

WCL/SEC/2019

May 15, 2019

To,

<b>BSE Ltd.</b> (Scrip Code-532144) Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001.	<b>National Stock Exchange of India Ltd.</b> (Symbol: WELCORP, Series EQ) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
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Dear Sirs/ Madam,

**Sub: Outcome of the meeting of the Board of Directors of Welspun Corp Limited (the Company) commenced on May 14, 2019 and concluded on May 15, 2019.**

Please take note that the Board of Directors of the Company at its meeting commenced on May 14, 2019 and concluded on May 15, 2019 has considered and approved the following businesses:

**(A) Audited Financial statements for the year ended March 31, 2019.**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith standalone as well as consolidated Audited Financial Results for the year ended March 31, 2019 ("AFR") along-with the unmodified audit report as reviewed by the Audit Committee and approved by the Board of Directors.

A declaration pursuant to Regulation 33 (3)(d) of SEBI (LODR), 2015 is also enclosed herewith.

**(B) Recommendation of Dividend.**

The Board of Directors of the Company have recommended a dividend at the rate of 10% (i.e. Re. 0.50/- per share) on 265,226,109 Equity Shares of Rs.5/- each fully paid-up, i.e. Rs. 132,613,054.50/-. The record date for determining the eligible shareholders for payment of dividend shall be intimated later.

**(C) Approval of Buy-Back.**

1. Approved buyback proposal for purchase by the Company of its own fully paid equity shares of Rs. 5 each (Equity Share) at a price to be finalized by the Buyback Committee subject to a maximum price of Rs. 140 (Rupees One Hundred Forty Only) per Equity Share payable in cash ("Buyback Price"), for a maximum aggregate amount up to Rs. 3,900 million (Rupees Three Thousand Nine Hundred Millions Only) (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc), being less than 25% of the total paid-up equity share capital and free reserves of the Company as on March 31, 2019 (hereinafter referred to as the Buyback) from the shareholders of the Company on a proportionate basis through the tender offer route in accordance and consonance with the provisions contained in the

Welspun Corp Limited

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

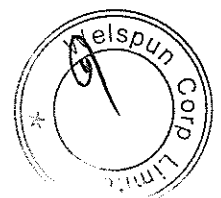
T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary\_wcl@welspun.com Website : www.welspuncorp.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609



Companies Act, 2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (Buyback Regulation) (including any statutory modification(s) or re-enactment of the Companies Act, 2013 or Buyback Regulation). The public announcement setting out the process, timelines and other statutory details will be released in due course in accordance with the Buyback Regulation. The Board has formed a Buyback Committee (the "Buyback Committee") and has delegated its powers to the Buyback Committee to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper in connection with the Buyback. The specific price will be determined by the Board/Committee under the authority of shareholders in accordance with Buyback Regulation subject to a maximum price of Rs. 140 per Equity Share. The total number of Equity Shares to be bought back would hence be 27,857,142 (Two Crore Seventy Eight Lakh Fifty Seven Thousand One Hundred Forty Two only) Equity Shares (representing 10.50% of the total paid up equity share capital of the Company) or higher depending upon the final Buyback Price fixed as described above by the Buyback Committee. The pre-Buyback shareholding pattern of the Company as on May 10, 2019 is attached hereto as Annexure A.

2. Noted that the Promoters and Promoter Group of the Company have expressed their intention to only tender up to a maximum of 13,260,000 Equity Shares (aggregating to 5% of the equity share capital of the Company) out of the 129,899,015 Equity Shares held by them (aggregating to 48.98% of the equity share capital of the Company).
3. Approved seeking shareholders' approval for Buyback through postal ballot pursuant to Section 68 of the Companies Act, 2013, read with rules framed thereunder.

**(D) Fixation of Record Date for the purpose of issue of shares with respect to the Scheme of Amalgamation of Welspun Pipes Limited ('Transferor Company') with Welspun Corp Limited ('Transferee Company') and their respective shareholders and creditors.**

Further to the announcement made by the Company on 11<sup>th</sup> May, 2019 regarding Sanction of Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') with Welspun Corp Limited ('WCL' or 'the Transferee Company') and their respective shareholders and creditors ('the Scheme') by the Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench. In terms of clause 1.5 read with clause 18 of the Scheme, the Scheme has become effective on 10<sup>th</sup> May, 2019, being the date of sanction of the Scheme by the NCLT.

The Board of Directors of the Company has fixed May 24, 2019 as the 'Record Date' for the purpose of determining the entitlement for issue of shares of the Company to the shareholders of WPL in the proportion of their shareholding in WPL.

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**(E) Re-appointment of Mr. Atul Desai as an Independent Director for a second term of five years w.e.f. October 1, 2019.**

The Board of Directors of the Company, at the recommendation of the Nomination and Remuneration Committee and subject to approval by the shareholders, has re-appointed Mr. Atul Desai, the Independent Director of the Company whose tenor is expiring on September 30, 2019, as an Independent Director of the Company for second term of appointment as an Independent Director with effect from October 1, 2019 to hold office for five consecutive years ending on September 30, 2024."

Mr. Desai aged 69 years is a non-executive and an independent director of our Company. Mr. Desai is B.Sc., LLB, Attorney at Law. He is a partner of M/s. Kanga & Co., leading Law firm. Mr. Desai has attended large number of matters relating to mergers, amalgamations, litigations and arbitrations involving commercial disputes.

Note that there is no relationship between Mr. Atul Desai and other directors of the Company.

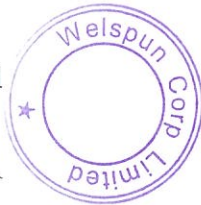
Further note that Mr. Atul Desai is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

**(F) Business update and Investor presentation are also attached.**

The meeting of the Board of Directors commenced at 4 p.m. on May 14, 2019 and closed at 06:30 a.m. on May 15, 2019.

This above is for your information and record please.

Thanking you,  
Yours faithfully,  
For Welspun Corp Limited



**Pradeep Joshi**  
Company Secretary & Compliance Officer  
FCS-4959

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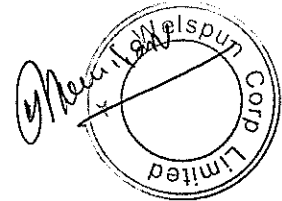
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**Annexure A**

Pre Buyback Shareholding pattern of Welspun Corp Limited as on May 10, 2019

<b>Particulars</b>	<b>Number of Shares</b>	<b>% to the existing Equity Share capital</b>
Promoters and Promoter Group*	129,899,015	48.98
Mutual Funds/ Alternative Investment Funds/ Financial Institutional/ Banks	18,622,192	7.02
Foreign Portfolio Investors/ Foreign Institutional Investors	17,102,653	6.45
Bodies Corporate	24,407,109	9.20
Indian Public/ Clearing member/ IEPF/ Trusts	51,009,641	19.23
NRIs/ Foreign Nationals/ Overseas Body Corporate	24,185,499	9.12
<b>Total</b>	<b>265,226,109</b>	<b>100.00</b>

\* Application for re-classification of Intech Metals S.A. from Promoter as Public Shareholder is pending with the stock exchanges.



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**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Consolidated				
		Quarter Ended (Unaudited)			Year Ended (Audited)	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
<b>1</b>	<b>Continuing operations:</b>					
	<b>Income</b>					
a	Revenue from operations	2,68,615	2,29,868	1,22,147	8,67,506	6,13,051
b	Other operating revenue	6,997	10,432	5,515	27,841	23,278
c	Other income	914	4,002	3,440	13,465	12,883
	<b>Total Income</b>	<b>2,76,526</b>	<b>2,44,302</b>	<b>1,31,102</b>	<b>9,08,812</b>	<b>6,49,212</b>
<b>2</b>	<b>Expenses</b>					
a	Cost of materials consumed	1,51,498	1,84,568	90,621	6,28,746	4,34,437
b	Purchase of stock-in-trade	-	-	-	-	1,943
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	49,822	(11,598)	(1,125)	(1,071)	3,590
d	Excise duty	-	-	-	-	1,627
e	Employee benefit expense	16,412	14,940	9,897	57,196	41,721
f	Depreciation and amortisation expense	6,138	6,536	6,138	25,973	25,815
g	Other expenses	54,660	33,356	18,975	1,53,168	94,885
h	Finance costs	5,358	4,182	3,666	17,737	17,015
	<b>Total expenses</b>	<b>2,83,888</b>	<b>2,31,984</b>	<b>1,28,172</b>	<b>8,81,749</b>	<b>6,21,033</b>
<b>3</b>	<b>Profit for the period before tax and share of profit/ (loss) of joint ventures (1-2)</b>	<b>(7,362)</b>	<b>12,318</b>	<b>2,930</b>	<b>27,063</b>	<b>28,179</b>
<b>4</b>	Share of profit/ (loss) of joint venture	(543)	(2,356)	(2,574)	(8,853)	(8,591)
<b>5</b>	<b>Profit before tax (3+4)</b>	<b>(7,905)</b>	<b>9,962</b>	<b>356</b>	<b>18,210</b>	<b>19,588</b>
<b>6</b>	<b>Tax expense</b>					
a	Current tax	3,022	4,928	(2,112)	12,160	10,249
b	Deferred tax	1,599	(460)	2,829	65	(8,228)
	<b>Total tax expense</b>	<b>4,621</b>	<b>4,468</b>	<b>717</b>	<b>12,225</b>	<b>2,021</b>
<b>7</b>	<b>Net profit/ (loss) for the period from continuing operations (5-6) (I)</b>	<b>(12,526)</b>	<b>5,494</b>	<b>(361)</b>	<b>5,985</b>	<b>17,567</b>
	<b>Discontinued operations:</b>					
	Profit/ (loss) from discontinued operations	(13,089)	(4,158)	(318)	(21,962)	(3,169)
	Tax expense of discontinued operations	(10,712)	(1,453)	84	(13,813)	(903)
	<b>Profit/(Loss) from discontinued operations, after tax (II)</b>	<b>(2,377)</b>	<b>(2,705)</b>	<b>(402)</b>	<b>(8,149)</b>	<b>(2,266)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>(14,903)</b>	<b>2,789</b>	<b>(763)</b>	<b>(2,164)</b>	<b>15,301</b>
<b>8</b>	<b>Other Comprehensive Income, net of income tax</b>					
a	Items that will be reclassified to profit or loss	2,034	1,756	1,536	4,669	(1,345)
b	Items that will not be reclassified to profit or loss	(190)	(9)	141	(111)	(110)
	<b>Total other comprehensive income, net of income tax</b>	<b>1,844</b>	<b>1,747</b>	<b>1,677</b>	<b>4,558</b>	<b>(1,455)</b>
<b>9</b>	<b>Total Comprehensive Income for the period (including non-controlling interest) (7+8)</b>	<b>(13,059)</b>	<b>4,536</b>	<b>914</b>	<b>2,394</b>	<b>13,846</b>
<b>10</b>	<b>Net profit/ (loss) attributable to:</b>					
	-Owners	(14,872)	3,008	(452)	(1,325)	15,830
	-Non-controlling interest	(31)	(219)	(311)	(839)	(529)
<b>11</b>	<b>Other comprehensive income attributable to:</b>					
	-Owners	1,851	1,724	1,598	4,557	(1,422)
	-Non-controlling interest	(7)	23	79	1	(33)
<b>12</b>	<b>Total comprehensive income attributable to:</b>					
	-Owners	(13,021)	4,732	1,146	3,232	14,408
	-Non-controlling interest	(38)	(196)	(232)	(838)	(562)
<b>13</b>	<b>Paid up equity share capital (Face value of Rs. 5/- each)</b>	<b>13,261</b>	<b>13,261</b>	<b>13,261</b>	<b>13,261</b>	<b>13,261</b>
<b>14</b>	<b>Other Equity</b>				<b>2,66,503</b>	<b>2,72,143</b>
<b>15</b>	<b>Earnings per share (of Rs. 5/- each) (not annualised in quarters)</b>					
	(a) Basic (In Rs.) - continuing operations	(4.71)	2.16	(0.02)	2.57	6.82
	(b) Diluted (In Rs.) - continuing operations	(4.71)	2.16	(0.02)	2.57	6.82
	(c) Basic (In Rs.) - discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(d) Diluted (In Rs.) - discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(e) Basic (In Rs.) - continuing and discontinued operations	(5.61)	1.14	(0.17)	(0.50)	5.97
	(f) Diluted (In Rs.) - continuing and discontinued operations	(5.61)	1.14	(0.17)	(0.50)	5.97



**Notes:**

- The aforesaid consolidated financial results of Welspun Corp Limited (the "Holding Company") and its subsidiaries (hereinafter referred to as the "Group") and its joint ventures were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting commenced on May 14, 2019 and concluded on May 15, 2019. In terms of SEBI Circular CIR/CFD/CMD56/2016 dated May 27, 2016, the Group hereby declares that the Auditors have issued Audit Reports with unmodified opinion on annual audited financial results for the financial year ended March 31, 2019.
- The Group and its joint ventures are principally engaged in a single segment viz., Steel products based on nature of products, risks, returns and the internal business reporting system.
- The Standalone financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting commenced on May 14, 2019 and concluded on May 15, 2019 and will be made available to BSE and NSE and will be posted on the Company's website www.welspuncorp.com. The key information related to standalone financial results are given below :

Key financials		Quarter Ended (Unaudited)			Year Ended (Audited)	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
a	Total Income	1,22,589	89,353	84,633	4,26,206	4,16,370
b	Profit before tax	(26,118)	3,177	4,051	(17,366)	22,755
c	Profit after tax	(25,702)	1,985	2,582	(19,571)	14,849
d	Earnings per share (of Rs. 5/- each) (not annualised)					
	(a) Basic (In Rs.) - continuing operations	(9.69)	0.75	0.97	(7.38)	5.59
	(b) Diluted (In Rs.) - continuing operations	(9.69)	0.75	0.97	(7.38)	5.59
	(c) Basic (In Rs.) - discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(d) Diluted (In Rs.) - discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(e) Basic (In Rs.) - continuing and discontinued operations	(10.59)	(0.27)	0.82	(10.45)	4.74
	(f) Diluted (In Rs.) - continuing and discontinued operations	(10.59)	(0.27)	0.82	(10.45)	4.74

- These financial results of the Group and its joint ventures have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

- Details of Secured Redeemable Non Convertible Debentures is as follows:

(Rs. in Lakhs)

Particulars	Previous Due Date #		Next Due Date			
	Principal	Interest	Next Installment Date	Principal Amount	Interest Date	Interest Amount
9.55% Secured Redeemable Non Convertible Debenture	NA	03.02.2019	August 2021	4,000	03.05.2019	466
11.00% Secured Redeemable Non Convertible Debenture	NA	09.02.2019	November 2020	2,700	09.05.2019	241
8.90% Secured Redeemable Non Convertible Debenture	NA	01.02.2019	January 2023	6,250	01.02.2020	2,225

# Interest have been paid on the due dates.

- The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 54,000 lakhs (excludes transaction costs as per effective interest rate of Rs. 290 lakhs) as on March 31, 2019 are secured by first charge ranking pari passu by way of mortgage / hypothecation of entire immovable and movable tangible assets of the Company both present and future. The Company has maintained hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The fixed assets cover is 2.96 times for total debts and the Credit rating by CRISIL for Secured Redeemable Non Convertible Debentures issue by the Company is "AA-". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.
- Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations are required to be disclosed net of GST in accordance with the requirements of IndAS. Accordingly, the revenue from operations for the year ended March 31, 2019 are not comparable with corresponding year ended March 31, 2018 presented in the financial results which are reported inclusive of excise duty.
- Effective April 01, 2018, the Group and its joint ventures adopted/ applied (as applicable) Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption/application (as applicable) of Ind AS 115 did not have any material impact on these financial results.
- Fair valuation loss (net) on current investments in bonds for the quarter ended March 31, 2019 aggregating to Rs. 21,856 lakhs and Rs. 25,742 lakhs for the year ended March 31, 2019 has been accounted by the Company. This is included under the head Other Expenses.
- On March 30, 2019, the Group approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which are reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group are presented as held for sale as at March 31, 2019. The sale of PCMD and 43MW plant is expected to be completed by December 31, 2019 and May 31, 2019, respectively. The balance sheet information for the prior year is neither restated nor remeasured to this effect. The financial information relating to discontinued operations is given below:

Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)	
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
a Total income	73,157	25,491	38,256	1,57,018	1,22,798
b Total expenses*	86,246	29,649	38,574	1,78,980	1,25,967
c Loss before tax (a-b)	(13,089)	(4,158)	(318)	(21,962)	(3,169)
d Tax expense	(10,712)	(1,453)	84	(13,813)	(903)
e Loss from discontinued operations (c-d)	(2,377)	(2,705)	(402)	(8,149)	(2,266)

\*Total expenses (including provisions) for the year and quarter ended March 31, 2019 includes impairment loss of Rs. 33,731 lakhs pertaining to the disposal group.

Particulars	As at 31-Mar-19
Disposal groups classified as held for sale	1,44,965
Liabilities directly associated with disposal groups classified as held for sale	28,566

- The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for effective the date of receipt of the Order.
- The Board of Directors at their meeting commenced on May 14, 2019 and concluded on May 15, 2019 have recommended to pay dividend of Rs. 0.50 per equity share having nominal value of Rs. 5/- for the financial year ended March 31, 2019. The payment is subject to approval of the shareholders in the upcoming Annual General Meeting.
- The Board of Directors approved proposal for buyback of its own fully paid up equity shares of Rs. 5 each subject to a maximum price of Rs. 140 per equity share payable in cash for a maximum aggregate amount not exceeding Rs. 39,000 lakhs on a proportionate basis by way of a tender offer in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy-Back of Securities) Regulations, 2018. The buyback is subject to approval of the shareholders by way of postal ballot. The total number of equity shares to be bought back would be 27,857,142 (representing 10.50% of the total paid up equity share capital of the Company) or higher depending upon the final Buyback Price fixed by the Committee of the Board.
- Figures for the quarter ended March 31, 2019 and March 31, 2018 are balancing figures between the audited figures in respect of full financial year and the limited reviewed year to date figures up to the quarter ended December 31, 2018 and December 31, 2017 respectively.
- The figures for the previous periods have been regrouped wherever necessary.

For and On Behalf of the Board of Directors of Welspun Corp Limited

Vipul Mathur  
Managing Director and Chief Executive Officer  
DIN - 0007990476



Place: Mumbai  
Date: May 15, 2019

**AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,55,180	3,03,261
Capital work-in-progress	4,647	1,444
Investment property	506	82
Goodwill on consolidation	-	47
Other intangible assets	1,051	1,190
Intangible assets under development	50	213
Investments accounted for using the equity method	5,958	11,441
Financial assets		
Investments	6,729	3,653
Loans	22,838	22,381
Other financial assets	3,115	1,495
Deferred tax assets (net)	30	40
Other non-current assets	4,282	11,846
<b>Total non-current assets</b>	<b>2,04,386</b>	<b>3,57,093</b>
<b>Current assets</b>		
Inventories	2,22,276	1,51,186
Financial assets		
Investments	34,873	33,667
Trade receivables	1,18,069	1,31,406
Cash and cash equivalents	58,473	55,263
Bank balances other than cash and cash equivalents	8,570	7,556
Loans	48	59
Other financial assets	9,581	5,902
Current tax assets (net)	-	2,049
Other current assets	18,741	25,090
Assets or disposal groups classified as held for sale	1,44,986	60
<b>Total current assets</b>	<b>6,15,617</b>	<b>4,12,238</b>
<b>Total assets</b>	<b>8,20,003</b>	<b>7,69,331</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	13,261	13,261
<b>Other equity</b>		
Reserves and surplus	2,60,656	2,70,949
Other reserves	5,847	1,194
<b>Equity attributable to owners of Welspun Corp Limited</b>	<b>2,79,764</b>	<b>2,85,404</b>
Non-controlling interests	(507)	5,661
<b>Total equity</b>	<b>2,79,257</b>	<b>2,91,065</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	1,07,776	1,27,173
Other financial liabilities	23	15
Provisions	3,279	3,412
Deferred tax liabilities (net)	21,811	34,375
Government grants	13,179	36,496
<b>Total non-current liabilities</b>	<b>1,46,068</b>	<b>2,01,471</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	17,500	1,257
Trade payables		
total outstanding dues of micro and small enterprises	68	110
total outstanding dues other than above	1,57,898	2,13,289
Other financial liabilities	19,894	24,367
Provisions	2,588	2,468
Government grants	2,047	4,634
Current tax liabilities (net)	19,798	17,987
Other current liabilities	1,46,319	12,683
Liabilities directly associated with disposal groups classified as held for sale	28,566	-
<b>Total current liabilities</b>	<b>3,94,678</b>	<b>2,76,795</b>
<b>Total Liabilities</b>	<b>5,40,746</b>	<b>4,78,266</b>
<b>Total equity and liabilities</b>	<b>8,20,003</b>	<b>7,69,331</b>

For and On Behalf of the Board of Directors of Welspun Corp Limited

  
**Vipul Mathur**  
Managing Director and Chief Executive Officer  
DIN - 0007990476

Place: Mumbai  
Date: May 15, 2019


# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

To the Members of Welspun Corp Limited

### Report on the audit of the Consolidated financial statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its joint ventures; (refer Note 44 to the attached consolidated financial statements), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as the "consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 14 and 15 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

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Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of :</p> <p>(a) impairment of carrying value of investments in joint ventures</p> <p>(b) recoverability of loans to joint ventures including interest accrued</p> <p>(c) recoverability of other receivables from joint ventures</p>	
<p>(Refer note 52 to the consolidated financial statements)</p> <p>(a) The Group has investments of Rs. 595.81 million in equity shares of joint ventures namely Welspun Middle East Pipes LLC ("WMEP") and Welspun Wasco Coatings Private Limited ("WWCPL") ("investments in joint ventures") as at March 31, 2019.</p> <p>(b) The Group has granted loans (including interest accrued) aggregating to Rs. 2,296.40 million to its joint ventures namely WMEP, WWCPL and Welspun Middle East Pipe Coatings LLC ("WMEPC") (together referred to as "joint ventures"), as at March 31, 2019.</p> <p>(c) The Group has other receivables aggregating to Rs. 34.47 million as at March 31, 2019 from WMEP and WMEPC.</p> <p>The aggregate exposure of the Group in respect of (a), (b) and (c) above is Rs. 2,926.68 million, which is significant to the consolidated financial statements of the Group.</p> <p>Considering the deteriorated financial position of the "joint ventures", there are indicators of potential impairment of "investments in joint ventures" and non-recoverability of loans (including interest accrued) and other receivables as set out in (a), (b) and (c) above.</p> <p>The Management has assessed the impairment of Group's "investments in joint ventures" by reviewing the business forecasts of "joint ventures", using discounted cash flow valuation model (the "model") and noted that no provision for impairment is required to be made in respect of these "investments in joint ventures" and, loans (including interest accrued) and other receivables are considered good.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above investments, loans (including interest accrued) and other receivables and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>Our procedures included, amongst others, the following :</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the Holding Company's controls over review of impairment assessment of "investments in joint ventures"; and recognition of provision for loans (including interest accrued) and other receivables;</li> <li>• In respect of impairment assessment of "investments in joint ventures":             <ul style="list-style-type: none"> <li>(i) Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year;</li> <li>(ii) Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management.</li> <li>(iii) Comparing the business forecasts with the latest Board approved budgets;</li> <li>(iv) Considered the work of external independent valuation expert engaged by the Group;</li> <li>(v) Assessed the independent valuation expert's methods, competency and objectivity;</li> <li>(vi) Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model;</li> <li>(vii) Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model;</li> <li>(viii) Performing sensitivity tests on the model by analysing the impact of using alternate assumptions of discount rates, terminal growth rates, etc., within a reasonable and foreseeable range.</li> </ul> </li> <li>• Considered the results of the aforesaid procedures in evaluating the recoverability of loans (including interest accrued) and other receivables.</li> </ul> <p>Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in joint ventures, recoverability of loans (including interest accrued) to joint ventures and other receivables from WMEP and WMEPC is reasonable.</p>



# Price Waterhouse Chartered Accountants LLP

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## Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Directors' Report, Corporate Governance Report, Business Responsibility Report and Other Information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

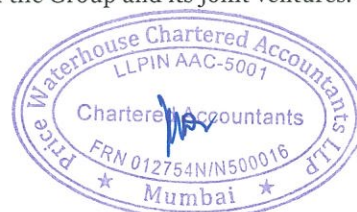
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraphs 14 and 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

## Responsibilities of management and those charged with governance for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and its joint ventures.



# Price Waterhouse Chartered Accountants LLP

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## Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



# Price Waterhouse Chartered Accountants LLP

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12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

14. We did not audit the financial information of 3 subsidiaries located outside India whose financial information reflect total assets of Rs. 36,498.50 million and net assets of Rs. 10,064.89 million as at March 31, 2019, total revenue of Rs. 48,432.12 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 3,231.59 million and net cash inflows amounting to Rs. 1,044.87 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 831.32 million for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures located outside India whose financial information have not been audited by us. These financial information in respect of the aforesaid subsidiaries and 2 joint ventures have been audited by other auditors, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.
15. The financial statements of 2 subsidiaries located outside India, included in the consolidated Ind AS financial statements, which constitute total assets of Rs. 2,571.92 million and net assets of Rs. 2,571.08 million as at March 31, 2019, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 18.26 million and net cash outflows amounting to Rs. 16.49 million for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion insofar as it relates to the balances and affairs of such subsidiaries located outside India, including Other Information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

## Report on other legal and regulatory requirements

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

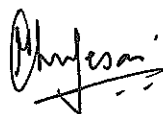


# Price Waterhouse Chartered Accountants LLP

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- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary incorporated in India, and its joint venture incorporated in India, none of the directors of the Holding Company and its subsidiary incorporated in India and its joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures– Refer Note 45 to the consolidated financial statements.
  - ii. The Group and its joint ventures had long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Holding Company, its subsidiary incorporated in India and its joint venture incorporated in India for the year ended March 31, 2019.

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



Mehul Desai  
Partner  
Membership Number: 103211

Place: Mumbai  
Date: May 15, 2019

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Welspun Corp Limited on the consolidated financial statements for the year ended March 31, 2019.

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Welspun Corp Limited (hereinafter referred to as the "Holding Company") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Welspun Corp Limited on the consolidated financial statements for the year ended March 31, 2019.

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### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



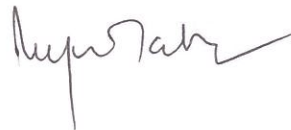
Mehul Desai  
Partner  
Membership Number: 103211

Place: Mumbai  
Date: May 15, 2019

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone				
		Quarter Ended (Unaudited)			Year Ended (Audited)	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
1	<b>Continuing operations:</b>					
	<b>Income</b>					
a	Revenue from operations	1,15,218	81,110	76,879	3,98,620	3,84,775
b	Other operating revenue	5,443	4,502	4,006	15,029	18,810
c	Other income	1,928	3,741	3,748	12,557	12,785
	<b>Total Income</b>	<b>1,22,589</b>	<b>89,353</b>	<b>84,633</b>	<b>4,26,206</b>	<b>4,16,370</b>
2	<b>Expenses</b>					
a	Cost of materials consumed	56,572	82,469	72,021	3,00,257	3,18,022
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	43,875	(19,356)	(13,702)	20,495	(11,055)
c	Excise duty	-	-	-	-	1,627
d	Employee benefit expense	5,860	4,548	3,635	18,958	16,750
e	Depreciation and amortisation expense	2,520	2,863	2,656	11,295	11,638
f	Other expenses	36,757	12,541	13,400	80,770	43,575
g	Finance costs	3,123	3,111	2,572	11,797	13,058
	<b>Total expenses</b>	<b>1,48,707</b>	<b>86,176</b>	<b>80,582</b>	<b>4,43,572</b>	<b>3,93,615</b>
3	<b>Profit/ (loss) before tax (1-2)</b>	<b>(26,118)</b>	<b>3,177</b>	<b>4,051</b>	<b>(17,366)</b>	<b>22,755</b>
4	<b>Tax expenses</b>					
a	Current tax	(1,240)	1,281	860	1,344	10,378
b	Deferred tax	824	(89)	609	861	(2,472)
	<b>Total tax expense</b>	<b>(416)</b>	<b>1,192</b>	<b>1,469</b>	<b>2,205</b>	<b>7,906</b>
5	<b>Net profit/ (loss) for the period from continuing operations (3-4) (I)</b>	<b>(25,702)</b>	<b>1,985</b>	<b>2,582</b>	<b>(19,571)</b>	<b>14,849</b>
	<b>Discontinued operations:</b>					
	Profit/ (loss) from discontinued operations	(13,089)	(4,158)	(318)	(21,962)	(3,169)
	Tax expense of discontinued operations	(10,712)	(1,453)	84	(13,813)	(903)
	<b>Profit/(Loss) from discontinued operations, after tax (II)</b>	<b>(2,377)</b>	<b>(2,705)</b>	<b>(402)</b>	<b>(8,149)</b>	<b>(2,266)</b>
	<b>Profit/ (loss) for the period (I+II)</b>	<b>(28,079)</b>	<b>(720)</b>	<b>2,180</b>	<b>(27,720)</b>	<b>12,583</b>
6	<b>Other Comprehensive Income, net of income tax</b>					
a	Items that will be reclassified to profit or loss	1,070	(577)	200	764	(870)
b	Items that will not be reclassified to profit or loss	(37)	(10)	140	52	(110)
	<b>Total other comprehensive income, net of income tax</b>	<b>1,033</b>	<b>(587)</b>	<b>340</b>	<b>816</b>	<b>(980)</b>
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>(27,046)</b>	<b>(1,307)</b>	<b>2,520</b>	<b>(26,904)</b>	<b>11,603</b>
8	Paid up equity share capital (Face value of Rs. 5/- each)	13,261	13,261	13,261	13,261	13,261
9	Other Equity				1,50,440	1,78,310
10	<b>Earnings per share (of Rs. 5/- each) (not annualised in quarters)</b>					
	(a) Basic (In Rs.) - continuing operations	(9.69)	0.75	0.97	(7.38)	5.59
	(b) Diluted (In Rs.) - continuing operations	(9.69)	0.75	0.97	(7.38)	5.59
	(c) Basic (In Rs.) - discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(d) Diluted (In Rs.)- discontinued operations	(0.90)	(1.02)	(0.15)	(3.07)	(0.85)
	(e) Basic (In Rs.) - continuing and discontinued operations	(10.59)	(0.27)	0.82	(10.45)	4.74
	(f) Diluted (In Rs.) - continuing and discontinued operations	(10.59)	(0.27)	0.82	(10.45)	4.74
11	Debt Redemption Reserve				5,058	5,058
12	Net Worth				1,63,701	1,91,571
13 a.	Debt – Equity Ratio (Refer note no. 6)				0.46	0.36
b.	Debt Service Coverage Ratio (DSCR) (No of times) (Refer note no. 6)				(0.48)	1.38
c.	Interest Service Coverage Ratio (ISCR) (No of times) (Refer note no. 6)				(1.38)	3.15




**Notes:**

- The aforesaid standalone financial results of Welspun Corp Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting commenced on May 14, 2019 and concluded on May 15, 2019. In terms of SEBI Circular CIR/CFD/CMD56/2016 dated May 27, 2016, the Company hereby declares that the Auditors have issued Audit Reports with unmodified opinion on annual audited financial results for the financial year ended March 31, 2019.
- The Company is principally engaged in a single segment viz., Steel products based on nature of products, risks, returns and the internal business reporting system.
- These financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- Details of Secured Redeemable Non Convertible Debentures is as follows: (Rs. in Lakhs)

Particulars	Previous Due Date #		Next Due Date			
	Principal	Interest	Next Instalment Date	Principal Amount	Interest Date	Interest Amount
9.55% Secured Redeemable Non Convertible Debenture	NA	03.02.2019	August 2021	4,000	03.05.2019	466
11.00% Secured Redeemable Non Convertible Debenture	NA	09.02.2019	November 2020	2,700	09.05.2019	241
8.90% Secured Redeemable Non Convertible Debenture	NA	01.02.2019	January 2023	6,250	01.02.2020	2,225

# Interest have been paid on the due dates.

- The listed Secured, Redeemable, Non-Convertible Debentures of the Company aggregating to Rs. 54,000 lakhs (excludes transaction costs as per effective interest rate of Rs. 290 lakhs) as on March 31, 2019 are secured by first charge ranking pari passu by way of mortgage / hypothecation of entire immovable and movable tangible assets of the Company both present and future. The Company has maintained hundred percent asset cover sufficient to discharge the principal amount of the said debentures in terms of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The fixed assets cover is 2.96 times for total debts and the Credit rating by CRISIL for Secured Redeemable Non Convertible Debentures issue by the Company is "AA-". The fixed assets coverage ratio includes fixed assets for both continuing and discontinued operation.

- Formula for computation of ratios are as follows:

a	Debt – Equity Ratio	Debts / ( paid up equity Capital + Reserve & Surplus )
b	Debt Service Coverage Ratio (DSCR) (No of times)	Earning before Interest and Tax / ( Interest Expenses + Principal payment due on long term borrowing during the period )
c	Interest Service Coverage Ratio (ISCR) (No of times)	Earning before Interest and Tax / Interest Expenses

\* The above mentioned ratios are computed for continuing operations

- Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations are required to be disclosed net of GST in accordance with the requirements of IndAS. Accordingly, the revenue from operations for the year ended March 31, 2019 are not comparable with corresponding year ended March 31, 2018 presented in the financial results which are reported inclusive of excise duty.
- Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on these financial results.
- Fair valuation loss (net) on current investments in bonds for the quarter ended March 31, 2019 aggregating to Rs. 21,856 lakhs and Rs. 25,742 lakhs for the year ended March 31, 2019 has been accounted by the Company. This is included under the head Other Expenses.
- On March 30, 2019, the Company approved the sale of its Plates & Coils Mills Division (PCMD) and 43 MW power plant (together called the "disposal group"), which are reported as discontinued operations in the financial statements for the year ended March 31, 2019. The assets of disposal group and the liabilities directly associated with such disposal group are presented as held for sale as at March 31, 2019. The sale of PCMD and 43MW plant is expected to be completed by December 31, 2019 and May 31, 2019, respectively. The balance sheet information for the prior year is neither restated nor remeasured to this effect. The financial information relating to discontinued operations is given below:

Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)	
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
a Total income	73,157	25,491	38,256	1,57,018	1,22,798
b Total expenses*	86,246	29,649	38,574	1,78,980	1,25,967
c Loss before tax (a-b)	(13,089)	(4,158)	(318)	(21,962)	(3,169)
d Tax expense	(10,712)	(1,453)	84	(13,813)	(903)
e Loss from discontinued operations (c-d)	(2,377)	(2,705)	(402)	(8,149)	(2,266)

\*Total expenses (including provisions) for the year and quarter ended March 31, 2019 includes impairment loss of Rs. 33,731 lakhs pertaining to the disposal group.

Particulars	As at 31-Mar-19
Disposal groups classified as held for sale	1,44,965
Liabilities directly associated with disposal groups classified as held for sale	28,566

- The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its Order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Welspun Pipes Limited ('WPL' or 'the Transferor Company') and Welspun Corp Limited ('WCL' or 'the Transferee Company'). The amalgamation of WCL and WPL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for effective the date of receipt of the Order.
- The Board of Directors at their meeting commenced on May 14, 2019 and concluded on May 15, 2019 have recommended to pay dividend of Rs. 0.50 per equity share having nominal value of Rs. 5/- for the financial year ended March 31, 2019. The payment is subject to approval of the shareholders in the upcoming Annual General Meeting.
- The Board of Directors approved proposal for buyback of its own fully paid up equity shares of Rs. 5 each subject to a maximum price of Rs. 140 per equity share payable in cash for a maximum aggregate amount not exceeding Rs. 39,000 lakhs on a proportionate basis by way of a tender offer in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy-Back of Securities) Regulations, 2018. The buyback is subject to approval of the shareholders by way of postal ballot. The total number of equity shares to be bought back would be 27,857,142 (representing 10.50% of the total paid up equity share capital of the Company) or higher depending upon the final Buyback Price fixed by the Committee of the Board.
- Figures for the quarter ended March 31, 2019 and March 31, 2018 are balancing figures between the audited figures in respect of full financial year and the limited reviewed year to date figures up to the quarter ended December 31, 2018 and December 31, 2017 respectively.
- The figures for the previous periods have been regrouped wherever necessary.

For and On Behalf of the Board of Directors of Welspun Corp Limited

Vipul Mathur  
Managing Director and Chief Executive Officer  
DIN - 0007990476



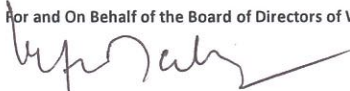
Place: Mumbai  
Date: May 15, 2019

**AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75,747	2,18,513
Capital work-in-progress	3,993	1,215
Investment property	506	82
Other intangible assets	1,051	1,190
Intangible assets under development	50	213
Equity investments in subsidiaries and joint ventures	6,038	4,967
<b>Financial assets</b>		
Investments	21,884	18,939
Loans	2,470	3,541
Other financial assets	2,706	1,109
Other non-current assets	4,099	11,816
<b>Total non-current assets</b>	<b>1,18,544</b>	<b>2,61,585</b>
<b>Current assets</b>		
Inventories	30,083	1,02,016
<b>Financial assets</b>		
Investments	33,629	32,837
Trade receivables	72,266	1,10,288
Cash and cash equivalents	10,565	12,953
Bank balances other than cash and cash equivalents	6,591	6,624
Loans	46	56
Other financial assets	10,252	5,821
Other current assets	12,795	18,316
Assets or disposal groups classified as held for sale	1,44,965	60
<b>Total current assets</b>	<b>3,21,192</b>	<b>2,88,971</b>
<b>Total assets</b>	<b>4,39,736</b>	<b>5,50,556</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	13,261	13,261
<b>Other equity</b>		
Reserves and surplus	1,49,564	1,78,198
Other reserves	876	112
<b>Total equity</b>	<b>1,63,701</b>	<b>1,91,571</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	53,710	60,485
Other financial liabilities	23	15
Provisions	3,251	3,408
Deferred tax liabilities (net)	9,853	22,367
Government grants	13,179	36,496
<b>Total non-current liabilities</b>	<b>80,016</b>	<b>1,22,771</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	17,500	78
Trade payables		
total outstanding dues of micro and small enterprises	68	110
total outstanding dues other than above	1,01,433	1,82,731
Other financial liabilities	11,994	20,711
Provisions	2,550	2,439
Government grants	2,047	4,634
Current tax liabilities (net)	17,639	16,613
Other current liabilities	14,222	8,898
Liabilities directly associated with disposal groups classified as held for sale	28,566	-
<b>Total current liabilities</b>	<b>1,96,019</b>	<b>2,36,214</b>
<b>Total Liabilities</b>	<b>2,76,035</b>	<b>3,58,985</b>
<b>Total equity and liabilities</b>	<b>4,39,736</b>	<b>5,50,556</b>

For and On Behalf of the Board of Directors of Welspun Corp Limited


  
 Vipul Mathur  
 Managing Director and Chief Executive Officer  
 DIN - 0007990476

 Place: Mumbai  
 Date: May 15, 2019

# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

### To the Members of Welspun Corp Limited

#### Report on the audit of the Standalone financial statements

##### Opinion

1. We have audited the accompanying standalone financial statements of Welspun Corp Limited (the "Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

##### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

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Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of:</p> <ul style="list-style-type: none"> <li>(a) impairment of carrying value of investments in a subsidiary</li> <li>(b) recoverability of other receivables from joint ventures of a subsidiary</li> <li>(c) impairment of carrying value of investments in and recoverability of loans to a joint venture</li> </ul>	
<p>(Refer note 51 to the standalone financial statements)</p> <ul style="list-style-type: none"> <li>(a) The Company has investments of Rs. 1,814.02 million in equity and preference shares of Welspun Mauritius Holdings Limited ("WMHL"), a subsidiary, ("investments in subsidiary") as at March 31, 2019, which were further invested by WMHL in its two joint ventures namely Welspun Middle East Pipes LLC ("WMEP") and Welspun Middle East Pipes Coatings LLC ("WMEPC") (together known as "joint ventures of subsidiary").</li> <li>(b) The Company has other receivables aggregating to Rs. 34.47 million as at March 31, 2019 from WMEP and WMEPC.</li> <li>(c) The Company has investments in equity shares of Welspun Wasco Coatings Private Limited ("joint venture") ("investment in joint venture") of Rs. 254.65 million as at March 31, 2019.</li> </ul> <p>Further, the Company has granted loans to the joint venture having a carrying value of Rs. 247.01 million as at March 31, 2019.</p> <p>The aggregate exposure of the Company in respect of (a), (b) and (c) above is Rs. 2,350.15 million, which is significant to the standalone financial statements of the Company.</p> <p>Considering the deteriorated financial position of the "joint ventures of subsidiary" and "joint venture", there are indicators of potential impairment of the investments in subsidiary and joint venture and non-recoverability of other receivables and loans as set out in (a), (b) and (c) above.</p> <p>The Management has assessed the impairment of its investment in its subsidiary and its joint venture by reviewing the business forecasts of "joint ventures of subsidiary" and "joint venture", using discounted cash flow valuation model (the "model") and noted that no provision for</p>	<p>Our procedures included, amongst others, the following :</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the Company's controls over review of impairment assessment of investments in subsidiary and joint venture; and recognition of provision for other receivables and loans;</li> <li>• In respect of impairment assessment of investments in subsidiary and joint venture:             <ul style="list-style-type: none"> <li>(i) Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year;</li> <li>(ii) Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management.</li> <li>(iii) Comparing the business forecasts with the latest Board approved budgets;</li> <li>(iv) Considered the work of external independent valuation expert engaged by the Company;</li> <li>(v) Assessed the independent valuation expert's methods, competency and objectivity;</li> <li>(vi) Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model;</li> <li>(vii) Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model;</li> </ul> </li> </ul>



# Price Waterhouse Chartered Accountants LLP

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<p>impairment is required to be made in respect of these investments and, loans and other receivables are considered good.</p> <p>We considered this as a key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above investments, loans and other receivables and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in the model.</p>	<p>(viii) Performing sensitivity tests on the model by analysing the impact of using alternate assumptions for discount rates, terminal growth rates, etc. within a reasonable and foreseeable range.</p> <ul style="list-style-type: none"><li>• Considered the results of the aforesaid procedures in evaluating the recoverability of other receivables from "joint ventures of subsidiary" and loans to "joint venture".</li></ul> <p>Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiary and joint venture, recoverability of other receivables from WMEP and WMEPC and loans to "joint venture" is reasonable.</p>
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## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in, Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Business Responsibility Report and Other Information in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



# Price Waterhouse Chartered Accountants LLP

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## Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



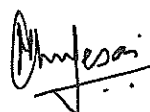
# Price Waterhouse Chartered Accountants LLP

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## Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 44 to the standalone financial statements.
    - ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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



Mehul Desai  
Partner  
Membership Number: 103211

Place: Mumbai  
Date: May 15, 2019

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2019

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Corp Limited (the "Company") as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

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





# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2019

Page 2 of 2

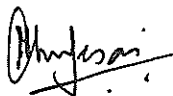
### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Mehul Desai  
Partner  
Membership No: 103211

Place: Mumbai  
Date: May 15, 2019

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets, Note 4 on investment property and Note 15(a) on assets or disposal groups classified as held for sale, to the standalone financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, though there has been a slight delay in a case, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 48 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute.

The particulars of dues of income tax, sales tax/ value added tax, central sales tax, service tax, duty of customs and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs. Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Duty of Excise	3.38	FY 2008-2009	Commissioner (Appeals)
		348.69	FY 2005-2006 to 2013-2014	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		160.68	FY 2010-2011 to 2013-2014	Commissioner of Central Excise & Service Tax
		0.09	FY 2003-2004	High Court
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Central Sales Tax	4.17	FY 2008-2009	Gujarat Value Added Tax Tribunal
		1.65	FY 2009-2010 to 2012-2013	Joint Commissioner of Commercial Tax
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Sales Tax/ Value Added Tax	1,375.56	FY 1999-2000 to 2003-2004 and FY 2005-2006 to 2010-2011	Gujarat Value Added Tax Tribunal
		1.27	FY 2009-2010 and 2013-14	Joint Commissioner of Commercial Tax
The Service Tax under the Finance Act, 1994	Service Tax	48.38	FY 2005-2006 to 2012-2013, FY 2014-2015 and 2015-2016	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		1.74	FY 2013-2014	High Court
		0.11	FY 2010-2011 to 2014-2015	Superintendent of Central Goods and Service Tax
		1.72	FY 2013-2014	Commissioner (Appeal)
		20.47	FY 2015-2016	Joint Commissioner of Commercial Tax
		10.27	FY 2004-2005 to 2006-2007	Supreme Court
Custom Act, 1962	Duty of Customs	91.89	FY 2012-2013 and 2013-2014	Custom Excise Service Tax Appellate Tribunal (CESTAT)
		0.52	FY 2013-2014	Additional Commissioner of Customs



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

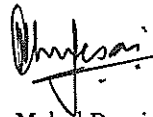
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2019

Page 3 of 3

Name of the statute	Nature of dues	Amount (in Rs. Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.33	AY 2014-15	Commissioner (Appeal)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders as at the balance sheet date. The Company does not have loans or borrowings from government as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer. In our opinion, and according to the information and explanations given to us, moneys raised by way of debt instruments and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Mehul Desai  
Partner

Membership Number: 103211

Place: Mumbai  
Date: May 15, 2019

WCL/SEC/2019

May 15, 2019

<b>BSE Ltd.</b> (Scrip Code-532144) Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001.	<b>National Stock Exchange of India Limited</b> Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051  (Symbol: WELCORP, Series - EQ)
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Dear Sirs/ Madam,

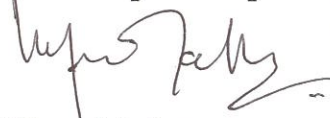
**Subject: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We, Vipul Mathur - Managing Director and CEO and Percy Birdy, Chief Financial Officer of Welspun Corp Limited (CIN : L27100GJ1995PLC025609) having its registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110, in terms of the provision of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we confirm and declare that the Statutory Auditors of the Company, Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone & Consolidated) for the year ended on March 31, 2019.

This declaration is for your information and record, please.

Thanking you.

For Welspun Corp Limited



**Vipul Mathur**  
Managing Director & CEO  
DIN: 0007990476



**Percy Birdy**  
Chief Financial Officer

**Welspun Corp Limited**

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary\_wcl@welspun.com Website : www.welspuncorp.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609

## BUSINESS UPDATE

# Highest annual sales volumes and robust financial growth; Announces buy back

**May 15, 2019, Mumbai:** Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and year ended March 31, 2019.

FY19 was a successful year, which has set the foundation for significant shareholder value creation through...

- **Higher Profitability:** Q4FY19 Total Income from Operations and Operating EBITDA for the continuing pipe business has registered a growth of 116% and 148% respectively on YoY basis. For full financial year FY19, the corresponding figures are 41% and 49% respectively. Order book of 1,712 KMT, at close to all-time highs, provides strong visibility for the future across geographies; profitability associated with these orders is significantly better than recent profitability trends and the same is likely to continue in the medium term.
- **Focus on Core Assets:** With a rich legacy and expertise of delivering pipes for many prestigious and challenging projects, WCL is focused on its core business (Pipes) and thereby, proposed divestment of non-core businesses - Plate & Coil Mill Division (PCMD) and 43MW power plant – shall unlock significant value for shareholders.
- **Leaner Balance Sheet:** WCL has demonstrated unrelenting focus on free cash flows by calibrating capex and effective management of working capital. The cash is being used for pre-paying debt and to buy back shares, thus making the balance sheet leaner. This asset-light approach would further improve return ratios.
- **Buyback of Shares:**  
Welspun Corp announced its plans to buy back its shares for a maximum aggregate consideration of Rs. 3.9 billion at a price not exceeding Rs. 140 per share. The Board has arrived at this decision with a view of utilising the Company's surplus cash reserves and in order to enhance shareholder value. The buyback would be subject to shareholders' approval.

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

- **Order book position (including all pipe operations):**
  - Current Order Book (as on May 14<sup>th</sup>) stands at 1,712 KMT (Rs. 150 billion) after considering order inflows till date and the execution up to end-April 2019
  - FY20 opening Pipe Order Book was close to all-time high: **1,660 KMTs (Rs. 141 billion)**
    - US Order Book at 352 KMT, India at 521 KMT and Saudi Arabia at 788 KMT offering clear future visibility.

## BUSINESS UPDATE

### Financial Highlights (Consolidated): For the quarter & year ended 31<sup>st</sup> March, 2019:

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

#### 1. Sales Volumes

- Q4FY19 Pipe Sales (total operations) stood at 369 KMT (including 77 KMT of Saudi Arabia plant sales), **up 45% YoY**. FY19 Pipe Sales stood at 1,279 KMT (including 237 KMT of Saudi Arabia plant sales), **up 18% YoY. This is the highest annual sales tonnage achieved by the Company in its history.**
- **Discontinued Operations:** Q4FY19 PCMD sales stood at 118 KMT vs 168 KMT YoY. FY19 PCMD sales stood at 389 KMT vs. 453 KMT YoY

#### 2. Total Income from operations

- Q4FY19 at Rs. 27,561 mn, **up 116% YoY** on account of higher volumes and better realisations at the US plant
- FY19 at Rs. 89,535 mn, **up 41% YoY**

#### 3. EBITDA

- **Q4FY19 Operating EBITDA** (after adjusting EBITDA for Treasury income and one-offs, as given in the following table) stands at Rs. 2,658 mn, **up 148% YoY** on account of better profitability from the US business. Both Reported EBITDA and Operating EBITDA are after recognising net transactional forex loss of Rs. 161 mn and adverse currency impact on US closing inventory of Rs. 206 mn.
- **FY19 Operating EBITDA** stands at Rs. 8,968 mn, **up 49% YoY**. Reported EBITDA and Operating EBITDA are after recognising net transactional forex loss of Rs. 150 mn and favourable currency impact on US closing inventory of Rs. 126 mn.
- Q4FY19 Reported EBITDA at Rs. 414 mn; FY19 at Rs. 7,077 mn
- **Other Income:** Q4FY19 other income stands at Rs. 91 mn. FY19 other income at Rs. 1,346 mn includes Rs. 834 mn from treasury income and Rs. 179 mn from gain on sale/fair valuation of investments
- **Other Expenses** in Q4FY19 includes MTM/fair valuation adverse impact on bonds of Rs. 2,185 mn (FY19 of Rs. 2,574 mn), Transactional net Forex Loss of Rs. 161 mn (FY19 loss of Rs. 150 mn) and other provisions (including one-time PF provision) of Rs. 198 mn (FY19 of Rs. 328 mn)
- **FY19 Pipes EBITDA / MT in US is approx. \$200 and in India is approx. Rs. 5,000**

## BUSINESS UPDATE

Detailed reconciliation of Operating EBITDA (for continuing Pipe Operations only) is provided hereunder:

*Figures in Rs. million unless specified*

Reconciliation of Operating EBITDA	Q1FY19	Q2FY19	Q3FY19	Q4FY19	FY19	Q4FY18	FY18
Reported EBITDA	1,942	2,419	2,304	414	7,077	1,273	7,101
<u>Less:</u>							
Treasury income	(241)	(250)	(245)	(98)	(834)	(156)	(1,050)
Gain on sale/Fair valn. of investments			(138)	(41)	(179)	(16)	(16)
<u>Add:</u>							
Fair valuation on IL&FS bonds incl. its SPVs		186		983	1,169		
MTM loss/fair valuation on other bonds	(3)	96	110	1,202	1,405	(31)	(27)
Other provisions	43	43	44	198	328		
<b>Operating EBITDA</b>	<b>1,741</b>	<b>2,494</b>	<b>2,075</b>	<b>2,658</b>	<b>8,968</b>	<b>1,070</b>	<b>6,008</b>

#### 4. Profit

- Q4FY19 Profit before tax and share of JVs of Rs. (736) mn vs. Rs. 293 mn YoY; FY19 Profit before tax and share of JVs of Rs. 2,706 mn vs. Rs. 2,818 mn in FY18 due to above one-off items
- Q4FY19 PAT after Minorities & share of JVs of Rs. (1,249) mn vs. (5) mn YoY. The reported tax rate was higher due to the treatment for provisions related to MTM loss and fair valuation of bonds. Share of loss from Saudi JV has reduced in Q4FY19 compared to Q4FY18.
- FY19 PAT after Minorities & share of JVs of Rs. 683 mn vs. Rs. 1,810 mn YoY. In addition to the above one-off items, comparable period in FY18 had tax credit of around USD 10 mn due to the tax rate change in the US, while FY19 had one-off items discussed in the above table.

#### 5. Basic EPS

- Q4FY19 at Rs. (4.71) vs. Rs. (0.02) YoY
- FY19 at Rs. 2.57 vs. Rs. 6.82 YoY

#### 6. Debt position

- At the end of Mar-19, net debt stood at Rs. 2,856 mn with gross debt at Rs. 13,047 mn and cash and cash equivalents at Rs. 10,191 mn (net of fair valuation and MTM losses of Rs. 2,574 mn).
- Net debt has been reduced by Rs. 264 mn during the quarter and by Rs. 1,360 mn during the year. Company has pre-paid US\$ 25 mn of loans in the US subsidiary during the quarter

*Figures in Rs. million unless specified*

Consolidated debt	31-Mar-19	31-Dec-18	30-Sep-18	31-Mar-18
Gross Debt	13,047	14,621	14,863	13,864
Cash & Cash Equivalents	10,191	11,501	10,916	9,649
<b>Net Debt</b>	<b>2,856</b>	<b>3,120</b>	<b>3,947</b>	<b>4,216</b>



## BUSINESS UPDATE

### 7. Forex

The Company follows a policy of hedging its steel and forex exposure. However, there are impacts due to the cost of hedging and timing mismatch during the course of the full year, as shown below:

*Figures in Rs. million unless specified*

Transactional Forex impact	Q1FY19	Q2FY19	Q3FY19	Q4FY19	FY19	Q4FY18	FY18
Forex gain in Other income	182	193	-	-	264	(165)	176
Forex loss in Other Expense	(155)	(172)	(37)	(161)	(414)	138	(282)
<b>Net gain/(loss)</b>	<b>27</b>	<b>21</b>	<b>(37)</b>	<b>(161)</b>	<b>(150)</b>	<b>(27)</b>	<b>(106)</b>

*Note: Figures have been regrouped between the two lines as per accounting standards*

Besides above, the US subsidiary is carrying higher inventory on account of the significant ramp-up in operations, which has resulted in currency impact in the consolidated financial numbers as detailed below:

Rs. Million	Q1FY19	Q2FY19	Q3FY19	Q4FY19	FY19	Q4FY18	FY18
Currency impact factored in COGS, at closing exchange rate	310	624	(603)	(206)	126	80	22

### 8. Update on Saudi JV

As indicated in the previous quarter, the Saudi business has turned EBITDA positive during the quarter. We expect the profitability to further improve in the coming quarters. Further, we maintain a very positive outlook for Saudi market.

Key figures of Saudi JV, which is not consolidated as per Ind-AS:

Particulars	Q1FY19	Q2FY19	Q3FY19	Q4FY19	FY19	Q4FY18	FY18
<b>Saudi Arabia operations</b>							
- Pipe Production (KMT)	35	44	80	105	263	49	69
- Pipe Sales (KMT)	38	44	78	77	237	55	96
EBITDA (mn SAR)	(13)	(16)	(6)	12	(23)	(13)	(37)
EBITDA/MT (SAR)	(351)	(371)	(71)	161	(97)	(238)	(384)
EBITDA/MT (USD)	(94)	(99)	(19)	43	(26)	(63)	(102)
PBT (mn SAR)	(27)	(33)	(24)	(7)	(90)	(27)	(94)

### 9. Project Status

Capex for the Bhopal project is on track and Rs. 614 mn has been incurred in FY19, thereby completing Phase-1 of the project (pipe plant). The pipe plant is now under commercial operations and already having a confirmed order book of 76 KMT.

Work on Phase-2 of the project (coating plant) has commenced and the same is likely to be commissioned by December 2019. Beyond this, we do not envisage any further growth capex.

## **BUSINESS UPDATE**

### **10. Business outlook**

USA: Rising fracking in the Permian basin has resulted in booming oil & gas production in the US. However, pipeline capacity to evacuate the oil & gas is constrained and this is driving pipeline demand from transportation companies. With shale drilling being profitable at the current oil prices combined with pipeline infrastructure bottlenecks as well as restrictions placed on pipe imports, local US players including Welspun, will continue to command good margins with higher volumes.

India: For the Indian market, the large-diameter pipe demand for oil and gas projects is primarily driven by gas grid development by GAIL and oil pipeline network by IOCL. The small-diameter segment will see significant demand from City Gas Distribution projects. The new government policy to grant pricing freedom to new gas discoveries is expected to increase exploration activities in the country, which in turn, should translate into higher pipeline demand.

Currently, issues surrounding water scarcity and stress have become important focus areas for the government; thus significant demand from water projects is expected across states. With the Bhopal facility commissioned, the Company will be geared to meet local demand and become a sizeable player in Central India.

Welspun Corp is well-placed to service demand for LSAW pipes across geographies, thanks to its global approvals and accreditations as well as an impeccable track record of supplying pipes for complex projects for Oil & Gas majors. With demand and price, both remaining strong for oil, the export business from India plants is expected to benefit.

Saudi Arabia: The JV in Saudi Arabia has a confirmed order book for more than two years. We see strong demand in both oil & gas as well as water sectors, driven by Saudi Aramco and SWCC respectively as both of them are actively working on development of a few big projects. Further, the recent find of shale gas in Saudi Arabia and the intent to connect the entire GCC and Middle East nations through a pipeline network with this gas is another big potential in the medium term. Thus Saudi Aramco's continuous exploration for off-shore O&G fields, this new shale gas development as well as continuous high demand from water projects should exponentially grow the demand for pipelines in the near to medium term.

Welspun Corp being a "Global but Local" player with leadership position with sizeable capacities in India, US and Saudi Arabia is ideally poised to benefit from local sourcing by the large Oil and Gas players. The Company has continuously focussed on operational excellence by investing in building robust systems & processes for flawless execution, continuous development of people capabilities and impeccable customer-oriented delivery structure.

## **BUSINESS UPDATE**

Also, recent measures of value unlocking from non-core assets, Plate and Coil Mill division (PCMD) and 43MW Power Division, would help the Company move towards an asset-light model, thus strengthening the balance sheet and achieving improvement in its profitability ratios as well as return ratios.

### **Management Comments**

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, “We are at the cusp of a new era in the history of Welspun Corp. Over the last few years, we have transformed from an asset-heavy, high-debt company to an asset-light company focussed on return on capital employed and free cash flow generation. We are in a unique position where we are witnessing traction in all the three geographies (US, Saudi Arabia and India) which is evident in our order book level. We are confident that this will translate to substantially higher profits and return ratios in the coming years.”

*Please refer next page for financial performance snapshot and analyst/investor call details.*

## BUSINESS UPDATE

### Performance Snapshot

Figures in Rs. million unless specified

Particulars	Q4FY19	Q3FY19	Q4FY18	FY19	FY18
<b>Ex-Saudi Arabia/ CWC operations</b>					
- Pipe Production (KMT)	201	263	200	989	952
- Pipe Sales (KMT)	292	261	199	1,042	987
<b>Total operations</b>					
- Pipe Production (KMT)	306	343	249	1,252	1,020
- Pipe Sales (KMT)	369	339	254	1,279	1,084
- Plates/coils Sales (KMT) (Discontinued)	118	80	168	389	453
<b>Continuing Operations (Pipes)</b>					
<b>Total Income from Operations</b>	<b>27,561</b>	<b>24,030</b>	<b>12,766</b>	<b>89,535</b>	<b>63,633</b>
<b>Operating EBITDA</b>	<b>2,658</b>	<b>2,075</b>	<b>1,070</b>	<b>8,968</b>	<b>6,008</b>
Reported EBITDA	414	2,304	1,273	7,077	7,101
Finance Cost	536	418	367	1,774	1,702
Depreciation and Amortisation	614	654	614	2,597	2,582
Profit before tax and share of JVs	(736)	1,232	293	2,706	2,818
<b>PAT after Minorities, Associates &amp; JVs (I)</b>	<b>(1,249)</b>	<b>571</b>	<b>(5)</b>	<b>683</b>	<b>1,810</b>
<b>Cash PAT</b>	<b>1,829</b>	<b>1,365</b>	<b>1,071</b>	<b>6,592</b>	<b>4,332</b>
<b>Discontinued Operations (PCMD &amp; 43MW)</b>					
Profit After Tax (II)	(238)	(271)	(40)	(815)	(227)
<b>Profit for the year (I + II)</b>	<b>(1,487)</b>	<b>301</b>	<b>(45)</b>	<b>(132)</b>	<b>1,583</b>

Notes: a) Prior period figures have been restated, wherever necessary

b) Cash PAT = PBT excluding one-time non cash items – Current tax + Depreciation

Figures in Rs. million unless specified

Balance Sheet - Key figures	31-Mar-19	31-Dec-18	30-Sep-18	31-Mar-18
Net Fixed Assets	16,144	28,849	29,952	30,619
Net Current Assets #	10,460	15,095	14,009	13,596
Net Debt	2,856	3,120	3,947	4,216
Net Worth	27,976	29,015	28,487	28,540
Net Assets Held for Sale *	11,642			
ROCE^	21.0%			8.0%

\* Net Assets Held for Sale = Assets or disposal groups classified as held for sale less Liabilities directly associated with disposal groups classified as held for sale

# Net Current Assets as on 31-Mar-19 excludes Net Asset Held for Sale

^ ROCE calculated based on EBIT excluding one offs; continuing operations considered for FY19 and total operations considered for FY18

## BUSINESS UPDATE

As per published results, we are required to show “Continuing Operations (Pipes)” financials and only selective information for “Discontinued Operations (PCMD & 43MW Power Plant)”. For the ease of investors/analysts, we are giving additional information for reconciling with past quarters / year figures below:

*Figures in Rs. million unless specified*

Particulars	Q4FY19			Q3FY19			Q4FY18		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
<b>Total Income from Operations</b>	<b>27,561</b>	<b>7,294</b>	<b>34,856</b>	<b>24,030</b>	<b>2,549</b>	<b>26,579</b>	<b>12,766</b>	<b>3,823</b>	<b>16,589</b>
Other income	91	21	113	400	0	401	344	2	346
<b>Operating EBITDA</b>	<b>2,658</b>	<b>119</b>	<b>2,776</b>	<b>2,075</b>	<b>(113)</b>	<b>1,961</b>	<b>1,070</b>	<b>306</b>	<b>1,376</b>
Reported EBIDTA	414	(993)	(580)	2,304	(69)	2,234	1,273	306	1,579
Finance cost	536	39	575	418	57	475	367	44	411
Depreciation	614	276	890	654	290	944	614	293	907
PBT before minorities, share of Asso. & JV	(736)	(1,309)	(2,045)	1,232	(416)	816	293	(32)	261
Share of Asso. & JV	(54)	-	(54)	(236)	-	(236)	(257)	-	(257)
Minority Interest	(3)	-	(3)	(22)	-	(22)	(31)	-	(31)
PBT	(787)	(1,309)	(2,096)	1,018	(416)	602	67	(32)	35
Tax	462	(1,071)	(609)	447	(145)	301	72	8	80
<b>PAT</b>	<b>(1,249)</b>	<b>(238)</b>	<b>(1,487)</b>	<b>571</b>	<b>(271)</b>	<b>301</b>	<b>(5)</b>	<b>(40)</b>	<b>(45)</b>

*Figures in Rs. million unless specified*

Particulars	FY19			FY18		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
<b>Total Income from Operations</b>	<b>89,535</b>	<b>15,680</b>	<b>105,215</b>	<b>63,633</b>	<b>12,240</b>	<b>75,873</b>
Other income	1,346	14	1,360	1,273	39	1,312
<b>Operating EBITDA</b>	<b>8,968</b>	<b>141</b>	<b>9,109</b>	<b>6,008</b>	<b>1,046</b>	<b>7,054</b>
Reported EBIDTA	7,077	(841)	6,236	7,101	1,046	8,147
Finance cost	1,774	207	1,980	1,702	152	1,853
Depreciation	2,597	1,148	3,746	2,582	1,211	3,793
PBT before minorities, share of Asso. & JV	2,706	(2,196)	510	2,818	(317)	2,501
Share of Asso. & JV	(885)	-	(885)	(859)	-	(859)
Minority Interest	(84)	-	(84)	(53)	-	(53)
PBT	1,905	(2,196)	(292)	2,012	(317)	1,695
Tax	1,223	(1,381)	(159)	202	(90)	112
<b>PAT</b>	<b>683</b>	<b>(815)</b>	<b>(132)</b>	<b>1,810</b>	<b>(227)</b>	<b>1,583</b>

Impairment provision for PCMD unit sale of Rs. 3,370 mn and write back of VAT incentive liability on PCMD of Rs. 2,168 mn (resulting in a net provision of Rs 1,202 mn) for Q4FY19 and FY19, is included in profit from discontinued operations.

## **BUSINESS UPDATE**

### **Post Q4FY19 investor / analyst conference call:**

WCL management would be happy to answer investor queries on a conference call. Please find details below:

Date: Wednesday, 15<sup>th</sup> May 2019

Time: 11:00 AM IST

#### **Dial in details:**

- Primary Access: +91 22 6280 1325, +91 22 7115 8226
- Local Access: 7045671221
- International Toll Free numbers
  - Hong Kong: 800964448
  - Singapore: 8001012045
  - UK: 08081011573
  - USA: 18667462133

#### **About Welspun Corp Ltd. (WCL)**

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from 1½ inches to 140 inches, along with specialized coating, double jointing and bending. With current capacity of close to 2.5 million MTPA in Dahej, Anjar Mandya and Bhopal in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

#### **About Welspun Group**

A US\$ 2.3 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

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For further information please visit [www.welspuncorp.com](http://www.welspuncorp.com)

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