	(9.25)	28.06	19.86	18.33
Experience gain/ (loss) adjustments on plan assets	(1.94)	4.98	0.17	(1.03)	(3.98)
Acturial gain/(loss) due to change in assumptions	6.18	3.27	20.14	(2.33)	1.88

h. Expected Contribution to the funds in the next year

₹ million

	As at March 31, 2016	As at March 31, 2015
Gratuity	72.33	58.36

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹ 93.28 million (March 31, 2015: ₹ 88.03 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

30. FINANCE COSTS

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Interest on Long term borrowings	667.06	700.94
(net of interest subsidy of ₹ 1,078.86 million, Previous Year : ₹ 841.22 million)		
Interest on Short Term borrowings	717.68	915.75
Interest on Debentures	9.57	0.28
Interest to Others	5.53	6.69
Discounting and Bank Charges	139.38	182.71
TOTAL	**1,539.22**	**1,806.37**

31. DEPRECIATION AND AMORTIZATION EXPENSE

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on Tangible assets	3,241.72	2,652.64
Amortisation on Intangible assets	14.51	10.26
TOTAL	**3,256.23**	**2,662.90**

32. OTHER EXPENSES

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Stores and Spares Consumed	797.85	857.73
Dyes and Chemicals Consumed	2,377.23	2,154.97
Contract Labour Charges	686.20	643.11
Job Work Expenses	941.08	603.27
Power, Fuel and Water Charges	3,791.42	3,456.58
Repairs and Maintenance:		
Plant and Machinery	160.22	140.21
Factory Building	53.77	54.66
Others	222.43	124.41
Claims, Discounts and Rebates	181.82	133.29
Brokerage and Commission	3.72	2.48
Freight, Forwarding and Coolie Charges	178.34	92.82
Electricity Expenses	1.95	5.08
Directors' Sitting Fees	2.35	2.25
Rent	69.70	65.96
Rates and Taxes	33.08	10.28
Printing and Stationery	9.42	12.80
Travelling and Conveyance	124.32	130.32
Legal and Professional Charges	180.67	92.38
Security Expenses	33.01	29.78
Insurance	90.65	73.19
Communication	23.81	20.63
Postage and Courier	9.84	10.73
Loss on Sale/ Discarding of Fixed Assets (Net)	46.97	34.90
Loss on Sale of Bonds/ Certificate of Deposits	2.93	3.03
Provision for Doubtful Loans and Advances	7.18	4.78
Exchange Loss (Net)	90.35	78.34
Bad Debts/ Advances written off	0.61	-
Loss on Cancellation of Forward/ Swap Contracts	-	207.79
Design and Development Expenses	22.15	15.24

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Advertising and Sales Promotion	81.01	69.60
Donations	9.08	10.93
Corporate Social Responsibility Expenses	61.01	19.81
Auditor's Remuneration		
- As Auditor's	6.58	4.20
- In other capacity - As Tax Auditors	0.48	0.40
- Certification and Other Matters	1.85	0.42
- Out of Pocket Expenses	0.10	0.17
Miscellaneous	108.28	76.44
TOTAL	**10,411.46**	**9,242.98**
Note :		
Expenses capitalised as a part of Capital Work-in-progress		
Interest Cost (Net of interest subsidy of ₹ Nil; March 31, 2015 ₹ 137.31 million)	-	207.59
Employee Costs	13.93	22.90
Other Expenses	3.31	6.92
TOTAL	**17.24**	**237.41**

33. CONTINGENT LIABILITIES

₹ million

Description	As at March 31, 2016	As at March 31, 2015
Excise, Customs and Service Tax Matters	330.79	341.24
Income Tax Matters	19.66	135.77
Stamp Duty Matter	4.46	4.46
Sales Tax	55.61	55.41
Claims against Company not acknowledged as debts	3.73	2.24

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

34. CAPITAL AND OTHER COMMITMENTS

(a) Capital Commitments

₹ million

Description	As at March 31, 2016	As at March 31, 2015
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,853.94	3,655.21

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(b) Other Commitments

₹ million

Description	As at March 31, 2016	As at March 31, 2015
In accordance with the EPCG Scheme, imports of capital goods are allowed to be made duty free and under Advance License Scheme, imports of raw material are allowed to be made duty free, subject to the condition that the Company will fulfill, in future, a specified amount of export obligation within a specified time. Amount of duty saved on imports of above goods against which export obligation is yet to be fulfilled by the Company is ₹ 17.66 million as at March 31, 2016 (₹ 61.82 million as at March 31, 2015). Amount of Export Commitments on above.	141.28	500.20
Corporate Guarantees (Refer Note 35)	2,851.34	3,198.89
Commitment for purchase of power from Welspun Captive Power Generation Limited over the next three years.	7,137.02	7,700.48

35. The Company has issued corporate guarantees aggregating ₹ 7,562.68 million as at the year end (March 31, 2015: ₹ 8,960.83 million) on behalf of Welspun Global Brands Limited (WGBL) (formerly known as Welspun Retail Limited), Welspun Captive Power Generation Limited (WCPGL) and CHT Holdings Limited (CHTHL). Liability outstanding in the books of above-mentioned companies for which corporate guarantees have been issued aggregates ₹ 2,851.34 million as on March 31, 2016 (March 31, 2015: ₹ 3,198.89 million)

36. DETAILS OF EMPLOYEES STOCK OPTIONS

On June 30, 2009, the Company issued Employee Stock Options (ESOP) under the Employee Stock Options Scheme (the "Scheme") to employees of the Company with a right to subscribe to equity shares ("New Options") at a price of ₹ 35.60 per equity share (closing market price as on June 30, 2009). The salient features of the Scheme are as under:

(i) Vesting: Options to vest over a period of four years from the date of their grants as under:

- 20% of the Options granted to vest at each of the 1st and 2nd anniversaries of the date of grant.

- 30% of the Options granted to vest at each of the 3rd and 4th anniversaries of the date of grant.

(ii) Exercise: Options vested with an employee will be exercisable within 3 years from the date of their vesting by subscribing to the number of equity shares in the ratio of one equity share for every option at the Exercise Price. In the event of cessation of employment due to death, resignation or otherwise, the Options may lapse or be exercisable in the manner specifically provided for in the Scheme.

Date of Grant	June 30, 2009
Number of Options Granted	2,265,000
Vesting Conditions	The options would vest only if the option grantee continues to be in employment of the Company at the time the options are due to vest.
Exercise Period	3 years
Exercise Price	₹ 35.60 (Face Value ₹ 10)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

Summary of Stock Options	As at March 31, 2016		As at 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	12,600	35.60	118,500	35.60
Options granted during the year	-	-	-	-
Options exercised during the year	12,600	35.60	98,900	35.60
Options cancelled/ lapsed during the year	-	-	7,000	35.60
Options outstanding at the end of the year	-	-	12,600	35.60
Options vested but not exercised at the year end	-	-	12,600	35.60

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 (₹)
-	-	-

The compensation costs of stock options granted to employees are accounted by the Company as per the accounting treatment prescribed by the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. The value of underlying share has been determined by an independent valuer. Since, on the date of grant of option, quoted market price of the underlying equity shares of the Company was equal to the exercise price of an option, no expense or liability arising from the Scheme has been recognised.

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

₹ million

	March 31, 2016	March 31, 2015
Profit for the year	6,017.36	5,101.36
Less: Additional Employee Compensation Cost based on Fair Value (net of tax)	-	0.15
Profit after taxation as per Fair Value Method	6,017.36	5,101.21
Earnings Per Share		
Basic		
Number of Shares (Weighted average)	1,004,694,986	1,004,150,910
Basic Earnings Per Share as reported	5.99	5.08
Proforma Basic Earnings Per Share	5.99	5.08
Diluted		
Number of Shares (Weighted average)	1,004,694,986	1,004,263,760
Diluted Earnings Per Share as reported	5.99	5.08
Proforma Diluted Earnings Per Share	5.99	5.08

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

	Grant Date : June 30, 2009			
	Vest 1	Vest 2	Vest 3	Vest 4
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Variables	20%	20%	30%	30%
Stock Price	34.85	34.85	34.85	34.85
Volatility	63.52%	59.33%	54.45%	53.18%
Risk free Rate	6.15%	6.31%	6.46%	6.61%
Exercise Price	35.60	35.60	35.60	35.60
Time to Maturity	2.50	3.50	4.50	5.50
Dividend Yield	0%	0%	0%	0%
Option Fair Value	14.83	16.69	17.85	19.42
Weighted Average Option Fair Value		17.49		

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

₹ million

	March 31, 2016	March 31, 2015
Expense arising from employee share-based payment plan	-	-
Deferred Stock Compensation	-	-

37. CIF VALUE OF IMPORTS

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Raw Materials	1,770.17	1,584.14
Stores & Spares and Dyes & Chemicals	485.63	401.93
Capital Goods	6,059.05	2,942.03
Packing Material	33.95	29.23
TOTAL	**8,348.80**	**4,957.33**

38. EXPENDITURE IN FOREIGN CURRENCY

₹ million

	Year ended March 31, 2016	Year ended March 31, 2015
Travelling	9.38	12.99
Repairs and Maintenance	12.30	20.76
Legal and Professional Charges	17.32	8.74
Membership and Subscription	1.71	2.93
Advertisement and Sales Promotion	24.45	15.38
Claims, Discounts and Rebate	65.33	30.06
Interest	-	2.38
Others	7.45	4.07
TOTAL	**137.94**	**97.31**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

39. DETAILS OF CONSUMPTION AND PURCHASES

(a) Details of Raw Materials and Packing Materials consumed

₹ million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Cotton Yarn	6,382.77	8,167.83
Cotton	6,318.56	5,887.00
Fabric	1,759.70	853.59
Others	425.48	358.00
Bed Linen Fabrics	3,819.51	3,856.97
Fiber	925.59	815.19
Packing Materials	2,130.22	1,857.68
TOTAL	**21,761.83**	**21,796.26**

(b) Value of Imported and Indigenous Raw Materials, Packing Materials and Stores, Spare Parts Consumed and Percentage

1) Raw Materials and Packing Materials

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	%	₹ Million	%	₹ Million
Imported	4.23%	920.17	2.41%	524.65
Indigenous	95.77%	20,841.66	97.59%	21,271.61
TOTAL	**100.00%**	**21,761.83**	**100.00%**	**21,796.26**

2) Stores, Spares, Dyes and Chemicals

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	%	₹ Million	%	₹ Million
Imported	11.34%	360.03	10.98%	330.69
Indigenous	88.66%	2,815.05	89.02%	2,682.01
TOTAL	**100.00%**	**3,175.08**	**100.00%**	**3,012.70**

40. DIVIDEND REMITTED IN FOREIGN EXCHANGE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Number of non-resident shareholders	261	258
Number of shares on which dividend is remitted	242,152	22,514
Year to which dividend relates	2014-15 and 2015-16	2013-14 and 2014-15
Amount remitted (₹ million)	0.41	0.13

41. EARNINGS IN FOREIGN CURRENCY

₹ million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Exports on FOB basis	61.10	166.61
Commission on Corporate Guarantee	23.73	30.85
TOTAL	**84.83**	**197.46**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

42. EARNINGS PER SHARE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit after Tax (A) (₹ in million)	6,017.36	5,101.36
Weighted average number of equity shares outstanding during the year (B)	1,004,694,986	1,004,150,910*
Add: Weighted average outstanding employee stock options	-	112,850*
Number of Shares for Diluted Earnings Per Share (C)	1,004,694,986	1,004,263,760*
Basic earnings per share (A)/(B)	5.99	5.08
Diluted earnings per share (A)/(C)	5.99	5.08
Nominal value of an equity share (₹)	1.00	1.00

* Adjusted for the sub-division of equity shares. Refer Note 3(a)(1)

43. SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2016.

(i) Information about Primary Business Segment

The Company is exclusively engaged in the business of Home Textiles which, in the context of Accounting Standard 17 on Segment Reporting is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the period are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

(ii) Information about Secondary Geographical Segments:

The Company is primarily engaged in sales to customers located in India. Consequently the Company does not have separate reportable geographical segments for March 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

44. RELATED PARTY DISCLOSURES

(i) Relationships

(a)	**Control**	
	Holding Company	Krishiraj Trading Limited (KTL)
	Subsidiary Companies	Besa Developers and Infrastructure Private Limited (BESA)
		Welspun Global Brands Limited (WGBL) (Formerly known as Welspun Retail Limited (WRL)
		Welspun Holdings Private Limited, Cyprus (WHPL)
		Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)
		Welspun UK Limited (WUKL) (Held through CHTL)
		CHT Holdings Limited (CHTHL) (Held through WHTUKL)
		Welspun USA Inc., USA (WUSA)
		Welspun Decorative Hospitality LLC (WDHL) (upto June 8, 2015)
		Welspun Captive Power Generation Limited (WCPGL)
		Anjar Integrated Textile Park Developers Private Limited (AITPDPL)
		Welspun Anjar SEZ Limited (WASEZ)
		Welspun Mauritius Enterprises Limited (WMEL)
		Novelty Home Textiles SA de CV (NHTSC) (Held through WMEL)
		Christy Home Textiles Limited (CHTL) (Held through CHTHL)
		Christy 2004 Limited (CHT 2004) (Held through WUKL)
		Christy Welspun GmbH (CWG) (Held through WUKL)
		Christy UK Limited (CUKL) (Held through CHTL)
		ER Kingsley (Textiles) Limited (ERK) (Held through CHTL)
		Christy Lifestyle LLC, USA (CLL)
		Welspun Floorings Limited (with effect from March 1, 2016)
		Welspun Zucchi Textiles Limited (WZTL)
(b)	**Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year**	Welspun Corp Limited (WCL)
		Welspun Steel Limited (WPSL)
		Welspun Tradings Limited (WTL)
		Welspun Wintex Limited (WWL)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

	Welspun Mercantile Limited (WML)
	Welspun Logistics Limited (WLL)
	AYM Syntex Limited (AYMSL) (Formerly known as Welspun Syntex Limited) (WSL)
	Welspun Realty Private Limited (WRPL)
	Mertz Estates Limited (MEL) (Formerly known as Mertz Securities Limited) (MSL)
	Wel-treat Enviro Management Organisation Limited (WEMO)
	Welspun Projects Limited (WPL)
	Methodical Investment and Trading Company Private Limited (MITCPL)
	Welspun Finance Limited (WFL)
	Welspun Foundation for Health and Knowledge (WFHK)
	Welspun Infra Developers Limited (WIDL)
	Technopak Advisors Private Limited (TAPL)
	Welspun Enterprises Limited (WENL)
	WS Trading and Holding Private Limited (WTHPL)
	WS Alloy Holding Private Limited (WAHPL)
(c) Key Management Personnel	Rajesh Mandawewala (RRM)
	Dipali Goenka (DBG)
(d) Relatives of Key Management Personnel	Balkrishan Goenka (BKG)
	Radhika Goenka (RBG)
	Abhishek Mandawewala (ARM)
	Khushboo Mandawewala (KAM)
	Yash Mandawewala (YRM)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

44. (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	KTL	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WHTUKL	WCPGL	AITPDPL	WASEZ	WZTL	WCL	WPSL	WTL	WWL	WML	WIDL	WLL	TAPL	AYMSL	Balance Carried Forward
Transactions during the year																						
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	109.20	0.84	-	-	-	-	-	-	-	-	-	110.04
	-	-	-	-	-	-	-	-	-	-	(33.92)	-	-	-	(6.04)	-	-	-	-	-	-	(39.96)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	181.37	-	-	-	-	-	-	-	-	-	-	181.37
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.04)	-	-	-	-	-	-	(6.04)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)	-	-	-	-	-	-	-	-	(1.20)
Repayment Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	0.60
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ FPS Licenses	-	-	46.39	-	-	-	-	-	2,506.88	-	-	-	34.75	11.50	-	-	-	-	-	-	792.95	3,392.47
	-	-	-	-	-	-	-	-	(2,318.29)	-	-	(0.66)	(89.74)	(1.31)	-	-	-	-	-	-	(673.85)	(3,083.85)
Purchase of Services/ Expenses incurred	-	-	117.65	1.76	-	-	-	-	-	-	-	3.83	12.31	3.57	-	-	-	-	-	0.25	-	139.37
	-	-	(9.76)	-	-	-	-	-	-	-	-	(3.71)	(11.08)	(0.06)	-	-	-	-	(3.15)	(0.13)	-	(27.89)
Sale of Goods/ DEPB Licenses *	-	-	46,402.56	-	-	65.56	-	-	21.77	-	-	-	21.61	23.52	-	-	-	-	-	-	36.98	46,572.00
	-	-	(42,476.67)	-	-	(173.20)	-	-	(8.32)	-	-	-	(23.94)	(17.39)	-	-	-	-	-	-	(0.37)	(42,699.89)
Sale of Services/ Expenses incurred	-	-	7.88	-	-	-	-	-	-	-	-	-	11.25	-	-	-	-	-	-	-	0.14	19.27
	-	-	(12.44)	-	-	-	-	-	(#)	-	-	-	(15.57)	(0.01)	-	-	-	-	-	-	(0.20)	(28.22)
Purchase of Fixed Assets / Capital Goods	-	-	-	-	-	-	-	-	-	-	-	-	23.35	437.38	-	-	-	-	-	-	-	460.73
	-	-	-	-	-	-	-	-	-	-	-	-	(17.20)	(59.50)	-	-	-	-	-	-	-	(76.70)
Interest Income	-	-	-	-	-	-	-	-	-	-	5.86	-	-	-	-	-	-	-	-	-	-	5.86
	-	-	-	-		-	-	-	-	-	(1.07)	-	-	-	-	-	-	-	-	-	-	(1.07)
Dividend Received	-	-	-	-	-	-	-	-	66.96	-	-	-	-	-	-	-	-	-	-	-	-	66.96
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.42)	(1.42)
Claims, Discount and Rebate	-	-	115.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115.82
	-	-	(139.45)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(139.45)
Remuneration and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	378.82	-	-	-	-	-	-	-	-	-	-	#	-	#	-	63.19	84.35	20.62	-	-	0.01	546.99
	(150.96)	-	-	-	-	-	-	-	-	-	-	(#)	-	(#)	-	(25.28)	(33.74)	(8.25)	-	-	(#)	(218.23)
Interim Equity Dividend Paid ++	631.37	-	-	-	-	-	-	-	-	-	-	#	-	#	-	105.32	140.58	34.37	-	-	0.02	911.65
	(150.96)	-	-	-	-	-	-	-	-	-	-	(#)	-	(#)	-	(25.28)	(33.74)	(8.25)	-	-	(#)	(218.23)
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Previous year figures are given in brackets
* Amount is inclusive of taxes
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

44. (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	KTL	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WHTUKL	WCPGL	AITPDPL	WASEZ	WZTL	WCL	WPSL	WTL	WWL	WML	WIDL	WLL	TAPL	AYMSL	Balance Carried Forward
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	32.00	-	-	-	-	-	-	-	-	-	-	32.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year	-	-	-	-	-	-	-	-	-	-	179.37	-	-	-	-	-	-	-	-	-	-	179.37
	-	-	-	-	-	-	-	-	(36.52)	-	-	(57.57)	-	-	-	-	-	-	-	-	-	(94.09)
Investment Cost Split during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	#	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Diminution in Value of Investments Written Back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.34	13.34
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(1,000.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,000.00)
Commission on Corporate Guarantee Given	-	-	-	-	12.40	11.32	-	-	10.93	-	-	-	-	-	-	-	-	-	-	-	-	34.65
	-	-	-	-	(9.20)	(21.65)	-	-	(6.21)	-	-	-	-	-	-	-	-	-	-	-	-	(37.06)
Closing Balance																						
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	10.00	3.00	-	-	-	-	-	-	-	-	13.00
	-	-	-	-	-	-	-	-	-	-	-	(10.00)	(2.40)	-	-	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	-	15.56	-	-	13.38	20.54	-	-	7.25	0.50	-	-	0.36	-	-	-	-	-	-	-	-	57.59
	-	(15.56)	(2.11)	(0.22)	(8.65)	(5.39)	-	(8.32)	(1.57)	(0.50)	(35.87)	-	-	-	-	-	-	-	-	-	(0.03)	(78.22)
Provision for diminution in value of Loans/ Advances	-	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	-	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Debtors (Net of Bills Discounted with Banks)	-	-	3,582.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,582.04
	-	-	(3,647.06)	-	-	(173.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,820.26)
Creditors	-	-	0.10	0.05	-	-	-	-	342.56	-	-	14.12	-	211.87	-	-	-	-	-	-	47.90	616.60
	-	-	-	-	-	-	-	-	(230.86)	-	-	(21.01)	(0.94)	(10.94)	-	-	-	-	-	(0.06)	(10.87)	(274.68)
Investments	-	0.10	2,815.57	-	-	146.88	111.52	-	870.42	0.10	2,379.37	92.13	-	#	-	-	-	-	-	-	18.94	6,435.03
	-	(0.10)	(2,815.57)	-	-	(146.88)	(111.52)	-	(870.42)	(0.10)	(2,200.00)	(92.13)	-	(#)	-	-	-	-	-	-	(18.94)	(6,255.66)
Provision for diminution in value in investment	-	-	-	-	-	-	81.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.79
	-	-	-	-	-	-	(81.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.34)	(95.13)
Corporate Guarantee Given	-	-	4,470.00	-	892.68	-	-	-	2,200.00	-	-	-	-	-	-	-	-	-	-	-	-	7,562.68
	-	-	(4,470.00)	-	(864.58)	(2,726.25)	-	-	(900.00)	-	-	-	-	-	-	-	-	-	-	-	-	(8,960.83)
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Previous year figures are given in brackets
* Amount is inclusive of taxes
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

44. (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	Balance Brought Forward	WRPL	MEL	WEMO	WPL	MITCPL	WFL	WFHK	WENL	WEFL	WTHPL	WAHPL	BKG	RRM	DBG	RBG	ARM	KAM	YRM	TOTAL
Transactions during the year																				
Loans, Advances and Deposits given	110.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110.04
	(39.96)	(20.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(59.96)
Repayment of Loans, Advances and Deposits given	181.37	5.05	8.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194.42
	(6.04)	(100.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(106.04)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)
Repayment Loans, Advances and Deposits received	0.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.60
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ FPS Licenses	3,392.47	-	-	-	-	-	-	-	3.53	-	-	-	-	-	-	-	-	-	-	3,396.00
	(3,083.85)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,083.85)
Purchase of Services/ Expenses incurred	139.37	8.64	2.43	-	-	3.55	-	-	-	-	-	-	-	-	-	-	-	-	-	153.98
	(27.89)	(8.52)	(0.79)	-	-	(1.36)	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.56)
Sale of Goods/ DEPB Licenses *	46,572.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,572.00
	(42,699.89)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,699.89)
Sale of Services/ Expenses incurred	19.27	-	-	0.05	-	-	-	-	0.14	-	-	-	-	-	-	-	-	-	-	19.46
	(28.22)	-	-	-	(1.16)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29.38)
Purchase of Fixed Assets / Capital Goods	460.73	-	-	-	-	-	-	-	30.93	-	-	-	-	-	-	-	-	-	-	491.65
	(76.70)	-	-	-	(222.88)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(299.58)
Interest Income	5.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.86
	(1.07)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.07)
Dividend Received	66.96	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	66.96
	(1.42)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.42)
Claims, Discount and Rebate	115.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115.82
	(139.45)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(139.45)
Remuneration and Commission	-	-	-	-	-	-	-	-	-	-	-	-	83.96	101.29	98.96	-	1.11	0.63	0.67	286.62
	-	-	-	-	-	-	-	-	-	-	-	-	(71.13)	(88.61)	(86.13)	-	(3.06)	(1.03)	(1.40)	(251.36)
Equity Dividend Paid +	546.99	-	-	-		0.06	4.07		-	-	-	-	0.51	#	0.56	1.51	-	-	-	553.70
	(218.23)	-	-	-		(0.02)	(1.63)		-	-	-	-	(0.21)	(#)	(0.23)	(0.60)	-	-	-	(220.92)
Interim Equity Dividend Paid ++	911.65	-	-	-	-	0.10	6.78	-	-	-	-	-	0.85	#	0.94	2.51	-	-	-	922.83
	(218.23)	-	-	-	-	(0.02)	(1.63)	-	-	-	-	-	(0.21)	(#)	(0.23)	(0.60)	-	-	-	(220.92)
Donation	-	-	-	-	-	-	-	7.00	-	-			-	-	-	-	-	-	-	7.00
	-	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	57.31	-	-	-	-	-	-	-	-	-	-	-	57.31
	-	-	-	-	-	-	-	(18.83)	-	-	-	-	-	-	-	-	-	-	-	(18.83)

Previous year figures are given in brackets
* Amount is inclusive of taxes
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

44. (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	Balance Brought Forward	WRPL	MEL	WEMO	WPL	MITCPL	WFL	WFHK	WENL	WEFL	WTHPL	WAHPL	BKG	RRM	DBG	RBG	ARM	KAM	YRM	TOTAL
Share Application Money Paid	32.00	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	32.10
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year	179.37	-	-	-	-	-	-	-	-	-	#	#	-	-	-	-	-	-	-	179.37
	(94.09)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94.09)
Investment Cost Split during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-			-	-	-	-	-	-	-	-
Provision for Diminution in Value of Investments Written Back	13.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.34
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,000.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,000.00)
Commission on Corporate Guarantee Given	34.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.65
	(37.06)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.06)
Closing Balance																				
Loans, Advances and Deposits received	13.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.00
	(12.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	57.59	57.20	-	75.00	-	-	-	-	0.14	-	-	-	-	-	-	-	-	-	-	189.93
	(78.22)	(62.25)	(8.00)	(75.00)	(4.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(227.66)
Provision for diminution in value of Loans/ Advances	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Debtors (Net of Bills Discounted with Banks)	3,582.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,582.04
	(3,820.26)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,820.26)
Creditors	616.60	-	-	-	-	-	-	-	4.78	-	-	-	83.96	83.96	83.96	-	-	-	-	873.27
	(274.68)	-	-	-	(7.46)	-	-	-	-	-	-	-	(71.13)	(71.13)	(71.13)	-	-	-	-	(495.53)
Investments	6,435.03	-	-	-	-	-	-	-	-	-	#	#	-	-	-	-	-	-	-	6,435.03
	(6,255.66)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,255.66)
Provision for diminution in value in investment	81.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.79
	(95.13)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(95.13)
Corporate Guarantee Given	7,562.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,562.68
	(8,960.83)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,960.83)
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Previous year figures are given in brackets
* Amount is inclusive of taxes
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

45. LEASES

Where the Company is a lessee:

Operating Lease

The Company has taken various residential, office premises, godowns, equipment and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

The aggregate rental expenses of all the operating leases for the year are ₹ 69.70 million (Previous Year: ₹ 65.96 million).

46. DISCLOSURE PURSUANT TO THE REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF SEBI LISTING REGULATIONS, 2015

₹ million

	Non Designated Hedges	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 (excluding interest accrued)				
	- Besa Developers and Infrastructure Private Limited	15.56*	-	15.56*	-
	- Welspun Anjar SEZ Limited	-**	142.10	33.86	33.86
ii.	Loans and advances in the nature of loans to associates	-	-	-	-
iii	Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-	-	-
iv	Investments by the Loanee in the shares of the Company as at March 31, 2016	-	-	-	-

* Provision for doubtful loans and advance of ₹ 15.56 million (March 31, 2015: ₹ 15.56 million) has been made.
** Converted into 14,210,000 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited on March 31, 2016.

47. DERIVATIVE INSTRUMENTS OUTSTANDING AS AT MARCH 31, 2016

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, payables denominated in foreign currency. In line with the Company's risk management policies and procedures, it enters into foreign currency forward contracts and swap contracts to manage its exposure. These contracts are for a period of maximum twelve months and forecasted transactions are expected to occur during the same period.

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

	Currency Pair	March 31, 2016			March 31, 2015		
		Notional Amount		Fair Value Gain/(Loss) ₹ Million	Notional Amount		Fair Value Gain/(Loss) ₹ Million
		Foreign Currency (in million)	₹ million		Foreign Currency (in million)	₹ million	
Forward Contracts (Buy)	EURO-INR	2.93	223.64	(1.60)	-	-	-
Forward Contracts (Buy)	USD-INR	1.00	68.00	(0.86)	-	-	-
Forward Contracts (Buy)	JPY-INR	-	-	-	351.70	192.54	(7.56)
Forward Contracts (Buy)	EURO-USD	0.85	61.89	2.25	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(b) In addition to the above, the Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at March 31, 2016:

Fair Value Hedges	Currency Pair	March 31, 2016			March 31, 2015		
		Notional Amount		On Restatement Gain/(Loss) ₹ Million	Notional Amount		On Restatement Gain/(Loss) ₹ Million
		Foreign Currency (in million)	₹ million		Foreign Currency (in million)	₹ million	
Forward Contracts (Buy)	USD-INR	-	-	-	2.00	135.72	(4.65)

(c) As at the Balance Sheet date, the foreign currency exposure not hedged by a derivative instrument or otherwise aggregates ₹ 13.38 million (March 31, 2015 : ₹ 196.35 million) for receivables (net of provisions) and ₹ 10.14 million (March 31, 2015 : ₹ 4,135.02 million) for payables.

48. INVESTMENTS

The following table includes the classification of investments in accordance with AS 13-Accounting for Investments

₹ million

		As at March 31, 2016	As at March 31, 2015
Long Term Investments			
10,000	(March 31, 2015 : 10,000) Equity Shares of ₹10 each fully paid up of BESA Developers and Infrastructure Private Limited	0.10	0.10
10,000	(March 31, 2015 : 10,000) Equity Shares of ₹10 each fully paid up of Anjar Integrated Textile Park Developers Private Limited	0.10	0.10
50,700	(March 31, 2015 : 50,700) Equity Shares of ₹10 each fully paid up of Welspun Anjar SEZ Limited	2,200.00	2,200.00
23,065,503	(March 31, 2015 : 23,065,503) Equity Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	1,281.34	1,281.34
13,464,800	(March 31, 2015 : 13,464,800) 0% Redeemable Cumulative Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	134.65	134.65
1,389,575	(March 31, 2015 : 13,89,575) 0% Redeemable Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	1,389.58	1,389.58
1,000,000	(March 31, 2015 : 1,000,000) 1% Redeemable Cumulative Preference Shares of ₹10 each fully paid up of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)	10.00	10.00
20,084,998	(March 31, 2015 : 20,084,998) Equity Shares of ₹10 each fully paid up of Welspun Captive Power Generation Limited	200.85	200.85
66,956,672	(March 31, 2015 : 66,956,672) 10% Non-cumulative Redeemable Preference Shares of ₹10 each of Welspun Captive Power Generation Limited**	669.57	669.57
17,937,000	(March 31, 2015 : Nil) 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited	179.37	-
668,706	(March 31, 2015 : 668,706) Equity Shares of US $ 0.10 each, fully paid up of Welspun USA Inc.	146.88	146.88
1,500	(March 31, 2015 : 1,500) Equity Shares of GBP 1 each, fully paid up of Welspun Holdings Private Limited, Cyprus	111.52	111.52
	Less : Provision for other than temporary Diminution in value of investment	81.79	81.79
		29.73	**29.73**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

		As at March 31, 2016	As at March 31, 2015
5,550,000	(March 31, 2015 : 5,500,000) Equity Shares of ₹10 each fully paid up of Welspun Zucchi Textiles Limited	92.13	92.13
283,500	(March 31, 2015 : 283,500) Equity Shares of ₹ 10 each fully paid up of Welspun Syntex Limited	18.94	18.94
	Less : Provision for other than temporary Diminution in value of investment	-	13.34
		18.94	**5.60**
80	(March 31, 2015 : 80) Equity Shares of ₹ 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*
100	(March 31, 2015 : 100) Equity Shares of ₹ 10 each fully paid up of Welspun Steel Limited (Formerly known as Welspun Power and Steel Limited)	*	*
5	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Trading and Holding Private Limited	*	*
5	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Alloy Holding Private Limited	*	*
-	Investment - Indiafirst SM	1.80	1.80
-	Investment - SBI Life Insurance	0.60	0.50
-	Investment - Canara HSBC	0.80	0.60
TOTAL LONG TERM INVESTMENTS		**6,356.44**	**6,163.43**

* Amount is below the rounding norms adopted by the Company

Current Investments			
-	(March 31, 2015 : 10) 8.06% Rural Electrification Corporation Limited 31/05/2023 Bonds of Face Value of ₹ 10,00,000 each	-	10.12
-	(March 31, 2015 : 1,660) 9.90% Industrial Finance Corporation of India Limited 05/11/2027 Bonds of Face Value of ₹ 25,000 each	-	43.53
-	(March 31, 2015 : 1,720) 9.90% Industrial Finance Corporation of India Limited 05/11/2037 Bonds of Face Value of ₹ 25,000 each	-	44.03
-	(March 31, 2015 : 8) 7.93% Power Grid Corporation of India Limited 20/05/2027 Bonds of Face Value of ₹ 10,00,000 each	-	8.61
-	(March 31, 2015 : 19) 9.48% Oriental Bank of Commerce Perpetual Bonds of Face Value of ₹ 10,00,000 each	-	19.00
-	(March 31, 2015 : 41) 9.55% Canara Bank Perpetual Bonds of Face Value of ₹ 10,00,000 each	-	41.41
-	(March 31, 2015 : 50) 8.65% Rajasthan Rajya Vidyut Utpadan Nigam Limited 05/01/2027 Bonds of Face Value of ₹ 10,00,000 each	-	49.78
-	(March 31, 2015 : 60) 8.74% Rajasthan Rajya Vidyut Utpadan Nigam Limited 26/03/2027 Bonds of Face Value of ₹ 10,00,000 each	-	59.12
-	(March 31, 2015 : 101) 10.40% Vijaya Bank Perpetual Bonds of Face Value of ₹ 10,00,000 each	-	101.00
-	(March 31, 2015 : 25) 9.84% Air India 27/09/2026 Bonds of Face Value of ₹ 10,00,000 each	-	27.49
-	(March 31, 2015 : 74) 10.00% Indian Overseas Bank Perpetual Bonds of Face Value of ₹ 10,00,000 each	-	74.01
-	(March 31, 2015 : 243) 10.75% IDBI Bank Limited Omni (2014 -15 - Series II) Tier I Perpetual Bonds of Face Value of ₹ 10,00,000 each	-	259.18

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

₹ million

		As at March 31, 2016	As at March 31, 2015
-	(March 31, 2015 : 5,00,000) 8.27% GOI 09/06/2020 Bonds of Face Value of ₹ 100 each	-	51.33
-	(March 31, 2015 : 5,00,000) 8.60% GOI 2028 Bonds of Face Value of ₹ 100 each	-	53.79
500,000	(March 31, 2015 : 5,00,000) 8.30% GOI 2042 Bonds of Face Value of ₹ 100 each	53.68	53.68
1,880,636.031	(March 31, 2015 : Nil) L & T Flexi Bond Fund - Dividend	20.00	-
TOTAL CURRENT INVESTMENTS		**73.68**	**896.08**
TOTAL INVESTMENTS (CURRENT AND LONG TERM)		**6,430.12**	**7,059.51**
Disclosed Under:			
Non Current Investments (Refer Note 15)		6,356.44	6,163.43
Current Investments (Refer Note 18)		73.68	896.08
TOTAL		**6,430.12**	**7,059.51**

49. DISCLOSURE FOR MICRO AND SMALL ENTERPRISES:

₹ million

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	60.40	38.11
ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.02	1.77
iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	425.58	288.54
iv)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.77	6.04
v)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi)	Interest due & payable towards suppliers registered under MSMED Act, for payments already made	0.33	1.77
vii)	Further interest remaining due and payable for earlier years	-	-

The above information and that given in Note 10 – "Trade Payable" regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

50. DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES INCURRED DURING THE YEAR, DEBITED UNDER VARIOUS HEADS OF STATEMENT OF PROFIT AND LOSS ARE GIVEN BELOW:

₹ million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Material Consumption	177.22	137.97
Employee benefits expenses	76.58	74.26
Others	14.61	11.84
TOTAL	**268.41**	**224.07**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

Details of Capital Expenditure incurred during the year for Research and Development is given below

₹ million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Plant and Machinery	36.25	51.31
TOTAL	**36.25**	**51.31**

51. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount required to be spent by the Company during the year is ₹ 57.31 million (March 31, 2015 : ₹ 18.83 million) which has been contributed to Welspun Foundation for Health and Knowledge.

52. Prior year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

Signatures to Notes to Financial Statements

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Place: Mumbai
Date: April 25, 2016

Rajesh Mandawewala
Managing Director
DIN 00007179

Place: Mumbai
Date: April 25, 2016

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: April 25, 2016

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun India Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of **Welspun India Limited** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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.

6. 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 8 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

7. 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 March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTER

8. We did not audit the financial statements / financial information of 14 subsidiaries whose financial statements / financial information reflect total assets of ₹ 5,435.69 million and net assets of ₹ 3,301.70 million as at March 31, 2016, total revenue of ₹ 2,943.66 million, net profit of ₹ 70.63 million and net cash flows amounting to ₹ 42.90 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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 maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company 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 maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the 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 as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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 incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.

ii. The Group has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. The Company does not have long term derivative contracts as at March 31, 2016.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India during the year ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2016

ANNEXURE A
to Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Welspun India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. 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

7. 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

8. In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, 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 March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

9. 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 4 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2016

CONSOLIDATED BALANCE SHEET

As At March 31, 2016

₹ million

	Note	As At March 31, 2016	As At March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	1,004.73	1,004.60
Reserves and Surplus	4	18,871.85	13,313.88
Minority Interest		502.92	378.21
Non-current Liabilities			
Long-term Borrowings	5	17,877.15	15,946.26
Deferred Tax Liabilities (Net)	6	1,178.33	640.73
Other Long-term Liabilities	7	17.94	11.02
Long-term Provisions	8	1,278.50	1,008.94
Current liabilities			
Short-term Borrowings	9	7,731.52	10,034.21
Trade Payables	10	10,079.79	6,910.19
Other Current Liabilities	11	3,652.90	6,773.28
Short -term Provisions	12	76.49	932.02
TOTAL		**62,272.12**	**56,953.34**
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13A	31,486.60	24,441.84
Intangible Assets	13B	116.51	43.13
Capital Work-in-Progress		1,832.10	1,564.16
Goodwill on Consolidation	13C	1,775.34	1,785.07
Non-current Investments	14	29.92	14.98
Long-term Loans and Advances	15	1,205.59	1,377.44
Other Non-current Assets	16	209.66	169.70
Current Assets			
Current Investments	17	533.35	1,404.92
Inventories	18	11,046.36	11,006.25
Trade Receivables	19	6,113.91	4,467.02
Cash and Bank Balances	20	1,243.08	3,252.32
Short-term Loans and Advances	21	5,213.67	6,096.62
Other Current Assets	22	1,466.03	1,329.89
TOTAL		**62,272.12**	**56,953.34**

The Notes are an integral part of these Consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended March 31, 2016

₹ million

	Note	Year Ended March 31, 2016	Year Ended March 31, 2015
REVENUE FROM OPERATIONS (GROSS)	23	59,813.71	53,481.25
Less : Excise Duty		19.06	456.14
Revenue from Operations (Net)		**59,794.65**	**53,025.11**
Other Income	24	915.14	949.42
TOTAL REVENUE		**60,709.79**	**53,974.53**
EXPENSES			
Raw materials including packing materials consumed	25	23,043.88	23,186.23
Purchases of Stock-in-Trade	26	3,294.08	2,944.31
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	274.06	(687.29)
Employee Benefits Expense	28	5,364.26	4,459.73
Finance Costs	29	2,362.36	2,829.01
Depreciation and Amortisation Expense	30	3,750.17	3,329.33
Other Expenses	31	12,243.23	10,380.32
TOTAL EXPENSES		**50,332.04**	**46,441.64**
Profit before tax		**10,377.75**	**7,532.89**
Tax Expense			
- Current Tax		2,640.94	1,845.56
- Short Provision for Tax in Earlier Years		54.86	-
- Deferred Tax		528.60	244.47
Profit After Taxation and Before Share of Profit of Minority Shareholders		**7,153.35**	**5,442.86**
Minority's Share of Profit in Subsidiary Companies		124.70	44.96
Profit for the year		**7,028.65**	**5,397.90**
Earnings Per Share (₹) [Nominal value per share : Re.1 (March 31, 2015 : Re.1)]	42		
- Basic		7.00	5.38
- Diluted		7.00	5.38

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

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended March 31, 2016

₹ million

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
A. NET CASH FROM / (USED IN) OPERATING ACTIVITIES			
Profit Before exceptional and extraordinary items and tax		10,377.75	7,532.89
Adjustments for :			
Depreciation and amortisation expense	3,750.17		3,329.33
Unrealised Foreign Exchange Differences	(43.55)		(36.16)
Loss on Sale of Fixed Assets	59.74		35.04
Profit on Redemption/ Sale of Units of Mutual Funds	(41.08)		(0.10)
Provision for Diminution in Value of Investments Written Back	(13.34)		-
Profit on Sale of Bonds/ Certificate of Deposits	(14.30)		(0.37)
Dividend Income	(3.18)		(24.54)
Liabilities / Sundry Balances Written Back	(53.48)		(1.54)
Provision for Doubtful Debts/ Advances (net)	22.58		1.00
Debts/ Advances Written off	1.46		4.22
Interest Income	(227.88)		(258.94)
Interest and Other Expenses	2,362.36		2,829.01
		5,799.50	**5,876.95**
Operating Profit Before Working Capital Changes		**16,177.25**	**13,409.84**
Adjustments for changes in working capital :			
Trade and Other Receivables	(1,714.02)		(358.75)
Current Liabilities and Provisions	3,709.08		797.43
Inventories	(40.11)		(910.28)
Loans and Advances and other Assets	799.02		(1,779.94)
		2,753.97	(2,251.54)
Cash Flow Generated from Operations		**18,931.22**	**11,158.30**
Taxes Paid (net of refunds)		(2,393.40)	(1,767.49)
Net Cash Flow from Operating Activities		**16,537.82**	**9,390.81**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of Fixed Assets and Capital Work-in-progress	(10,597.42)		(5,794.58)
Proceeds from Sale of Fixed Assets	43.98		27.46
Capital Subsidy	73.81		95.22
Investment in Fixed Deposit and Margin Money (Net)	1,111.89		(256.37)
Sales / (Purchase) of Investments (Net)	925.35		(362.37)
Dividend Received	3.18		24.54
Interest Received	426.75		195.45
Net Cash Flow used in Investing Activities		**(8,012.46)**	**(6,070.65)**

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended March 31, 2016

₹ million

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares	0.45		3.51
Proceeds from Minority Shareholders	-		17.19
Issue of Debentures (Net of Redemption)	1,200.00		1,000.00
Proceeds from / (Repayment of) Long Term Borrowings (Net)	(3,335.98)		872.23
Proceeds from / (Repayment of) Other Borrowings (Net)	(2,302.34)		(1,304.68)
Dividends Paid	(2,027.87)		(599.29)
Tax on Dividends Paid	(415.49)		(111.42)
Interest and Other Expenses	(2,573.30)		(3,126.70)
Net Cash Flow used in Financing Activities		**(9,454.53)**	**(3,249.16)**
(A + B + C)		**(929.17)**	**71.00**
Cash and Cash Equivalents at the beginning of the year		1,989.78	1,911.11
Add : Cash and Cash Equivalents on acquisition of Subsidiaries		-	7.67
Cash and Cash Equivalents at the end of the year		1,060.61	1,989.78
Net Increase / (Decrease) in Cash and Cash Equivalents		**(929.17)**	**71.00**

Notes :

1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
2. Cash and Cash Equivalents as at March 31, 2016 includes fixed deposits of ₹ Nil (March 31,2015 ₹ 98.33 million) which are not available for use by the Company as these are earmarked for the repayment of borrowings.

This is the Consolidated Cash Flow referred to in our report of the even date.

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Shashikant Thorat
Company Secretary

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

Place: Mumbai
Date: April 25, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

1. GENERAL INFORMATION

Welspun India Limited ("WIL" or the "Company") is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

1.1 The Subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Relationship As At March 31, 2016	% Voting Power held As At March 31, 2016	Relationship As At March 31, 2015	% Voting Power held As At March 31, 2015
Anjar Integrated Textile Park Private Limited (AITP)	India	Subsidiary	100.00	Subsidiary	100.00
Welspun Anjar SEZ Private Limited (WASEZ)	India	Subsidiary	100.00	Subsidiary	100.00
Besa Developers and Infrastructure Private Limited (BESA)	India	Subsidiary	100.00	Subsidiary	100.00
Welspun Global Brands Limited (WGBL) (formerly known as Welspun Retail Limited)	India	Subsidiary	98.03	Subsidiary	98.03
Welspun USA Inc. (WUSA)	U.S.A.	Subsidiary	98.64	Subsidiary	98.64
Welspun Captive Power Generation Limited (WCPGL)	India	Subsidiary	68.00	Subsidiary	68.00
Welspun Decorative Hospitality LLC (WDHL) (Held through WUSA)*	U.S.A.	-	-	Subsidiary	98.64
Welspun Holdings Private Limited, Cyprus (WHPL)	Cyprus	Subsidiary	98.17	Subsidiary	98.17
Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
CHT Holdings Limited (CHTHL) (Held through WHTUKL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
Christy Home Textiles Limited (CHTL) (Held through CHTHL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
Christy Europe GmbH (Held through CHTL)	Germany	Subsidiary	98.17	Subsidiary	98.17
Welspun UK Limited (WUKL) (Held through CHTL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
Christy 2004 Limited (Held through WUKL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
Christy Lifestyle LLC (Held through WUKL)	U.S.A.	Subsidiary	98.17	Subsidiary	98.17
Christy UK Limited (CUKL) (Held through CHTL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
ER Kingsley (Textiles) Limited (Held through CHTL)	U.K.	Subsidiary	98.17	Subsidiary	98.17
Welspun Mauritius Enterprises Limited (WMEL)	Mauritius	Subsidiary	98.03	Subsidiary	98.03
Novelty Home Textiles S A DE C V (Held through WMEL)	Mexico	Subsidiary	98.03	Subsidiary	98.03
Welspun Zucchi Textiles Limited (WZTL)	India	Subsidiary	100.00	Subsidiary	100.00
Welspun Flooring Limited (WFL)**	India	Subsidiary	100.00	-	-

* On June 8, 2015, Welspun Decorative Hospitality LLC (WDHL) was liquidated.
** On March 1, 2016, Welspun Flooring Limited (WFL) was incorporated as 100% Subsidiary Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

1.2 ADDITIONAL INFORMATION MANDATED BY SCHEDULE III OF THE COMPANIES ACT, 2013 REGARDING SUBSIDIARY COMPANIES AND JOINT VENTURE COMPANY CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

₹ million

Name of Entity	March 31, 2016				March 31, 2015			
	Net Assets / (Net liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Net Assets / (Net liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated net assets / (liabilities)	Amount (₹ Million)	As a % of consolidated profit / (loss)	Amount (₹ Million)
Parent								
Welspun India Limited	94.51%	18,785.07	85.61%	6,017.26	100.05%	14,325.84	94.51%	5,101.36
Subsidiaries								
Indian								
Welspun Global Brands Limited	16.61%	3,301.79	9.87%	693.63	16.62%	2,380.27	9.12%	492.42
Welspun Zucchi Textiles Limited (from January 30, 2015)	0.49%	96.52	0.00%	(0.09)	0.67%	96.61	(0.01%)	(0.54)
Besa Developers and Infrastructure Private Limited	(0.07%)	(14.47)	0.00%	0.06	(0.10%)	(14.53)	0.00%	0.06
Anjar Integrated Textile Park Private Limited	0.00%	0.10	0.00%	-	0.00%	0.10	0.00%	-
Welspun Anjar SEZ Private Limited	11.91%	2,366.32	(0.13%)	(9.43)	15.34%	2,196.38	(0.06%)	(3.12)
Welspun Captive Power Generation Limited	6.85%	1,362.15	4.68%	328.95	8.04%	1,151.71	2.04%	110.26
Welspun Flooring Limited	0.00%	0.10	0.00%	-	-	-	-	-
Foreign								
Welspun Holdings Private Limited	2.27%	451.02	(0.01%)	(0.44)	3.15%	451.37	0.01%	0.41
Welspun Home Textiles UK Limited	1.61%	319.48	(0.04%)	(2.84)	2.30%	329.98	(0.06%)	(3.28)
Welspun Mauritius Enterprises Limited	0.27%	53.98	(0.01%)	(0.73)	0.38%	54.52	(0.01%)	(0.69)
Novelty Home Textiles S A DE C V	(0.02%)	(4.13)	0.00%	-	(0.03%)	(4.39)	0.12%	6.48
CHT Holdings Limited*	2.51%	499.18	1.24%	87.18	2.95%	422.71	0.43%	23.00
Welspun USA Inc.*	4.42%	879.23	4.44%	312.08	4.57%	654.28	4.02%	216.97
Joint Venture								
Indian								
Welspun Zucchi Textiles Limited (upto January 29, 2015)	-	-	-	-	-	-	(0.03%)	(1.40)
Inter-company Elimination & Consolidation Adjustments	(38.81%)	(7,716.84)	(3.87%)	(272.28)	(51.32%)	(7,348.16)	(9.25%)	(499.07)
Minority Interest in all subsidiaries	(2.52%)	(502.92)	(1.77%)	(124.70)	(2.64%)	(378.21)	(0.83%)	(44.96)
	100.00%	**19,876.58**	**100.00%**	**7,028.65**	**100.00%**	**14,318.48**	**100.00%**	**5,397.90**

*Amounts after consolidation with their subsidiaries

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

(Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016

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 Revised Schedule III to the Companies Act, 2013. Based on the nature of 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 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Principles of Consolidation

The consolidated financial statements relate to Welspun India Limited (the "Company"), its subsidiary companies and joint venture company (together the "Group"). The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses on intra-group transactions.

The difference between the cost of investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve.

Minority Interest in the net assets of consolidated subsidiaries consist of :

- The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
- The minoritie's share of movements in equity since the date the parent subsidiary relationship comes into existence

In the consolidated financial statements, the Company has reported its interest in the joint venture companies under AS-27 using proportionate consolidation method whereby the Company's share of each of the assets, liabilities, income and expenses of the jointly controlled entities is reported as separate line items, after eliminating proportionate unrealised profits or losses attributable to the interest of the Company.

The consolidated Statement of Profit and Loss reflects the investor's share of the results of operations of the investee.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same manner as the Company's separate financial statements.

2.3 Tangible Assets

Tangible Assets except land are stated at cost (net of cenvat credit, wherever applicable) less accumulated depreciation and impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible assets, other than plant and machinery (except electrical

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

installations), is provided on straight-line method over the estimated useful lives.

Assets	Useful Life
Factory Building	28
Residential and Other Buildings	30 - 58
Vehicles	5 -10
Electrical Installation	10
Furniture and Fixtures	10
Office Equipment	5
Computers	3 – 4
Roads, fencing, ashpond, etc.	3- 5

Plant and Machinery (except electrical installations) is depreciated on written down value method over the useful life ranging between 7.5 years to 20 years.

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

Amortisation of leasehold improvements is computed on the straight line method over the term of the related lease including extensions which are reasonably expected to occur, which is not in excess of the estimated useful lives of such improvements.

2.4 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets include computer software which is amortised on the straight-line method over a period of five years. Cost of software includes license fees and implementation/ integration expenses.

Goodwill arising on consolidation of a certain subsidiary sub-group is amortised on a straight line basis over its estimated useful economic life of 20 years. Further, goodwill on consolidation is tested for impairment on an annual basis.

2.5 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

2.6 Investments

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

2.7 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials (includes packing material) and stores and spares is determined on weighted average basis. Cost of traded goods is determined on weighted average basis. Cost of work-in-progress and finished goods comprises of raw material, direct labor, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of the business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Current Tax and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

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

Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, of India, are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.9 Employee Benefits

Provident Fund and other Social Security funds

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

Superannuation Fund

Contribution towards superannuation fund for certain employees is made to an insurance company where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from contribution made on monthly basis.

Gratuity

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

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

Compensated Absences

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's entity's liability is actuarially determined (using the Projected

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

2.10 Foreign Currency Translation

Initial Recognition

In respect of the Company, its subsidiaries incorporated in India and its jointly controlled entity, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

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

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Translation of foreign operations

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognised as income or as expenses.

Forward Exchange Contracts and Swaps

In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps, the group has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement". Accordingly, forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.

Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholder's funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs Changes in the fair value of the hedging instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

2.11 Revenue Recognition

(a) Sale of Products: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties. Domestic sales are recognised on dispatch to customers. Export sales are recognised on the date of cargo receipts, bill of lading or other relevant documents, in accordance with the terms and conditions for sales.

(b) Revenue from supply of power is recognised on an accrual basis based on the billing to customers in accordance with the terms of agreements entered with them. Revenue from supply of steam is recognised on an accrual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

(c) Export Benefits: In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme, Merchandise Export Incentive Scheme and Focus Market Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme, Merchandise Export Incentive Scheme and Focus Market Scheme are recognised on shipment of direct exports.

2.12 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

Income on Statusholder Incentive Scheme is recognised when the license is actually utilised against purchase of Plant and Machinery

2.13 Government Grants

Government grants are accounted for when it is reasonably certain that ultimate collection will be made. Capital grants relating to specific assets granted under the Technology Upgradation Fund Scheme (TUFS) are reduced from the gross value of the Fixed Assets. Revenue grants, in the nature of interest subsidy are adjusted against interest expense. Revenue grants, in the nature of Sales Tax benefits are recognized in the Statement of Profit and Loss on a systematic/ appropriate basis.

2.14 Impairment

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.15 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

2.16 Employees Stock Option Schemes

Equity settled stock options granted under "Employee Stock Option Schemes" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014.

2.17 Leases

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

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

2.18 Cash and Cash Equivalents

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

2.19 Earnings Per Share

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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3. SHARE CAPITAL

₹ million

		As At March 31, 2016	As At March 31, 2015
Authorised			
1,555,000,000	(March 31, 2015 : 155,500,000) Equity Shares of Re. 1 each. (March 31, 2015 : ₹ 10 each) (Refer Note (a) below)	1,555.00	1,555.00
		1,555.00	**1,555.00**
Issued, Subscribed and Paid Up			
1,004,725,150	(March 31, 2015 : 100,459,915) Equity Shares of ₹ 1 each fully paid up. (Refer Note (a) below)	1,004.73	1,004.60
1,100	Less : Adjustment for 1,100 (March 31, 2015 : 110) Equity Shares shares of Welspun India Limited held by Welspun Zucchi Textiles Limited, a 100% subsidiary	*	*
1,004,724,050	**TOTAL**	**1,004.73**	**1,004.60**

* Amount is below the rounding norms adopted by the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

(a) Reconciliation of number of shares

Equity Shares :

	March 31, 2016		March 31, 2015	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Balance as at the beginning of the year	100,459,805	1,004.60	100,346,465	1,003.47
Add : Shares issued to Employees under Employee Stock Option Scheme (Refer Note 35)	12,600	0.13	113,400	1.13
Add : Sub-division of equity shares having face value of ₹ 10 per share into ten equity shares having face value of Re. 1 per share (Refer Note 3 (a) (1))	904,251,645	-	-	-
Less : Adjustment for Equity Shares of Welspun India Limited held by Welspun Zucchi Textiles Limited	-	-	60	*
Balance as at the end of the year	**1,004,724,050**	**1,004.73**	**100,459,805**	**1,004.60**

* Amount is below the rounding norms adopted by the Company

Note 3 (a) (1)

The Board of Directors of the Company at its meeting held on February 2, 2016 has approved the sub-division of equity shares of the Company having a face value of ₹ 10 per share into 10 equity shares having a face value of Re. 1 each. This has been approved by the shareholders at their meeting held on March 4, 2016.

(b) Shares held by holding company and subsidiary of holding company (Holding company as defined in AS-18 : "Related Party Disclosure")

	March 31, 2016		March 31, 2015	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Equity Shares :				
Krishiraj Trading Limited	505,098,770	505.10	50,509,877	505.10
Welspun Infra Developers Limited (Formerly known as Welspun Infra Developers Private Limited) (a 78.66% subsidiary of Goldenarch Estate Private limited which in turn is a 94.37% subsidiary of Krishiraj Trading Limited)	27,497,730	27.50	2,749,773	27.50
	532,596,500	**532.60**	**53,259,650**	**532.60**

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2016		March 31, 2015	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Equity Shares :				
Welspun Mercantile Limited	112,465,760	11.20	11,246,576	11.20
Welspun Wintex Limited	84,252,910	8.39	8,425,291	8.39
Krishiraj Trading Limited	505,098,770	50.28	50,509,877	50.28

(d) Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has one class of equity shares having a par value of Re. 1 (March 31, 2015 : ₹ 10) per share. Each shareholder is eligible for one vote per share held. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2016):

10,475,496 equity shares of ₹ 10 each fully paid were issued in January 2013 to the erstwhile

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

shareholders of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited) pursuant to the composite scheme of arrangement between Welspun Global Brands Limited, the Company and Welspun Retail Limited without payment being received in cash.

(f) Shares reserved for issue under options

Refer Note 35 for details of shares to be issued under the Employee Stock Option Plan

4. RESERVES AND SURPLUS

₹ million

	As At March 31, 2016	As At March 31, 2015
Capital Redemption Reserve		
Balance as at the beginning of the year	488.38	478.38
Add : Transferred from Surplus in the Statement of Profit & Loss during the year	-	10.00
Balance as at the End of the Year	488.38	488.38
Debenture Redemption Reserve		
Balance as at the beginning of the year	-	-
Add : Transferred from Surplus in the Statement of Profit & Loss during the year	55.00	-
Balance as at the End of the Year	55.00	-
Capital Reserve		
Balance as at the beginning of the year	1,474.73	1,474.73
Add : Additions during the year	-	-
Balance as at the End of the Year	1,474.73	1,474.73
Securities Premium Account		
Balance as at the beginning of the year	3,237.80	3,234.90
Add : Additions during the year	0.32	2.90
Balance as at the End of the Year	3,238.12	3,237.80
Hedging Reserve Account		
Balance as at the Beginning of the Year	339.33	1,137.84
Add : Gain recognised in Hedging Reserve during the Year (Net)	525.71	663.69
Less : Transferred to Statement of Profit and Loss	297.81	1,462.20
Balance as at the End of the Year	567.23	339.33
Foreign Exchange Translation Reserve		
Balance as at the beginning of the year	(567.40)	(527.51)
Add : Additions on Translation of Financial Statements of Foreign subsidiaries (Net)	(88.88)	(39.89)
Balance as at the End of the Year	(656.28)	(567.40)
General Reserve		
Balance as at the beginning of the year	711.39	201.25
Add : Additions during the year	-	510.14
Balance as at the End of the Year	711.39	711.39
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	7,629.65	4,093.31
Less : Adjustment for written down value of fixed assets fully depreciated as at April 1, 2014 on revision of useful life (net of tax) [Refer Note (a) below]	-	(72.95)
Add : Profit for the year	7,028.65	5,397.90
	14,658.30	9,418.26
Less : Appropriations		
Interim dividend on Equity Shares for the year	1,255.91	301.28
Dividend distribution tax on Interim dividend on Equity Shares	242.05	60.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

₹ million

	As At March 31, 2016	As At March 31, 2015
Proposed final dividend on Equity Shares for the year [Refer Note (b) below]	50.24	753.45
Dividend distribution tax on proposed Final dividend on Equity Shares	10.23	153.38
Final Dividend on Equity Shares for Previous Year (2014-15) on incremental shares	0.03	0.10
Dividend distribution tax on final dividend on incremental shares	0.01	0.02
Proposed final dividend on Preference Shares for the year	31.50	-
Dividend distribution tax on Proposed dividend on Preference Shares	20.05	-
Transfer to Debenture Redemption Reserve	55.00	-
Transfer to General Reserve	-	510.14
Transfer to Capital Redemption Reserve	-	10.00
Balance as at the End of the Year	12,993.28	7,629.65
TOTAL	**18,871.85**	**13,313.88**

Note:

(a) During previous year, the Company and some of its subsidiaries realigned the remaining useful lives of few assets in accordance with the rates prescribed under Schedule II to the Act. Consequently, in case of assets which had completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹ 72.95 million (net of deferred tax of ₹ 38.02 million) was adjusted to Reserves and Surplus and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

(b) The Board of Directors at their meeting held on April 25, 2016 recommended Final Dividend of ₹ 0.05 per equity share having nominal value of ₹ 1 per share.

5. LONG-TERM BORROWINGS

₹ million

	As At March 31, 2016	As At March 31, 2015
Debentures :		
10.40% Redeemable Non-convertible Debentures [Refer Note (a) (i) below]	-	1,000.00
9.84% Redeemable Non-Convertible Debentures [Refer Note (a) (ii) below]	1,980.00	-
Secured :		
Term Loans :		
Rupee Term Loans from Banks [Refer Note (b) below]	15,853.19	12,760.50
Foreign Currency Loans from Banks [Refer Note (c) below]	-	1,177.35
Loan from Financial Institutions [Refer Note (b) below]	-	877.50
Unsecured :		
Loan from Others [Refer Note(d) below]	3.65	11.70
From Banks [Refer Note (d) below]	40.31	119.21
TOTAL	**17,877.15**	**15,946.26**

(a) Nature of security and terms of repayment for secured debentures :

(i) The Company allotted 1,000 debentures on March 31, 2015 aggregating to ₹ 1,000 million, which carry interest rate of 10.40% p. a. payable half yearly. These debentures were redeemable at the end of 3 years from the date of allotment. However, the same have been redeemed on May 19, 2015.

(ii) On March 30, 2016, a subsidiary issued 2,200 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹ 1,000,000 each aggregating to ₹ 2,200 million. The debentures bear an interest at an agreed upon annual rate of 9.84% compounded monthly and payable annually. The debentures are secured by way of first charge on immovable properties and hypothecation over the bank accounts, investments and any accruals or profits accumulating as a result of such investments and movable fixed assets of the subsidiary. These Debentures were subsequently listed on the Wholesale Debt Market Segment of the National Stock Exchange (NSE) on April 13, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

STRPP Structure and Redemption of Non Convertible Debentures are set out as below:

₹ million

STRPP	Redemption Date	Amount
1	At the end of the 1st year from date of allotment i.e. March 30, 2017. (shown as Debentures Redeemable within One Year under Note 11 "Other Current Liabilities")	220
2	At the end of the 2nd year from date of allotment i.e. March 30, 2018.	220
3	At the end of the 38th month from date of allotment i.e. May 30, 2019.	880
4	At the end of the 5th year from date of allotment i.e. March 30, 2021.	880

(b) Nature of security and terms of repayment for secured borrowings (other than debentures) :

	Nature of Security	Terms of Repayment*
1	Rupee term loan amounting to ₹ 1,228.12 million (March 31, 2015 : ₹ 1,362.99 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 30 quarterly installments commencing from January 2012 Last installment due in April 2019.
2	Rupee term loan amounting to ₹ 608.39 million (March 31, 2015 : ₹ 628.44 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from June 2013 Last installment due in March 2020.
3	Rupee term loan amounting to ₹ 222.66 million (March 31, 2015 : ₹ 229.82 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 32 quarterly installments commencing from April 2014 Last installment due in December 2021.
4	Rupee term loan amounting to ₹ 3,341.49 million (March 31, 2015 : ₹ 3,524.14 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from December 2014 Last installment due in September 2021.
5	Rupee term loan amounting to ₹ 1,072.86, million (March 31, 2015 : ₹ 1,133.41 million)is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from January 2015 Last installment due in October 2021.
6	Rupee term loan amounting to ₹ 228.12 (March 31, 2015 : ₹ 239.76 million)** is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from June 2014 Last installment due in March 2021.
7	Rupee term loan amounting to ₹ 7,503.88 million (March 31, 2015 : ₹ 4,027.11 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 30 quarterly installments commencing from January 2016 Last installment due in June 2023.
8	Rupee term loan amounting to ₹ 2,384.60 million (March 31, 2015 : ₹ 62.50) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 31 quarterly installments commencing from March 2017 Last installment due in September 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

	Nature of Security	Terms of Repayment*
9	Rupee term loan amounting to ₹ 46.40 million (March 31, 2015 : ₹ Nil) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 30 quarterly installments commencing from February 2018 Last installment due in May 2025.
10	Rupee term loan amounting to ₹ 12.13 million (March 31, 2015 : ₹ Nil) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 31 quarterly installments commencing from March 2018 Last installment due in June 2025.
11	Rupee term loan amounting to ₹ Nil (March 31, 2015 : ₹ 3,786.04 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from April 2009 Last installment was due in January 2016.
12	Rupee term loan amounting to ₹ Nil (March 31, 2015 : ₹ 260 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Repayable in 28 quarterly installments commencing from April 2009 Last installment was due in January 2016.
13	Rupee term loan from financial institution amounting to ₹ Nil (March 31, 2015 : ₹ 900 million) is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	The Term Loan was originally repayable in 20 quarterly installments commencing from March 2016.Last installment was due in December 2020. The Company has repaid whole amount of loan on May 28, 2015.
14	Rupee term loan amounting to ₹ Nil (March 31, 2015 : ₹ 2,586.80 million) in a subsidiary is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	The Term Loan was originally Re-payable in 32 Quarterly equal instalments commencing from April 30, 2014, Rate of Interest 12.25% - 12.50%. However, the Company has entered into revised terms of repayment wherein the maturity date is rescheduled to March 31, 2016. The Company has repaid whole amount of loan on March 31, 2016.

* The rate of interest on the above Long Term Loans are in the range of 10.60% to 11.75% (Previous Year : 10.93% to 12.75%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates except item number 14

** FCNR (B) Dollar loan amounting to ₹ 239.77 million as on March 31, 2015 has been converted into Rupee loan during the year.

(c) Nature of security and terms of repayment for secured borrowings (other than debentures) :

	Nature of Security	Terms of Repayment
1	Long term working capital loan amounting to ₹ Nil (March 31, 2015 : 937.58 million) in a subsidiary is secured by first pari passu charge over the present and future fixed assets (all movable and immovable properties) of the subsidiary.	Repayable in 20 quarterly installments commencing from April 2015 Last installment due in January 2020. Rate of interest LIBOR (3 months) +550 bps p.a. The Company has repaid whole amount of loan during the year

(d) Terms of repayment for unsecured borrowings

	Borrowings	Terms of Repayment
1	Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ 11.71 million (March 31, 2015 : ₹ 18.85 million)	Repayable in 59 monthly instalments beginning from October 2012. Last installment due in 2017.Rate of interest 11%.
2	Unsecured loan amounting to ₹ 40.31 million (March 31, 2015 : ₹ 119.21 million)	This loan will be replaced through a drawdown of a secured term loan. The term of repayment will be determined upon it's drawing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

6. DEFERRED TAX LIABILITIES (NET)

₹ million

	As At March 31, 2016	As At March 31, 2015
Deferred Tax Liabilities arising on account of Timing differences in :		
- Depreciation	1,948.52	1,457.16
Deferred Tax Asset arising on account of Timing differences in:		
- Provision for Doubtful Debts/ Advances	46.36	37.72
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	46.36	21.34
- Provision for Employee Benefits	40.97	36.38
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	48.26	6.72
- Provision for Inventory	44.39	48.03
- Unabsorbed Depreciation and Business Losses of Subsidiaries (Refer Note 42)	508.55	621.57
- Others	35.30	44.67
TOTAL	**1,178.33**	**640.73**

7. OTHER LONG- TERM LIABILITIES

₹ million

	As At March 31, 2016	As At March 31, 2015
Security Deposits	17.94	11.02
TOTAL	**17.94**	**11.02**

8. LONG- TERM PROVISIONS

₹ million

	As At March 31, 2016	As At March 31, 2015
Provision for Contingency (Refer Note 40)	21.37	20.00
Provision for Employees benefits		
- Provision for Compensated Absences	110.74	100.52
Other Provisions:		
- Taxation	1,146.38	888.42
TOTAL	**1,278.50**	**1,008.94**

9. SHORT-TERM BORROWINGS

₹ million

	As At March 31, 2016	As At March 31, 2015
Secured:		
- Working Capital Loans from Banks [Refer Note below]	6,688.37	8,262.11
Unsecured :		
- Working Capital Loans from Banks	43.15	272.10
- Commercial Paper	1,000.00	1,500.00
TOTAL	**7,731.52**	**10,034.21**

Note :
The working capital loans, which includes cash credit and packing credit from banks, are generally secured by hypothecation of raw materials, stock-in-process, finished, semi finished goods, stores, spares and book debts and other current assets of borrowing companies and second charge on entire fixed assets of borrowing companies and by corporate guarantees issued by certain companies within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

10. TRADE PAYABLES

₹ million

	As At March 31, 2016	As At March 31, 2015
Acceptances [Refer Note below]	3,448.31	2,556.36
Trade Payables	6,631.48	4,353.83
TOTAL	**10,079.79**	**6,910.19**

Note :
Acceptance includes unsecured vendor financing of ₹ 2,165.59 million (March 31, 2015: ₹ 672.11 million) from various banks.

11. OTHER CURRENT LIABILITIES

₹ million

	As At March 31, 2016	As At March 31, 2015
Current maturities of long term debt		
- Rupee Term Loans from Banks [Refer Note (b) below and Note 5(b)]	795.46	4,840.75
- From Financial Institutions [Refer Note 5(b)]	-	22.50
- From Others [Refer Note 5(d)]	8.06	7.14
- Debentures Redeemable within One Year (Refer Note 5 (a) (ii))	220.00	-
Amounts due to Related Parties		
- Welspun Corp Limited	595.87	-
- Welspun Pipes Limited	-	595.87
Interest Accrued but not due on Borrowings	80.74	61.96
Interest Accrued but not due on Debentures	1.19	0.28
Security Deposits	120.29	39.93
Unearned Revenue	3.79	3.01
Advances from Customers	66.86	30.02
Temporary Overdraft with Scheduled Banks	3.46	29.95
Unpaid Dividends (Refer Note (a) below)	18.89	5.87
Others		
Statutory dues (including Provident Fund and Tax deducted at Source)	327.24	342.59
Employee Benefits Payable	554.60	435.92
Creditors for Capital Purchases	770.27	318.24
Other Payables	86.18	39.25
TOTAL	**3,652.90**	**6,773.28**

Note :

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.**

** Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.

(b) Fixed Deposits of ₹ 44.45 million (March 31, 2015 : ₹ 1,144.90 million) are earmarked for repayment of the above Current Maturities of Long Term Loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

12. SHORT-TERM PROVISIONS

₹ million

	As At March 31, 2016	As At March 31, 2015
Provision for employee benefits		
- Provision for Compensated Absences	7.65	6.52
Others		
- Fringe Benefit Tax (Net of Advance Tax)	1.90	1.90
- Provisions for Contingency (Refer Note 40)	6.47	9.22
- Provision for Mark-to-Market Losses on Derivatives	-	7.55
- Provision for proposed final dividend on equity shares	50.24	753.45
- Provision for dividend distribution tax on proposed final divided on equity shares	10.23	153.38
TOTAL	**76.49**	**932.02**

13 A. TANGIBLE ASSETS

₹ million

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At March 31, 2015	As At March 31, 2016	Accumulated upto March 31, 2015	Accumulated upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
Own Assets						
Freehold Land	2,587.21	2,698.24	-	-	2,698.24	2,587.21
Buildings (Refer Note 13.4 below)	6,050.27	7,629.83	987.42	1,174.12	6,455.71	5,062.85
Leasehold Improvements	100.48	102.68	81.25	89.85	12.83	19.23
Plant and Machinery (Refer Notes 13.1, 13.2, 13.3 and 13.4 below)	33,155.76	41,482.83	16,733.41	19,557.48	21,925.35	16,422.35
Vehicles	62.35	68.37	33.22	40.80	27.57	29.13
Furniture and Fixtures	500.00	536.13	325.66	331.52	204.61	174.34
Office Equipment	186.94	230.32	118.13	139.45	90.87	68.81
Computers	336.78	361.77	258.86	290.35	71.42	77.92
TOTAL	**42,979.79**	**53,110.17**	**18,537.95**	**21,623.57**	**31,486.60**	**24,441.84**
MARCH 31, 2015	**34,049.48**	**42,979.79**	**15,654.37**	**18,537.95**	**24,441.84**	

Note :

13.1 Borrowing Costs aggregating ₹ Nil (Previous Year: ₹ 176.17 million) attributable to the acquisition or construction of qualifying assets are capitalised during the year as part of the cost of such assets.

13.2 Deletions/ Adjustments for Plant and Machinery include adjustments for the capital subsidy of ₹ 73.81 million (Previous Year : ₹ 95.22) granted under the Technology Upgradation Fund (TUF) Scheme.

13.3 Additions to fixed assets during the year include capital expenditure of ₹ 36.25 million (Previous Year : ₹ 51.31) incurred on in-house Research & Development activities [Refer Note 41]

13.4 The Company has given certain assets on operating lease, details of which are given below:

₹ million

Particulars	As At March 31, 2016		As At March 31, 2015	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Gross Block	1.21	35.18	1.21	35.18
Accumulated Depreciation	0.28	32.35	0.22	32.10
Net Block	0.93	2.83	0.99	3.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

13 B. INTANGIBLE ASSETS

₹ million

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At March 31, 2015	As At March 31, 2016	Accumulated upto March 31, 2015	Accumulated upto March 31, 2016	As At March 31, 2016	As At March 31, 2015
Own Assets						
Computer Software	168.44	262.41	125.31	145.90	116.51	43.13
TOTAL	**168.44**	**262.41**	**125.31**	**145.90**	**116.51**	**43.13**
MARCH 31, 2015	**163.90**	**168.44**	**112.75**	**125.31**	**43.13**	

13 C. GOODWILL ON CONSOLIDATION OF SUBSIDIARIES AND JOINTLY CONTROLLED ENTITY

₹ million

Particulars	As At March 31, 2016	As At March 31, 2015
Balance as at the beginning of the year (Net of Impairment of ₹ 385.74 million)	1,785.07	1,838.61
Add : Arising on acquisition during the year	-	8.99
Less : Amortised during the year	33.22	32.33
Add : Adjustments during the year on account of restatement	23.49	(30.20)
Balance at the end of the year (Net of Impairment of ₹ 385.74 million)	**1,775.34**	**1,785.07**

14 NON - CURRENT INVESTMENTS

₹ million

		As At March 31, 2016	As At March 31, 2015
Trade Investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
In Others			
100	(March 31, 2015 : 100) Equity Shares of ₹ 10 each fully paid up of Weltreat Enviro Management Organisation	*	*
Others Investments (valued at cost unless stated otherwise)			
a) Quoted Equity Instruments			
283,525	(March 31, 2015 : 283,525) Equity Shares of ₹ 10 each fully paid up of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	18.94	18.94
	Less : Provision for other than Temporary Diminution in value of Investment	-	13.34
		18.94	**5.60**
60	(March 31, 2015 : 5) Equity Shares of ₹ 10 each fully paid up of Welspun Enterprises Limited	*	*
5	(March 31, 2015 : 5) Equity Shares of ₹ 10 each fully paid up of Welspun Investment and Commercial Limited	*	*
80	(March 31, 2015 : 80) Equity Shares of ₹ 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

₹ million

		As At March 31, 2016	As At March 31, 2015
b) Others			
200	(March 31, 2015 : 200) Equity Shares of ₹ 10 each fully paid up of Welspun Steel Limited (Formerly known as Welspun Power and Steel Limited)	*	*
10	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Trading and Holding Private Limited	*	-
10	(March 31, 2015 : Nil) Equity Shares of ₹ 10 each fully paid up of WS Alloy Holding Private Limited	*	-
	Investment - Indiafirst SM (Life Insurance Premium for employees)	6.88	6.48
	Investment - SBI Life Insurance (Life Insurance Premium for employees)	2.40	1.70
	Investment - Canara Bank HSBC (Life Insurance Premium for employees)	1.70	1.20
TOTAL		**29.92**	**14.98**
	Aggregate amount of Unquoted Investments	10.98	9.38
	Aggregate amount of Quoted Investments	18.94	5.60
	Market Value of Quoted Investments	27.63	9.74
	Aggregate provision for diminution in value of Investments	*	13.34

* Amount is below the rounding norms adopted by the Company

15 LONG-TERM LOANS AND ADVANCES

₹ million

	As At March 31, 2016	As At March 31, 2015
Unsecured, considered good (unless otherwise stated) :		
Capital Advances to Related Parties		
- Wel-treat Enviro Management Organisation Limited	75.00	75.00
- Welspun Projects Limited	-	4.19
Capital Advance to Others	669.04	842.55
Security Deposits to Related Parties		
- Welspun Realty Private Limited	233.60	251.47
- Mertz Securities Limited	-	8.00
Security Deposit to Others	105.41	74.78
Advances Recoverable in Cash or in Kind or for Value to be Received		
- Considered Good	17.29	14.92
- Considered Doubtful	30.00	30.00
	47.29	**44.92**
Less : Provision for Doubtful Advances	30.00	30.00
	17.29	**14.92**
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	105.25	106.53
- Considered Doubtful	55.23	48.05
	160.48	**154.58**
Less : Provision for Doubtful Balances	55.23	48.05
	105.25	**106.53**
TOTAL	**1,205.59**	**1,377.44**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

16. OTHER NON-CURRENT ASSETS

₹ million

	As At March 31, 2016	As At March 31, 2015
Minimum Alternative Tax Credit Entitlement	115.30	34.87
Status Holder Incentive Scrip in Hand	17.47	28.21
Fixed deposits with maturity period more than 12 months	63.69	96.30
Margin Money Deposit Accounts	4.01	3.23
Interest Accrued on Deposits	9.19	7.09
Interest Accrued - Others	3.50	3.50
Less : Provision for Accrued Interest	3.50	3.50
Total	**209.66**	**169.70**

17. CURRENT INVESTMENTS

₹ million

		As At March 31, 2016	As At March 31, 2015
Trade Investments (valued at cost unless stated otherwise)			
Unquoted equity instruments			
In Others			
459,670	(March 31, 2015: 459,670) 8% Redeemable Preference Shares of ₹ 10 each fully paid up of Worli Realty Private Limited.	459.67	459.67
Non Trade - (Quoted) (At Cost or market value whichever is less)			
Investment in Mutual Funds			
1,880,636	(March 31, 2015 : Nil) L & T Flexi Bond Fund - Dividend	20.00	-
Investment in Bonds			
-	(March 31, 2015 : 50) 8.15% PGC Bonds of Face value of ₹1,000,000 each	-	49.17
-	(March 31, 2015 : 10) 8.06% Rural Electrification Corporation Limited 31/05/2023 Bonds of Face Value of ₹ 1,000,000 each	-	10.12
-	(March 31, 2015 : 1,660) 9.90% Industrial Finance Corporation of India Limited 05/11/2027 Bonds of Face Value of ₹ 25,000 each	-	43.53
-	(March 31, 2015 : 1,720) 9.90% Industrial Finance Corporation of India Limited 05/11/2037 Bonds of Face Value of ₹ 25,000 each	-	44.03
-	(March 31, 2015 : 19) 9.48% Oriental Bank of Commerce Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	19.00
-	(March 31, 2015 : 41) 9.55% Canara Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	41.41
-	(March 31, 2015 : 25) 9.84% Air India 27/09/2026 Bonds of Face Value of ₹ 1,000,000 each	-	27.49
-	(March 31, 2015 : 74) 10.00% Indian Overseas Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	74.01
-	(March 31, 2015 : 243) 10.75% IDBI Bank Limited Omni (2014 -15 - Series II) Tier I Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	259.18
-	(March 31, 2015 : 500,000) 8.27% GOI 09/06/2020 Bonds of Face Value of ₹ 100 each	-	51.33
-	(March 31, 2015 : 500,000) 8.60% GOI 2028 Bonds of Face Value of ₹ 100 each	-	53.79
500,000	(March 31, 2015 : 500,000) 8.30% GOI 2042 Bonds of Face Value of ₹ 100 each	53.68	53.68
-	(March 31, 2015 : 50) 8.65% Rajasthan Rajya Vidyut Utpadan Nigam Limited 05/01/2027 Bonds of Face Value of ₹ 1,000,000 each	-	49.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

₹ million

	As At March 31, 2016	As At March 31, 2015
- (March 31, 2015 : 60) 8.74% Rajasthan Rajya Vidyut Utpadan Nigam Limited 26/03/2027 Bonds of Face Value of ₹ 1,000,000 each	-	59.12
- (March 31, 2015 : 8) 7.93% Power Grid Corporation of India Limited 20/05/2027 Bonds of Face Value of ₹ 1,000,000 each	-	8.61
- (March 31, 2015 : 101) 10.40% Vijaya Bank Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	101.00
TOTAL	**533.35**	**1,404.92**
Aggregate amount of unquoted investments	459.67	459.67
Aggregate amount of quoted investments	73.68	945.25
Market Value of quoted investments	77.25	969.73

18. INVENTORIES

₹ million

	As At March 31, 2016	As At March 31, 2015
Raw Materials	3,406.38	3,405.64
Packing Materials	246.83	187.60
Work-in-Progress	3,026.18	3,174.71
Finished Goods and Traded Goods	3,761.87	3,887.40
Stores, Spares, Dyes and Chemicals	605.10	350.90
TOTAL	**11,046.36**	**11,006.25**

19. TRADE RECEIVABLES

₹ million

	As At March 31, 2016	As At March 31, 2015
Unsecured		
Debts Outstanding for a period exceeding six months from the date they are due for payment :		
- Considered Good	17.86	142.50
- Considered Doubtful	8.45	10.35
	26.31	152.85
Less : Provision for Doubtful Debts	8.45	10.35
	17.86	**142.50**
Other Debts :		
- Considered Good	6,096.05	4,324.52
- Considered Doubtful	20.50	11.07
	6,116.55	**4,335.59**
Less : Provision for Doubtful Debts	20.50	11.07
	6,096.05	**4,324.52**
TOTAL	**6,113.91**	**4,467.02**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

20. CASH AND BANK BALANCES

₹ million

	As At March 31, 2016	As At March 31, 2015
Cash and Cash Equivalents		
Cash on Hand	3.30	3.45
Bank Balances		
- In Current Accounts	946.88	1,770.55
- Fixed Deposits (less than 3 months maturity)	110.43	215.78
Other bank balances		
- Fixed Deposits*	153.44	1,245.32
- In Margin Money Deposit Accounts	10.14	11.35
- Unpaid Dividend Account	18.89	5.87
TOTAL	**1,243.08**	**3,252.32**

* Includes the following balances which are not available for use by the Company

a) Fixed Deposits include ₹ 0.04 million (March 31, 2015: ₹ 0.04 million) under lien with sales tax authorities

b) Fixed Deposits of ₹ 44.45 million (March 31, 2015 : ₹1,144.90 million) are earmarked for repayment of Current Maturities of Long Term Loans

21. SHORT-TERM LOANS AND ADVANCES

₹ million

	As At March 31, 2016	As At March 31, 2015
Unsecured considered good, unless otherwise stated :		
Advances to Related Parties		
- Welspun Corp Limited	0.36	-
- AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	-	0.03
- Welspun Enterprises Limited	0.14	-
Advances Recoverable in Cash or in Kind or for Value to be Received	899.19	1,656.19
Others		
Balances with Customs, Excise, Sales Tax and other Government Authorities	4,284.07	4,409.48
Security Deposits to Others	29.91	30.92
TOTAL	**5,213.67**	**6,096.62**

22. OTHER CURRENT ASSETS

₹ million

	As At March 31, 2016	As At March 31, 2015
Minimum Alternative Tax Credit Entitlement	-	124.88
Technology Upgradation Fund Credit Receivable	870.19	639.56
Interest Receivable under Subvention Scheme	7.98	-
Mark-to-Market gain (Net) on Forward/ Swap Contracts	569.91	339.33
Interest Accrued on Bonds/ Certificate of Deposits	1.22	25.92
Interest Accrued on Deposits	12.30	196.55
Others	4.43	3.65
TOTAL	**1,466.03**	**1,329.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

23. REVENUE FROM OPERATIONS

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Sale of Products		
Finished Goods and Traded Goods	53,606.71	47,368.83
Power & Steam	288.86	313.33
Share in Joint Venture	-	2.99
	53,895.57	**47,685.15**
Other operating revenue		
Sales Tax Benefit	801.40	1,107.27
Sale of Coal	65.36	36.19
Sale of Scrap	601.72	496.94
Job Work and Processing Charges	0.82	39.26
Export Benefits	4,448.84	4,117.59
	5,918.14	**5,797.25**
Share in Joint Venture	-	(1.15)
	5,918.14	**5,796.10**
REVENUE FROM OPERATION (GROSS)	**59,813.71**	**53,481.25**
Less : Excise Duty	19.06	456.14
REVENUE FROM OPERATION (NET)	**59,794.65**	**53,025.11**

24. OTHER INCOME

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Income		
On Fixed Deposits	67.46	136.60
On Bonds and Certificate of Deposits	124.89	84.20
On Others	35.52	38.14
On Income Tax Refund	0.01	0.07
Discount and Rebate received	18.93	79.41
Rent	24.05	13.59
Dividend Income	3.18	24.54
Profit on Redemption/ Sale of Units in Mutual Funds	41.08	0.10
Profit on Sale of Bonds/ Certificate of Deposits	14.30	0.37
Liabilities / Sundry Balances Written Back	53.48	1.54
Provision for Doubtful Debts Written Back	2.16	7.48
Provision for Diminution in Value of Investments Written Back	13.34	-
Profit on Cancellation of Forward/ Swap Contracts	2.68	-
Service Charges	6.40	6.40
Income on Statusholder Incentive Scrip	441.70	508.92
Miscellaneous	65.96	47.46
	915.14	**948.82**
Share in Joint Venture	-	0.60
TOTAL	**915.14**	**949.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

25. RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Raw material consumed		
Opening inventory	3,405.64	3,354.99
Add: Purchases (net)	20,914.40	21,376.71
Less : Inventory at the end of the year	3,406.38	3,405.64
Cost of Raw material consumed during the year	20,913.66	21,326.06
Packing material consumed		
Opening inventory	187.60	158.48
Add: Purchases (net)	2,189.45	1,886.80
Less : Inventory at the end of the year	246.83	187.60
Cost of packing material consumed during the year	2,130.22	1,857.68
Share in Joint Venture	-	2.49
TOTAL	**23,043.88**	**23,186.23**

26. PURCHASES OF STOCK-IN-TRADE

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Purchases of Stock-in-Trade	3,294.08	2,944.31

27. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
(Increase)/ Decrease in Stocks		
Stock at the end of the year :		
Finished Goods and Traded Goods	3,761.87	3,887.40
Work-in-Process	3,026.18	3,174.71
TOTAL A	**6,788.05**	**7,062.11**
Less : Stock at the beginning of the year :		
Finished Goods and Traded Goods	3,887.40	3,793.11
Work-in-Process	3,174.71	2,581.71
TOTAL B	**7,062.11**	**6,374.82**
(INCREASE)/ DECREASE IN STOCKS (A-B)	**274.06**	**(687.29)**

28. EMPLOYEE BENEFITS EXPENSE

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, Wages, Allowances and Other Benefits	4,937.36	4,105.05
Contribution to Provident and Other Funds	300.07	245.14
Staff and Labour Welfare	126.83	109.54
	5,364.26	**4,459.73**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

The Group has classified the various benefits provided to employees as under :-

I Defined Contribution Plans

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

₹ million

	2015-16	2014-15
Employer's Contribution to Provident Fund & Pension Scheme*	243.02	195.83
Employer's Contribution to Employee's State Insurance *	32.33	27.17
Employer's Contribution to Superannuation Scheme*	3.70	3.72
Other Social Security Funds *	21.02	18.42
	300.07	**245.13**

* Included in Contribution to Provident and Other Funds

II Defined Benefit Plan

Contribution to Gratuity Fund

Certain Companies operate gratuity plan through the Employees Trusts. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

a. Major Assumptions

	2015-16	2014-15
	% p.a.	% p.a.
Discount Rate	7.92-7.99	7.92-7.99
Expected Rate of Return on Plan Assets	7.92-7.99	7.92-7.99
Salary Escalation Rate @	5 to 10	5 to 10

@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b. Change in the Present Value of Obligation

₹ million

	2015-16	2014-15
Opening Present Value of Obligation	237.67	167.24
Current Service Cost	65.21	52.66
Interest Cost	18.99	15.59
Benefit/ Exgratia paid	(17.99)	(19.09)
Actuarial Loss/ (gain) on Obligations	(4.14)	21.27
Closing Present Value of Obligation	**299.74**	**237.67**

c. Change in Fair Value of Plan Assets

₹ million

	2015-16	2014-15
Opening Fair Value of Plan Assets	239.45	169.91
Expected Return on Plan Assets	19.13	14.78
Actuarial (Loss)/ gain on Obligations	(1.77)	5.26
Contributions	58.43	66.00
Benefits paid	(14.11)	(16.50)
Closing Fair Value of Plan Assets	**301.13**	**239.45**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

₹ million

	As At March 31, 2016	As At March 31, 2015
Present Value of Funded Obligation	299.74	237.67
Fair Value of Plan Assets	301.13	239.45
Funded Status	301.13	239.45
Amount not recognised as Assets	(1.39)	(1.78)

e. Expenses Recognised in the Statement of Profit and Loss

₹ million

	2015-16	2014-15
Current Service Cost	65.21	52.66
Interest Cost	18.99	15.59
Expected Return on Plan Assets	(19.13)	(14.78)
Net Actuarial Loss/ (gain) recognised in the year	(2.37)	16.01
Excess of Plan Assets over Obligation	1.39	1.78
TOTAL Expenses recognised in the Statement of Profit and Loss	**64.09**	**71.26**

f. Major Category of Plan Asset as a % of total Plan Assets

₹ million

	2015-16	2014-15
	% p.a.	% p.a.
Insurer managed funds	100.00	100.00

g. Amounts recognised in current year and previous four years

₹ million

	As At March 31, 2016	As At March 31, 2015	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012
Defined Benefit obligation at the end of the year	299.74	237.67	167.24	131.69	112.00
Fair Value of Plan Assets	301.13	239.45	169.91	138.83	117.99
(Surplus)/ Deficit	(1.39)	(1.78)	(2.67)	(7.14)	(5.99)
Experience (gain)/ loss adjustments on plan liabilities	(3.53)	(8.36)	34.98	17.97	(12.12)
Experience gain/ (loss) adjustments on plan assets	(1.73)	4.94	0.33	1.00	(4.11)
Actuarial gain/ (loss) due to change in assumptions	6.80	(0.76)	22.12	(3.17)	-

h. Expected Contribution to the funds in the next year

₹ million

	As At March 31, 2016	As At March 31, 2015
Gratuity	77.00	63.03

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹118.39 million (March 31, 2015: ₹ 107.04 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

29. FINANCE COSTS

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on Long -term Borrowings	944.17	1,045.04
Interest on Short- term Borrowings	958.32	1,354.50
Interest on Debentures	9.57	0.28
Interest to Others	7.84	8.65
Discounting and Bank Charges	442.46	420.49
	2,362.36	**2,828.96**
Share in Joint Venture	-	0.05
TOTAL	**2,362.36**	**2,829.01**

30. DEPRECIATION AND AMORTISATION EXPENSE

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Depreciation on Tangible assets	3,697.77	3,281.59
Amortisation on Intangible assets	52.40	47.54
	3,750.17	**3,329.13**
Share in Joint Venture	-	0.20
TOTAL	**3,750.17**	**3,329.33**

31. OTHER EXPENSES

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Stores and Spares Consumed	944.92	1,000.97
Dyes and Chemicals Consumed	2,377.23	2,154.97
Contract Labour Charges	759.46	692.29
Job Work Expenses	941.08	631.58
Power, Fuel and Water Charges	1,335.25	1,187.09
Repairs and Maintenance:		
Plant and Machinery	169.39	147.39
Factory Building	86.21	59.72
Others	319.34	205.50
Claims, Discounts and Rebates	591.13	383.16
Brokerage and Commission	489.63	472.46
Freight, Forwarding and Coolie Charges	1,278.16	1,132.27
Director's Sitting Fees	3.79	3.07
Debenture Issue Expenses	8.65	-
Rent	332.96	278.22
Rates and Taxes	67.82	53.06
Printing and Stationery	20.80	25.38
Travelling and Conveyance	309.31	290.06
Legal and Professional Charges	389.23	203.40
Security Expenses	37.78	35.79
Insurance	149.48	119.77
Communication	80.74	66.10
Postage and Courier	54.60	45.62
Loss on Sale/ Discarding of Fixed Assets (Net)	59.74	35.04
Loss on Redemption/ Sale of Units in Mutual Funds	2.93	-
Provision for Doubtful Debts/Advances	24.74	8.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

₹ million

	Year Ended March 31, 2016	Year Ended March 31, 2015
Loss on Cancellation/ Settlement of Forward Contracts (Net)	-	207.79
Exchange Loss (Net)	133.10	74.91
Debts/ Advances Written off	1.46	4.22
Design and Development Expenses	90.75	65.39
Royalty	90.81	56.65
Advertising and Sales Promotion	817.76	552.52
Donations	11.06	13.26
Corporate Social Responsibility Expenses	77.57	26.44
Auditor's Remuneration	21.54	20.20
Miscellaneous	164.80	126.57
	12,243.23	**10,379.34**
Share in Joint Venture	-	0.98
TOTAL	**12,243.23**	**10,380.32**
(a) Expenses capitalised as a part of Capital Work-in-progress		
Interest Cost	-	207.59
Salary Cost	13.93	22.90
Other Expenses	3.33	6.92
TOTAL	**17.26**	**237.41**

32. CONTINGENT LIABILITIES:

₹ million

Description	As At March 31, 2016	As At March 31, 2015
Excise, Customs and Service Tax Matters	330.79	341.24
Stamp Duty Matter	4.74	4.83
Sales Tax Matters	76.75	56.45
Income Tax Matters	70.13	140.82
Claims against the group not acknowledged as debts	52.24	50.75

a) It is not practicable to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

b) The Group does not expect any reimbursements in respect of the above contingent liabilities.

33. CAPITAL AND OTHER COMMITMENTS:

a) Capital Commitments

₹ million

Description	As At March 31, 2016	As At March 31, 2015
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,875.28	3,664.63

b) Other Commitments

₹ million

Description	As At March 31, 2016	As At March 31, 2015
Bill Discounted in respect of Export Debtors	2,862.85	2,220.39
Bank Guarantees	113.28	185.29
In accordance with the EPCG Scheme, imports of capital goods are allowed to be made duty free and under Advance License Scheme, imports of raw material are allowed to be made duty free, subject to the condition that the Company will fulfill, in future, a specified amount of export obligation within a specified time. Amount of duty saved on imports of above goods against which export obligation is yet to be fulfilled by the Company is ₹17.66 million as at March 31, 2016 (₹ 61.82 million as at March 31, 2015). Amount of Export Commitments on above.	141.28	500.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

34. DERIVATIVE INSTRUMENTS OUTSTANDING AS AT MARCH 31, 2016 :

The group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, payables denominated in foreign currency.In line with the group's risk management policies and procedures, it enters into foreign currency contracts to manage its exposure. These contracts are for a period of maximum twelve months and forecasted forward contracts and swap transactions are expected to occur during the same period.

(a) The following are outstanding foreign currency forward, swaps and other derivative contracts against the forecasted payables:

₹ million

Non-Designated Hedges	Currency Pair	March 31, 2016			March 31, 2015		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Foreign Currency ₹ million	₹ million	Gain/ (Loss) ₹ million	Foreign Currency ₹ million	₹ million	Gain/ (Loss) ₹ million
Forward Contracts (Buy)	EURO-INR	2.93	223.64	(1.60)	-	-	-
Forward Contracts (Buy)	JPY-INR	1.00	68.00	(0.86)	351.70	192.54	(7.56)
Forward Contracts (Sell)	USD-INR	402.11	28,061.85	567.23	358.11	23,383.19	339.33
Forward Contracts (Buy)	EURO-USD	0.85	61.89	2.25	-	-	-

(b) In addition to the above, the Group has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable / receivable as at March 31, 2016:

₹ million

Fair Value Hedges	Currency Pair	March 31, 2016			March 31, 2015		
		Notional Amount		On Restatement	Notional Amount		On Restatement
		Foreign Currency ₹ million	₹ million	Gain/ (Loss) ₹ million	Foreign Currency ₹ million	₹ million	Gain/ (Loss) ₹ million
Forward Contracts (Buy)	EURO-INR	-	-	-	2.00	135.72	(4.65)

(c) Net profit on derivative instruments of ₹567.23 million recognised in Hedging Reserve as on March 31, 2016, is recycled to the statement of Profit & Loss by March 31, 2017.

35. DETAILS OF EMPLOYEES STOCK OPTIONS

On June 30, 2009, the Company issued Employee Stock Options (ESOP) under the Employee Stock Options Scheme (the "Scheme") to employees of the Company with a right to subscribe to equity shares ("New Options") at a price of ₹ 35.60 per equity share (closing market price as on June 30, 2009). The salient features of the Scheme are as under:

(i) Vesting: Options to vest over a period of four years from the date of their grants as under:

- 20% of the Options granted to vest at each of the 1st and 2nd anniversaries of the date of grant.
- 30% of the Options granted to vest at each of the 3rd and 4th anniversaries of the date of grant.

(ii) Exercise: Options vested with an employee will be exercisable within 3 years from the date of their vesting by subscribing to the number of equity shares in the ratio of one equity share for every option at the Exercise Price. In the event of cessation of employment due to death, resignation or otherwise, the Options may lapse or be exercisable in the manner specifically provided for in the Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

Date of Grant	June 30, 2009
Number of Options Granted	2,265,000
Vesting Conditions	The options would vest only if the option grantee continues to be in employment of the Company at the time the options are due to vest.
Exercise Period	3 years
Exercise Price	₹ 35.60

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	12,600	35.60	118,500	35.60
Options granted during the year	-	-	-	-
Options exercised during the year	12,600	35.60	98,900	35.60
Options cancelled/ lapsed during the year	-	-	7,000	35.60
Options outstanding at the end of the year	-	-	12,600	35.60
Options vested but not exercised at the year end	-	-	12,600	35.60

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 (₹)
-	-	-

The compensation costs of stock options granted to employees are accounted by the Company as per the accounting treatment prescribed by the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. The value of underlying share has been determined by an independent valuer. Since, on the date of grant of option, quoted market price of the underlying equity shares of the Company was equal to the exercise price of an option, no expense or liability arising from the Scheme has been recognised.

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

₹ million

Particulars	March 31, 2016	March 31, 2015
Profit available for Equity Share holders	7,028.65	5,397.90
Less: Additional Employee Compensation Cost based on Fair Value (net of tax)	-	0.15
Profit after taxation as per Fair Value Method	7,028.65	5,397.75
Earnings Per Share (EPS)		
Basic		
Number of Shares (Weighted average)	1,004,694,986	1,004,150,910
Basic Earnings Per Share as reported	7.00	5.38
Performa Basic Earnings Per Share	7.00	5.38
Diluted		
Number of Shares (Weighted average)	1,004,694,986	1,004,263,760
Diluted EPS as reported	7.00	5.38
Performa Diluted EPS	7.00	5.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

	Grant Date : June 30, 2009			
	Vest 1	Vest 2	Vest 3	Vest 4
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Variables	20%	20%	30%	30%
Stock Price	34.85	34.85	34.85	34.85
Volatility	63.52%	59.33%	54.45%	53.18%
Riskfree Rate	6.15%	6.31%	6.46%	6.61%
Exercise Price	35.60	35.60	35.60	35.60
Time to Maturity	2.50	3.50	4.50	5.50
Dividend Yield	0%	0%	0%	0%
Option Fair Value	14.83	16.69	17.85	19.42
Weighted Average Option Fair Value		17.49		

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

₹ million

	March 31, 2016	March 31, 2015
Expense arising from employee share-based payment plan	-	-
Deferred Stock Compensation	-	-

36. SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2016.

i) Information about Primary Business Segment

The Group is engaged in the business of Home Textiles and generation of Power which in the context of Accounting Standard 17 on Segment Reporting are considered to constitute separate primary segments.

Year Ended March 31, 2016

₹ million

Sr. No.	Particulars	Home Textiles	Power	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	59,457.50	356.21	-	59,813.71
	Inter Segment Revenue	-	2,506.88	-	
	GROSS REVENUE *	**59,457.50**	**2,863.09**	**-**	**59,813.71**
	Less : Excise duty	19.06	-	-	19.06
	NET REVENUE FROM OPERATION	**59,438.44**	**2,863.09**	**-**	**59,794.65**
2	**Segment Result before Interest and Tax**	11,762.18	691.49	-	12,453.67
	Less: Interest Expenses	-	-	2,362.36	2,362.36
	Add: Interest Income	-	-	286.44	286.44
	Profit before Tax	11,762.18	691.49	(2,075.92)	10,377.75
	Current Tax	-	-	2,695.80	2,695.80
	Deferred Tax	-	-	528.60	528.60
	Profit after Tax (before adjustment for Minority Interest)	11,762.18	691.49	(5,300.32)	7,153.35
	Less : Share of Profit / Loss transferred to Minority	-	124.70	-	124.70
	Profit after Tax (after adjustment for Minority Interest)	11,762.18	566.79	(5,300.32)	7,028.65
3	**Segment Assets**	58,009.29	3,230.81	1,032.02	62,272.12
	Segment Liabilities	12,992.26	79.64	28,820.72	41,892.62
	Capital Expenditures	11,265.37	12.88	-	11,278.25
	Depreciation and Amortisation	3,333.81	416.36	-	3,750.17
	Non Cash expenditure other than Depreciation and Amortisation	29.13	-	-	29.13

*Gross revenue is after elimination of inter segment revenue of ₹ 2,506.88 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

Previous Year Ended March 31, 2015

₹ million

Sr. No.	Particulars	Home Textiles	Power	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	53,120.96	360.29	-	53,481.25
	Inter Segment Revenue	8.19	2,310.10	-	
	GROSS REVENUE *	**53,129.15**	**2,670.40**	**-**	**53,481.25**
	Less : Excise duty	456.14	-	-	456.14
	NET REVENUE FROM OPERATION	**52,673.01**	**2,670.40**	**-**	**53,025.11**
2	**Segment Result before Interest and Tax**	9,762.34	315.54	-	10,077.88
	Less: Interest Expenses	-	-	2,829.01	2,829.01
	Add: Interest Income	-	-	284.01	284.01
	Profit before Tax	9,762.34	315.54	(2,544.99)	7,532.89
	Current Tax	-	-	1,845.56	1,845.56
	Deferred Tax	-	-	244.47	244.47
	Profit after Tax (before adjustment for Minority Interest)	9,762.34	315.54	(4,635.02)	5,442.86
	Less : Share of Profit / Loss transferred to Minority	-	-	44.96	44.96
	Profit after Tax (after adjustment for Minority Interest)	9,762.34	315.54	(4,679.98)	5,397.90
3	**Segment Assets**	50,025.83	3,555.70	3,371.80	56,953.34
	Segment Liabilities	9,755.01	80.27	32,421.37	42,256.65
	Capital Expenditures	5,721.44	414.56	-	6,136.00
	Depreciation and Amortisation	2,854.84	474.49	-	3,329.33
	Non Cash expenditure other than Depreciation and Amortisation	12.70	-	-	12.70

*Gross revenue is after elimination of inter segment revenue of ₹ 2,318.29 million.

ii) Information about Secondary Geographical Segments:

₹ million

	India		Outside India		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
External Revenue	5,275.21	4,839.91	54,519.44	48,185.20	59,794.65	53,025.11
Carrying Amount of Segment Assets	52,579.55	48,982.70	9,692.57	7,970.64	62,272.12	56,953.34
Capital Expenditure	11,246.27	6,120.46	31.98	15.54	11,278.25	6,136.00

Notes:

(a) The segment revenue in the geographical segments considered for disclosure as follows:

- Revenue within India includes sales to customers located within India & earnings in India.
- Revenue outside India includes sales to customers located outside India, earnings outside India and export benefits on sales made to customers located outside India.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

37. (i). Related Party Disclosures

	Relationships	
(a)	Control	
	Holding Company	Krishiraj Trading Limited (KTL)
(b)	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	Welspun Corp Limited (WCL)
		AYM Syntex Limited (AYMSL) (Formerly known as Welspun Syntex Limited) (WSL)
		Welspun Zucchi Textiles Limited (WZTL)
		Welspun Projects Limited (WPL)
		Welspun Enterprise Limited (WENL)
		WS Trading and Holding Private Limited (WTHPL)
		WS Alloy Holding Private Limited (WAHPL)
		Welspun Energy UP Private Limited (WEUPL)
		Welspun Realty Private Limited (WRPL)
		Welspun Logistics Limited (WLL)
		Remi Metals Gujarat Limited (RMGL)
		Welspun Steel Limited (WPSL) (Formerly Known as Power and Steel Limited)
		Welspun Trading Limited (WTL)
		Welspun Wintex Limited (WWL)
		Welspun Mercantile Limited (WML)
		Mertz Estates Limited (MEL) (Formerly known as Mertz Securities Limited) (MSL)
		Welspun Energy Limited (WEL)
		Wel-treat Enviro Management Organisation (WEMO)
		Welspun Maxsteel Limited (WMSL)
		Methodical Investment and Trading Company Private Limited (MITCPL)
		Welspun FinTrade Limited (WFTL)
		Welspun Finance Limited (WFL)
		Welspun Foundation for Health and Knowledge (WFHK)
		Welspun Orrisa Steel Private Limited (WOSPL)
		Worli Realty Private Limited (Worli Realty)
		Western Tradelink
		Welspun Pipes Limited (WPIL)
		Welspun & Infra Developers Limited (WIDL)
		Technopark Advisors Limited (TAPL)
(c)	Key Management Personnel	Dipali Goenka (DBG)
		R. R. Mandawewala (RRM)
(d)	Relatives of Key Management Personnel	Balkrishan Goenka (BKG)
		Radhika Goenka (RBG)
		Abhishek Mandawewala (ARM)
		Khushboo Mandawewala (KAM)
		Yash Mandawewala (YRM)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

37 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	WCL	AYMSL	WZTL	WPL	WENL	WTHPL	WAHPL	WEUPL	WRPL	WLL	RMGL	WPSL	WTL	WWL	WML	KTL	Total c/f
Transactions during the year																	
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(200.00)	-	-	-	(6.04)	-	-	-	(206.04)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	17.87	-	-	-	-	-	-	-	17.87
	-	-	-	-	-	-	-	-	(100.00)	-	-	-	(6.04)	-	-	-	(106.04)
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)
Repayment of Loans, Advances and Deposits received	0.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.60
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	34.75	792.95	-	-	7.41	-	-	-	-	-	-	66.61	-	-	-	-	901.72
	(89.74)	(673.85)	-	-	-	-	-	-	-	-	-	(13.29)	-	-	-	-	(776.88)
Purchase of Services/ Expenses incurred	14.46	-	-	-	-	-	-	-	37.08	-	-	3.57	-	-	-	-	55.11
	(12.01)	-	-	-	-	-	-	-	(36.57)	(9.89)	-	(0.06)	-	-	-	-	(58.53)
Sale of Goods/ DEPB Licenses *	377.55	36.98	-	-	-	-	-	-	-	-	-	40.26	-	-	-	-	454.79
	(29.32)	(1.57)	-	(0.63)	-	-	-	(0.04)	-	-	(0.04)	(30.58)	(0.07)	-	-	-	(62.25)
Sale of Services/ Expenses incurred	20.02	1.30	-	-	5.53	-	-	2.03	-	-	-	0.28	-	-	-	-	29.16
	(15.56)	(0.20)	-	(1.16)	-	-	-	-	-	-	-	(3.60)	-	-	-	-	(20.52)
Purchase of Fixed Assets / Capital Goods	23.35	-	-	-	30.93	-	-	-	-	-	-	437.53	-	-	-	-	491.81
	(17.20)	-	-	(222.88)	-	-	-	-	-	-	-	(60.73)	-	-	-	-	(300.81)
Commission on Corporate Guarantee	2.24	-	-	-	-	-	-	-	-	-	-	5.60	-	-	-	-	7.84
	-	-	-	-	-	-	-	-	-	-	-	(10.59)	-	-	-	-	(10.59)
Remuneration and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year	-	-	-	-	-	#	#	-	-	-	-	-	-	-	-	-	#
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Cost Split during the year	-	-	-	-	-	-	-	-	-	-	-	#	-	-	-	-	#
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Diminution in Value of Investments Written Back	-	13.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.34
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	-	0.01	-	-	-	-	-	-	-	-	-	#	-	63.19	84.35	378.82	526.37
	-	(#)	(#)	-	-	-	-	-	-	-	-	(#)	-	(25.28)	(33.74)	(150.96)	(209.98)
Interim Equity Dividend Paid ++	-	0.02	-	-	-	-	-	-	-	-	-	#	-	105.32	140.58	631.37	877.29
	-	(#)	-	-	-	-	-	-	-	-	-	-	-	(25.28)	(33.74)	(150.96)	(209.98)
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																	
Loans, Advances and Deposits received (including interest accrued but not due)	599.81	0.26	-	-	1.15	-	-	-	-	-	-	-	-	-	-	-	601.22
	(2.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.40)
Loans, Advances and Deposits given (including interest accrued on loan)	0.36	-	-	-	0.14	-	-	-	233.60	-	-	-	-	-	-	-	234.10
	-	(0.03)	-	(4.19)	-	-	-	-	(251.47)	-	-	-	-	-	-	-	(255.69)
Trade Receivables (Net of Bills Discounted with Banks)	1.82	-	-		0.58	-	-	0.05	-	-	-	-	-	-	-	-	2.45
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Payables	-	47.90	-	-	4.78	-	-	-	-	-	-	224.36	-	-	-	-	277.04
	(1.03)	(10.88)	-	(7.48)	-	-	-	-	-	-	(0.03)	(15.61)	-	-	-	-	(35.03)
Investments	-	18.94	-	-	-	#	#	-	-	-	-	#	-	-	-	-	18.94
	-	(18.94)	-	-	-	-	-	-	-	-	-	(#)	-	-	-	-	(18.94)
Provision for diminution in value in investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(13.34)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.34)
Corporate Guarantee Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(1,500.00)	-	-	-	-	(1,500.00)

Previous year figures are given in brackets
* Amount is inclusive of taxes
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

37 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

₹ million

PARTICULARS	Total b/f	MEL	WEL	WEMO	WMSL	MITCPL	WFTL	WFL	WFHK	WOSPL	Worli Realty	Western Tradelink	WPIL	BKG	RBG	ARM	DBG	RRM	KAM	YRM	WIDL	TAPL	TOTAL
Transactions during the year																							
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(206.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	(206.04)
Repayment of Loans, Advances and Deposits given	17.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.87
	(106.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(106.04)
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)
Repayment of Loans, Advances and Deposits received	0.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	0.60
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	901.72	3.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	905.51
	(776.88)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(776.88)
Purchase of Services/ Expenses incurred	55.11	-	-	-	-	3.55	0.05	-	-	-	-	23.45	-	-	-	-	-	-	-	-	-	0.25	82.41
	(58.53)	(2.74)	-	-	-	(1.36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.13)	(62.76)
Sale of Goods/ DEPB Licenses *	454.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	454.79
	(62.25)	-	(1.97)	-	(5.08)	-	-	-	(2.72)	(0.05)	-	-	-	-	-	-	-	-	-	-	-	-	(72.07)
Sale of Services/ Expenses incurred	29.16	-	-	0.05	-	-	-	-	6.48	-	-	-	-	-	-	-	-	-	-	-	-	-	35.69
	(20.52)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20.52)
Purchase of Fixed Assets / Capital Goods	491.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491.81
	(300.81)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(300.81)
Commission on Corporate Guarantee	7.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.84
	(10.59)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.59)
Remuneration and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	83.96	-	1.11	136.71	101.29	0.63	0.67	-	-	324.37
	-	-	-	-	-	-	-	-	-	-	-	-	-	(71.13)	-	(3.06)	106.74	(88.61)	(1.03)	(1.40)	-	-	(271.97)
Investment Made during the year	#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Cost Split during the year	#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	#
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Diminution in Value of Investments Written Back	13.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.34
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	526.37	-	-	-	-	0.06	-	4.07	-	-	-	-	-	0.51	1.51	-	0.56	#	-	-	20.62	-	553.70
	(209.98)	-	-	-	-	(0.02)	-	(1.63)	-	-	-	-	-	(0.21)	(0.60)	-	(0.23)	(#)	-	-	(8.25)	-	(220.92)
Interim Equity Dividend Paid ++	877.29	-	-	-	-	0.10	-	6.78	-	-	-	-	-	0.85	2.51	-	0.94	#	-	-	34.37	-	922.84
	(209.98)	-	-	-	-	(0.02)	-	(1.63)	-	-	-	-	-	(0.21)	(0.60)	-	(0.23)	(#)	-	-	(8.25)	-	(220.92)
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	80.87	-	-	-	-	-	-	-	-	-	-	-	-	-	80.87
	-	-	-	-	-	-	-	-	(25.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	(25.46)
Closing Balance																							
Loans, Advances and Deposits received (including interest accrued but not due)	601.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	601.22
	(2.40)	-	-	-	-	-	-	-	-	-	-	-	(595.87)	-	-	-	-	-	-	-	-	-	(598.27)
Loans, Advances and Deposits given (including interest accrued on loan)	234.10	-	-	75.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	309.10
	(255.69)	(8.00)	-	(75.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(338.69)
Trade Receivables (Net of Bills Discounted with Banks)	2.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.45
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Payables	277.04	-	-	-	-	-	-	-	0.20	-	-	3.78	-	83.96	-	-	106.71	83.96	-	-	-	-	555.65
	(35.03)	-	-	-	-	-	-	-	-	-	-	-	-	(71.13)	-	-	(86.94)	(71.13)	-	-	-	(0.06)	(264.29)
Investments	18.94	-	-	-	-	-	-	-	-	-	459.67	-	-	-	-	-	-	-	-	-	-	-	478.61
	(18.94)	-	-	-	-	-	-	-	-	-	(459.67)	-	-	-	-	-	-	-	-	-	-	-	(478.61)
Provision for diminution in value in investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(13.34)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.34)
Corporate Guarantee Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,500.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,500.00)

Notes
Previous year figures are given in brackets
+ Dividend paid of Financial Year 2014-15
++ Interim Dividend paid of Financial Year 2015-16
# Amount is below the rounding norms adopted by the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

38. LEASES

As a lessee:

Operating Lease

The Company, some of its subsidiaries and it's jointly controlled entity have taken various residential, office premises, godowns, equipment and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

₹ million

Particulars	As At March 31, 2016	As At March 31, 2015
Not later than 1 year	149.32	144.30
Later than 1 year and not later than 5 years	482.75	495.09
Later than 5 years	81.13	171.82

The aggregate rental expenses of all the operating leases for the year are ₹ 332.96 million (Previous Year: ₹278.22 million).

39. EARNINGS PER SHARE

₹ million

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Profit after Tax	7,028.65	5,397.90
Less: Dividend on Preference Shares (Including Dividend Distribution Tax)	-	-
Profit available for Equity Share holders (A)	7,028.65	5,397.90
Number of Equity Shares for Basic Earnings Per Share		
- Weighted Number of equity shares outstanding during the year (B)	1,004,694,986	1,004,150,910*
Add: Weighted Average number of outstanding employee stock options	-	112,850*
Weighted Number of diluted equity shares outstanding during the year (C)	1,004,694,986	1,004,263,760*
Basic Earnings per share (A/B) (₹)	7.00	5.38
Diluted Earnings per share (A/C) (₹)	7.00	5.38
Nominal value of an equity share (₹)	1.00	1.00

* Adjusted for subdivision of equity shares. Refer Note 3(a) (1)

40. PROVISION FOR CONTINGENCIES

₹ million

Particulars	Indirect Taxes (Refer Note 12)	Litigation and Disputes (Refer Note 8)	Total
Opening Balance	9.22 (11.80)	20.00 (18.63)	29.22 (30.43)
Provided during the year	- (-)	1.37 (1.37)	1.37 (1.37)
Utilised during the year	2.75 (2.58)	- (-)	2.75 (2.58)
Closing Balance	6.47 (9.22)	21.37 (20.00)	27.84 (29.22)

Figures in brackets relate to previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year Ended March 31, 2016

a) Provision for Indirect Taxes is made towards likely demands that may arise on completion of assessments.

b) Provision for litigation and disputes is made towards legal notices received for non-payment of rent in case of stores taken on lease.

41. Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

₹ million

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Material Consumption	177.22	137.97
Employee benefits expenses	85.94	75.90
Others	173.33	39.67
TOTAL	**436.49**	**253.54**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

₹ million

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Plant and Machinery	36.25	51.31
TOTAL	**36.25**	**51.31**

42. As at March 31, 2016, one of the subsidiary, Welspun Captive Power Generation Limited (WCPGL) has recognised net deferred tax assets aggregating ₹ 342.98 million on the basis of virtual certainty supported by convincing evidence that they will be realised. WCPGL has binding agreement with its customers which will generate sufficient profits to realise these deferred tax assets.

43. The previous year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

Signature to the Notes to Financial Statements

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

Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2016

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Place: Mumbai
Date: April 25, 2016

Rajesh Mandawewala
Managing Director
DIN 00007179

Place: Mumbai
Date: April 25, 2016

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: April 25, 2016

Altaf Jiwani
Chief Financial Officer

Place: Mumbai
Date: April 25, 2016

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HOME TEXTILES

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