WELSPUN INDIA
HOME TEXTILES

WIL/SEC/2022 August 20, 2022

To

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Department of Corporate Services, SP. J. Towers, Dalal Street, Mumbai – 400 001 **(Scrip Code-514162)**	ListingCompliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 **(Symbol: WELSPUNIND)**

Dear Sir / Madam,

Sub.: Compliance under Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the financial year 2021-22 along with the Notice of the 37th Annual General Meeting, dispatched to the members on August 20, 2022. The Annual Geenral Meeting of the Company is scheduled to be held on Monday, September 12, 2022 at 11.30 a.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the Members.

Please be informed that the Company is providing e-voting facility to its shareholders in respect of resolutions to be passed at the AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide remote e-voting facility. The remote e-voting facility shall be kept open from **Friday, September 09, 2022 at 9:00 am to Sunday, September 11, 2022 at 5:00 pm** for shareholders to cast their votes electronically. The cut-off date for voting (including remote e-voting) shall be **Friday, September 02, 2022**. The detailed instructions with respect to voting have been mentioned in the Notice of AGM.

In accordance with the May 5, 2020 read with other relevant circulars issued from time to time including circular dated May 5, 2022, issued by the Ministry of Corporate Affairs ("MCA Circulars") the SEBI Circular dated May 12, 2020 read with other relevant circulars issued from time to time including circular dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI Circulars")), the Annual Report together with the Notice of the AGM is being dispatched only by electronic mode to those Shareholders whose email addresses are registered with the Company/ Depository Participants.

The Annual Report together with the Notice of the AGM can also be accessed from the websites of the Company (www.welspunindia.com), Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

Please take the same on record.

Thanking you.
For **Welspun India Limited**

SHASHIKANT BHAUSAHEB THORAT
Digitally signed by SHASHIKANT BHAUSAHEB THORAT
Date: 2022.08.20 23:34:02 +05'30'

Shashikant Thorat
Company Secretary
FCS – 6505
Encl: As above

WELSPUN INDIA LIMITED
CIN : L17110GJ1985PLC033271
Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110, India. Board No.: +91 2836 661111, Fax No. + 91 2836 279010, Email : CompanySecretary_WIL@welspun.com Website: www.welspunindia.com
Corporate Office : Welspun House, 6th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8020

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting ("AGM") of Welspun India Limited will be held on Monday, September 12, 2022 via video-conference or other audio-visual means at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1) To consider and adopt the audited financial statements, on standalone and consolidated basis, for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditors thereon.

2) To declare dividend of Re. 0.15 per share on Equity Shares for the financial year 2021-22.

3) To appoint a Director in place of Mr. Rajesh Mandawewala, holding Director Identification Number (DIN 00007179), who retires by rotation, and being eligible, offers himself for re-appointment.

4) To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "**RESOLVED THAT** subject to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Audit Committee of the Board, S R B C & CO LLP (having Firm Registration Number 324982E/E300003), be and is hereby appointed as the Statutory Auditors of the Company for second consecutive term of five years, from the conclusion of this i.e. 37th Annual General Meeting until the conclusion of 42nd Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to the out-of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), and based on the recommendation of the Board, M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025), be and is hereby appointed as the Cost Auditors of the Company, to conduct the cost audit for the financial year ending March 31, 2023, be paid a remuneration of Rs. 425,000 (Rupees Four Lakh Twenty Five Thousand Only) and such travelling and out-of-pocket expenses, at actual incurred, if any, in connection with the audit, as may be authorized by the Board."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any amendments thereto or re-enactment thereof), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such other approvals as may be required under the Act, if any, and based on the recommendation of the Nomination and Remuneration Committee, approval of the members be and is hereby accorded for appointment of Mr. Rajesh Mandawewala (DIN 00007179) as the Managing Director of the Company for a period of five years with effect from April 1, 2022 on the terms and conditions as given below:

		Rs. in million
1.	Salary	17.00
2.	Leave Travel Allowance, Superannuation, Telephone Expense, Reimbursement, Car Facility, Leave encashment, Gratuity etc.	As per the rules of the Company
3.	Club Membership	Fees (except life membership) for two clubs
4.	Contribution to Provident Fund	To the extent exempt under Income Tax Act
5.	Other perquisites	As per the rules of the Company or as may be agreed to by the Board of Directors
6.	Annual Increment	For every financial year, upto 25% per annum of the remuneration payable for the financial year preceding to the financial year in respect of which such increment pertains and such increment eligibility shall be effective from April 1, 2022
7.	Commission	1% of the profit, on consolidated basis, computed in the manner laid down in section 198 of the Companies Act, 2013

"**RESOLVED FURTHER THAT** the aforesaid remuneration shall be payable irrespective of whether the Company has adequate profits or not ."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of the remuneration within the limits prescribed in the Act or rules thereunder, as amended from time to time."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to enter into an agreement, issue a letter for increase in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT Mr. K. H. Viswanathan (DIN: 00391263) who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 1, 2022 and who holds office up to the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013, ("Act") and Articles of Association of the Company, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16(1)(b) and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. K. H. Viswanathan (DIN: 00391263), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the first term commencing from July 1, 2022 to March 31, 2024.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts and take all steps as may be necessary, proper and expedient to give effect to the resolution. "

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

"**RESOLVED THAT** pursuant to Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to all permissions, sanctions and approvals as may be necessary, approval of the members be and is hereby accorded for the payment of remuneration by way of commission at the rate of 1% of the consolidated net profits of the Company as computed under Section 198 of the Companies Act, 2013 for the financial year 2021-22 to Mr. Balkrishan Goenka, Non-Executive Chairman."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or Nomination and Remuneration Committee constituted by the Board be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.

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

"**RESOLVED THAT** pursuant to the provision of sub-regulation (6)(e) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and with respect to resolution being considered by the shareholders at 37th Annual General Meeting for appointment of, and remuneration payable to, Mr. Rajesh Mandawewala, a co-promoter of the Company, holding Director Identification Number 00007179, approval of the Company be and is hereby accorded to the remuneration payable to Mr. Mandawewala even when the annual remuneration payable to Mr. Mandawewala exceeds Rs. 5 crore or 2.5 per cent of the net profits of the Company in any financial year, whichever is higher or even when the aggregate annual remuneration to Mr. Mandawewala along with remuneration payable to other executive directors of the Company exceeds 5 per cent of the net profits of the Company, provided that his remuneration shall not exceed remuneration approved by the Company at 37th AGM or such higher remuneration as may be increased by the Board of Directors pursuant to authority delegated by the shareholders while approving appointment of, and remuneration to, Mr. Mandawewala."

"**RESOLVED FURTHER THAT** the approval accorded pursuant to resolution given above shall be valid till completion of present tenure of appointment of Mr. Mandawewala expiring on March 31, 2027 or any further approval as may be granted by the shareholders hereinafter."

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

"**RESOLVED THAT** pursuant to provision of sub-regulation (6)(e) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and in continuation of approval granted by the Company to appointment of, and remuneration payable to, Ms. Dipali Goenka, part of the Promoter Group of the Company, holding Director Identification Number 00007199, at the 36th Annual General Meeting of the Company, approval of the Company be and is hereby accorded to the remuneration payable to Ms. Goenka even when the annual remuneration payable to Ms. Goenka exceeds Rs. 5 crore or 2.5 per cent of the net profits of the Company in any financial year, whichever is higher or even when the aggregate annual remuneration to Ms. Goenka along with remuneration payable to other executive directors of the Company exceeds 5 per cent of the net profits of the Company, provided that her remuneration shall not exceed remuneration approved by the Company on the 36th Annual General Meeting or such higher remuneration as may be increased by the Board of Directors pursuant to authority delegated by the shareholders while approving appointment of, and remuneration to, Ms. Goenka at the 36th Annual General Meeting or any further approval as may be granted by the shareholders hereinafter."

"**RESOLVED FURTHER THAT** the approval accorded pursuant to resolution given above shall be valid till completion of present tenure of appointment of Ms. Goenka expiring on March 31, 2026."

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

"**RESOLVED THAT** pursuant to the provision of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, tenure of Mr. Pradeep Poddar, holding director identification number 00025199, an Independent Director of the Company who was appointed for a period of three years in his 2nd term for the period from September 15, 2019 to September 14, 2022, be and is hereby extended by two years thereby changing the date of expiry of his tenure from September 14, 2022 to September 14, 2024 which is within overall permissible tenure of 5 years.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient for the purpose of giving effect to this Resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rules made thereunder, including the Companies (Meetings of Board and its Powers) Rules, 2014 and any statutory modification(s) or re-enactments thereof for the time being in force and pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and such other applicable provisions of SEBI Listing Regulations and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the Board of Directors to continue the contract entered into with Welspun Global Brands Limited (a subsidiary of the Company) ("WGBL"), for sale of the products of the Company to WGBL, on the following terms and conditions:

Nature, material terms and particulars of the arrangement	**Sale of Goods**
period of transaction	Perpetual
the indicative base price / current contracted price and the formula for variation in the price if any	The price for sale of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.
Payment Schedule	Within 45 days from the date of invoice of the Company

Duration of the contract	The contract may be terminated by either party with prior notice to the other party

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, and matters, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents including contracts, agreements and such other documents and deal with any other matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regards and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Member shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rules made thereunder, including the Companies (Meetings of Board and its Powers) Rules, 2014 and any statutory modification(s) or re-enactments thereof for the time being in force and pursuant to provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and such other applicable provisions of SEBI Listing Regulations and such other approvals, permissions and sanctions as may be required, consent of the Board be and is hereby accorded to material related party transactions being entered into on ongoing basis by subsidiary companies of the Company with related parties of those subsidiary companies, as described in tables given below."

Transaction of Subsidiaries	**Ongoing Transactions No. 1**	**Ongoing Transactions No. 2**
	Welspun Global Brands Limited	Welspun Global Brands Limited
the name(s) of the related party	Welspun USA, Inc.	Welspun Flooring Limited
nature of transaction	Sale of Goods	Purchase of Goods (incl. yarn etc.)
period of transaction	Perpetual	Perpetual
the indicative base price / current contracted price and the formula for variation in the price if any	The price for sale of the products shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.	The price for sale of the products shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.

such other conditions as the audit committee may be deemed fit	-	-

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, and matters, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents including contracts, agreements and such other documents and deal with any other matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regards and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Member shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board

Sd/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: July 27, 2022

Registered Office:
Welspun City, Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat – 370110
Tel. No.: +91 2836 661111 , Fax No.: +91 2836 279010
CIN: L17110GJ1985PLC033271
Website: www.welspunindia.com
Email: Companysecretary_WIL@welspun.com

NOTES

1. In view of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 ("MCA Circulars") and Circular number SEBI / HO / CFD / CMD1 / CIR / P/2020/79 dated May 12, 2020 as amended by Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circulars") physical attendance of the Members to the General Meeting venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing General Meeting through VC/OAVM.

2. Pursuant to the MCA Circulars and the SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this General Meeting. However, the Body Corporates are entitled to appoint authorized representatives to attend the General Meeting through VC/OAVM and participate thereat and cast their votes through e-voting.

3. A statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business under item numbers 5 to 10 of the Notice is annexed hereto.

4. In terms of Section 152 of the Act, Mr. Rajesh Mandawewala (DIN 00007179), Director, retires by rotation at the Meeting and being eligible has offered himself for re-appointment. Further, the Board has also recommended re-appointment of Mr. Mandawewala as Managing Director for a term of five years w.e.f. April 01, 2022. Mr. K H Viswanathan is being proposed to be appointed as Independent Director for a term upto March 31, 2024. Mr. Pradeep Poddar who was appointed for a period of three year in his 2nd term and this ongoing 2nd term is being proposed to be extended by two years thereby changing the date of expiry of his tenure from September 14, 2022 to September 14, 2024. A brief resume of Mr. Rajesh Mandawewala, Mr. K H Viswanathan and Pradeep Poddar and details of their directorship, committeeship and shareholding in the Company as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as Annexure – 1 forming part of the Notice.

5. The Members can join the General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Participation of members through VC will be reckoned for the purpose of quorum for the General Meeting as per section 103 of the Companies Act, 2013 ("the Act").

7. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the General Meeting through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution or authorization letter to the Company or upload the same on the VC portal / e- voting portal.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the General Meeting. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of General Meeting, i.e. September 12, 2022. Members seeking to inspect such documents can send an email to CompanySecretary_WIL@welspun.com.

9. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.

10. Members may note that the Board of Directors, in its meeting held on May 10, 2022 has recommended a dividend at 15% (Re. 0.15 per share). The book closure for the purpose of final dividend for fiscal 2022 was June 27, 2022 to June 28, 2022. The dividend, once approved by the members in the ensuing AGM will be paid on or after the fifth working day from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses once the postal facility is available.

    To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

11. **Deduction of Tax**

    As you are aware, as per the provisions of the Income Tax Act, 1961 (Act), as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020, shall be taxable at the hands of shareholders. The Company is required to deduct tax at source from dividend paid to the shareholders, if approved at the Annual General Meeting (AGM) of the Company.

I. <u>For Resident Shareholders</u>:

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. ***Resident Individuals:***

No tax shall be deducted on the dividend payable to resident individuals if:

i. Total dividend amount to be received by them during the Financial Year (FY) 2022-23 does not exceed Rs.5,000/-; or

ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law.

iii. Exemption certificate is issued by the Income-tax Department, if any.

b. ***Resident Non-Individuals:***

No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide prescribed details and documents**.**

i. **Insurance Companies**: Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.

ii. **Mutual Funds**: Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.

iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.

iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card**.**

v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

c. *In* case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

II. <u>For Non-resident Shareholders</u>:

a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail Tax Treaty benefit, the non-resident shareholders are required to provide the following:

   i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.

   ii. Self-attested copy of Tax Residency Certificate (TRC) (for financial year April 1, 2022 to March 31, 2023) obtained from the tax authorities of the country of which the shareholder is a resident.

   iii. Self-declaration in Form 10F.

   iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for financial year April 1, 2022 to March 31, 2023*)*.

   v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.

   vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

   It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

   Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

c. In case of Global Depositary Receipt (GDR) holders, taxes shall be withheld at 10% plus applicable surcharge and cess in accordance with provisions of Section 196C of the Act, only if they provide self-attested copy of the PAN Card. In case, no PAN details are made available, tax will be deducted at 20% plus applicable surcharge and cess.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, **we request you to provide these details and documents as mentioned, above, on or before September 02, 2022 (cut off period).** Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

III. <u>TDS to be deducted at higher rate in case of non-filers of Return of Income</u>

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

i. At twice the rate specified in the relevant provision of the Act; or

ii. At twice the rates or rates in force; or
iii. At the rate of 5%

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

PAYMENT OF DIVIDEND

The dividend on Equity Shares for FY 2021-22, once approved by the shareholders of the Company at the AGM, will be paid after deducting the tax at source as under:

A. FOR RESIDENT SHAREHOLDERS:

- Nil withholding in case the total dividend paid is up to Rs.5,000/-.

- Nil withholding for resident shareholders in case Form 15G/Form 15H (as applicable) is submitted along with self-attested copy of the PAN linked to Aadhar. (*Please note that the duly filled up forms submitted through your registered email ID will be accepted)*

- NIL/ Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 197 of the Act.

- 10% for resident shareholders in case PAN is provided / available.

- 20% for resident shareholders if copy of PAN is not provided / not available or resident shareholder is specified person under section 206AB as per compliance check utility of income tax department.

B. FOR NON-RESIDENT SHAREHOLDERS:

- Tax treaty rate (based on tax treaty with India) for beneficial non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- NIL / Lower withholding tax rate on submission of self-attested copy of the certificate issued under Section 195/197 of the Act.
- 10% plus applicable surcharge and cess for GDR holders if they provide self-attested copy of the PAN card in accordance with provisions of Section 196C of the Act.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the above mentioned documents are not submitted.
- Higher rate as discussed in point III above in case of non-filers of Return of Income, as applicable.

C. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY:

Shareholders holding Ordinary shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

It is further clarified that in cases where shareholders hold both, Fully Paid-up Ordinary Shares and Partly Paid-up Ordinary Shares of the Company, the total dividend amount will be clubbed on the basis of the PAN of the Shareholder and tax as applicable will be deducted.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

SUBMISSION OF TAX RELATED DOCUMENTS:

Resident Shareholders

The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, etc. can be sent by email to CompanySecretary_WIL@welspun.com ; rnt.helpdesk@linkintime.co.in on **or before September 02, 2022** to enable the Company to determine the appropriate TDS / withholding tax rate applicable. **Any communication on the tax determination/deduction received post September 02, 2022 shall not be considered.**

Non-Resident Shareholders

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id CompanySecretary_WIL@welspun.com ; rnt.helpdesk@linkintime.co.in.

Documents sent to any other email ids may lead to non-submission of documents and attract TDS as per the provisions of the Act.

These documents should reach us **on or before September 02, 2022.** In order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post **September 02, 2022.** It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax department of India https://www.incometaxindiaefiling.gov.in/home

12. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the General Meeting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the General Meeting will be provided by NSDL. Members who have cast their votes by remote e-voting prior to the General Meeting may participate in the General Meeting but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized

mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

14. In line with the Ministry of Corporate Affairs (MCA) Circulars and the SEBI Circulars, the Notice calling the General Meeting has been uploaded on the website of the Company at www.welspunindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the General Meeting Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility).

15. In compliance with the Circulars, the Annual Report 2021-22, the Notice of the AGM, instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

16. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's Registrar and Share Registrar and Transfer Agent ("RTA") at rnt.helpdesk@linkintime.co.in, to receive copies of the Annual Report 2021-22 in electronic mode. Members may provide their detail in the sheet annexed to this Notice.

17. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's RTA : Link Intime India Private Ltd., Unit: Welspun India Limited, C 101, 247 Park, L B S Marg, Vikhroli (West) Mumbai-400083. Tel No: +91 22 49186000, Fax: +91 22 49186060, Email - rnt.helpdesk@linkintime.co.in.

18. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.

19. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

20. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

21. The members who wish to nominate, any person to whom his securities shall vest in the event of his death may do so by submitting the attached Nomination Form to the Company or the RTA of the Company. A nomination may be cancelled, or varied by nominating any other

person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.

22. Since the General Meeting will be held through VC or OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

23. The e-voting period commences on Friday, September 09, 2022 (9:00 a.m. IST) and ends on Sunday, September 11, 2022 (5:00 p.m. IST). During this period, members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on Friday, September 02, 2022 may cast their votes electronically. A person who is not a member as on the Cut-Off Date should treat this Notice for information purpose only. The e-voting module will be disabled by NSDL for voting after conclusion of AGM. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date.

24. The facility for voting during the General Meeting will also be made available. Members present in the General Meeting, through VC or OAVM, and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the General Meeting.

25. Any person who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in . However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

26. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

27. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

28. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the members, a facility to exercise their right to vote on resolutions proposed to be considered at the General Meeting by electronic means and the business may be transacted through e-Voting Services.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

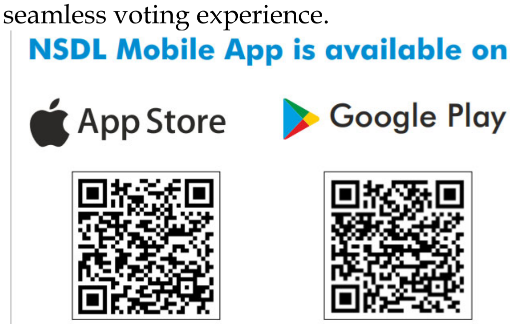
Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for

	casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in

	the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

    a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

    b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

    c) How to retrieve your 'initial password'?

        (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

        (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

    a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mansi@jmja.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to CompanySecretary_WIL@welspun.com .

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to CompanySecretary_WIL@welspun.com . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with

Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

29. Members who would like to express their views/ask questions may write an e-mail mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at CompanySecretary_wil@welspun.com between August 25, 2022 (9.00 a.m. IST) and September 08, 2022 (5.00 p.m. IST).

30. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

31. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility,

then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

32. Ms. Mansi Shah of M/s. JMJA & Associates, Company Secretaries (e-mail: mansi@jmja.in), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

33. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

34. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.welspunindia.com, notice board of the Company at the registered office as well as the corporate office and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the securities of the Company are listed.

35. The Register of Members and Share Transfer Books of the Company remained closed from Monday, June 27, 2022 to Tuesday, June 28, 2022 (both days inclusive).

Dematerialization of shares:
In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018, the requests for transfer of securities held in physical form, except transmission or transposition of securities, cannot be processed after March 31, 2019. In view of this and to avail various benefits of dematerialization, shareholders are advised to dematerialize the shares held by them in physical form at the earliest.

Notice to the shareholders who have not en-cashed dividend for last seven consecutive years commencing from the unpaid Final Dividend for the Financial Year 2012-2013.
Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 which have come into effect from September 7, 2016 and amended from time to time, this is to inform to those shareholders who have not en-cashed the dividend or who's dividend remained unclaimed for last seven consecutive years commencing from the Financial Year 2012-2013 then those shares shall be transferred to the "Investor Education and Protection Fund" (IEPF) i.e. a fund constituted by the Government of India under Section 125 of the Companies Act, 2013. The names of such shareholders and their folio number or DP ID - Client ID will be available on the website of the Company at www.welspunindia.com. *To claim unpaid / unclaimed dividend or in case you need any information/clarification, please write to or contact to the Company's Registrars and Transfer Agent or The Company Secretary of the Company at the Registered Office or at the Corporate Office address.*

By Order of the Board

Sd/-

Place: Mumbai **Shashikant Thorat**

Date: July 27, 2022

Company Secretary
FCS-6505

Registered Office:
Welspun City, Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat – 370110
Tel. No.: +91 2836 661111 , Fax No.: +91 2836 279010
CIN: L17110GJ1985PLC033271
Website: www.welspunindia.com
Email: Companysecretary_WIL@welspun.com

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 5 - RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITORS

In pursuance of Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Board based on the recommendation of the Audit Committee of the Board appointed M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025) as the Cost Auditors of the Company, for the conduct of the Cost Audit of the Company's various manufacturing units for the financial year 2022-23 on a remuneration of Rs. 425,000 (Rupees Four Lakh Twenty Five Thousand Only) plus travelling and out of pocket expenses, at actual incurred, if any, in connection with the audit of the Company. Remuneration payable to the Cost Auditors has to be ratified by the shareholders. The Board recommends the resolution set forth in item No. 5 for the approval of the members.

None of the Directors or the Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in this resolution.

ITEM NO. 6 – RE-APPOINTMENT OF MR. RAJESH MANDAWEWALA AS MANAGING DIRECTOR

Over the years, Mr. Rajesh Mandawewala has served as a Whole Time Director of the Company except for the period from October 23, 2009 to March 31, 2011 during which he was a Non-Executive Director. Mr. Mandawewala is co-promoter of the Company and has been associated with the Company since its inception. The Company has flourished under his able leadership and guidance over the years. The Company had reappointed Mr. Rajesh Mandawewala as the Managing Director of the Company for a period from April 01, 2014 to March 31, 2017 and April 01, 2017 to March 31, 2022. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rajesh Mandawewala as Managing Director, subject to the approval of the members, for a period of 5 years w.e.f. April 01, 2022.

Achievements: Highlights of the Company's progress during last three years:

Financial highlights of the Company on consolidated basis

Rs. million

	2021-22	2020-21	2019-20	2018-19
Turnover	93,115	73,402	67,411	65,266
Profit Before Tax	8,729	7,687	6,944	2,869

At present, his remuneration is Rs. 170 lakh per annum, perquisites and commission of 1% on profits of the Company calculated as per Section 198 of the Companies Act, 2013.

In terms of Section 197 and Schedule V of the Companies Act, 2013, Mr. Rajesh Mandawewala is proposed to be appointed as Managing Director for a period of five years with effect from April 1, 2022.

None of the directors or the key managerial personnel of the Company or their relatives except Mr. Rajesh Mandawewala, himself may be deemed to be concerned or interested in this resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

ITEM NO. 7 – APPOINTMENT OF MR. K H VISWANATHAN AS AN INDEPENDENT DIRECTOR

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. K. H. Viswanathan as an Additional Director, who shall hold office of Director of the Company till the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013.

Mr. K. H. Viswanathan, aged 60 years, is Bachelor of Commerce and Associate Cost and Management Accountant (ACMA). He has more than 36 years of experience. He has been advising some large and medium Companies (both Listed and Unlisted in Manufacturing, Global Trading, Information Technology and Services) such as IA strategy, ERM/IFC, Digital/IT Audit strategies & approach, SOP etc., M & A / Business – Corporate Restructuring – Due diligence, Structuring and related tax and legal advisory, Corporate Governance practices (SEBI / MCA guidelines) – Process structuring, effectiveness improvement & compliance in related areas, Management effectiveness review in select areas – benchmarking / suggestions for improvements, Board evaluation policies and practices.

He is a director and member / chairman of the following committees:

Sr. No.	**Name of the Company**	**Listed / Unlisted**	**Date of appointment**	**Name of Committee**	**Member / Chairman**
1.	AYM Syntex Limited	Listed	31-07-2015	Audit Committee	Member
				Nomination and Remuneration Committee	Member
2.	Welspun Captive Power Generation Limited	Unlisted	30-07-2016	Audit Committee	Chairman
				Nomination and Remuneration Committee	Chairman
				Corporate Social Responsibility Committee	Chairman
3.	Welspun Anjar SEZ Limited	Unlisted	28-09-2016	Audit Committee	Chairman
				Nomination and Remuneration Committee	Chairman

Sr. No.	Name of the Company	Listed / Unlisted	Date of appointment	Name of Committee	Member / Chairman
4.	Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Ltd)	Listed	27.04.2022	Audit Committee	Chairman
				Nomination and Remuneration Committee	Chairman
				Risk Management Committee	Chairman
				Stakeholders' Relationship Committee	Chairman
5.	East Pipes Integrated Company for Industry (Formerly known Welspun Middle East Pipes Company LLC)	Listed at Stock Exchange in Kingdom of Saudi Arabia	24.05.2022	-	-
6.	Welspun Global Brands Limited	Unlisted	26.07.2022	Audit Committee	Chairman
				Nomination and Remuneration Committee	Chairman
				CSR Committee	Member

Resigned / Ceased to be a director from below listed entities during the past 3 years

1	Welspun Corp Limited (w.e.f July 1, 2022)	Independent Director
2	Welspun Wasco Coatings Private Limited (w.e.f July 1, 2022)	Independent Director

The skills and capabilities required for the role and the manner in which the proposed person meets such requirements - Pursuant to a regular Board evaluation, the Board members felt the need to strengthen capabilities in the Board in respect of in-depth business and commercial understanding of the ESG and Corporate Structure related aspects. Accordingly, the Nomination and Remuneration Committee after due review, recommended optimization of the organizational / Group level knowledge pool, including of Independent Directors, for strengthening the business and commercial understanding of the ESG and Corporate Structure related aspects. Mr. K. H. Viswanathan possesses the above capabilities.

The Company has received declaration from the Director confirming that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that he is eligible to be appointed as an Independent Director of the Company and that he is not disqualified from being appointed as an Independent Director. The Company has also received notice from a shareholder under Section 160 of the Act proposing his appointment as Independent Director.

In the opinion of the Board, Mr. K. H. Viswanathan fulfills the conditions specified in the Act and Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management. He is not debarred from holding office of director by virtue of any order by the Securities and Exchange Board of India or any other such authority.

Mr. Viswanathan holds 1,50,000 equity shares in the Company.

The resolution seeks the approval of members for the reappointment of Mr. K. H. Viswanathan as an independent director of the Company effective July 1, 2022 up to March 31, 2024, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

Copy of the draft letter for appointment of Mr. K. H. Viswanathan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office / Corporate Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

In view of skills, expertise and experience of Mr. K. H. Viswanathan and upon recommendation of Nomination and Remuneration Committee, the Board recommends the special resolution, as set out at item no. 7 of accompanying Notice, for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except Mr. K. H. Viswanathan and his relative(s), is in any way concerned and interested, financially or otherwise, in the proposed special resolution set out at item no. 6 of the Notice.

ITEM No. 8 – PAYMENT OF REMUNERATION BY WAY OF COMMISSION TO MR. BALKRISHAN GOENKA, NON-EXECUTIVE CHAIRMAN OF THE COMPANY.

Mr. Goenka, the Chairman and a non-executive Director has played pivotal role in ascent of the Company. He has been the visionary in making the Company a global home textile giant. He has been guiding force for the Company's management since its inception. His guidance on strategic matters has seen the Company sail through tough times as well as accelerate when momentum is in favour. The Board and the management considers availing his guidance from time to time and attention in the planning for the growth of the Company. The Board therefore recognizes the need to suitably remunerate him with commission at 1% of the consolidated net profits of the Company, every year, computed in the manner specified in the Companies Act, 2013 or such other limit as may be notified by the Central Government from time to time.

Except Mr. Goenka and his wife Ms. Dipali Goenka, CEO and Joint Managing Director of the Company, both of whom are also member / beneficial owners of the Company, none of the other directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the special resolution at item number 4 of the accompanying Notice for approval by the Members of the Company.

Members' approval is sought by way of a special resolution proposed under item number 8 of the accompanying Notice for payment of commission for the financial year 2021-22.

ITEM NOS. 9 and 10 – Approval of remuneration payable to Mr. Rajesh Mandawewala, Managing Director and Ms. Dipali Goenka, CEO and Joint Managing Director

Shareholders will be considering appointment of Mr. Rajesh Mandawewala at the ensuing 37th AGM. Tenure of Mr. Mandawewala, Managing Director is 5 years expiring on March 31, 2027.

Similarly, the shareholders had approved appointment of Dipali Goenka at 36th AGM. Tenure of Ms. Goenka, Managing Director is 5 years expiring on March 31, 2026.

The provisions of sub-regulation (6)(e) of Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") require that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Accordingly, the special resolutions as given at item nos. 9 and 10 regarding remuneration payable to Mr. Rajesh Mandawewala, Managing Director and Ms. Dipali Goenka, CEO and Joint Managing Director even when remuneration payable in any financial year exceeds the limits provided under sub-regulation (6)(e) of Regulation 17 of the Listing Regulations. Such remuneration shall not exceed remuneration already approved by the members and shall remain valid till expiry of their tenure as referred to above.

Except Mr. Balkrishan Goenka, Chairman of the Company and a co-promoter of the Company and spouse of Ms. Dipali Goenka, Ms. Dipali Goenka, CEO and Joint Managing Director and a part of the Promoter Group of the Company and Mr. Rajesh Mandawewala, Managing Director and a co-promoter of the Company none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution as set out under item nos. 9 and 10.

ITEM NO. 11 - Extension of tenure of Mr. Pradeep Poddar within the permissible limit of tenure.

Mr. Pradeep Poddar, having Director Identification Number 00025199, has been an independent director of the Company from September 15, 2016. He was reappointed for his second term for three years with effect from September 14, 2019. It is proposed that his term is extended by two years from September 14, 2022 to September 14, 2024. Being his own appointment, Mr. Pradeep Poddar is considered to be interested in this resolution.

He is a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship, Investor Grievance and Share Transfer Committee of the Company.

A brief on Mr. Pradeep Poddar's profile:

- Chemical Engineer from UDCT (Now ICT), Mumbai and MBA from IIM, Ahmedabad
- Ex-Head Marketing & Sales, Foods of Glaxo India,
- Ex-Managing Director & CEO, South Asia of Heinz Corporation's South Asian business,

- Ex-Global Head - Water & Functional Beverages and Managing Director & CEO of Mineral Water vertical of Tata Global Beverages, Ex MD & CEO Heinz South Asia.
- Built successful Brands (Many of these ranked in "Most Trusted Brands" and "Power Brands":

➢ Complain (milk food beverage),	➢ Nycil (prickly heat powder),
➢ Glucon – D (Instant energy drink mix),	➢ Heinz (Tomato ketchup),
➢ Farex (infant cereal),	➢ Equal (artificial sweetener).

- Served as Director of NourishCo (Tata – PepsiCo JV), Rising Beverages Company, California, USA, Independent Director of Monsanto India Limited (anointed by Hugh Grant, ex-CEO of erstwhile Monsanto Co, Missouri, USA). Current Chairman of United Way Mumbai, a charitable trust working in community development. Independent director of Polycab India Limited, Uflex Limited, Welspun Flooring Limited, Serving as Chairman of Sresta Natural Bioproducts Limited

Mr. Poddar has been made significant contributions at the Board level. His experience in strategic, operational, Indian as well as global markets, brand development have contributed in Board's directions and decisions. Considering this, it is proposed that his term be extended to five years which is the maximum tenure prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Poddar, being the appointee herein, none of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions.

ITEM Nos. 12 and 13 – Approval to material related party transactions by the Company with related parties and by the Company's subsidiaries' with their related parties

Regulations 23(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires that all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

The shareholders of the Company, at 29th Annual General Meeting approved Material Related Party Transactions being sale of goods to Welspun Global Brands Limited, a subsidiary of the Company and marketing arm of the Company's business.

Further, amended Listing Regulations, as mentioned in previous agenda require shareholders of the Company to approve Material Related Party Transaction of the Company's subsidiary where the Company is not a party to any such transaction.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

At present, related party transactions of the Company and its subsidiaries, gist of which is given below, attract above-mentioned provisions of Listing Regulations.

Material RPT of the Company

Transaction of Company	Welspun India Limited
the name(s) of the related party	Welspun Global Brands Limited
nature of transaction	Sale of Goods
period of transaction	Perpetual
the indicative base price / current contracted price and the formula for variation in the price if any	The price for sale of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.
Such other conditions as the audit committee may be deemed fit	-

Material RPTs of Subsidiaries

Transaction of Subsidiaries	RPT 1 Welspun Global Brands Limited	RPT 2 Welspun Global Brands Limited
the name(s) of the related party	Welspun USA, Inc.	Welspun Flooring Limited
nature of transaction	Sale of Goods	Purchase of Goods (incl. yarn etc.)
period of transaction	Perpetual	Perpetual
the indicative base price / current contracted price and the formula for variation in the price if any	The price for sale of the products shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.	The price for sale of the products shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.
such other conditions as the audit committee may be deemed fit	-	-

All of the above transactions are in the ordinary course of business of the Company and its subsidiaries. Those are at arm's length and will be take place on an ongoing basis continuously as a part of regular business.

None of the directors or the key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in this resolution.

The Board recommends the resolution set forth in item numbers 12 and 13 for the approval of the members.

By Order of the Board
Sd/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: July 27, 2022

Registered Office:
Welspun City, Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat – 370110
Tel. No.: +91 2836 661111 , Fax No.: +91 2836 279010
CIN: L17110GJ1985PLC033271
Website: www.welspunindia.com
Email: Companysecretary_WIL@welspun.co

Annexure – 1

- **Mr. Rajesh Mandawewala**

Details of directorship /membership of the Committees of the Board held by Mr. Rajesh Mandawewala

Director	Directorships
Mr. Rajesh Mandawewala	Welspun India Limited, Welspun Corp Limited, Welspun Enterprises Limited, AYM Syntex Limited, Mandawewala Enterprises Limited, Welspun Flooring Limited, Welspun Innovative Products Limited, Welspun Advanced Materials (India) Limited, Angel Power And Steel Private Limited, Mahatva Plastic Products and Building Materials Private Limited, Yura Realties Private Limited, RRM Enterprises Private Limited, Welspun One Logistics Parks Private Limited, RRM Realty Trader Private Limited, Welspun Global Brands Limited

As per latest disclosure to the Company, he is a member / chairman in the following Committees:

Company Name	Chairmanship / Membership	Committee Type
Welspun Corp Limited	Member	Finance and Administration Committee
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Member	Corporate Social Responsibility Committee, Share Transfer & Investor Grievance & Stakeholders
	Chairman	Finance and Administration Committee
Welspun India Limited	Member	Finance and Administration Committee, Risk Management Committee
Welspun Steel Limited	Member	Corporate Social Responsibility
	Chairman	Nomination and Remuneration Committee,
Welspun Enterprises Limited	Member	Finance and Administration Committee
Welspun Global Brands Limited	Member	Finance and Administration Committee, Corporate Social Responsibility Committee,

		Nomination & Remuneration Committee
Welspun Flooring Limited	Chairman	Securities Allotment Committee

He is holding 1,030 equity shares in the Company.

- **Mr. K H Viswanathan**

Details of directorship /membership of the Committees of the Board held by Mr. K H Viswanathan

Director	Directorships
Mr. K H Viswanathan	Welspun India Limited, Welspun Specialty Solutions Limited, AYM Syntex Limited, Welspun Anjar SEZ Limited, Welspun Captive Power Generation Limited, Welspun Global Brands Limited.

As per latest disclosure to the Company, he is a member / chairman in the following Committees:

Company Name	Chairmanship / Membership	Committee Type
Welspun India Limited	Chairman	Audit Committee, Nomination and Remuneration Committee, ESG & CSR Committee, Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, Risk Management Committee.
	Member	Finance and Administration Committee.
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Member	Audit Committee, Nomination and Remuneration Committee
Welspun Captive Power Generation Limited	Chairman	Audit Committee, Nomination and Remuneration Committee, CSR Committee
Welspun Anjar SEZ Limited	Chairman	Audit Committee, Nomination and Remuneration Committee
Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Ltd)	Chairman	Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee

Welspun Global Brands Limited	Chairman	Audit Committee, Nomination and Remuneration Committee.
	Member	Corporate Social Responsibility Committee

He is holding 150,000 equity shares in the Company.

➢ **Mr. Pradeep Poddar**

Director	Directorships
Mr. Pradeep Poddar	Welspun India Limited, Polycab India Limited, Uflex Limited, Sresta Natural Bioproducts Limited, Welspun Flooring Limited

As per latest disclosure to the Company, he is a member / chairman in the following Committees:

Company Name	Chairmanship / Membership	Committee Type
Welspun India Limited	Member	Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, Risk Management Committee
Uflex Limited	Member	Audit Committee
Polycab India Limited	Chairman	Stakeholders' Committee
	Member	Audit Committee, Corporate Social Responsibility Committee
Welspun Flooring Limited	Chairman	Audit Committee
Sresta Natural Bioproducts Limited	Chairman	Audit Committee
	Member	Nomination & Remuneration Committee, Stakeholders' Committee

He is holding Nil equity shares in the Company.

By Order of the Board

Sd/-

Place: Mumbai
Date: July 27, 2022

Shashikant Thorat
Company Secretary
FCS-6505

Registered Office:
Welspun City, Village Versamedi,
Taluka Anjar, District Kutch,
Gujarat – 370110
Tel. No.: +91 2836 661111 , Fax No.: +91 2836 279010
CIN: L17110GJ1985PLC033271
Website: www.welspunindia.com
Email: Companysecretary_WIL@welspun.com

Annexure

Nomination Form

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014)

To,
The Company Secretary,
Welspun India Limited
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch,
Gujarat – 370110.

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

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

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

2. PARTICULARS OF NOMINEE/S —

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

3. IN CASE NOMINEE IS A MINOR--

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

4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –

(a) Name:
(b) Date of Birth:
(c) Father's/Mother's/Spouse's name:

(d) Occupation:
(e) Nationality:
(f) Address:
(g) E-mail id:
(h) Relationship with the security holder:
(i) Relationship with the minor nominee:

Name:__________________________________
Address: ________________________________

Name of the Security Holder(s)______________________________________
Signatures:____
Witness with name and address:_____________________________________

Instructions:

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
14. For shares held in dematerialized mode, nomination is required to be filed with the Depository Participant in their prescribed form.

WELSPUN INDIA LIMITED
CIN : L17110GJ1985PLC033271
Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110, India. Tel. No.: +91 2836 661111, Fax No. + 91 2836 279010, Email : CompanySecretary_WIL@welspun.com Website: www.welspunindia.com
Corporate Office : Welspun House, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013. Tel. No.: +91 -22-66136000 Fax: +91-22-2490 8020

E-mail Registration-Cum-Consent Form

To,
The Company Secretary,
Welspun India Limited,
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch, Gujarat – 370110

I/ we the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No.		DP – ID		Client ID	
Name of the Registered Holder (1st)					
Name of the joint holder(s)					
Registered Address					
			Pin		
Mobile Nos. (to be registered)					
E-mail Id (to be registered)					

____

Signature of the Shareholder(s)*

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

WELSPUN INDIA
HOME TEXTILES

Weaving Many Reasons to SMILE. At Every Level.

#ManyReasonsToSmile

ANNUAL REPORT **2021-22**

Key Highlights

93,773
Total Income
(₹ in million)

14,246
EBITDA
(₹ in million)

13.4%
RoCE

0.56
Net Debt to Equity

6,012
PAT
(₹ in million)

6.06
EPS
(₹)

3
Manufacturing facilities in India(Anjar, Vapi and Telangana)

35
Technologies
With 100+ patents, highest in the industry in India

45%
Of cotton used from sustainable sources in FY22

4,083
Million Litres of water recycled annually

2,45,482
GJ CO_2 mitigated annually through energy conservation

~89,000
Students reached through Welshiksha

● Financial ● Operational ● ESG

Weaving Many Reasons to SMILE. At Every Level.

As the world recovers from unprecedented challenges, we, at WIL, stayed resilient and committed to the principles of innovation and ESG. Our unmatched combination of Scale, Quality, Innovation, and deep Customer Relationships, enables us to continue to deliver value for all our stakeholders.

As we forge ahead, we are ready to usher in a new era of Welspun and build an organisation for the future, driven by purpose. For us, consumer wellbeing is at the core of our business. We want to comfort families and the planet, with meaningful innovations and weave a sustainable revolution in all aspects of our value chain. We are on a mission to make lives better 24x7.

We want to pave the way for a greener and sustainable future, by giving all our stakeholders Many Reasons To Smile. At every level.

What's Inside

Welspun India at a Glance

Being a global leader in all aspects

Our Vision

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

Our Principles

Guide us to create the sustainable future and enhance our positive impact on the natural environment and community where we operate

Customer Centricity

Technology and Innovations

Collaboration

Inclusive Growth

Welspun India Limited (WIL) is world's leading home textile player, with a distribution network in over 50 countries. An adroitly designed business strategy, focused on branding, innovation, and sustainability, is our strong suit. Our innovative products, wide portfolio of brands, state-of-the-art vertically integrated manufacturing capabilities, value-added services, including, but not limited to supply chain analytics, and 'just-in-time' deliveries, have helped us in forging robust stakeholder relationships.

FY22 was marked with revenues exceeding $1 billion in home textiles business, charting newer benchmarks in financial performance. Our fully integrated operations, from farm, to finished goods at shelf, enable us to deliver a superior value proposition. We relentlessly concentrate on delivering world-class products that epitomise quality and durability. We also deploy the best available technologies and processes to drive resource efficiency, and develop materials of the future, which are superior and sustainable.

WIL is Recognised As

Strong Emerging Business:	Thought Leader	ESG	Omni-channel retailer	A certified woman owned business
• Flooring solutions, disrupting the world of flooring • Advanced textiles dealing with innovative product applications	Tamper-proof blockchain platform for state-of-the-art transparency for all fibers and product categories	Focused organisation with well-defined principles, roadmap, and targets	In a fast-growing home textile market	With >25% women in a 20,000+ strong workforce

Our Diversified Brand and License Portfolio

Our bouquet of portfolio includes home grown brands as well as leading global brands across various price points.

Christy England · SPACES Bed • Bath • Rugs · Welhome by Welspun · Martha Stewart · Living by Christy · Welspun Flooring · Scott Living · Kingsley

Our Parentage

Welspun Group: Global Conglomerate

The Welspun Group is one of India's fastest growing global conglomerates with business interests in line pipes, home textiles, infrastructure, steel, advanced textiles, warehousing, and flooring solutions.

26,000+
Workforce

9
Manufacturing facilities
(in India, USA, and Saudi Arabia)

Welspun India at Glance

Welspun 2.0: Our Evolution

Since inception, we have evolved into a trusted brand, while steadily maintaining market leadership in the manufacturing realm. Our metamorphosis into Welspun 2.0 is enabling us in taking advantage of newer market opportunities, and catering to the ever-changing consumer demands. The Welspun growth story is that of shaping a better tomorrow, generating value for all stakeholders, and creating reasons to smile.

Phase I
Till 2010

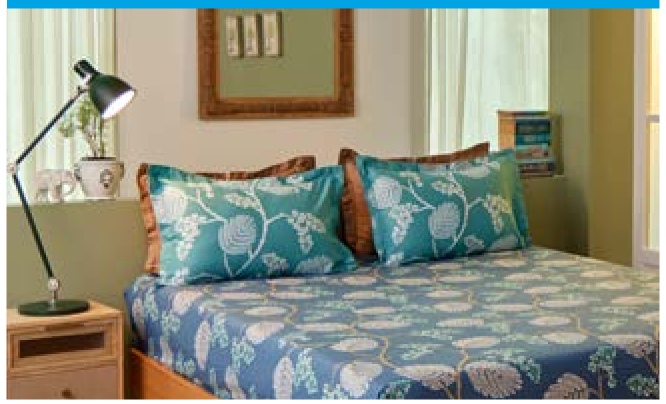
Transforming from being a textile manufacturer to ranking #1 global integrated home textile manufacturer

Phase II
2010-2020

- Transforming from a manufacturing company to a brand-oriented, direct-to-consumer Company
- Transforming into an end-to-end solution provider, and strategic partner to global retailers, with consumer-led innovation as its bed-rock

Phase III
Going Forward

Evolving to Welspun 2.0 with six key value drivers: Growth Drivers (brand, emerging business, and e-commerce) and Value Enablers (innovation, digitalisation, and ESG)



Welspun 2.0, is guided by six key values. These values lead us to meet our stakeholder expectations, while ensuring our profitability.

Growth Drivers

Brands

Brand portfolio – owned and licensed

Refer to PG 20 → for more details.

Emerging Businesses

- Flooring
- Advanced textiles

Refer to PG 26 → for more details.

E-commerce

Multi-pronged e-commerce strategy

Refer to PG 30 → for more details.

Value Enablers

Innovation

Thought leader in home textiles

Refer to PG 34 → for more details.

Digitalisation

Organisation-wide transformation

Refer to PG 36 → for more details.

ESG

Encompassing all stakeholders with a defined roadmap

Refer to PG 40 → for more details.

Welspun India at Glance

Our Primary Business Segments

We are engaged in the business of home textiles, including advanced textiles and flooring solutions.

Home Textiles

A leading home textile solutions provider, offering utility bedding, bed sheets, and fashion bedding products to over 50 countries.

85,400 MT
Bath Linen Annual Capacity

12 MN SQ MTRS
Rugs and Carpets Annual capacity

90 MN MTRS
Bed Linen Annual Capacity

Advanced Textiles

India's #1 Spunlace fabric manufacturer, providing different ranges of products through the Spunlace, Needlepunch and Wet Wipes product categories.

- Spunlace expansion commenced operations in H2 FY22
- Potential business topline: over ₹6,000 million at full capacity

27,729 MT
Spunlace Capacity

3026 MT
Needlepunch Capacity

100 MN PACKS
Wet Wipes Capacity

Flooring Solutions

A leading provider of advanced floor tiles and flooring solutions.

- Flooring capacity doubled in January 2021
- Further doubled the capacity of flooring in Q2 FY22

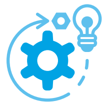
18 MN SQ MTRS
Operational Annual Capacity

27 MN SQ MTRS
Expected Annual Capacity

50+
Distributors Onboarded

500+
Retail Outlets (B2C retail channels)

Vertically integrated presence with significant capabilities



Highlights of FY22

Business Highlights

- Achieved a milestone of $1 billion in revenue in home textiles
- Maintained share of WIL in the US at 1 in 5 towels and 1 in 9 sheets
- Successfully launched three brands - Welspun Basics, Martha Stewart Every day, and Scott Living
- Welhome made entry into UK market places
- Announced foray into the mattress category under SPACES

ESG Highlights

- DJSI ESG rating of 48, 62% higher than the average industry score
- Joined Science Based Target initiative (SBTi) business ambition for 1.5°C campaigns
- Scope-3 GHG measurement in progress
- Launched the traceability and ESG transparency rollouts in textile industry with Wel-Trak 2.0
- Conducted life cycle assessment for all the products and verified third party EPD (environment products declarations)

External Recognitions

- SPUN got recognised by WEF as one of the top 100 corporate-ready social enterprises
- Joined Sorting for Circularity India Project, anchored by Fashion for Good (Amsterdam), a consortium project aiming to build a new textile waste value chain in India
- Recognised by Walmart as its trusted partner for 20 years
- WIL Jt MD, Dipali Goenka featured in Business Today among the 'Most Influential Women'

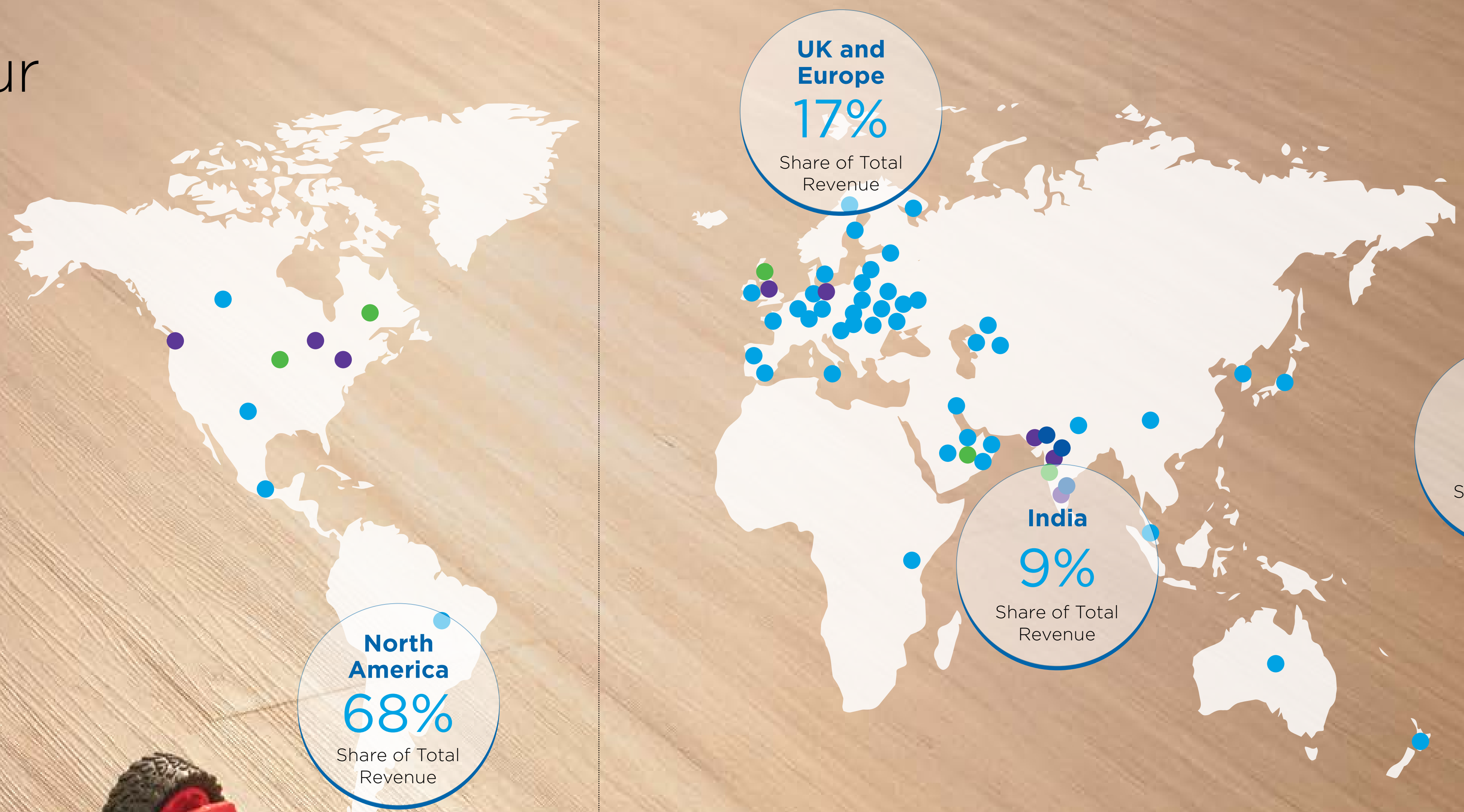
Global Presence

Being close to our customers

Our products are available in 50+ countries at leading global retail outlets. Our well-established distribution network ensures seamless availability of our products to our retailers and retail consumers.

About 90% of our home textile products are sold globally, with more than 65% of our production to the US, 20% to Europe, and the rest to the Middle East, Australia, and Japan.

In India, we have augmented our online presence through marketplaces like Myntra, Amazon, etc., and omnichannel presence through our stores and D2C sites to participate in the growing e-commerce retail market.



Key Customer Partnerships

North America

UK & Europe

ROW

India

Chairman's Message

Stronger through adversity

“Our journey as a manufacturer to ‘FMCG of home textiles’ is now yielding results.”

48
ESG rating by DJSI which is 62% higher than the average industry score

27%
revenue growth with the core business of Home Textiles alone crossing the billion-dollar mark

35
patents filed globally, the largest for any Home Textiles player

My dear fellow shareholders,

I believe being resilient during unprecedented circumstances while staying committed to the principles of innovation and ESG is a hallmark of sustainable businesses. In this regard, the strong operating and financial performance delivered by Welspun India Ltd (WIL) despite all headwinds makes your Company truly sustainable. Despite historically high levels of commodity prices, logistics disruptions, persistence of the pandemic, and onset of the Ukraine-Russia conflict, WIL delivered revenue growth of 27%, with the core business of Home Textiles alone crossing the billion-dollar mark.

FMCG of home textiles is now a reality

While the core B2B continued to be strong, it is heartening that the emerging businesses of Brands, E-commerce, Flooring and Advanced Textiles together grew by 44% during the year and contributed 26% to overall revenues. Our brands have been witnessing a rapid increase in awareness and acceptance with revenue growth of 40% with a strong traction in the international and domestic markets. Two of our brands in the domestic market – SPACES and Welspun have independently gained recognition. Our expanded retail footprint in 6,642 stores across 482 towns, resulted in the Domestic Retail business delivering a growth of 66% during the year and recording its highest-ever revenue. The recently launched Flooring business too registered new milestones, with over 100% growth on the back of considerable investments in the state-of-the-art plant, expansion into new geographies, and two patent filings. On an overall basis, WIL has 35 patents filed globally, the largest for any Home Textiles player, enabling our unwavering focus on innovation as a key value driver.

Shaping equitable, inclusive and sustainable growth

At Welspun, we believe in creating shared value and pursuing the path of inclusive growth, with circularity embedded across our entire value chain. In line with this objective, WIL has set benchmarks for the industry through its differentiated efforts in all areas of Environmental, Social, and Governance (ESG) where several significant outcomes have already been achieved. This has been reflected in the rating by Dow Jones Sustainability Index (DJSI), one of the world's foremost sustainability indices, as part of its corporate sustainability assessment 2021, where the Company secured an ESG rating of 48 which is 62% higher than the average industry score. Another significant recognition during FY22 came from the Government of India, with WIL being ranked 1st under 'Best Industry' category at the National Water Awards by the Union Ministry of Jal Shakti for its water stewardship. The Company was also recognised with a Jury Special Mention Award for its STP to recycle and reuse domestic sewage at the Frost & Sullivan and TERI's Sustainability 4.0 Awards 2021, which honoured companies embedding Sustainability with Economic Value Creation.

Future ahead

Your Company has been industry-leading, driven by its unparalleled competitive edge that comes from a highly-differentiated business model, investments in new-age technologies like Blockchain, and unique value proposition to customers. Some of the macro headwinds do continue to persist and even rise in intensity, inflationary pressures being a major one. We are seeing inflation, particularly in Western economies, rise to levels not seen in several years. This is likely to affect business and consumer sentiment in the medium term. As a business, however, we remain focused on strengthening our journey as a manufacturer to 'FMCG of home textiles' with increasing contribution from a set of trusted brands enabled by investments in innovation and technology and the success we are already seeing in our business-to-consumer (B2C) and direct-to-consumer (D2C) initiatives globally.

Appreciation

Our progression and accomplishments could not have been possible without the sustained support and contribution of all our stakeholders. I express my sincere gratitude to all Welspunites as well as to our customers, shareholders, Board of Directors, Bankers and all other institutions and individuals who have stood by us through our journey. I look forward to the future with great optimism.

B. K. Goenka
Chairman

JMD and CEO's Message

Leading tomorrow together

"I am pleased to share yet another milestone with Home Textile business exceeding the $1 billion mark in revenue."

Dear Stakeholders,

Welspun had a historic year in FY22. I am pleased to share yet another milestone with the Home Textile business exceeding the $1 billion mark in revenue. Over the last two years, the industry has witnessed significant structural changes; the shift in consumption patterns, the dominance of online platforms and the peak in commodity prices worldwide, which called for resilience in the business models. We have enhanced our business operations to capture the benefits from this shift by strengthening our value enablers of innovation, digitalisation, and ESG.

Our principles and vision guide us in creating inclusive value, enhancing our positive impact on the environment, and contributing to societal wellbeing. ESG will continue to be a critical component of our value creation & growth strategy. Our sustainability approach is based on stakeholder engagement to determine focus areas and our strong governance structure is helping turn our plans into reality. We expect FY23 to be marked by inflationary pressures and possible softening of consumer demand in Western economies. Notwithstanding, our business fundamentals will remain strong as we enter the new fiscal year, and we expect our operating performance to reflect the strength of our business model

Warm regards,

Dipali Goenka

JMD and CEO

Lead Independent Director's Message

Striving for the highest standards of governance

Key Board priorities during the year

- Benchmarking ESG framework vis-à-vis global players
- Identifying target improvement areas
- Defining KPIs and reporting percolating down the hierarchy
- Revamping of systems and policies to gear up to aim for global standards

Dear Stakeholders,

At Welspun, our Board of Directors constantly endeavour to deliver the highest forms of governance while protecting the interest of our stakeholders. Staying true to our vision for good governance, we have made significant progress with our deliberations, interventions, and activities. I am pleased to share with you the Board's key priorities and activities implemented during FY22.

Board priorities and activities

Risk, ESG, and digitisation continue to be the top priorities for the Board. I am pleased to announce that the Board of Directors have continued to integrate ESG considerations in our governance structure and business operations. We have voluntarily published a Business Responsibility and Sustainability Report (BRSR) in the reporting year to pro-actively comply with emerging regulatory requirements on non-financial disclosures.

We implemented ESG Compass - An Integrated Digital Platform to measure, monitor, and report on ESG KPIs. This is part of our focus on ESG data governance, which leverages digitisation to embed ESG metrics into an internal controls framework and internal audit programme. Employing digitisation in the area of ethics and compliances, we have created a whistleblower web portal to facilitate anonymous reporting and strengthen transparency and accountability throughout the organisation.

Committed to creating stakeholder value

During the year, the Board expanded the scope of the Stakeholders Relationship Committee from shareholders to include all stakeholders. With this, the committee can now maintain oversight of our stakeholder engagement programme, stakeholder feedback, and grievance redressal. This is a reflection of our commitment to consistently identify and address material issues that can affect our long-term value creation capabilities. A key outcome of our efforts was an improvement of the Company's ESG score on the Corporate Sustainability Assessment survey carried out by Dow Jones Sustainability Indices this year.

Closing remarks

Together with the organisation's Management, we look forward to actively participating in realising sustainable growth for Welspun. We would like to thank all our stakeholders for their continuing engagement with us.

Sincerely,

Arun Todarwal

Lead Independent Director

Our Performance

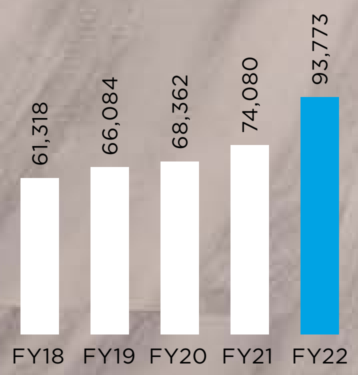
Delivering consistent all-round performance

We strive to deliver sustainable and profitable volume-led growth, and create value for all our stakeholders. Our consistent and efficient operations propelled by our patented products and processes, and network expansion and sustainability, led us to create strong value to our stakeholders, further consolidating our leadership in the textile market.

Financial Highlights

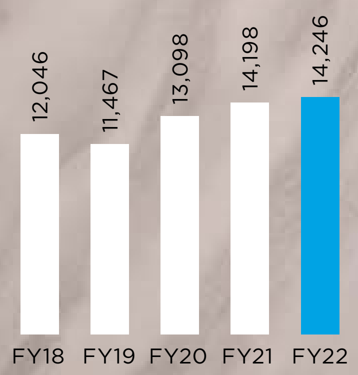
Total Income

(In million)



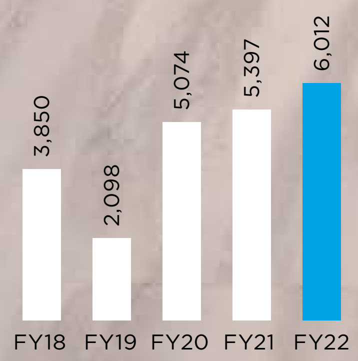
EBITDA

(In million)



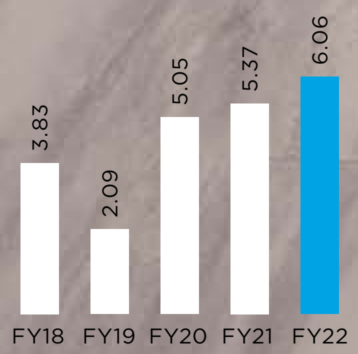
Profit After Tax

(In million)



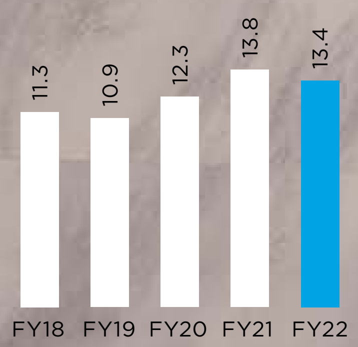
EPS

(In %)



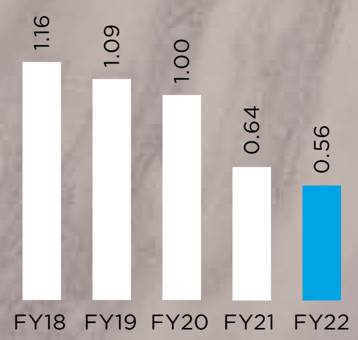
RoCE

(In %)



DEBT/EQUITY

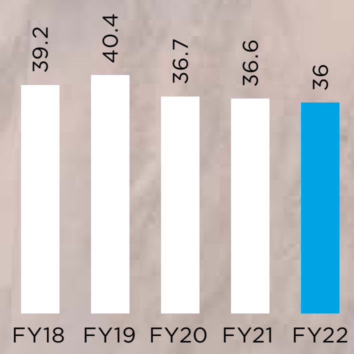
(x)



Non-financial Highlights

Water Intensity

(Kl/mt)

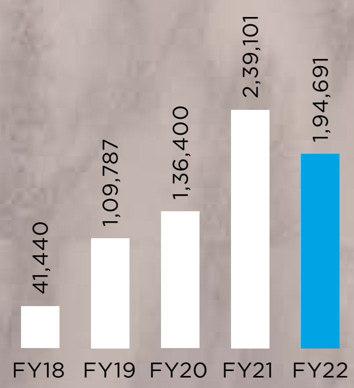


Energy Intensity

(GJ/T)

CSR Beneficiaries

(No)



Home Textile Business

Sharpening our competitive edge

Operational excellence remains cardinal for us, leading us to achieve customer excellence, while remaining competitive in the market.

360° Farm-to-Shelf

Customer-centricity and being the most comprehensive strategic partner and solution provider, remain the mainstays of our business operations. We have 360-degree capabilities, covering the spectrum from farm-to-shelf, and supported by our vertically integrated facilities. These facilities include vertically integrated composite mills, a workers' colony in the factory vicinity, cotton warehouse, ancillary vendor units, and locations close to the ports, proving operational excellence.

Integrated Manufacturing

We have the world's largest, completely vertically integrated lines in the farm-to-finish production, across diverse products including home textile manufacturing facilities in Vapi and Anjar (Gujarat), and a flooring facility in Telangana. Our manufacturing facilities perform remarkably on the environment indices, with high water and energy efficiency. We continue to innovate and make smarter products, and efficient, and sustainable processes.

Our Products

Bedding Solutions

We are India's leading premium bed sheet brand that is recognised for its quality and for improving lives, by providing plush, luxurious products.

Our collection includes a wide range of bed linen, bath linen, home textiles, and accessories.

Bath Solutions

We offer a variety of products, such as Welspun towels, bathrobes, and rugs.

Our manufacturing processes are driven by innovation, state-of-the-art technology, and high-quality results, to meet the needs of diverse global customers.

Flooring Solutions

Welspun Flooring is set to becoming a fully integrated, and independent flooring division.

A wide range of flooring products to be manufactured includes carpet tiles, rugs and artificial turf.

The Creative CO/Lab

Our products meet the highest industry standards, and our design studios work collaboratively across the US, and the UK, helping to craft goods that keep up with customer preferences across the world.

We introduced the marketplace to our new showroom/studio concept called The Creative CO/Lab by Welspun (where process meets product), and with it, a new collaboration series called The Creative CO/Lab by Welspun, in partnership with Peter Som, and also the brand COCOCOZY by Colette Shelton. The series is based on the theme of cultural representation, and is replete of content, which is apt for e-commerce, and global scaling.

Home Textile Business

Ancillarisation

We are working with suppliers to reduce lead times through an exclusive set-up of Welspun Ancillary Units, and have already established ancillaries for spinning, trimming, and packaging material. The on-site set-up of ancillary supplier units ensures immediate access to the key intermediate products, while reducing CO_2 emissions and maintaining the ecological balance at our manufacturing units. The ancillary model is rooted in the comprehensive goal of achieving synergistic benefits for Welspun as well as our vendors/partners.

Supply Chain and Analytics

Our warehouses are equipped with the best in supply chain management systems, and our dedicated team of professionals ensure the robust distribution on both, direct-to-store and pick-and-pack basis. We also have strategic facilities in Ohio, USA (3,00,000 sq ft) and Manchester, UK (1,50,000 sq ft), supported by a strong SCM and co-planning team, to provide support on inventory and vendor managed inventory (VMI). Our warehousing facilities in the USA also support e-commerce businesses for shipments dropping. Currently, we are investing in industry 4.0 technologies and capabilities to improve SCM and plant efficiencies. We have a dedicated team of analysts, who work closely with onshore replenishment teams to minimise the unpredictability in demand forecasting.

Omnichannel Support

Along with the Indian and European warehouses, we have distribution centres in 3 locations in the US, (Tacoma, Ohio, Virginia) covering the East and West coasts, mid-West, and Canada. Welspun is therefore able to deliver across the US and Canadian markets quickly and efficiently.

- EDI capabilities
- Case pack, pick-and-pack, and drop-ship services available
- SCM and VMI services for improved sales performance and optimised inventory

Consumer Research

We actively listen to consumers through research and the Welspun Braintrust, which guides decisions related to product development, consumer marketing, and retail assortment. This allows us to develop white space-filling merchandising ideas at a variety of prices, with a wide range of features from design to execution. We continue to invest in consumer-centric innovation through a variety of collaborations. Through the application of innovative fibre blends, we provide a wide range of solutions in the spaces of sustainability, performance, wellness, fashion, and price.

360-Retail

We introduced our '360-Retail' concept, which provides a seamless connection between the selling floor, Welspun's e-commerce efforts, and ultimately the consumer, with information ownership at stake. The efficiencies are in presenting a brand more effectively, in less space, with QR codes to additional styles, colours, and patterns. The result is a better brand presentation, preservation of real estate, fuelling of e-commerce sales, and the potential, through DTC, of gaining valuable information directly from the consumer.

Growth Drivers: Brands

Leveraging brand equity

As our home and innovation portfolio grows stronger, we continue to build and strengthen our globally licensed and owned brand portfolio to meet the changing consumer preferences across regions.

Owned Brands

India

Spaces, Welspun, Welspun Flooring, Welspun Health, Spun

Global

Christy, Living by Christy, Kingsley, WelHome, Welspun Basics

Licensed Brands

India

The Championships Wimbledon Despicable Me, Marvel, Disney

Global

Martha Stewart, ScottLiving, Stay Well, American Cotton, Wimbledon

Growth Drivers: Brands

Owned Brands: Domestic

Opportunity

The domestic market is expected to move from ₹12,000 crore to ₹23,000 crore by 2025, with a progressive shift towards branded products, albeit from a small base.

Our Brand Strategy

We have a dual brand strategy with the 'Welspun' brand for mass market segment, and 'SPACES' for the premium segment.

Our Approach

Our aim is to enhance our brand reputation through trust, quality, availability, and innovation product offerings, based on consumer needs and pain points.

₹1,000 crore

Business target in the domestic market by 2025

	SPACES BED • BATH • RUGS		WELSPUN	
Brand Positioning	• Premium • Thoughtfulness		• Mass	
Presence	2,402+ Outlets	380 Towns	6,642+ Outlets	482+ Towns
Early Success	Leading brand on Myntra in the home category Improved brand awareness Foray in mattress category with the 'Yours'n'mine' range		#1 distributed brand of HT in home linen in the country Significant improvement in brand awareness	
Target for Brand Penetration by 2025	8 lakh Households	4,400 Outlets	8 lakh Households	4,400 Outlets

Aims

To be **'Har Ghar Welspun'**

To be a **Leader** in the home textiles space in India by 2023

Innovative and quality products available at an arm's length

Nationwide presence in urban and rural, and becoming preferred partners for every modern trade and marketplace retailer

Highlights FY22

#BadalDaalo Festive Campaign

This year saw India's most sought-after actor Amitabh Bachchan on TV and digital platforms, asking consumers to #badaldaalo their current bedsheets and towels, and bring home Welspun Quikdry, and the 2-in-1 reversible bedsheets. The festive campaign on TV, outdoor, and digital media platforms, collectively received a duplicated reach of 200 million. We were also present on the impact shows on TV, such as the Kapil Sharma Show, Super Dancer 4, and the Big Picture featuring Ranveer Singh. The campaign was a step in the direction of building large-scale awareness for the brand, and creating the desired pull to all the 6,500 odd outlets, in which Welspun products are present.

Purifying Range Launched by 'Spaces'

Shortly before the holiday season began, we launched the Air Purifying Range, under the aegis of 'Spaces'. This bed sheet series includes a 100% natural mineral that absorbs CO_2 from the air near the surface of the bed sheets, and converts it into harmless compounds. The campaign was launched digitally through a light-hearted video that not only emphasises the usefulness of the product, but also brings a smile to the consumer's face. The digital video launch was supported by outdoor billboards in 14 major cities across the country.

Chief Style Officer Season 2

Based on the success of Chief Style Officer Season 1, we brought out Season 2 on a much larger and more meaningful scale. In line with the brand's core belief, this year's Chief Style Officer theme was 'Style with Sustainability'. The main focus was to identify home décor stylists, whose designs have sustainability at the core of it. Season 2 saw the actor Sonali Bendre, who is also a home décor enthusiast, play the mentor to the participants, and judge of the show. The shortlisted participants collectively won ₹4 lakh and a free Welspun flooring makeover worth ₹1.5 lakh each. CSO 2.0 reinforced in the minds of the consumers, the brand's philosophy and commitment toward thoughtful innovation and designs.

VISTAAR
PROJECT CONSULTANT PVT. LTD.

Retail Business – Project Vistaar

Welspun has become the most distributed brand, bringing us closer to the dream of 'Har Ghar Welspun'. Welspun has managed to reach the remote corners of the nation, with a population of about 5 lakh, where there were no distribution networks. But through 'Project Vistaar', an additional channel has been established to ensure that the products directly reach the retailers.

Dance India Dance Season 6 Collaboration

Welspun was the special partner of the 'Dance India Dance Season 6' that played on Hotstar. We were visible through in-stream ads, logos on show promos, Astons, and banners during the show, through special active integrations, where the products played a role in an actual situation on the show.

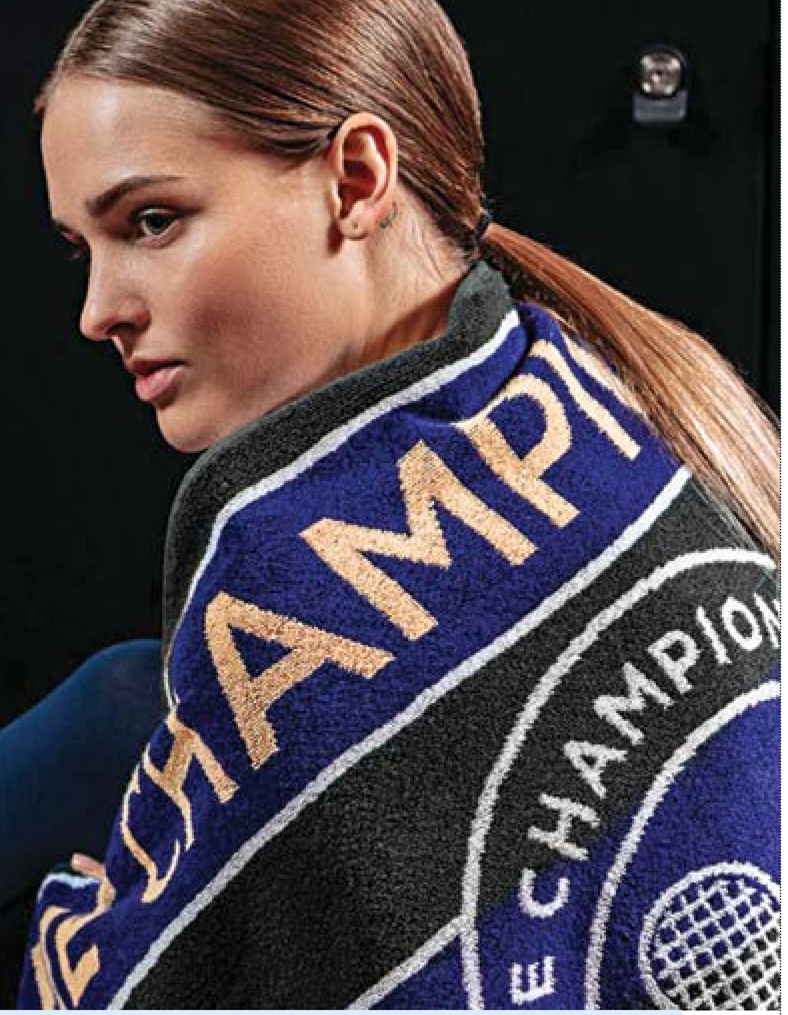
In-Stadia Presence during the New Zealand Tour of India, Nov – Dec 2021

Cricket is India's most impactful sport, and being present during a cricket match gives high impact visibility to the brand. Welspun made its presence felt, by taking up perimeter boards and large screens inside the stadia, during the recently concluded New Zealand tour of India. Spread over a period of 3 weeks, the 3 T20 and 2 Test match series, gave the brand the much-needed impetus beyond the tour.

Growth Drivers: Brands

Owned Brands: Global

Our global brands are household names, and have been used for generations. Christy is a 170-year-old heritage in global luxury brands. Christy has been the official towel supplier of The Championships, Wimbledon, since 1988. We are now diversifying in the digital space and expanding access to millennials.



Brand Positioning

- **170-year-old heritage**
- **Luxury Premium**

Presence

Moving from Phygital to **Global Digital**

Repositioning for **Millennials**

Success Story

30%
Christy business now comes from the e-commerce channel

Licensed Brands

Welspun D2C initiatives globally is steadily making us an FMCG of home textiles with E-commerce & Branded business continuing its upward trajectory during the year. In US, we had a successful launch of three brands during the course of the year - Welhome, Martha Stewart Everyday & Scott Living. Licensed brands grew by 54% yoy with Martha Stewart leading the growth. There was a 175% increase in shelf space at key retailers with Martha.

Launched **Welspun Basics, Martha Stewart Every day, Scott Living** in FY22

Amazon recognised Welspun among the **top 5 players in the home textile category** during the Prime Day in US

Martha
Strong performance across channels

Martha Stewart branded home textiles are inspired by Martha's homes located throughout the Northeast US. These four residences reflect a range of design styles which include coastal, farmhouse, urban modernity, and stately-home points of view, ensuring that all customers, regardless of their personal style, can enjoy the function and innovation, quality-at-a-value, and beauty for which all Martha Stewart products are known.

175%
Increase in shelf space at key retailers with Martha Stewart

$50 MN
Martha Stewart Sale over the last 18 months

After renovating houses for hundreds of families, hosts of HGTV's "Property Brothers" Drew and Jonathan Scott know how to make a home work for everyone - and that includes high-quality home furnishings, textiles and décor that look great and fit your needs. Scott Living by Drew & Jonathan reflects their commitment to help you create the perfect space for the people you love. The Scott Living brand is built on the trust customers have in Drew and Jonathan's design expertise, and our key products reflect their commitment to a sustainable planet.

Growth Drivers: Emerging Business

Expanding our horizon

At Welspun, we always strive to capture emerging opportunities in newer markets. Therefore, we have entered new ventures, such as flooring solutions, advanced textiles, e-commerce, hospitality, and wellness. We aim to dominate the home textile space, and set new trends in the flooring segment, through our unique and value-added products.

Welspun Flooring

We are the only company to manufacture hard and soft flooring solutions under one roof at our LEED certified plant with a product offering of hassle-free installation in less than day. This is a fully integrated greenfield facility in Telangana, which has annual generation capacity of 27 million sq mt, spread across the segments of home, hospitality and commercial.

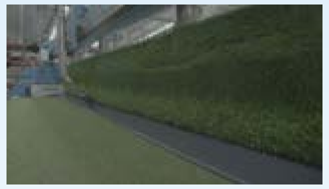
Our innovative and design-forward flooring solutions

Click and Lock Tiles

Key Features

- Healthy Floors
- Highly Durable
- Less than a day installation
- Noise and dust free installation

Greens



Key Features

- No cropping
- No watering
- In-built drainage system

Carpet Tiles

Key Features

- Multiple design possibilities
- Anti-viral
- Easy to install and maintain
- Provides sound insulation

Wall-to-Wall Carpets

Key Features

- Multiple design possibilities
- Anti-viral
- Stain Resistance
- Provides heat insulation

Marquee Clients - Hospitality

Radisson, Marriott, TAJ, Westin Hotels & Resorts, Hyatt, Pride Hotels & Resorts, Days Inn, Golden Tulip, Select Holidays, Sarovar Hotels & Resorts, Fortune (Member ITC's hotel group), World Trade Center Bengaluru

Marquee Clients - Commercial B2B

L&T, LTI Let's Solve, Infosys, ITC Infotech, Deloitte., aws, unispace, ICICI Bank, CRED, Vibrant Gujarat, cowrks, awfis, technicolor, BNP Paribas, Mastech InfoTrellis, TATA Consultancy Services, Micron, navi insurance

Key Business Features

Greenfield Fully Integrated facility spread over 600 acres of land in Telangana

Annual Capacity of **27 mn sq mt**

Warranty (5-15 YEARS) Only company to offer warranty in flooring industry

Making Inroads in **Global Markets**

95 Distributors appointed pan-India

~1,100 Dealers appointed pan-India

Fusion flooring A highly customisable unique mix of hard and soft flooring

India's largest **LEED certified** production facility

India's **first** company to create **anti-viral flooring**

Zero liquid discharge operation from the **day one** of operations

Growth Drivers: Emerging Business

Advanced Textiles

Our Advanced Textiles business provides a diverse range of non-woven products and has the unique distinction of using three major technologies – Spunlace, Needlepunch, and Thermobond. Each of these technologies has its own in-house downstream conversion unit to help us produce value-added products as per customer requirements.

Our 'Multi-Layer Composite Filter Media and Method of Making Same' has been patented in India as well as Europe. Our capacity augmentation in FY22 opens us the possibility of market penetration in additional geographies such the Middle East and Oceania through enhanced product development and scaling-up capabilities. This can help us add more value to our existing customers and attract new ones. Thus, we are confident that our advanced textile business is positioned on a high growth trajectory.

2,671
Revenue generated in Advanced textile business in FY22
(₹ in million)

17,729
Spunlace Capacity augmentation in FY22
(MT)

Spunlace

Born from innovation and refined by Hydro Entanglement non-woven technology, SPUNLACE, catering to medical disposables, hygiene, and cosmetic industries.

27,729 MT
Annual capacity in Spunlace SBU

Highlights for FY22

- Successfully helped customers in EU to overcome Single Use Plastics directives
- Successfully commercialised feminine care product components for a large multinational market leader in India
- Committed to work with natural fibres to make carbon-neutral products
- Developed sophisticated wiping solutions for developed European and American markets
- Introduced specially treated Spunlace non-woven for a range of products under our Wel-Quat brand

Wet Wipes

Tailor-made wet wipes for end applications like baby care, personal hygiene, cosmetics, industrial use, and home care.

100 Mn Packs
Annual capacity in Wet Wipes SBU

Highlights for FY22

- Made record sales for SBU in FY22
- Partnered in commercial activation of beauty masks with large global FMCG giant
- Committed to establishing new supply chain lines as an alternative to China for global clients
- Developed in-house formulations in the baby, cosmetics and disinfectant segment as part of a quicker GTM strategy for new clients

NEEDLEPUNCH

Needlepunch is engineered for applications like Air filtration, EAF (Engine air filter), Liquid filtration - Industrial oil, Fuel, Food and Beverage, Paint, Pharma.

3,026 MT
Annual capacity in Needlepunch SBU

Highlights for FY22

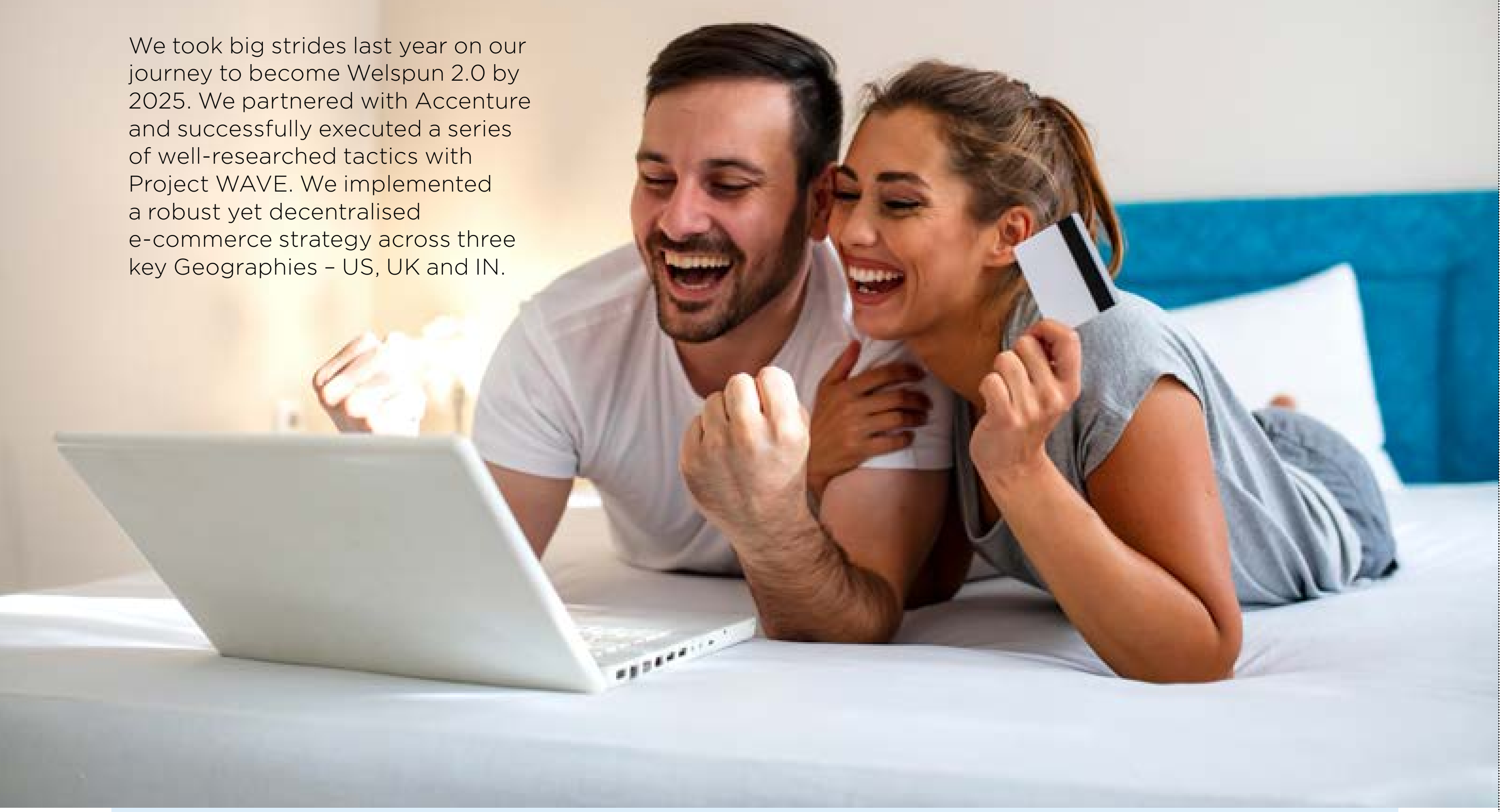
- YoY growth of 42% growth in FY22
- Won order to supply all major filter bag manufacturers in India
- Expanded global presence for application such as filtration and protective application
- Expected to rapidly increase penetration for high-end PPE solutions in US in the future

Growth Drivers: E-commerce

Becoming a global D2C brand

E-commerce has emerged as one of the key priority areas for us, and we have re-purposed our business lines in keeping with it. We strive to become a truly digitally-driven organisation by 2025.

We took big strides last year on our journey to become Welspun 2.0 by 2025. We partnered with Accenture and successfully executed a series of well-researched tactics with Project WAVE. We implemented a robust yet decentralised e-commerce strategy across three key Geographies – US, UK and IN.



Our Growth Tenets

Scaling Up D2C Business

We aspire to comprehensively transform the customer experience. Therefore, we have redesigned the digital experience of two D2C websites (UK, IN) and launched D2Cbrand.com in the United States.

We have grown our customer pool through Customer 360° analytics and plan to reach 1+ million consumers in the near term.

Global Platform Partnerships

We are focused on creating sustainable value through deep-seated strategic partnerships with market leaders and technology partners to drive digital adoption.

Global Command and Control Centre

Our Global Command and Control Centre in Mumbai serves as an analytical and merchandising centre for the global market.

This platform led us to achieve double rapid growth through performance monitoring and insight-based decision making across the e-commerce value chain.

Technology Stack

Technology is one of our core values, driving our business. We have deployed the best-in-class technology throughout the value chain across the commerce engine, product information management, middleware, and marketing automation.

Multipronged Strategy to Drive Growth

We have developed a multipronged strategy to remain competitive in the e-commerce market. Our strategy includes following aspects.

Focus on 3 Geographical Presence	India	UK	USA
Enhance e-commerce Channel Growth	Brand.com	Marketplace	Retailer.com
Build and Grow Branded Business	Own Brands	Licensed Brands	
Develop Robust Supply Chain	Inventory Planning	Network Design	
Focus on Strong Technology Back-end	Tech-Stack: Middleware PIM	Analytics - Global Command and Control Centre	
Developing Right Organisation	Centre of excellence Organisational Model	Capability Building	

USA e-commerce

The US e-commerce strategy used a fast-growth model using two kinds of e-marketplaces. The first, called Pureplay included Amazon and Wayfair where we could control the complete assortment, programmes, SKU listings and their price points directly on the marketplace sites. The second, retail marketplaces were those that allowed us to drop-ship to end customers directly via vendor-managed inventory in our warehouses. The sales strategy centred around using fast-moving products along with well-timed spike-promotions round-the-calendar. Last year, we created a few milestones along the way.

$12mn
US e-commerce clocked in revenue

$0.5mn
Clocked in sales in just 5 days during the Black Friday week

Launched Scott Living Licensed **Brand on Amazon**

Launched Martha Stewart Organic on **Martha.com**

15+
Programmes reached Top 100 rankings on Amazon

Growth Drivers: E-commerce

Digital Marketing

Establishing Brand Welspun Flooring

#PairoTaleZameen

For most home owners, flooring changing is a messy and long-drawn process. Our Click-N-Lock tiles offer an innovative and convenient solution, enabling floor makeovers in less than a day. Our brand ambassador Amitabh Bachchan brought forth this message using the popular phrase 'Pairo Tale Zameen...', delivered with his signature charm and humour. The film was run across digital platforms (YouTube and Facebook).

16.3 mn	10.1 mn	148K	54K
Impressions	Reach	Clicks	Website Visits

#IndependenceDay

Conventional floor buying decision process expects the customers to imagine what their new floor would look like, using only a few tiles. We introduced the country's first ever AR-based floor visualiser tool that allows consumers to see their floors and spaces transform with our innovative Click-N-Lock tiles. The campaign encouraged consumers to visit our website, experience the visualiser tool first hand, and gain Independence from their old floors.

8.4 mn	7 mn
Impressions	Reach
5,19,000	**4,300**
Website Clicks	Engagements

FestiveFloorMakeovers

We launched the 'FestiveFloorMakeovers' campaign to drive awareness for our 'floor makeovers in less than a day' proposition across multiple media, with focus on festivals. Welspun Flooring was the renovation partner to KBC Season 13 across connected TVs, live streaming, and SonyLIV. This was further amplified through presence across print and digital platforms like Facebook, Instagram, and YouTube.

Sony LIV	Print	YouTube and Facebook	
44.2 mn	6.9 mn	21.3 mn	12.6 mn
Reach	Circulation	Impressions	Reach

Delivering Impact in Flooring Solutions Business

Our business improvement initiatives are driving our revenue growth through a mobile-first and digital marketing approach. Key highlights of FY22 are:

- Digital sales continued to give us strong results, with a revenue of ₹ 8.80 crore (up 36% over last year), servicing 985 consumer homes
- We revamped the Welspun Flooring website, deploying a mobile-first approach. Engaging content like blogs were added to attract more traffic (up 71%) and improve organic lead drop rate (from 0.2% to 12%)
- The digital sales process was made more efficient, resulting in saving of 1,184-man days of sales effort in the year
- On-ground activation in premium housing societies across select cities
- Improving consumer access through a D2C pilot (launched in Pune in March 2022) and listing of greens (artificial grass) on Amazon
- Click-N-Lock has enabled 7,000+ homes experience hassle-free floor makeovers, aggregating to a total of ~2.1 mn sq ft

Value Enablers: Innovation

Staying ahead of the curve

At Welspun India Limited, we continue to leverage our innovation capabilities, technology leadership, and focus on sustainability to create value for our stakeholders.

We have always maintained a leadership position, with our pathbreaking innovations. As a thought leader in home solutions, we have 35 technologies resulting into 100+ patents globally in our portfolio - the highest in the industry. Our innovations in flooring and advanced textiles are diversifying choices for customers.

35
technologies filed globally resulting into 100+ patents globally

Winner
Clarivate South and South East Asia Innovation Award 2021 for the second year in a row

Global Collaborations
with top universities, technology partners and industry associations

Key Innovations

HYGROCOTTON

Patented spinning technology

Key features
- Softer
- Fluffier after wash
- Temperature regulating

WEL-TRAK 2.0

Thought leader Collaboration with tamper-proof blockchain platform for state-of-the-art transparency

AUTHENTIC WEL-TRAK® FIBER
traced - tracked - trusted™

Key features
- Builds trust
- Enhances transparency
- Digital verification

Hydroponic Specialty Cotton

Grown under Special Environmental Condition

Key features
- ELS cotton of any region can be grown in a Green House, Poly Housen

Other Innovations

NANOCORE

Textiles with patented Nano CoreTM fabric structure

Key features
- Prevents allergy and asthma
- Chemical-free

CHARCOAL

Charcoal infused, special line of textiles

Key features
- Odour-control
- Hygienic

DRYLON

Drylon-infused textiles and accessories touch

Key features
- Ultra-soft
- Dries super-fast

ORGANIC

Drylon-infused textiles and accessories touch

Key features
- Wrinkle resist properties

Innovations in Flooring Products

HealthyFloorTM

India's first anti-viral flooring solutions for hard and soft flooring, using a special coating of silver ion and titanium oxide.

ResilonXTM

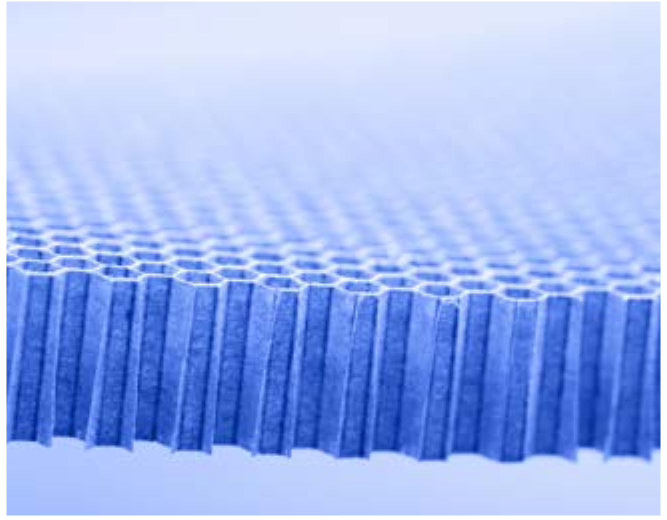
Resilon X ™ is derived from recycled polyester yarn, made out of special spinning technology for maintaining the shape and texture of the carpet in the long run.

Welspun EcoliteTM

Revolutionary backing made up of lightweight PVC, ensuring 40% less environment footprint than traditional carpets.

Innovations in Advanced Textiles

Non-woven technologies aim to produce high-performance innovative materials for a wide range of customer applications, including personal protection. Non-woven textiles use novel techniques of binding fibres together to form a unique fabric through hydro-entanglement, needle punching, and thermo-bonding.



Churning innovation

We launched Manthan, an organisation-wide programme to encourage employees across all departments and functions to come up with impactful, innovative, and adaptable ideas that are aligned with business goals.

Value Enablers: Digitalisation

Being agile in the new normal

Digitalisation has ushered in a new dimension of operations and value creation for businesses. Our belief in creating a culture of experimentation, innovation, and continuous improvement has made us embrace technology to leapfrog into a new future.

Our goals for digital transformation are:

Key initiatives taken this year:

Analytics

- Create descriptive and predictive analytics solutions to help business teams make informed decisions on Content listing, Pricing, SKU optimisation and inventory management
- Study consumer sentiments and behaviours and identify whitespace opportunities across retailers and categories
- Create a global e-commerce dashboard to view business KPIs across US, UK, and India
- Enabled 500 plus dashboards on our visualisation platform to further the agenda of analytics in the organisation
- Incubated Robotic Process Automation Capabilities to source data from multiple portals and systems to enable single view of key metrics
- Conducted various training interventions to train employees on our visualisation platform so that they can generate insights for decision making

Manufacturing Capabilities (Industry 4.0)

Anjar

- Energy Management System
- Real-time Production & quality monitoring system using IIOT
- Towel Counting Using AI/ML-based vision computing
- Automation to reduce manual dependencies

Vapi

- Towel Counting Using AI
- Smart RT
- Cone Unloading from RF Dryer

Finance

- SAP Treasury Module
- Bank Reconciliation
- Global Sourcing income statement
- Enquiry Costing
- Auto Provisioning
- Inter-Unit GIT posting automation
- MSME payment Notification
- Sales Pricing Lock & Price Master

Cyber Security

- DLP Solution
- End Point Backup – Parablu
- Ensure 100% PV of IT assets

Digital CX

- E-commerce launch - India
  - Mattresses
  - SPUN launch
  - Grassmats from flooring
  - Yoga Mats
- E-commerce UK
  - UI/UX revamp
  - SFIS implementation for personalisation
- E-mail Marketing Automation UK and India
- Hospitality portal for US
- Salsify for US
- Channel advisor for US

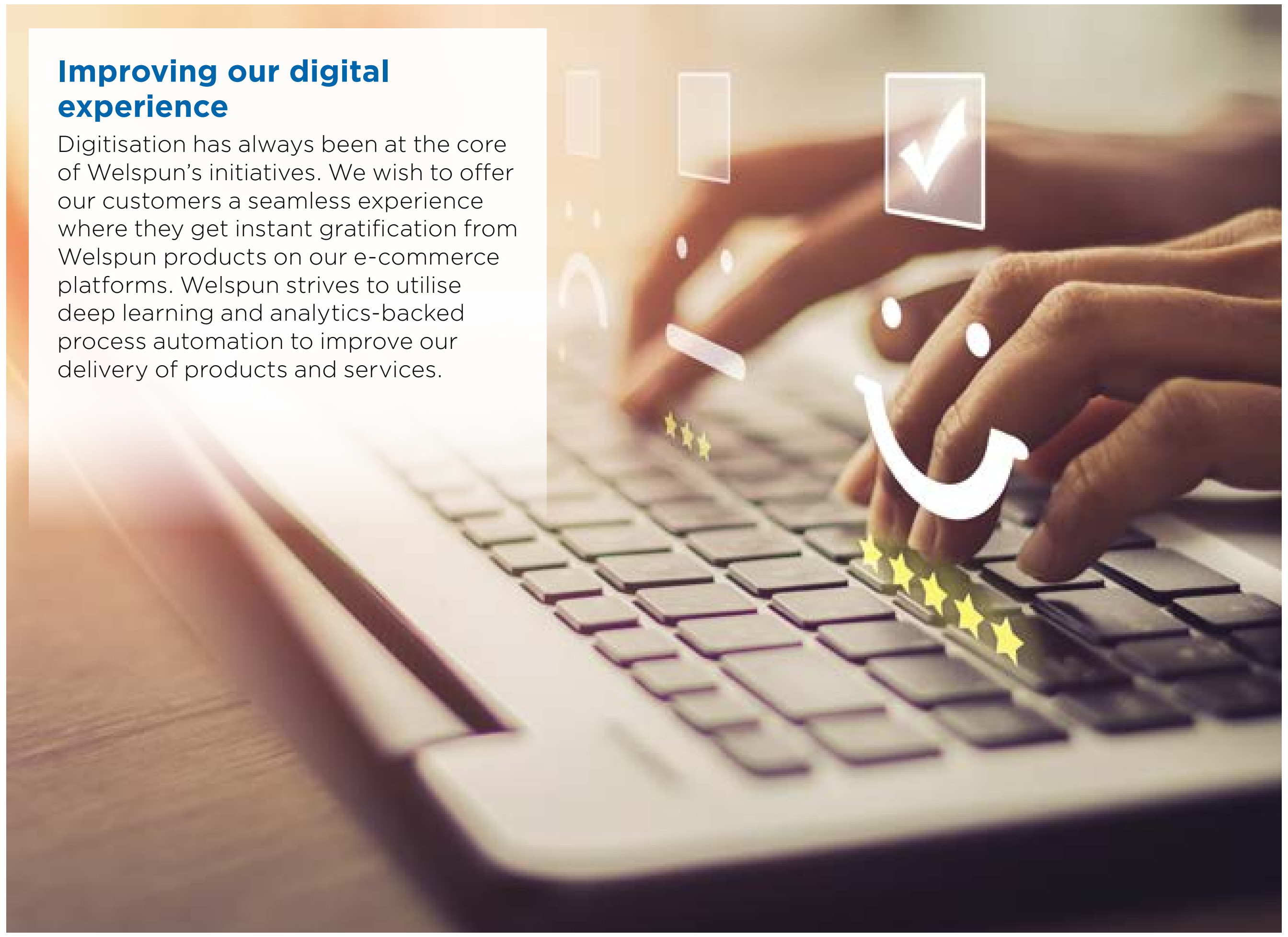
Value Enablers: Digitalisation

Key Digital Transformations Projects in FY21/22

Subsidiaries	Project
WGBL Domestic Retail	• Brand W Revamp • Upgrade back-end system for e-commerce and improving consumer experience
WFL Domestic Flooring	• PJP with geo tagging in SFDC • Attendance module in SFDC
WFL	• Yarn ASRS implementation • Yarn traceability and shop floor automation • Auto provision of export transport charges • Container tracking solution

Improving our digital experience

Digitisation has always been at the core of Welspun's initiatives. We wish to offer our customers a seamless experience where they get instant gratification from Welspun products on our e-commerce platforms. Welspun strives to utilise deep learning and analytics-backed process automation to improve our delivery of products and services.



Ensuring a seamless experience on SPACES

During the year, we deepened our market penetration in the D2C space by utilising our flagship premium brand – SPACES:

Launching our SPUN range

Our SPUN products represent the story we want our brand to tell – unique, handcrafted, and inclusive. The products include lifestyle products like coasters, scarves, runners, etc.

Launch of mattresses on SPACES

In our journey to becoming an A-Z brand for home products, we launched mattresses in 3 variants. Taking innovation a step further, SPACES was able to put a novel product on the market which was specifically designed for couples that allow varied firmness on either side.

Launch of Yoga Mats on SPACES

Utilising our business capabilities, we launched yoga mats on SPACES as our push to create wellness into a necessity rather than a rarity.

Launch of Grass mats on SPACES

We expanded our catalogue on SPACES by cross-selling one of Welspun's existing offerings on our D2C platform

Leveraging automation and intelligence

During the year, we deepened our market penetration in the D2C space by utilising our flagship premium brand – SPACES:

E-mail automation

We initiated e-mail automation with the help of a global player in the world of marketing technology because of our desire to interact with our customers directly.

Interaction Studio Implementation

We initiated a special recommendation on our website by using Artificial Intelligence to serve more relevant and personalised suggestions for our products.

UI/UX revamp

We improved the design of our website to provide a better consumer experience and improve the look and feel of our products.

Value Enablers: ESG

Caring for our stakeholders

As a responsible business, we have adopted a comprehensive ESG approach called, 'WELOCITY', to promote the wellbeing of our stakeholders at each stage of our business operations, while enhancing our positive impact on the environment and community, where we operate.

Our strategy is based on the three pillars of economic growth, environmental conservation, and social empowerment, with a focus on acceleration.

We understand the consequences of global sustainability issues, such as climate change and ozone layer depletion, and its negative impact on the planet, society, and our business. Therefore, the protection of the planet for our future generations remains our priority.

We also understand our role to make a powerful positive impact in the life of our local communities and in preserving the environment. This desire is reflected in the bold and strong logo of 'WELOCITY', which depicts how the three bottom lines are to be the building blocks of our ESG approach that will drive the Company's future growth. We have developed a strategic map to systematically advance the path of sustainable development.

To do this, the first important step is to identify key areas of interest and set targets, then develop initiatives to achieve these targets, and finally communicate our efforts, progress, and future plans through reporting.

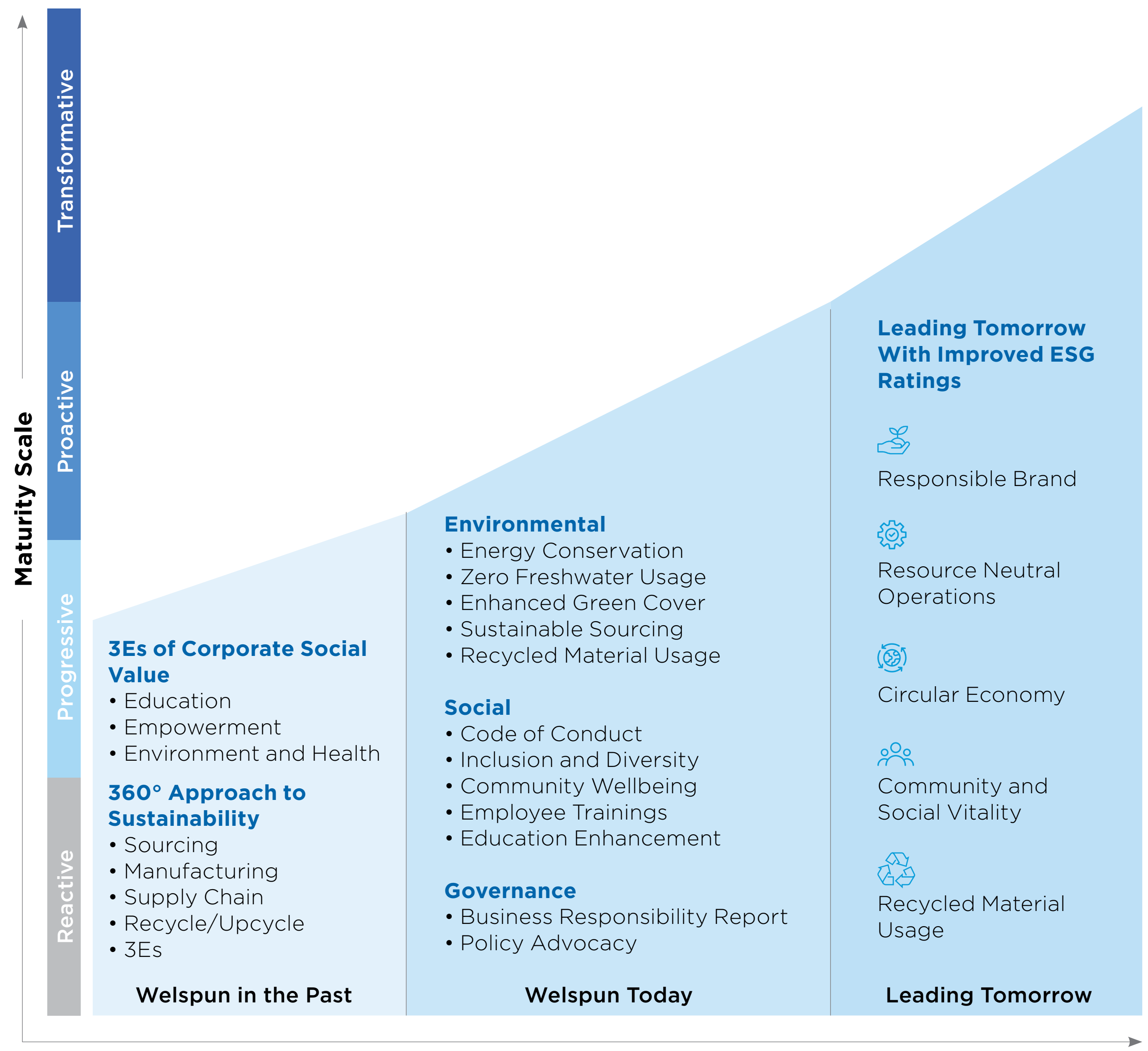
Wel-Trak 2.0 Blockchain by Welspun India

Welspun India launched one of the largest traceability and ESG transparency rollouts in the textile industry with Wel-Trak 2.0 Blockchain. With Wel-Trak 2.0 Blockchain, we aim to track millions of finished products across its value chain.

Transformation in our Sustainability Approach

Going beyond being responsive, we adopted a proactive approach to sustainability by taking measures in advance, to prevent any adverse impacts on the triple bottom line. We are now focusing on taking a step towards transformation, evolving as an organisation, and focusing on integrating sustainable solutions at every stage. Sustainable development is an ongoing process, so we are constantly striving to improve our systems, processes, and cultures to become a better corporate citizen, while at the same time, promising to create value for all. As part of our transformation into a sustainable enterprise, supported by our ESG governance, we are now integrating sustainability and circularity into all aspects of our value chain.

Welspun's Transformation



Our Value Creation Model

Creating shared outcomes

Our business model leads us to create value for all stakeholders, while enhancing our positive impact on the natural environment, and society, where we operate.

Inputs

Financial Capital
It includes shareholder equity and internal accruals, deployed to grow the wealth of our stakeholders.

Net Debt | **22,288 mn**
Fixed Assets Net Block | **41,713 mn**
Equity | **39,717 mn**
Working capital | **25,889 mn**

Manufactured Capital
It comprises tangible fixed assets, including manufacturing facilities and products we offer our customers.

Domestic manufacturing facilities | **3**

Intellectual Capital
It comprises our collective knowledge and expertise to offer innovative products with distinct customer value propositions.

Members R&D Strength | **55**
Patented technologies owned by WIL | **35**

Human Capital
We endeavour to attract the best talent, provide them with a safe and healthy workplace, and recognise their achievements through targeted performance-based rewards.

Total number of employees | **21,352**
Women Talent across functions | **25%**

Social and Relationship Capital
We build long-standing relationships with our customers, supplier and employees. As a responsible business, we are also committed to playing an active role in uplifting the communities around us.

Investment on CSR initiatives in FY22 | **₹1,037.96 lakh**

Natural Capital
We are proactively working towards reducing our environmental footprint.

Water consumed | **26,04,477 KL**
Energy consumed | **55,57,855 GJ**

Value Creation Approach

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

Principles
- Consumer-centric
- Collaboration
- Technology and Innovations
- Inclusive Growth

Growth Drivers
- Strengthening Brands
- New Growth Engines Emerging Business
- E-commerce

Business Activity
- Research and Innovation
- Product Development
- Procurement of Raw Material
- Product manufacturing and packing
- Supply Chain and Logistics
- Consumer Analytics
- End of Life/ Recycling

Enablers
- Innovation
- Digitalisation
- Mainstreaming Sustainability

Stakeholders We Rely upon and Create Value for
- Shareholders
- Consumers
- Employees
- Value-chain Partners
- Community
- Environment
- Government and Regulators
- Customers

Outputs

Home Textile

85,400 MT
Bath Linen

90 mn mtrs
Bed Linen

12 mn sq mtrs
Rugs and Carpets

Advanced Textile

27,729 MT
Spunlace

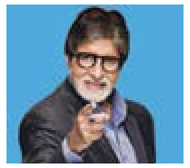
3,026 MT
Needlepunch

100 mn packs
Wet Wipes

Flooring Solutions

18 mn sq mtrs
Operational

27 mn sq mtrs
Expected



Outcomes

Financial Capital
Market Capitalisation | **₹89,765 mn**
ROCE (Pre-tax) | **13.4%**
ROE | **15.8%**
Dividend payout recommended for FY22 | **₹148 mn**
Total Income | **₹93,773 mn***
EBITDA | **₹14,246 mn**
EBITDA Margin | **15.2%**
EPS | **6.06**

Manufactured Capital
- Diverse, innovative products and services
- High value created for customers

Intellectual Capital
Percentage of Sales in FY22 from Innovation | **25%**

Human Capital
Employees with tenure > 10 years with WIL | **2,231**

Social and Relationship Capital
Lives impacted | **1,95,375**

Natural Capital
GHG intensity (per ₹) | **59.3 GJ per ₹ mn**
Recycled annually | **7 billion ltrs**
Sustainable cotton procured | **45%**

SDGs Impacted

- 1 No Poverty
- 2 Zero Hunger
- 3 Good Health and Well-being
- 5 Gender Equality
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 11 Sustainable Cities and Communities
- 13 Climate Action
- 17 Partnerships for the Goals

360° Capabilities from Farm-to-Shelf

Consumer Research and Innovation
Well researched innovative offerings backed by deep consumer understanding

Integrated Manufacturing
Vertically integrated facilities with seamless connectivity to global supply chains

SCM and Warehousing
Global distribution footprint

Digital and Analytics
Digital transformation across the organisation

Sales and Marketing Support
Strengthening brand portfolio and omnichannel capabilities

Environment, Social, Governance (ESG)
Socially responsible, sustainability focused

Making textiles you can feel good about

Operating Context

In sync with the new normal

The pandemic has significantly impacted market dynamics, revolutionising consumer trends globally. Consumers' purchase decisions are now being influenced by a series of new factors due to altered lifestyles, and growing interests in hygiene and wellness. At Welspun, we are well-positioned to capitalise on the emerging opportunities, while creating value for all our stakeholders.

Changing Consumption Pattern

Economic growth, the pandemic, and significant population growth, have brought significant changes in the consumption pattern around the globe. In particular, the retail industry has experienced a massive transformation. According to the PwC global Consumer Insights Survey 2021, over the next six months, 41% of the customers predicted increased spending on groceries, followed by 33% and 30% on fashion, and health and beauty, respectively.

Our Response

Consumer-centricity

- At Welspun, our products are designed based on customer expectations, leading us to manufacture top-class, quality products
- Our customer-centric and forward-looking approach led us to meet our customer expectations in an efficient and foresighted manner. This allowed us to act as 'strategic partners' with our B2B customers, and gain the trust and value of our B2C customers
- We have invested in systems, such as Welspotted, BrainTrust, web scraping, and other focused consumer research for feedback from consumers, and towards making data-driven decisions
- The data helps us customise and modify our services, making them the best-in-class

Shift Towards Trusted Brands

Due to the pandemic, the consumer shopping approach has changed dramatically. Consumers are consciously choosing brands that offer them value-for-money products, in addition to moving towards online shopping, allowing them to compare prices, quality, convenience, and other factors before choosing a brand. Consumers are also striving to shop locally, mindfully, and thriftily.

Our Response

Strengthening Brands

- Our business growth allows us to deepen our connect with various stakeholders across markets and product categories. In the recent years, we have focused on growing our B2C business share by promoting specialised strategies for managing different brands across diverse channels and markets
- Our deeper understanding of the market has enabled us to launch Welspun 2.0, driven by our owned and licensed brands, emerging businesses, and e-commerce

Increase in Online Shopping

Due to the pandemic and digitalisation, consumers are now preferring online shopping than physically visiting stores. Increased use of internet and technology across all age groups, demographics, and consumer cohorts, is accelerating online sales of consumer products. Online shopping not only provides comfort and safety to consumers, but it also allows retailers to operate and survive amid the pandemic's clutches. Companies are moving their activities online to increase their presence on a variety of digital platforms, and create innovative product bundles tailored to customer needs to enhance brand loyalty.

Our Response

Augmenting E-commerce, Embracing Digitalisation

- Our world-class technology creates solutions that increase efficiency and add value to our customers. Platforms such as omni-channel, D2C sites, and marketplaces have become central to our business
- We are modernising our systems and training our employees with a focus on 'digital as a new norm.'
- We are developing creative solutions for the evolving needs of our stakeholders

Increased Focus on Sustainable Manufacturing

Textile industry is considered as one of the most polluting industries. Due to its devastating effect on the natural environment and added consumer awareness, textile companies are moving towards green manufacturing. Green manufacturing is focused on reducing emissions, material consumption, and chemical and waste management, while providing quality products to consumers, which are environment-friendly.

Our Response

Building a Circular System

- We have moved from a linear system to a circular system, by optimising the raw material requirement, setting up recycling systems for waste, and designing upcycling systems for products
- We segregate, package, and label our waste, and treat each waste category separately. We have a mechanism to upcycle the waste fabric from sheets, to create designer products
- We use sustainable packaging in the form of FSC-certified paper packaging and LDPE (Low Density Polyethylene) packaging, containing 30-50% of r-LDPE content, made from recovered plastic packaging in the scrap house
- We have nominated recycling companies to treat our waste. Most of this waste is recycled and introduced back into the system, and packaging waste is recycled and reused for the same purpose. We managed to recycle around 1 mt of plastic waste this year. We send metal and paper waste to recycle companies, while waste cuttings from bed sheets and towels are recycled, to make cotton fibres used in stuffing pillows
- Successful trials are carried out to use the sludge from the Anjar factory as a source of fuel to reduce the use of fossil fuels. This will also lead to zero hazardous waste sent to landfill

Our Approach towards Sustainability

Being responsible for tomorrow

We are an ethical and socially responsible business, committed to sustainable development that balances the needs of the present with those of the future.

For us, ESG is one of our core priorities and an important part of our value creation strategy. Our goal is to create an organisation that has a net positive impact on society and the environment. As a result, we have formulated our sustainability strategy such that it continues to enhance our business drivers, increase our standing in the global textile industry and create value for all of our stakeholders.

ESG Governance Structure

Our three-layered governance structure leads to the implementation of ESG actions plans, while navigating the future roadmap, and accelerating transformation.

ESG & CSR COMMITTEE (Committee of Board of Directors) → **MD/CEO** → **Group Sustainability Head**

ESG Strategy - Our Approach

Materiality Analysis
Identifying Environmental, Social, Governance issues and categorising under priority material themes

Maturity Assessment
Identifying current position, comparison of ESG related systems and processes across peers

Gap Analysis
Setting of targets such that current gaps and/or improvement areas can be identified

Roadmap Development
Formulation of a strategic roadmap outlining key actions and strategies

Communications and Reporting
Public reporting and disclosures of ESG performance

Key considerations

Global Trends | Customer Goals | Peer Analysis | Global Reporting Frameworks | ESG ratings

Our Approach towards Sustainability

ESG Strategy - Our interventions

Creation of world-class manufacturing facilities

As part of our environmental initiatives, we wish to expand on our world-class manufacturing facilities in such a manner that resources are conserved, efficiency is maintained and product quality is enhanced.

Creation of an enduring brand image

As part of our environmental initiatives, we wish to continue our push towards linking Welspun with a brand image which is associated with quality and sustainability.

Cultivate our human capital and make our organisation diverse and inclusive

As part of our social initiatives, we wish to build and cultivate the talent of our personnel, such that we have a diverse and inclusive working environment.

Generation of shared value

As part of our social initiatives, we wish to facilitate the generation of shared value to the communities we interact with, to the communities who live near our production plants.

Featuring among
Top 100
Sustainable companies in India by ET-Futurescape

Welspun is treated
Low Risk
on ESG factors by one of the top ESG rating agencies

Conducting Gap-assessment and identifying measures to move to
Negligible Risk
Rating

Welocity Accelerating Sustainability

ESG 2023	SUSTAINALYTICS	Dow Jones Sustainability Indices	CRISIL
	Score improve to 14.4 from 17.9	Score improve to 48 from 8	WIL Score 63

ESG Roadmap

ESG factor	Targets	Metrics and progress
GHG Emissions	• Carbon neutral by 2030 and aligned with SBTi target of 1.5 C • Shift to 100% renewable energy by 2030	• GHG emissions (Scope 1 and Scope 2) were 1,051,394 tCO_2e for FY22 • Energy Intensity was 59.3 GJ per ₹ mn in FY22
Water	• Freshwater positive (in production operations) by 2030 • Reduce current freshwater usage by 50% in 2025	• Freshwater positive (in production operations) by 2030 • Product water intensity of 27.7 KL per ₹ mn • Total water consumption from municipal source 26,04,477 KL
Waste	• Target Zero hazardous waste to landfill (ETP chemical sludge) by 2025	• More than 80% hazardous waste (ETP Sludge) internally recycled • Amount of non-hazardous waste recycled and reused was 23,443 MT • Plastic waste from plants is sent to authorised recyclers
Cotton Sourcing	• Targeting to source 100% sustainable cotton by 2030 • Engage with farmers to grow BCI as well as organic cotton	• 45% of cotton sourced is sustainable • 16,400 farmers enrolled in sustainable farming practices
Social	• Impacting 1 million lives by 2030 through CSV	• Females are 25% of workforce • 28.5% of Directors are women • 1,95,375 beneficiaries of community development programme • 42,726 hours of HSE training provided
Supply Chain-Related	• 100% critical suppliers by 2025 and all suppliers by 2030	• Completed assessment with 85 of total Tier 1 suppliers. (audited on social and environmental aspects)

Stakeholder Management

Engaging with stakeholders to create impact

Stakeholder engagement is integral to sustainable growth, as it plays a crucial role in determining our focus areas for creating impact.

For us, stakeholders are at the heart of all our operations. Customers, suppliers, vendors, employees, and communities are critical aspects of our business value chain. We continuously engage with our stakeholders to identify and address material issues that have the potential to affect long-term value creation.

Employees

Investors and Shareholders

Community

Governments

How We Engage Them

Employees
- Daily meetings and briefings
- Timely internal communications
- Career and skill development programmes

Investors and Shareholders
- Quarterly calls, financial reports, and presentations
- Annual General Meetings
- Annual Reports
- Regular one-on-one/group meetings with investors

Community
- CSR partnerships
- Community welfare programmes

Governments
- Member of important industry associations

Suppliers

Regulators

Media and Analysts

How We Engage Them

Suppliers
- Supplier development initiatives
- Supplier feedback surveys throughout the year
- Annual suppliers' meet

Regulators
- Statutory compliances filings and meetings
- Labour compliances
- Senior management meetings

Media and Analysts
- Press releases and press conferences, media interviews, e-mail advisories
- Media or analyst events,
- Website management
- Social media posts and updates

Materiality

Mapping out our priorities

At Welspun, we strive to have a pro-active understanding of key ESG issues that impact our business, which we believe is critical for our long-term success as a responsible and sustainable business.

We performed materiality assessment to identify and prioritise key ESG focus areas. First, we analysed industry trends, and global frameworks, including Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), ESG metrices, National Voluntary Guidelines (NVGs). Then, we mapped them with WIL's business objectives and principles, and aligned them with stakeholder perspectives, prioritising the material issues, and setting goals and KPIs. This year, this evaluation resulted in the identification of 20 ESG issues, which were categorised under priority material themes.

Environment

Towards environmental stewardship

Taking cognisance of our impact on the surroundings, we strive towards creating positive environmental footprint. In keeping with this, we have adopted a proactive approach to safeguard the environment, in addition to integrating this approach with our business philosophy. Restoring ecosystems remains the cornerstone of all our ESG efforts.

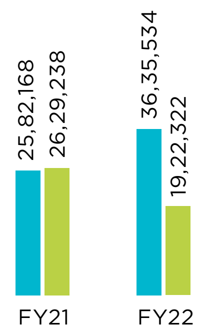
In line with the conclusions of the sixth assessment report of the IPCC, we understand the devastating consequences of climate change on our planet. The protection of the planet for our future generations remains one of our key priorities. As a step forward, our facilities in Anjar and Vapi are now OEKO-TEX® Standard 100 certified. We have a strong and robust environment management system, and all our facilities are ISO 14001 certified. We strictly monitor their sustainability performance besides taking initiatives towards energy efficiency, carbon reduction, and water, and waste management.

Energy

Our manufacturing facilities are the major source of our energy consumption, and energy costs have a significant contribution to our operational costs. During the year, we focused on energy efficiency efforts focusing on optimisation of our manufacturing processes, equipment modification, energy conservation and introducing new technology. We use energy efficient devices, optimise HVAC use, and incorporate VFDs in our operations. We aim to enhance the contribution of renewable energy by 20% by 2025. We will be 100% renewable by the end of 2030. In addition, we have received 2,000+ Energy Certificates (ECerts) for meeting the energy reduction target for Perform Achieve Trade (PAT) cycle 3.

Source of Energy

(GJ)



Key Initiatives

- Hot Water Recovery
- Optimised Blower Operation at ETP
- RO Permeate Pump Replaced with Optimum Head Pump
- Cooling Tower Pump Pressure Optimisation

Case Study

Use of bio mass in process boiler and thermic fluid heater at WIL

As a testament of our commitment to fighting climate change, we have shifted towards a carbon-neutral energy source from coal in our process boiler and thermic fluid heater at WIL. This has reduced the carbon footprint of our operations substantially. The use of an alternative fuel at both of our plants has resulted in an avoidance of an estimated 12,411 tCO_2e.

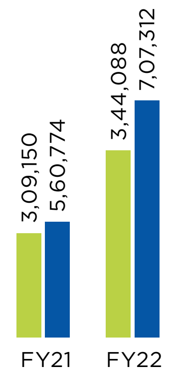
Location	Total bio mass used	Total GHG emission avoided (estimated)
Anjar	3,416.02 MT	6,204 tCO_2e
Vapi	764 MT	1,388 tCO_2e
WFL	3,370 MT	4819 tCO_2e
Total	**7,550.02 MT**	**12411 tCO_2e**

Emissions

'Clean Air for All' remains our key strategic goal, in line with which, we are taking steps towards mitigating air pollution, including impacts due to climate change. Currently, we are focused on exploring methods to reduce GHG emissions through process improvements and investments in low-carbon technologies. We will be adopting the SBTi methodology for developing the roadmap of the GHG reduction pathway, in addition to staying focused on measuring our Scope 3 emission levels. To protect our business, we have also adopted a SBTi Net Zero target, making us resistant to any carbon taxes that may be implemented in the next 10 years.

Source of Emission

(TCO_2e.)



Key Initiatives

- Focus on Energy Efficiency
- Exploring the Application of EVs for Cleaner Transportation and Logistics
- Development of Local Ancillary Industries
- Recycling Waste
- Sustainable Cotton Consumption

2,15,510 GJ
Energy saved

31,814
T CO_2 avoided

Aligning with TCFD

Established by the FSB in 2015, TCFD develops recommendations on what kind of information companies should disclose to assist investors, lenders, and insurance underwriters such that an appropriate assessment of climate-related risk can be done. This year, as part of our commitment to sustainability, we have incorporated the recommendations made by the TCFD in four broad pillars: strategy, governance, risk management, and metrics.

Our strategy

The vision behind our strategy is built upon moving towards a green growth paradigm. We intend to integrate and reflect our Company's long-term vision. In line with this vision, we have developed a climate risk mitigation strategy for multiple time scales for different climate scenarios: short term (up to 2030), mediumterm (up to 2040), and longterm (up to 2050).

As part of our strategy, we have started various initiatives this year. For example, We have invested ₹22.2 crore in R&D of low carbon capture technologies to mitigate our climate risk. Over the coming years, our strategy will continue to evolve. It will need to adapt and reflect the business environment that affects the shape and timing of the transition to a low-carbon economy.

Environment

Our targets and progress

We, at WIL, strive to be a global industry leader in textile and flooring and leading the way in setting ambitious targets. In line with our sustainability approach, we have created a sustainability roadmap that outlines WIL's goals and objectives through 2030.

Refer to PG 49 → for more details.

Our climate change governance and risk management

An important recommendation we have incorporated is establishing a new governance framework utilising our ESG & CSR committee and risk management committee. To ensure the completion and revision of our targets, the ESG & CSR committee provides reports to the Board every quarter.

As part of our risk management strategy, we have initiated scenario analysis using the IEA World Energy Outlook 2021 and Net Zero Emission scenario. A significant risk our Company faces is physical risk. For analysing physical risk, we have undertaken several different scenarios, such as SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5. Our evaluations have identified seven risks for all of our manufacturing sites.

Case Study

Management of cyclone risk at WIL

Our Anjar and Vapi sites are in close proximity to the coastline. As a result, both of them face climate risk because of their vulnerability to tropical cyclones, which can pose a risk to their infrastructure and supply chain. As part of our risk management strategy, we monitor weather reports and events. We have also started to upgrade their physical infrastructure to withstand high winds and floods. To hedge our supply chain risk, we have identified critical suppliers, alternate ports of supply, and exploring shipment methods such as railways.

Water

Source of Water Consumed Quantity

Source of Water Consumed	Quantity (KL)
Municipal Supply	21,10,291 KL
Rainwater	2,88,137 KL
Wastewater Discharged (Including RO Reject)	34,12,829 KL

7 bn

Litres of Water Recycled Annually

Water is a rare and invaluable natural resource, and its limited availability is one of the key challenges of industries, including ours. We are committed to tackle this water challenge, given our facilities are located in water-starved zones, and processing operations are highly water-intensive. We are taking several initiatives to promote water efficiency by aiming to reduce our water intensity to 5KL/MT by 2025. We strive to ensure the sustainability of local water sources everywhere we operate. For example, the Company has undertaken initiatives in collaboration with the State Government, such as the Sujalam Sufalam Abhiyan, to conserve water bodies in Gujarat.

Anjar Water Project

We have implemented a unique water management project at Anjar through the establishment of a 30 MLD Sewage treatment plant to meet its water requirements. We have collaborated with the local municipal bodies of Gandhidham, Adipur and Anjar, to collect, transport, and treat public sewage at our sewage treatment plant. Treated water is then used for our operational purposes. We recycle nearly 7+ billion litres of sewage water annually. This project has led us to reduce our water intensity/kg of processed goods, much below the industry average.

Rainwater Harvesting

At Anjar, we have established a large rainwater harvesting pond, enabling freshwater availability for the Company as well as the neighbouring communities. The project has also helped in reviving the biodiversity of the region, by attracting the migratory bird species in the area.

Waste

We seek to achieve our ambition of zero waste by 2030 through our waste management practices, such as waste segregation, recycling and upcycling textile waste, responsible disposal of hazardous waste, and reducing waste. We regularly monitor the waste generated from our operations and identify areas for developing zero waste by recycling and up-cycling. We dispose our waste through appropriate methods and as directed per the laws and regulations of the respective State Pollution Boards.

The Spun Story

We run a social initiative called 'Spun', which is not only based on upcycling, but is also dedicated to women empowerment. 'Spun' tells stories of tradition and art, and invests in the wellbeing of the community, and enables sustainability and circulation. 'Spun' products are made from factory waste by women in the heart of local villages, with the aim of creating a global brand identity inspired by the traditions of Indian artisans. At 'Spun', 2 tonnes of factory waste is recycled every month, which is used by our highly skilled, creative women to create beautiful, handmade products. This initiative has tripled women's incomes and enabled them to lead a better lifestyle.

80%+

Hazardous waste (ETP Sludge) internally recycled and used as fuel

23,443 MT

Amount of non-hazardous waste recycled and reused

Key Initiatives

- Horticulture waste converted to compost and used for gardening in the Anjar factories
- Food waste from canteens converted to manure for plants at our Vapi factory

Environment

Biodiversity

We strive to continuously identify opportunities to reduce our environmental impact, and enhance our ecological footprint through afforestation and tree plantations.

We have planted over 2,79,000 trees in Anjar, including native species. This has led us to create a small ecosystem, while also enhancing wild life. Additionally, we have developed 2 lagoons in the region, helping us in providing clean water to our neighbouring communities.

2,79,000
Trees Planted for Improving Green Cover

Embedding Sustainability in our operations

Sustainable Cotton Sourcing and Farming

As a fast-growing home textiles major, we are focused on achieving high product quality, while creating a positive environmental and social impact. With a view to replace conventional raw materials with sustainable alternatives, we are consistently increasing our sourcing of BCI (Better Cotton Initiative) cotton. We aim to achieve 100% sustainable cotton by 2030.

Our agronomy team is focused on encouraging cotton farmers in Gujarat, Maharashtra, and Telangana, to enhance sustainable cotton cultivation by shifting to natural fertilisers and pesticides. These efforts will improve soil health and enhance organic carbon content of the soil, improving soil fertility and crop productivity. So far, we have trained over 16,400 farmers on good agricultural practices, with a view to reinforce the sustainable cotton programme of Welspun.

16,400 Farmers
Trained on Good Agricultural Practices

1,50,000+ Acres
Landbank of Sustainable Cotton Farming

Enabling Circularity

We are focused on pre as well as post-consumer waste to transform from linear to circular systems. Therefore, we are involved in plastic recycling for packaging as we have replaced virgin polyester with recycled LDPE, and we also reduced plastic consumption by using textile waste. Recycled paper also accounts for 85% of carton usage at the Anjar factory. In addition, we also process horticulture and kitchen waste in the biogas plant, for producing compost and energy.

85%
Carton Usage with Recycled Paper

Sustainable Manufacturing

We are focused on manufacturing our products through economically sound processes, in order to mitigate our negative impacts on the natural environment. Sustainability manufacturing has allowed us to ensure the safety of our employees, communities, and customers, while conserving natural resources and energy. Some of our key initiatives include:

- Life Cycle Assessment (LCA) of our products to identify additional opportunities to reduce environmental impact across the value chain
- Organic Textile Standard (GOTS) and OEKO-TEX® Standard 100 ensure our textile products are manufactured responsibly
- ZDHC (Zero Discharge of Hazardous Chemicals) with continuous improvement in our processes and treatment methods
- SA 8000 certified factories to enable sound human rights as well as health and safety practices
- Our operations are also audited based on SMETA (Sedex Members Ethical Trade Audit) ethical audit formats (4 Pillar) that cover the aspects of labour, health and safety, environment, and business ethics

Sustainable Supply Chain

We have set the Supplier Code of Conduct, spelling out our expectations from the suppliers and also establishing a structured supplier assessment process to streamline supplier identification and partnerships .

We also recognise the contribution of our raw material suppliers in our ESG journey. Therefore, we are implementing the Scope 3 emission calculation to identify the emission hotspots in the value chain, further tapping the GHG related impacts of the supply chain. We are in the process to assist our suppliers in their journey towards decarbonisation so that jointly, we can minimise the GHG footprint and support the global transition towards low carbon economy. We are also working with our logistics partners to reduce transport-related GHG impacts through options like fuel switch, route optimisation, vehicle optimisation, etc.

Certifications

Our manufacturing facilities have state-of-the-art equipment and follow world-class operational practices. Our facilities are certified with several standards, such as ISO9001, ISO14001, ISO45001, SA8000, Oeko-Tex-100, GOTS, and Higgs Index, among others.

Sustainability at Welspun Flooring

Enabling green lifestyle

Our vision at Welspun Flooring Limited is to achieve the right balance between all elements of the biosphere and enable people to rethink their lives from a standpoint of sustainable growth.

Our efforts are designed to stay in balance with the triple bottom line by incorporating sustainable measures into operations, systems, and processes.

Our Focus

Zero Waste
- Strong focus on circular economy
- Adopted zero waste to landfill principle
- Certified under Zero Waste Program by SCS global services

Zero Emissions
- Perform regular energy audits and emission assessments
- Use of biogenic fuel
- Vehicle pooling for employee commute

Zero Non-renewable Energy
- 16% share of renewable energy
- 100% renewable by 2030

Reduce, Reuse, Re-Produce and Recycle (4R)
- Strong commitment to 4Rs
- We are a zero liquid discharge facility

Key Highlights: Our Journey to Date, and the Way Forward

38,920 KL
Wastewater reused in Gardening

20,56,226 KWH
Electricity KWH saved

27%
Green cover at production facilities

6,457 trees
Planted at production facilities

6.3 MJ/Kg
Energy intensity

1.15 CO_2/KG
GHG Emission Intensity

47.7%
Carton used for packaging is made up of recycled paper

471 MT
Yarns manufactured from R-Nylon and Resilon X plastic chips

16%
Share of renewable energy

Zero Waste to Landfill

All process wastes are responsibly reused/recycled/repurposed, and no waste is sent to landfill disposal

Sustainability at Welspun Flooring

Our Green Product and Facility Certifications

Product Certifications

All products of Welspun Flooring limited are **Green Pro** certified which marks that the product is environment friendly throughout its life cycle	We have **CRI GLP (Carpet Rug Institute- Green Label Plus)** and Indoor advantage gold certification for higher standards of indoor air quality, assuring that the carpet product meets the most stringent criteria for low VOC
All the products of Welspun flooring limited has verified **third party LCA (Life cycle assessment) and EPD (Environmental Product Declaration)** which evaluates and quantifies the Greenhouse Gas Emissions, Energy use, Water consumption, Acidification and Ozone layer depletion for the products.	Welspun flooring Click N lock tiles and Nylon carpet tiles are certified with **SGBP (Singapore Green Building product)** product with 3 ticks as excellent
Welspun flooring products SPC, PET and Nylon carpet tile and wall to wall has passed the criteria for **CE (Conformité Européenne),** which are the Environment, health, safety and protection standards in EEA (European Economic area).	Welspun Flooring Limited products' wall to wall and carpet tile product category has received **NSF/ANSI 140 Gold rating**, which means that they meet the EPA (Environmental protection agency) and GSA (Global sourcing agency) procurement requirements.
Our products at Welspun Flooring Limited meet **GREENGUARD GOLD** certificate, which ensures that our product has met world's highest standard for low chemical emission.	Our product SPC is certified with **FloorScore** which helps us in providing exceptional quality that assures VOC content is less than 0.5 mg/m3
Our product BCF and POY yarns are **CRI GLP certified**, which ensure that the carpet, adhesive and cushion products meet the most stringent criteria for low chemical emissions.	Our product BCF and POY yarns meet **OEKO-TEX standards**, which means they are certified to be free from harmful levels of more than 100 substances known to be harmful to human health.
Our recycled products in soft flooring are global **recycling certified**	

Facility Certifications

Welspun Flooring Limited is certified from **STeP-Sustainable Textile Product** with level 2 scoring.	Certified integrated Management System **ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018**
Our manufacturing facilities are **IGBC platinum certified.**	Our manufacturing facilities are **LEED BD & CV4 certified by US Green Building Council**
Our facilities have achieved **Zero Waste Standard** with 98% diversion from landfills during a 12 month review period as per Standard	

Social

Creating real impact

We focus on implementing sustainability in our supply chain, investing in local communities to promote health, education, and talent, in addition to building a safety-driven culture for our employees.

People

Our people play a critical role in driving our business through their dedication and innovative capabilities. We focus on building a culture that recognises and promotes talent, openness, transparency, and inclusion. Every year, we add nearly >10,000 new members to our workforce, and strive to provide them with a nurturing environment, fair compensation, merit-based career-progression, and opportunities to enhance their personal and professional growth.

25%

of Women Across All Levels

Diversity and Inclusion

For us, diversity and inclusion are not just policies, programmes or headcounts. These are an opportunity for us to create a workplace that earns the trust and commitment of our employees. Therefore, we provide equal opportunities to our employees regardless of their gender, race, caste, religion, marital status, sexual orientation, age, nationality, ethnicity, abilities, or other personal characteristics. We focus on encouraging collaboration between teams, and recruit people across diverse backgrounds. We ensure respect, dignity, fairness, and human rights of all our members.

Employee Engagement

We engage our employees through interactive communication channels, and employee engagement strategies. This allows us to reduce staff turnover, improve productivity, resulting in higher customer retention rates. We regularly conduct Employee Engagement Surveys to understand their pulse, and drive better initiatives based on feedback.

Key Initiatives

- Enabled digital employee engagement platform 'MyBuddy,' to stay connected with employees, and listen to them through surveys and chatbots
- Launched Global Engagement Calendar focusing on employees' mental wellbeing and motivation; various activities were conducted digitally, such as Global Town Hall, festival celebrations, health-based webinars, talent showcase contests for employees and their family members

Social

Performance Management

We retain, nurture, and motivate our employees by upskilling them, and helping them in realising their aspirations. We have implemented a comprehensive digital learning plan that includes technical education, tailored to cater to our business needs. We also provide regular classroom sessions, and on-the-job trainings to enhance performance.

52

Hours of Training Per Employee

Key Initiatives

Certification Programme in Data Analytics

We have spearheaded a customised and intensive certificate programme in data analytics, in partnership with UpGrad that helps:

- Build a more robust data culture, as a way of working
- Higher analytical and data-savvy workforce
- More efficient business decisions, backed by structured data, supported by numbers and factual interpretation

Targeted Trainings

Aimed at staff, whose role/job profile requires to undertake data analytics using Power BI

- Basic to intermediate level: focus on practitioner level with skill development
- Certification: post successful completion of capstone project, tests, and individual assignments; leveraging digital platforms for skill building
- Self-directed learning, using the e-learning platform-WeLearn; achieved 90%+ active usage amongst employees
- 45,000+ total training hours across functional, technical and behavioural programmes among our staff in Mumbai, Anjar and Vapi

Entry-level Cadre-building Programme

We revamped all our entry-level campus programmes under the aegis of the Career Acceleration Program (CAP).

- 10 management trainees joined us from various reputed business schools as a part of CAP, effective from August 3, 2020, and were placed into multiple roles across departments and plants for the first time
- 47 graduate and 11 diploma engineer trainees joined us at Anjar and Vapi locations, and will be trained on the basis of a Six Sigma based Action Learning Project, in addition to structured learning inputs
- Successfully concluded the GET 2019 Programme, which resulted in the shortlisting of top 4 projects for implementation

Health and Safety

Health and safety of our employees remains imperative for us. We are committed to maintaining zero harm practices at the workplace, and have introduced the 'Penta Protocol', a five-layered framework, to ensure health and wellbeing of our employees.

42,726

Hours of Safety Trainings

Key Initiatives

- ISO 45001-2018 certification at all our facilities to ensure our operations are conducted according to international standards on health and safety
- OEKO-TEX® Standard 100 certified work processes that follow the REACH regulations, which restrict the use of harmful substances in our manufacturing processes
- Mandatory safety trainings to our employees, contractors, sub-contractors, and other agencies conducted regularly on HS aspects, such as fire safety, emergency preparedness, and office safety

Penta Protocol

The 'Penta Protocol' is a five-layered security framework to ensure the wellbeing of our people. This framework lays down industry specific standards, and procedures that need to be followed by our stakeholders, including employees, customers, associates and partners, to ensure the health and safety at our facilities.

Community

Being socially responsible not only to ourselves, but also towards the communities and stakeholders we serve, is in our DNA. Therefore, we actively and consistently engage in practices, leading to sustainable development with a strong incentive to enrich the lives of the people we do business with. With a steadfast commitment to areas of Education, Empowerment, Environment & Health, we work closely with the surrounding villages to touch, heal and better the quality of lives around the world.

Our consistent, high-impact corporate social value (CSV) initiatives are derived from our constant focus on three major areas: Education, Empowerment and Environment & Health. We undertake our projects under the banner of the Welspun Foundation for Health and Knowledge (WFHK) or through nurtured partnerships with the local government or NGOs.

Education

Wel-Shiksha

The project is focused on improving learning levels of the students at government-run primary schools, by merging the interventions of digital classrooms, Shiksha Saathis (para teachers), and teacher trainings, along with volunteers from the villages to promote education. This project has led us to digitise government primary classrooms, and through our community-driven initiatives, we've also spread awareness among neighbouring communities about the unparalleled significance of education.

436

Classroom Installations

70,000

Students Reached

Welspun Vidya Mandir School

The Welspun Vidhya Mandir CBSE School was established with the sole intention to give children not just one, but multiple opportunities to excel in any subject they wish to pursue. It is dedicated to growing the intellect of students by making them socially responsible, aware, and creative.

Gayatri Devi Public School

The Gayatri Devi Public School is a state board English medium school, with classes from first to tenth grades, in Varsamedi, Anjar, set up and run by the Welspun Foundation for Health and Knowledge. It was established in 2017, with highly qualified teachers on board, to provide children with high-end, yet affordable education.

Gayatri Devi Ved Vidyalaya

The Gayatri Devi Ved Vidyalaya was born out of the idea of protecting and promoting the Indian traditional Vedic culture. It follows a perfect blend of Yajurveda education and modern education; thereby, kids have been blessed with the wealth of the Gurukul system, and knowledge of essential subjects, such as English, Mathematics, and Computers.

Social

Empowerment

Project Wel-Netrutva

WIL endeavours to empower women from identified locations towards better health and sustainable livelihood. This project is focused on these major areas to improve the preventive and curative health practices in rural India and creates sustainable farm and non-farm-based livelihood opportunities for the women, farmers, and Self-Help Group members. We arrange health campus to provide free consultations and medicines to our community.

1,350
Women Entrepreneurs

70,000
Health outreach

90
Villages Reached

Empowering Rural Women

Jenaben, an Anganwadi helper of Khumbhariya village of Anjar, believes that her primary goal in life is to serve people and that work is worship. When VHL, Anjar met her during field work, Jenaben shared her story, exuding a lot of positive energy.

After losing her husband, she shouldered all the family responsibilities, and also, steered her life towards helping other women, and improving their health conditions.

At present, she is our WSP of Khumbhariya village. Her work has earned her immense credibility and respect among other women in the village, and they regard Jenaben as their leader and mentor. Jenaben has been counselling women regarding the use sanitary pads, following a training that she received from our end. According to her, more than 60% of women have started using sanitary pads in her village. Keeping profit-making as an ancillary outcome, Jenaben has been distributing free pads to many needy women, and also makes use of pads for demonstrations and awareness activities.

Our Woman Entrepreneur of Kumbhariya village has successfully inspired more than 60% of women of her village to use sanitary pads.

Environment

Wel-Krishi

We work with the agricultural community through the Wel-Krishi programme. Through an integrated approach, we help farmers to grow better products, promote and provide them with the best government schemes, and provide support from dedicated people with experience in the field.

16,400
Farmers engaged

Wel-Vriksha

We execute our green initiatives through the Wel-Vriksha programmes.

40,000
Trees planted

15
Ponds deepened (1,15,000 CuM)

5000
Sanitation blocks constructed

Health

Wel-Suraksha

The programme engages in traffic safety awareness and certification training for communities living near highways to reduce traffic accidents and improve accident emergency services.

45,000
Community Members Reached

We-Volunteer

Through this programme we support and encourage our employees to contribute to the community for mutual benefit.

2,456
Employees Engaged

6,202
Volunteering Hours

Towards Better Reproductive Health

Shantiben, one of the prominent women's leaders from Atlanagar village, Bhuj, had been facing reproductive tract infections, and menstrual problems for many months. Despite having consulted a doctor, her problems continued to persist. When the Welnetrutv team met her, seeking her support in the MHH awareness programme, she happily agreed to help. Given her health issues, she knew the significance of menstruation management and reproductive health awareness.

Our Governance Approach

Being universal in our outlook

We are an ethical business, operating and growing in an environmentally and socially responsible manner, while creating short-term and long-term value for our stakeholders. Aligning our strategic objectives with stakeholder expectations, thereby, enhancing performance, is the mainstay of our governance. Our leadership ensures that we function, adhering to the highest standards of professionalism, and rectitude.

Transparency and Accountability

Our Board of Directors and Committees of Board ensure transparency and accountability at all levels of the organisation. Our Management focuses on enabling growth, profitability, stability, and sustainability across our businesses in an equitable manner and create value for all stakeholders, by promoting the highest standards of ethical and responsible conduct of business. Diversity and inclusion are also on the top of the Board's agenda, and efforts are being made to improve the gender ratio at all levels of the organisation. Currently, the Company is faring well with representation of women Directors at 29%, and 1 out of 7 independent directors being women.

Board

Responsible for governance, ethics and sustainability

Board committee

Responsible for identifying, mitigating, and managing Environmental, Social and Governance risks and material issues, review ESG performance, review CSR policies

Audit Committee

Nomination and Remuneration Committee

ESG & CSR Committee

Share Transfer, Investors' Grievance And Stakeholders' Relationship Committee

Risk Management Committee

Our Governing Policies

1. ESG Policy
2. Sustainable procurement Policy
3. Policy on Investors' Grievance Redressal Mechanism
4. Whistle Blower Policy and Vigil Mechanism
5. Policy on transaction with Related Parties
6. Policy on Governance of Material and Other Subsidiaries
7. Nomination and Remuneration Policy
8. Code of conduct for Board of Directors and Senior Management
9. Foreign exchange risk management policy
10. CSR Policy
11. Investment policy
12. Risk management policy
13. Legal compliance policy
14. POSH policy
15. Dividend distribution policy
16. Insider trading policy
17. Policy for inquiry in the event of leak or suspected leak of UPSI
18. Ethics policy
19. Record and archival management
20. Internal financial control framework

Risk Management

Mitigating concerns proactively

We believe that our business has and will always be exposed to risks. Therefore, we have adopted a robust governance architecture, to safeguard our operations. Our well-established governance structure with three lines of defence, leads us to constantly scan the external environment and identify the emerging threats. Subsequently, we assess these threats for their impact, and ensure that they are addressed.

Risk Management Framework

At Welspun, we have a robust risk management architecture that allows us to identify, quantify, manage, and report the principal risks, which can affect our ability to implement to deliver on our commitments and create value to our stakeholders. Our Risk Management Committee of the Board, reviews the management's enterprise-wide risk management efforts.

Risk Management Policy

Our risk management policy defines the overall risk management framework. The risk management committee of the Board oversees and reviews the risk management framework as well as the assessment of risks, its management and mitigation procedures. The committee reports its findings and recommendations to the Board.

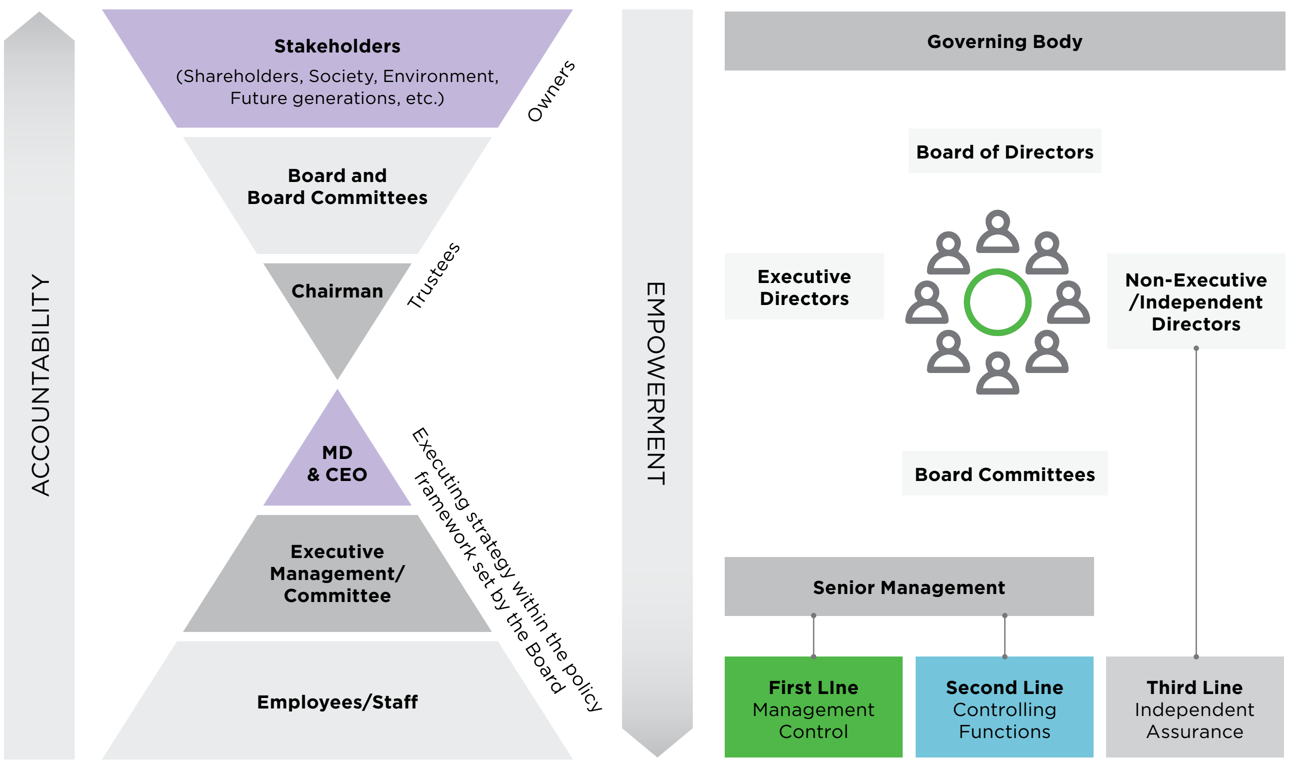
We have developed a risk-aware culture across the organisation and have also positioned a risk management committee at each location (plants and head office) to assess risks and monitor mitigation measures. There are risk registers at each location, and they perform risk prioritisation and monitoring at the Company level as well as plant, and function level. Our plant, and functional heads are responsible to manage the risks.

Our Three Lines of Defence

These three lines of defence operate in a coordinated manner with the common objective to support us to achieve our objectives and ensure effective risk management. We review the model at regular intervals to embrace evolving leading practices

Corporate Governance Framework

Inculcating the three lines of defense culture



Risk Management

	First Line (Prevent Risks)	Second Line (Prevent and Detect Risks) / Third Line (Detect Risks)
Management Control	• Operating Management/Business Functions • Primary ownership of risks. Owns and manages day-to-day risks as a first line of defence as per defined policies and procedures • Prevent risks • Reports to the senior management	• Over the years, the Company has established a very robust first line of defence through a combination of people, process, and technology. There are well defined policies, procedures, responsibilities, and system controls to prevent the occurrence of risks • Automation and digitisation of processes have further enabled to reduce risk and enhance governance
Controlling Functions	• Monitoring and oversight functions • Monitors risks and controls, legal compliances, enterprise risk management; supports in establishing policies and procedures • Prevent and detect risks • Reports to the senior management	• Second line of defence plays an important monitoring role. The Company has established a comprehensive management reporting framework and leverages data analytics for monitoring Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs)
Independent Assurance	• Independent assurance (Internal Audit Function) • Detect risks • Reports to the governing body	• Independent assurance function serves as a third line of defence. It helps accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes

Risk and Mitigation

Risk	Capital Impacted	Mitigation
ESG risk include Business impact due to Climate change		• Switching to renewable energy use, Sustainable cotton farming initiatives, Use of recycled packaging and diversification of suppliers
Products risk include changing consumer behaviour towards sustainable products and sustainable manufacturing		• We spend 0.5% to 0.75% of our revenue on Product innovation. • We continuously focus on developing innovative sustainable products. • We are in discussion with Gujarat government, looking to set up a solar power plant with Opex Model

Risk and Mitigation

Risk	Capital Impacted	Mitigation
Concentration Risk (heavy dependence on few geographies/customers)		• We have developed a detailed supply chain mechanism to enhance the share of e-commerce and are working around logistics and warehouse management for the same
Competition risk includes inability to expand operations and losing opportunity towards additional demand to the competition on account of space constraints at existing plant locations		• We have a plan to cater to the incremental revenues through long-term outsourcing relationships. In the future, all the incremental business would be handled through long-term outsourcing arrangements • The management is looking to explore design changes at existing plants to see if additional production lines can be set up/also options for starting manufacturing of rugs and carpets at Hyderabad are being explored
Financial risks include impact on profitability, due to withdrawal of rebate of taxes		• We will take it through a wider industry forum like ASSOCHAM for making presentations to the government
Inability to attract and retain talent		• We are planning to enhance training to achieve higher productivity and working in a way to retain high skilled workers
Operational risks include volatility in cotton prices, supply chain disruptions, stock availability, disruptions due to disaster or pandemic		• Substitute of 60 PVA is identified (mint yarn), material can be sourced easily from Japan (in progress); this will marginally increase production cost • We are developing other countries, especially in Africa, in addition to Turkey for organic cotton • Within India, organic farming practices in Maharashtra, Gujarat and Myanmar • A detailed business plan is being presented to the management for replacement of old looms • Global sourcing team is working to identify vendors across multiple geographies to do localised production • Management is looking to explore design changes at existing plant to see if additional production lines can be set up / also options for starting manufacturing of rugs and carpet at Hyderabad are being explored

Financial Capital Manufactured Capital Intellectual Capital

Human Capital Social and Relationship Capital Natural Capital

Board of Directors

Governed by experts

Our Board plays a critical role in supporting our management activities to create value for our stakeholders, and is focused on addressing ESG priorities.

Mr. Balkrishan Goenka
Chairman
- Amongst India's most dynamic businessmen
- Past President of Associated Chambers of Commerce and Industry of India (ASSOCHAM) (2019)
- Recipient of Asian Business Leadership (ABLF) Award, 2019

Ms. Dipali Goenka
CEO & Joint Managing Director
- Driving force behind Welspun's global leadership in the home textile business with a focus on innovation, brands and ESG
- Graduate in Psychology; studied Management at Harvard University

Mr. Rajesh Mandawewala
MD: Member of Board
- Qualified Chartered Accountant; played an instrumental role in establishing Welspun's Textile and Pipe business
- Leading new strategic initiatives of the Group

Mr. Arun Todarwal*
Lead Independent Director, Audit Committee Chairman

20+ years of experience in Finance, Audit, Taxation and Quality Management. Member of ICAI, practicing since 1981

*Resigned w.e. f. from July 1, 2022

Ms. Anisha Motwani
Independent Director

28+ years of experience in advertising, auto-manufacturing, financial and health services. Currently, advisor to the World Bank; voted among the '50 Most Powerful Women in Indian Business' by Business Today, for three consecutive years

Mr. Pradeep Poddar
Independent Director

Technocrat and Corporate Leader with 30+ years of experience in consumer products, and a vast experience in brand building

Mr. Arvind Singhal
Independent Director

MBA from University of California; founded Technopak, India's leading management and operations consulting firm with a focus on textiles, retail, healthcare, and so on

Board Demographics

Enriching with experience and insight

Our competent and illustrious Board of Directors is a melange of experts, from diverse backgrounds, qualifications, skills, and experiences, steering our operations in a rapidly evolving industry.

Our Eclectic Board and Board Committees

77%
Board Attendance

8
Board Meetings During FY22

47
Board Committee Meetings During FY22

60 YEARS
Median Director Age

15 YEARS
Average Tenure of All Directors

15%
of Directors were appointed in the last 5 Years

29%
Women Director

Board Independence

4 to 7
Independent Directors

5 to 7
Directors are Non-management

Robust
Lead
Independent Director Role

Board Independence

43%
Non-Independent Directors

57%
Independent Directors

Gender Diversity

63%
Men

29%
Women

Awards and Accolades

Recognition we cherish

TESCO

Best Community Sustainable Award

2022

TEXPROCIL

Platinum trophy for highest global exports

2022

FUTURESCAPE

Sustainability & CSR

2022

Amongst Top 100 Companies in India

NITORI

Nitori Product Development Award

2022

National Water Award

2022

Ministry of Jal Shakti

INNOVATION AWARDS 2021

Innovation Award

2021

Clarivate South and South East Asia Innovation Award 2021

Dow Jones Sustainability Indexes

Dow Jones Sustainability Index (DJSI)

2022

DJSI rates Welspun with a rating of 48

THE TEXTILE MAGAZINE
magazine.textile@gmail.com | 9840897542

Global Textile Company of the Year

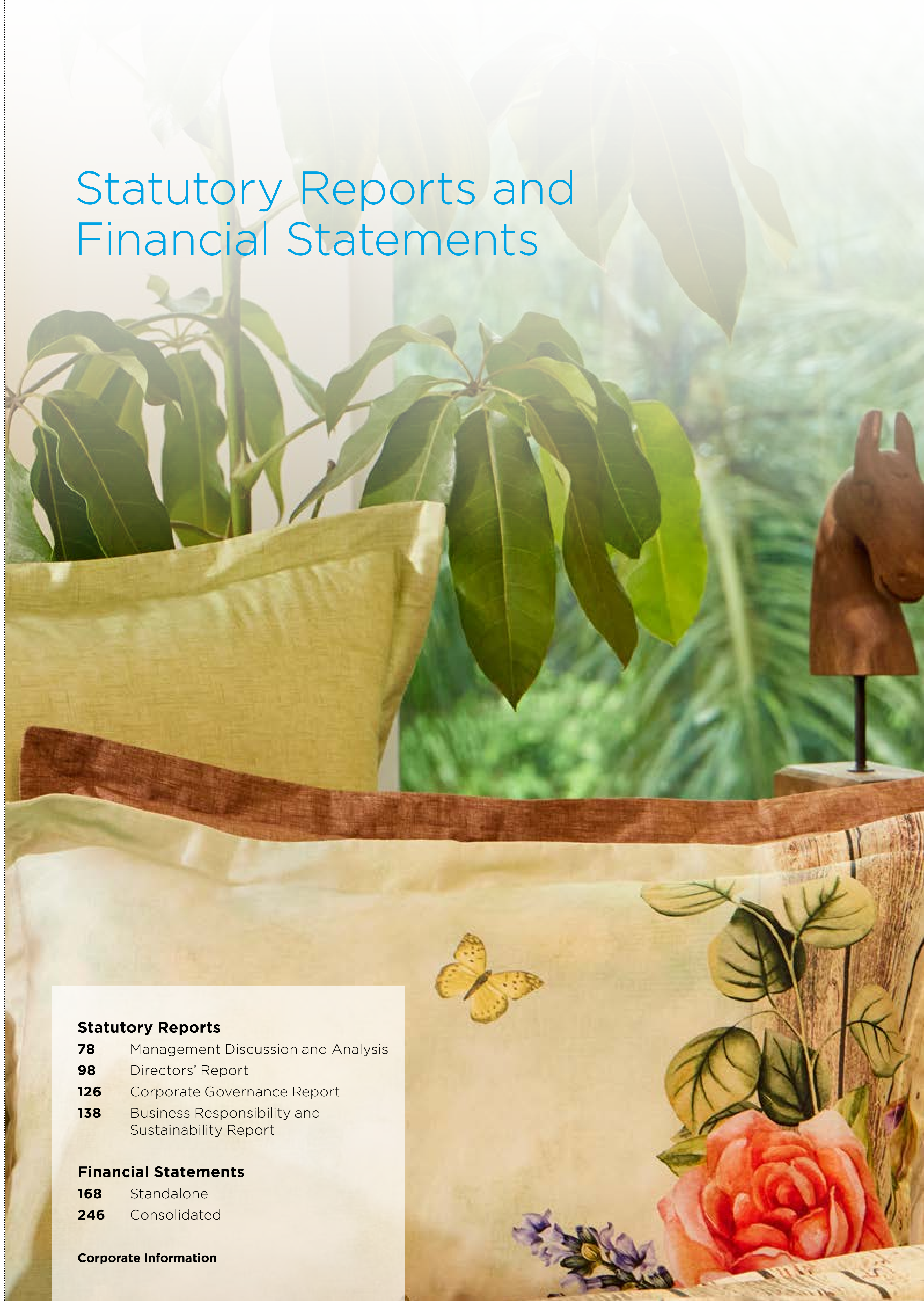
2021

FDA

US FDA

2021

1st Indian firm to get US FDA nod for 3 ply surgical masks



Statutory Reports and Financial Statements

Management Discussion and Analysis

Economy Review

Global Economy and Outlook

The global economy grew at an estimated rate of 6.1% in 2021, delivering a strong rebound from 3.1% decline in 2020. This was driven by ramp-up of vaccination drives, release of pent-up demand, and accommodative fiscal and monetary stance by central banks globally. By the latter part of the calendar year 2021, however, inflationary pressures were visible, led by an uptrend in the prices of several key commodities. The global economy's growth is projected to soften over the coming year, as pent up demand gradually settles down and monetary policies shift in response to factors such as inflation. With a major crisis brewing in eastern Europe, further economic disruptions might occur if the situation escalates and these too may affect global economic outlook.

On the positive side, the impact of the Omicron variant has been contained worldwide, thanks to extensive immunisation campaigns that noticeably reduced the spread of the virus. However, due to higher fuel and energy prices, the resulting increase in inflation, ongoing supply chain challenges, and subdued consumer sentiment are likely to moderate the global economic outlook. The ongoing Russia-Ukraine conflict has further exacerbated the situation. Central banks have already tightened monetary policies to rein in inflation and more such responses are likely in the future.

	Year over Year			
			Projections	
	2020	2021	2022	2023
World Output	-3.1	6.1	3.6	3.2
Advanced Economies	-4.5	5.2	3.3	2.4
United States	-3.4	5.7	3.7	2.3
Euro Area	-6.4	5.3	2.8	2.3
Germany	-4.6	2.8	2.1	2.7
France	-8.0	7.0	2.9	1.4
Italy	-9.0	6.6	2.3	1.7
Spain	-10.8	5.1	4.8	3.3
Japan	-4.5	1.6	2.4	2.3
United Kingdom	-9.3	7.4	3.7	1.2
Canada	-5.2	4.6	3.9	2.8
Other Advanced Economies[1]	-1.8	5.0	3.1	3.0
Emerging Market and Developing Economies	-2.0	6.8	3.8	4.4
Emerging and Developing Asia	-0.8	7.3	5.4	5.6
China	2.2	8.1	4.4	5.1
India[2]	-6.6	8.9	8.2	6.9
World Trade Volume (goods and services)	-7.9	10.1	5.0	4.4
Imports				
Advanced Economies	-8.7	9.5	6.1	4.5
Emerging Market and Developing Economies	-7.9	11.8	3.9	4.8
Exports				
Advanced Economies	-9.1	8.6	5.0	4.7
Emerging Market and Developing Economies	-4.8	12.3	4.1	3.6
Commodity Prices (US Dollars)				
Oil[4]	-32.7	67.3	54.7	-13.3
Nonfuel (average based on world commodity import weights)	6.8	26.8	11.4	-2.5
Consumer Prices				
Advanced Economies[5]	0.7	3.1	5.7	2.5
Emerging Market and Developing Economies[6]	5.2	5.9	8.7	6.5

Source: IMF, World Economic Outlook, 2022

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 7, 2022–to March 7, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted.

[1]Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

[2]For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with the fiscal year 2011/12 as a base year.

[3]Indonesia, Malaysia, Philippines, Thailand, Vietnam

[4]Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was USD69.07 in 2021; the assumed price, based on futures markets, is USD106.83 in 2022 and $92.63 in 2023.

[5]The inflation rates for 2022 and 2023, respectively, are as follows: 5.3% and 2.3% for the euro area, 1.0% and 0.8% for Japan, and 7.7% and 2.9% for the United States.

[6]Excludes Venezuela.

Management Discussion and Analysis

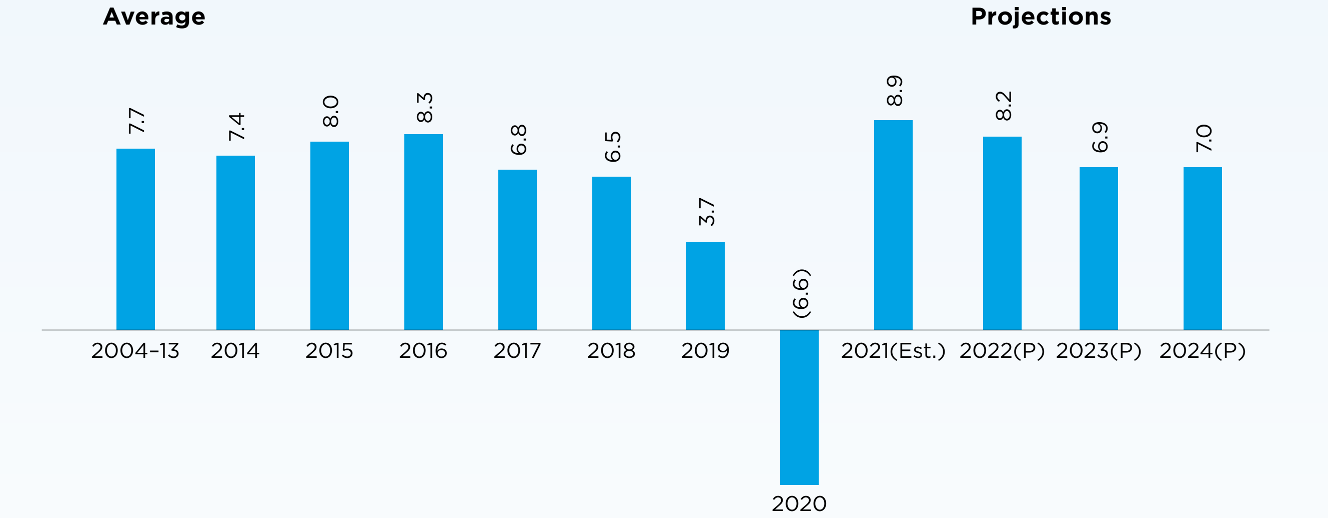
Indian Economy and Outlook

India's recovery is gaining momentum and the GDP is projected to grow at 8.2% in 2022, despite the disrupting second wave of COVID-19. This growth will be supported by increased public investment in infrastructure and a pickup in private investment. Inflation during the year under review has been high but within a tolerable range, and might ease if commodity prices soften and supply chain disruptions are overcome. The nation's financial markets remained strong and capital inflows continued to support the build-up in reserves. The country effectively tided over a third wave of COVID-19 with limited adverse impact, which is attributable to comprehensive vaccinations and timely policy changes.

The global economy, however, is not as buoyant and the financial environment is much more volatile, with a conflict unfolding in Eastern Europe. Multiple sanctions by several Western countries against Russia is seen to have implications for the broader economy across nations. Encouragingly, India's economic and trade relations with Russia largely remain less impacted with India retaining its ability to import Russian crude.

The RBI is likely to act if increases in global commodity prices feed into core prices, as evident from the rate hike it affected in May 2022. The government too has been taking measures to invest more in social and physical infrastructure. Reducing unnecessary regulation in product and labour markets, further divestments in non-strategic sectors following the successful sale of Air India, and restructuring of state-owned banks is expected to help on the fiscal deficit front, boost investment, and support job creation.

Real GDP India



Source: IMF, World Economic Outlook, 2022

Industry Review

Global Retail Industry

The global retail industry, which is estimated to represent 31% of the world's GDP and employs more than a billion people, witnessed a recovery in the year 2021 after a severe setback in 2020. This rebound in the industry appeared to sustain well into early CY2022 as well and according to advance retail estimates from the US Department of Commerce released in April 2022, the US retail trade & food services sectors grew by 12.9% year-on-year between January and March 2022. In the same period, the furniture & home furnishings sector is reported to have grown by 5.8% year-on-year. However, with persistent inflation and the resulting adverse impact on consumer sentiment, a deceleration is visible in the retail sector's growth. In addition to that, a high base effect from the sharp pick-up in the preceding year as well as shifts in consumer spending patterns too are getting reflected in the industry's performance now.

Due to the after-effects of the pandemic, businesses in the retail industry across the globe have also been forced to recalibrate their organisations, business strategies and even goals. As a result, a much anticipated retail reset appears to be finally taking shape, even if it has been orchestrated by a pandemic. This reset should help many retailers achieve stability and potentially greater profits than witnessed in the past. To actualise this reset, companies would need to continue their remediation journey, which they undertook at the beginning of the pandemic.

The calendar year 2022 presents opportunities to restructure dated supply chain mechanisms, right size inventory management, review pricing, revisit promotional cadences, and reinvent the physical store. This will require major transformational thinking and long-term commitments from retailers, but these efforts can potentially change the way retail businesses are conducted. Technology has reshaped the retail industry with e-commerce becoming a significantly growing segment, a trend that is likely to sustain.

Retail Industry Trends and Priorities

- **Greater focus on workforce development:** Labour has always been a sticky concern for retailers. Effective hiring and retention of employees remains a key priority for companies in the sector globally. Retail, being a human resource-intensive industry, will continue to need significant investments in workforce development.
- **Building resilient supply chains:** Consumer priorities have changed in the last two years, and the pattern is often not easily predictable. Therefore, companies are migrating to more credible models and systems to handle such diverse scenarios.
- **Joining the digital revolution:** As consumers continue to strengthen their reliance on technology and digital platforms, retailers and their partners will have to make investments in order to address opportunities in the e-commerce space. With the digitisation of the physical world, effective deployment of automation and digital strategies is becoming pivotal.

Management Discussion and Analysis

Textile and Apparel Industry

The global apparel industry contracted from USD 1.6 trillion in 2019 to USD 1.3 trillion in 2020, a decline of about 22%. However, in 2021 the market recovered and grew about 16% to reach USD 1.5 trillion. This industry is expected to reach approximately USD 2 trillion in 2025, growing at a CAGR of 4% from 2019.

Global Apparel Market ($ billion)

Values in US$ billion

Region	2019	2020	2021	CAGR 2019-21	Projected CAGR 2019-21	2025 (P)
EU-27	264	219	211	11%	1%	280
United States	235	176	257	5%	2%	265
China	184	166	188	1%	11%	340
Japan	101	81	78	-12%	0.5%	105
India	78	55	72	-4%	10%	135
Brazil	48	34	39	-10%	4%	60
Canada	25	20	22	-6%	7%	37
RoW	690	517	600	-7%	2%	780
World	1625	1269	1467	-5%	4%	2,002

Source: Wazir Advisors

Textiles is a steadily growing industry with key players concentrated in India, China, the European Union, and the United States. Other countries such as Vietnam and Bangladesh have also emerged as significant contributors to this industry. China is one of the world's leading producers and exporters of raw textiles and apparel. The United States is a major producer and exporter of raw cotton and also the largest importer of raw textiles and apparel. The European Union's textile market is led by Germany, Spain, France, Italy and Portugal, together accounting for more than one-fifth of the world's textile market. India is estimated to have the world's third-largest textile industry. Factors like newer technologies and state-of-the-art equipment have enabled the textile industry to become more efficient and productive over the years.

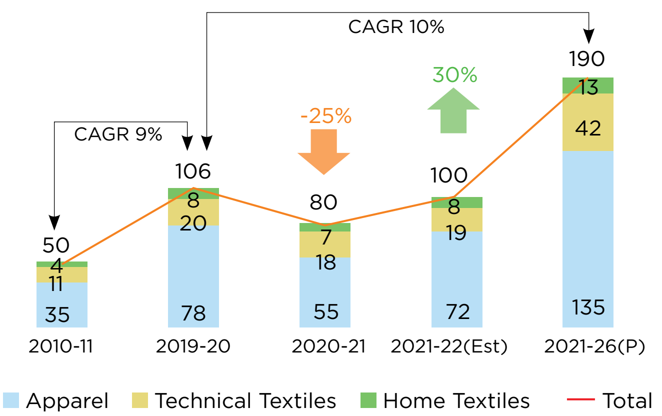
The performance of the textile industry during the financial year under review reflects the implications of the COVID-19 pandemic. The headwinds were particularly high in countries where the textile industry accounted for a larger share of the exports, given the disruptions in logistics and rise in ocean freight costs. During FY22, the industry also suffered due to a sharp increase in prices of cotton, fuel and energy, and other raw material.

Indian textile and apparel industry

The size of the Indian domestic textile and apparel (T&A) market is estimated at US$ 99 billion during FY22, an increase of about 30% from FY22. The market is expected to recover and grow at around 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. Apparel constitutes ~74% share of the total T&A market in India while Home Textiles constitutes ~19%. Home Textiles as a segment is projected to grow at 23% CAGR from 2021 to reach US$ 42 billion by 2025-26 and constitute 22% of the total T&A market in India.

India's Domestic Textile and Apparel Market Size ($ billion)

Values in US$ billion

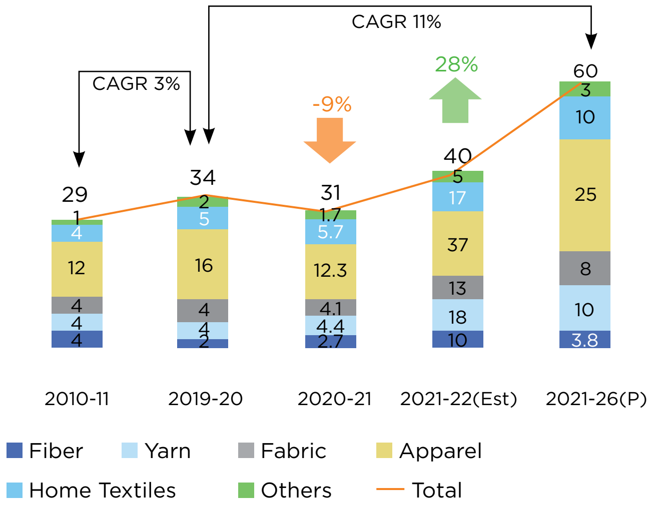


Source: DGCI&S and Wazir Advisors

India's T&A exports were USD 44.4 billion in FY22, a growth of 41%, as per Ministry of Textiles, Government of India. These exports are expected to touch USD 60 billion in FY22.

Indian Textile and Apparel Exports ($ billion)

Values in US$ billion



Source: DGCI&S and Wazir Advisors

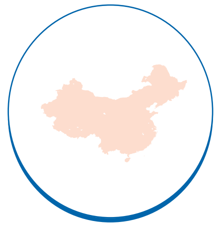
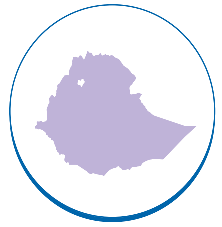
India benefits from a multitude of factors such as abundant availability of raw materials including cotton, wool, silk and jute, along with the availability of a large pool of skilled manpower and a large ancillary industry. It also enjoys the benefits of being a low cost producer compared to other major textile producing countries.

Home Textiles Industry

The global home textiles industry is projected to reach US$151.8 billion in size by 2025 from US$123.2 billion in 2019, registering a CAGR of 3.5% during the period (2019-2025). The United States and Europe are the largest consumers, receiving 60% of household textile imports, with countries such as India, China and Pakistan being major suppliers.

While in the near-term the home textiles industry is likely to face considerable challenges from macro-economic headwinds such as high cost of raw material and supply chain disruptions, it does benefit from being a key component of consumer spending as well as increasing recognition among policy makers and governments as a high employment-generating sector, which in many geographies including India has resulted in supportive policies and incentives.

Comparative factors of production

	India	China	Bangladesh	Vietnam	Ethiopia
					
Labour Cost ($/month)	160-180	550-600	110-120	190-200	80-90
Power Cost ($/KWh)	0.10-0.12	0.15-0.16	0.09-0.12	0.08-0.10	0.03-0.04
Water Cost ($/M3)	160-180	55-60	20-22	50-80	30-40

Management Discussion and Analysis

Bed Linen and Bed Spreads

The bed linen market is expected to surpass USD 35.81 billion by 2028, as reported in a research study by Global Market Insights Inc. The duvet covers segment is estimated to reach around USD 13 billion by 2028, growing at a CAGR of 6.1%. The firm demand for bed linen in residential and commercial buildings globally is expected to spur this segment's growth. A rapidly growing hospitality industry and increased spending in developing countries are anticipated to offer incremental growth opportunities in this segment to the industry.

Bath and Toilet Linen

The US and Europe are two significant importers of bathroom linen products from Asia, and manufacturers tend to have strong tie-ups with global retailers. The bathroom linen market is expected to sustain a healthy grow rate over the next few years, with substantial contribution anticipated from the bath towels segment. A bath towel is an essential bathroom product, unlike many other accessories. As a result, the demand for bath towels tends to remain high. Moreover, the rise in online sales and innovative product offerings by manufacturers are all expected to drive the market for bath towels going forward. Personalised towel offerings are expected to be a key trend in the marketplace. Innovative bathroom linen products, assuring both superior quality and comfort, tend to generate high demand among discerning customers worldwide.

India's presence across Key Global Home Textiles Markets

India's Towel and Bed Linen Market Share in the USA

India enjoys a significant share in the global cotton home textile market, due to abundant cotton availability and competitive costs. According to the US Office of Textiles and Apparels (OTEXA), India catered to about 44% of the imported cotton towel demand in the United States in the calendar year (CY) 2021, a share that has grown significantly over recent years. On a year-on-year basis India's market share in the cotton terry towels segment has grown by 200 basis points to 44% during the calendar year 2021 from 42% share during the preceding twelve months (CY2020). In the cotton sheets segment, the country supplied about 57% of the total import to the US in CY2021, which represents an approximately 500 basis points gain in market share over the preceding year.

India's Towel and Bed Linen Market Share in Europe

Europe is almost as big a market as the United States for these products, but Indian players have a lower market penetration in Europe due to tariff disadvantages compared to countries such as Pakistan, Turkey, and Bangladesh that are able to avail tariff priorities from the European Union (EU). Indian exporters pay about 9%-10% duty on home textiles products exported to the EU, whereas some of the key competing countries have zero duty access to that market. Any substantial reduction in duties on Indian exports can therefore open up a huge market for Indian players. While India is in discussions with the European Union for a Free Trade Agreement (FTA), which would reduce the duties, the timeline for its conclusion remains uncertain. Encouragingly, there have been positive developments in inter-government discussions between India and the UK, which has enhanced the chances that a FTA with the UK might conclude in the near future. India recently concluded FTAs with the UAE and Australia, post which Indian players are seeing better traction in both of these geographies.

Technical Textile Industry

Technical textiles are products that have higher performance qualities as compared to traditional textiles, and both synthetic as well as natural fibres are used to manufacture the same. The synthetic fibres that are used for these applications are manufactured by a combination of some special chemical processes on various natural fibres to impart new properties. These fibres have enhanced qualities, such as higher strength than manmade fibres; hence, they are widely used not only for apparel use, but also in other different applications such as medical, automotive, and others. The global market for Technical Textiles is projected to reach US$208.5 Billion by 2024, registering a CAGR of 5% during the period, as per Global Industry Analysts Inc. The Asia-Pacific region is forecast to emerge as the fastest growing regional market with a CAGR of 7.7% over the same period.

The market growth in the APAC region can be attributed to it being a manufactured hub for many of the user industries as well as a rise in demand for these products in various application areas in the region. Countries including India, China and Brazil offer several opportunities for expansion of the technical textiles market.

In the Indian market, the healthcare and infrastructure sectors are two major demand drivers for technical textiles. The Indian Government recognises the potential of this industry with a desire to target a manifold increase in the export of technical textiles that could amount to US $10 billion over the next three years. To that effect, Government of India has introduced various schemes, subsidies, and other initiatives to promote manufacturing in this segment. Some of these include:

- Assignment of 207 Harmonised System Nomenclature (HSN) to promote India's technical textile industry. As of November 2021, 377 technical textiles products were developed according to the Bureau of Indian Standards (BIS).
- Introduction of six additional courses for technical textiles in its skill development programme called Samarth.
- Uniform GST rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, effective from January 1, 2022.
- Production-linked incentive (PLI) scheme for man-made fibre and technical textiles, which will help boost manufacturing, increase exports and attract investments into the sector.

Flooring Industry

The global floor covering market size was valued at USD 364.6 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 6.5% from 2022 to 2028, as per Grand View Research. Increased government spending in infrastructure development is one of the factors behind this growth, in addition to increased demand for insulation in housing and shifts in consumer preferences in favour of aesthetically improved designs, textures, and colours. Newer and innovation-led low-maintenance and easy-to-install flooring offerings are likely to further drive market growth.

Industrialisation and significant population growth are likely to continue to have a positive impact on the demand for this segment. Significant ongoing activity in the construction sector in countries like India, China, the UAE and broader APAC region will also contribute to overall market growth. Increased demand for environmentally friendly products along with the presence of a stringent regulatory framework on the production, usage, implementation, and recycling of flooring products in many regions is also expected to drive demand and create opportunities for players with the right set of offerings and capabilities.

The overall Flooring market can be broadly categorised into Resilient (ie, hard flooring) and Soft flooring that includes carpets and rugs. Resilient flooring tends to be more durable, suitable for both commercial and residential spaces. Due to its high durability, lesser maintenance needs, modern look, and ease of installation, resilient flooring has become a preferred choice for many uses.

Demand in the carpets and rugs segments is healthy too, and the market's size is expected to reach an estimated $ 38.8 billion by 2026. Products in this category find use across the residential, non-residential, and transportation segments with refurbishment activities being a key demand and growth driver. Consumer preferences are seen to be moving towards bold and attractive colours and non-geometric designer patterns for carpets and rugs. New trends that have a direct impact on the dynamics of the carpets and rugs industry include increasing acceptance of carpet tiles, increasing demand for eco-friendly carpets, and increasing preference for modern carpets.

The United States and Europe represent the world's largest markets for Flooring solutions, both hard as well as soft. Demand in India too has been witnessing an uptrend over the recent years, with rising disposable incomes and urbanisation as well as industrialisation being the key demand drivers. As in other industries, supply chain disruptions and input cost inflation have affected the Flooring industry during and post the pandemic in the near to medium term. New opportunities have, however, opened up for players from India owing to the "China+1" strategy that is being adopted by many western buyers.

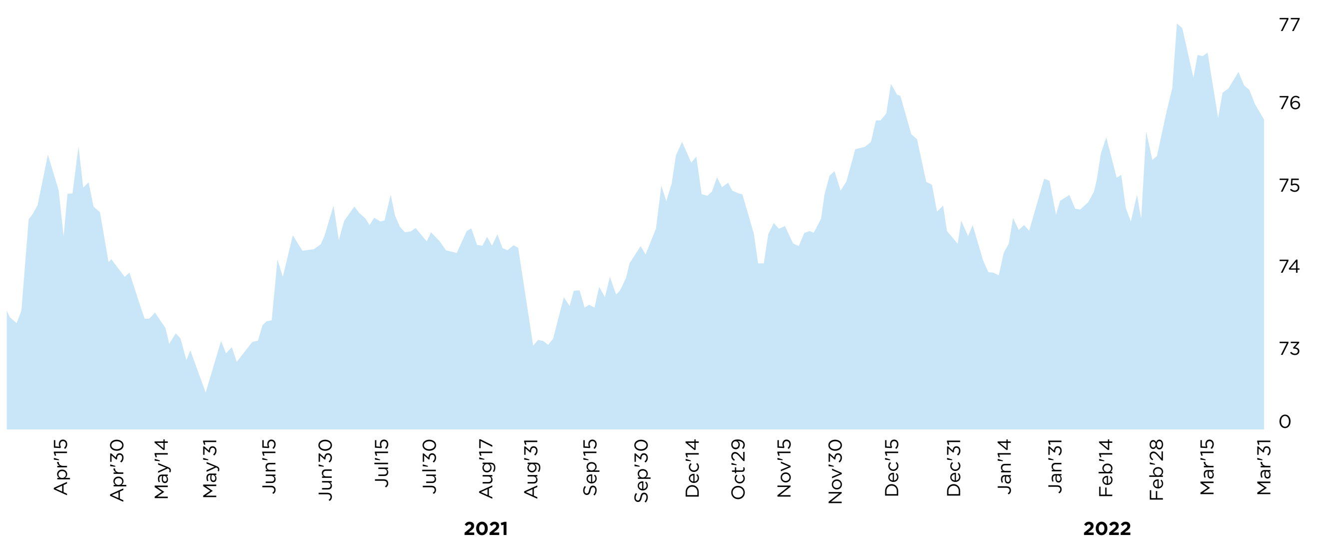
Management Discussion and Analysis

Review of Macro-economic factors

Foreign Exchange

The Indian rupee has been relatively stable during the period under review, although it did soften to around ₹ 76.5 per USD by late April 2022, tracking a similar move in regional currencies due to a stronger dollar, following raised expectations of higher interest rates in the US. A softening rupee tends to benefit exporters, as it drives up rupee-term realisations. Elevated energy costs and the geopolitical risks associated with the situation in Ukraine continue to weigh on the financial markets and risk appetites. Domestically, the RBI too made changes to its monetary policy meeting by restoring the corridor for its liquidity adjustment facility to the pre-pandemic level of 50 basis points and raising rates in May 2022, likely indicative of its willingness to withdraw some of its accommodative stance going ahead.

INR/USD exchange rate: FY 2021-22



Source: Bloomberg

Cotton Production and Prices

The global 2021-22 cotton area and production are projected at 32.7 million hectares (80.80 million acres) and 121 million bales of 217.72 Kg each. Cotton production in most of the major producing countries is expected to increase, except in India and China, in 2021-22. India produced 33.5 million bales in 2021-22. The total cotton supply during the financial year 2021-22 was 42.5 million bales, which consisted of the imports of 1.5 million bales and Opening Stock of 7.5 million bales. Cotton acreage in India is anticipated to rise in the season during FY23.

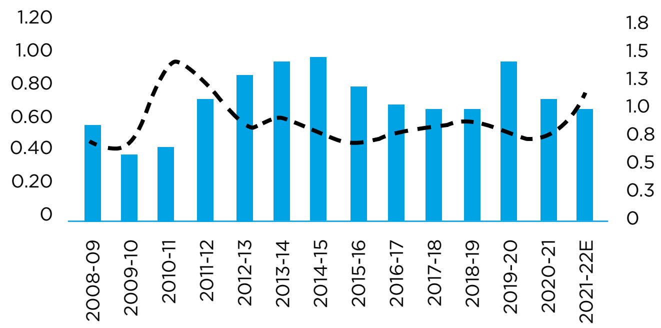
India Cotton Supply - Demand

Details	2021-22 (in Lakh b/s)	2021-22 (in 000 Tons)	2020-21 (in Lakh b/s)	2020-21 (in 000 Tons)
Supply				
Opening Stock	75	1275	125	2125
Crop	335.13	5697.21	353	6001
Imports	15	255	10	170
Total Supply	425.13	7227.21	488	8296
Demand				
Mill Consumption	300	5100	292	4964
Consumption by SSI Units	25	425	25	425
Non-Mill Consumptions	15	255	18	306
Total Domestic Demand	340	5780	335	5695
Available Surplus	85.13	1447.21	153	2601
Exports	45	765	78	1326
Closing Stock	40.13	682.21	75.00	1275

Source: Wazir Advisors

Global cotton consumption increased by 18% year-on-year to reach 26.6 million tonnes in 2021 on account of higher demand from the US, which imports nearly all its cotton products (imports worth USD 49 billion in CY 2021 vs USD 37 billion in CY 2020). Higher demand, restricted use of Chinese cotton (around 20% of global share) and lower cotton output at 24.3 million tonnes (down 8% year-on-year) orchestrated a significant drop in global cotton inventory. The cotton inventory-to-consumption ratio is a key metric to track global cotton prices, and a decline in this ratio typically leads to an increase in prices. While a sharp rise in prices initially benefited Indian spinners who were sitting on low-cost inventory, it adversely affected users of cotton fibre and yarn such as manufacturers of fabrics, made-ups, and apparel. An uptrend in a key raw material like cotton ultimately tends to result in elevated prices of finished goods, which after a certain level might begin to hinder demand. Higher cotton sowing in the coming season due to better crop pricing is expected, which will gradually improve cotton supplies and result in a price decline from the unforeseen highs witnessed during the early part of the year 2022 when domestic rates of cotton crossed about ₹ 1 lakh per candy

Global inventory - consumption ratio



Source: USDA, Bloomberg, Ambit Capital research
Note: COTLOOK A index represents offer price of international raw cotton

Cotton inventory-consumption ratio (World)
COTLOOK A (US$/lbs) (RHS)

India Domestic Cotton Prices

Domestic Trade information

Table: State wise Wholesale Prices Monthly Analysis for Cotton February,2022(₹/Quintal)

State	Prices February, 2022	Prices January, 2022	Prices February, 2021	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	9147.09	8701.41		5.12	
Gujarat	9251.31	8901.65	5641.25	3.93	63.99
Haryana	8948.8	8614.73		3.88	
Karnataka	9639.57	9305.19	5819.98	3.59	65.63
Madhya Pradesh	9583.96	9166.53	5787.16	4.55	65.61
Maharashtra	9653.88	9530.58	5791.6	1.29	66.69
Odisha	9120.66	7931.97	5708.36	14.99	59.78
Punjab	8496.79	8686.78	5833.96	-2.19	45.64
Rajasthan	9920.22	9048.69	5986.81	9.63	65.7
Tamil Nadu	9995.2	9104.04	4793.17	9.79	108.53
Telangana	9399.2	8899.12	5642.47	5.62	66.58
Average	9377.88	8686.1	5667.2		

Source: agmarknet.gov.in

Management Discussion and Analysis

Company Review

Overview

Welspun India Limited ('Welspun' or 'WIL' or the 'Company'), part of the Welspun Group, is a global leader in Home Textiles and one of the largest home textiles manufacturers in the world. The Company offers a broad spectrum of home and advanced/technical textiles products and flooring solutions. With a distribution network in over 50 countries, the Company is the largest exporter of home textiles products from India. It is the trusted partner and preferred supplier to top global retail giants and hospitality players, and supplies from its world-class manufacturing facilities at Anjar and Vapi, both in the state of Gujarat in India. WIL is differentiated by its strategy based on Brands, Innovation, and Sustainability.

The Company's revenue is predominantly derived from exports to various countries worldwide, with a strong presence in key markets such as the US and the UK. In the US, it has a dominant presence in the towel and bed linen market, and in the UK, it is present across every major store via its own brands and private label. The Company is continuously working on increasing its footprint in newer geographies, including Continental Europe, Japan, Australia, the Middle East, and the Indian domestic market in particular. Even as exports contribute a very large part of its overall business, WIL is keen to also expand its domestic market presence and has taken a series of actions in that direction, the positive results of which are reflected in its operating and financial performance.

WIL: Key Competitive Strengths

- Diversified brands (own and licensed) portfolio
- Vertically integrated presence and capabilities
- Global distribution network and deep relationships with marquee clients
- Exceptional track record of innovation
- Broadest product range in the industry
- Strong focus on sustainability
- Experienced Board and management team with proven track record
- Consistent robust financial performance

Key Business and Operational Highlights

WIL delivered a strong performance in FY22, attributable to its highly differentiated and unique value proposition for its customers, resulting from its high-quality products, investments in innovation and technology reflected in multiple patents and initiatives like blockchain-enabled traceability as well as its ability to partner with clients in demand planning, forecasting and logistical support.

During the financial year FY22 the Company recorded revenues of ₹ 93,773 million, 26.6% over the preceding financial year. After crossing the US $1 billion mark in overall revenues in the preceding year FY'21, the Company touched a fresh milestone during FY22with its Home Textiles business crossing the milestone of US $1 billion with revenues of ₹ 87,911 million, growing by 23.3% year-on-year.

This growth-led performance was enabled by both the core business as well as the Emerging Businesses of Brands, Ecommerce, Flooring and Advanced Textiles that combined registered a growth of 44%, contributing 26% to the Company's overall revenues.

Innovation continued be a key growth and differentiation enabler, propelled by the Company's patented products and processes, accounting for 27% of Home Textiles revenues in FY22, growing by 6% year-on-year. By the end of FY22 Welspun India Ltd had 35 patents filed globally, largest for any Home Textiles player.

The US geography, which is the largest market for the Company, witnessed the successful launch of three brands during the course of the year - Welhome, Martha Stewart Everyday, and Scott Living.

The Company's Domestic Retail business grew by 66% in FY22 on the back of significant expansion in its retail footprint that now covers 6,642 outlets across 482 towns, in line with its aim of "Har Ghar Welspun". This in turn has reinforced Welspun to be the Number 1 distributed Home Textiles brand in India, with two of its brands under the domestic business ('Welspun' and 'SPACES') individually becoming power brands.

Welspun's direct-to-consumer (D2C) initiatives globally have steadily been transforming it into an 'FMCG of Home Textiles' with the Company's E-Commerce and Branded business continuing its upward trajectory during the year under review,

growing by 40% and accounting for 16% of total revenues.

Licenced brands grew by 54% YoY, with strong contributions from brands such as Martha Stewart. Christy continued to be one of the Company's largest brands, growing 20% during the year.

The Company's emerging Flooring business continued to achieve newer milestones with its revenues more than doubling in FY22 to ₹ 6,611 million, a growth of 107.4% over the preceding year. Continuing on its focus on innovation, in Flooring too Welspun now has 2 filed patents to its name. Newer geographies in Africa, Middle East and Far East have been added and the trend of repeat orders from existing large customers in this business has been very encouraging.

WIL's Advanced Textiles business revenues in FY22 stood at ₹ 2,671 million. The performance of this particular business reflects relatively lower demand for Spunlace products due to stock corrections after an unusually strong FY22, which saw a surge in demand for health textiles, as well as headwinds that the business faced due to higher logistics costs. This business has been witnessing a normalisation and revival in demand across multiple markets. The commencement of commercial operations in March 2022 of its facility in the state of Telangana, which has an installed capacity of 17,729 MTPA of Spunlace, augurs well for this segment's prospects going forward.

Summary of operational performance

(₹ in million)

Revenue	Home Textiles				Flooring	
	HT - B2B	HT - Branded	HT - E-commerce	Advanced Textiles	Flooring - B2B	Flooring - Branded
FY22	61,890	8,565	4,362	2,671	5,264	716
FY21	51,003	5,138	3,918	2,850	2,418	615
Growth %	21%	64%	12%	-7%	118%	16%
Sales contribution FY22	74%	10%	5%	3%	6%	1%
Sales contribution FY21	77%	8%	6%	4%	4%	1%

Notes

HT: Home Textile

HT Branded: includes sales from licensed brands

Revenue excludes Other Operating Income

(₹ in million)

Revenue	B2B			Branded			
	Global			Global		Domestic	
	Innovation	Others	Domestic	Online	Offline	Online	Offline
FY22	20,466	45,057	4,301	4,182	5,655	179	3,626
FY21	19,287	33,372	3,612	3,741	3,500	176	2,253
Growth %	6%	35%	19%	12%	58%	20%	61%
Sales contribution FY22	25%	54%	5%	5%	7%	0%	4%
Sales contribution FY21	29%	51%	5%	6%	5%	0%	3%

Notes:

*Global: Non-Domestic

#Branded: includes Innovation

Revenue excludes Other Operating Income

Management Discussion and Analysis

ESG

In a world that is grappling with environmental and social challenges and imperatives on an ongoing basis, it is incumbent upon everyone including businesses to act prudently and responsibly. While businesses across the globe are constantly innovating to upgrade their operations and make it more sustainable and environment-friendly, consumers too tend to flock to brands that are transparent and who take environmentally-conscious decisions in their production and delivery processes. At WIL, we are cognizant of this trend and work in a purposeful manner to make our contribution towards overcoming these challenges. Over the past few years we have made significant investments in the areas of sustainability including, amongst others, initiatives like Rain-Water Harvesting and Sewage Treatment to lower the freshwater footprint in our operations. Our social initiative "Spun", which is dedicated towards women empowerment, enables upcycling.

We have also partnered with farming communities across the country, to provide them with access to the best agronomic practices and technology, thereby enabling them to grow sustainable forms of Cotton (Better Cotton Initiative and Organic Cotton) in an initiative spread over 350 villages, impacting more than 15 thousand farmers.

WIL's focus on all aspects of ESG is integral to its business strategy. The Company's ESG Committee is engaged in reviewing and overseeing all activities pertaining to ESG and provides appropriate directions and guidance to the management in this regard.

To achieve WIL's mid and long-term ESG goals, it has set ambitious goals and implemented strategies to make progress on the same. The Company, already rated as "Low Risk" on ESG factors by one of the top ESG rating agencies, is conducting a gap assessment study to identify measures to move to the "Negligible Risk" rating. WIL's sustainability journey is now a case study on the Ivey publishing website.

On the ESG front, Welspun has been the front runner in its industry, encompassing sustainability and ESG in every realm of its operations. The Company is clearly differentiated in the industry due to its sustainability efforts and initiatives that have already delivered significant outcomes and have set benchmarks for the industry as a whole. Some of the initiatives include:

- Multi-level traceability solution WelTrak, which allows the consumer to track a finished Bed/Bath product to its raw material source, using block chain.
- First Dow Jones Sustainability Index (DJSI) Assessment in FY22 with an ESG rating of 48, which is 62% higher than the average industry score.
- Setting up "ESG Compass", an integrated ESG digital platform with automated data dashboards covering over 90 indicators and extending to all sites, locations and subsidiaries in India.

Our noteworthy achievements and recognitions in the ESG space include:

- National Award for water, announced by the Indian Government's Ministry of Jal Shakti. The recognition came on the back of the social and environmental impact made by WIL's cutting edge sewage treatment plant in the drought prone Kutch district in Gujarat.
- Recognised by Frost & Sullivan and The Energy And Resource Institute (TERI), for its sustainability practices at the sustainability 4.0 awards.
- Launched the 'Well Krishi' program, which aims to build a strong self-reliant and prosperous farming community, empowering over 15,000 farmers and 75,000 farm workers across more than 350 villages, to sustainably produce over 15,000 metric tons of cotton from 80,000 acres.
- Adopted circularity across its business, with focus on use of recycled content, both in textiles and packaging. The Company collaborates with the 'Sorting for Circularity India' Project anchored by Fashion for Good, Amsterdam, which is a consortium project that aims to build a new textile waste value chain in India.

Manufacturing Capacity

Home Textiles

Particulars	UOM	Annual Capacity
Bath Linen	MT	85,400
Bed Linen	Mn mtrs	90
Rugs & Carpets	Mn sq mtrs	12

Advance Textiles

Particulars	UOM	Annual Capacity
Spunlance*	MT	27,729
Needle Punch	MT	3,026
Wet Wipes	Million packs	100

* Additional Capacity of 17,729 MT, commenced effective 12th March 2022

Flooring

Particulars	UOM	Annual Capacity	FY22
		Expected	Operational
Flooring	Mn sq mtrs	27	18

Financial Performance FY22 (₹ in million)

	Revenue	EBITDA	PBT	PAT	Cash Profit
	93,773	14,246	8,728	6,012	10,703
Growth (YoY)	26.6%	0.3%	13.6%	11.4%	5.0%
Margin (%)		15.2%	9.3%	6.4%	
Margin Expansion/Contraction (YoY)		(397 Bps)	(107 Bps)	(87 Bps)	
EPS/CEPS				6.06	10.83

Note: Prior period figures are restated wherever necessary.

Total income during FY22 grew by 26.6% to ₹ 93,773 million from ₹ 74,080 million in FY21. The Company's EBITDA margin was 15.2% for the year and in the core business of Home Textiles the EBITDA margin was 16.1%, reflecting multiple and significant headwinds with commodity prices touching historical highs and shipping as well as energy costs witnessing a manifold increase, in addition to supply chain and logistical challenges. These macroeconomic factors, including the ongoing Russia-Ukraine conflict, have led to substantial inflationary pressures that have sustained even as the new fiscal year began. The Company has been undertaking measures to drive cost optimisation and improved efficiency, rationalising its fixed cost across functions and business units while also monitoring its working capital to ensure healthy liquidity and gain savings in finance costs.

RoE for the Company's business stood at 15.8% in FY22 as compared to 16.3% in FY21 year and RoCE stood at 13.4% in FY22 (vis-a-vis 13.8% in FY21). Even after the investments made in its growth businesses and after concluding the buy back of shares done during the year, net debt further reduced to ₹ 22,289 million as on 31st March 2022. Net debt excluding the newly initiated Flooring business stood at ₹ 13,989 million at the end of FY22. Over the last 5 years the Company's Net Debt-to-Equity has improved to 0.56x as on 31st March 2022 from 1.27x as on 31st March 2017.

The expansion projects of Flooring, Advanced Textiles and Home Textiles businesses, which were in different stages of progress, reached near-completion in FY22, with some balance capex remaining that would get concluded in the next financial year. The Company expects to be able to sustain its multi-year trend of deleveraging and further strengthen its balance sheet as we enter the new financial year.

Management Discussion and Analysis

Key Financial Numbers

Particulars	FY22 (₹ in million)	% of Total Income	FY21 (₹ in million)	% of Total Income
Revenue from Operations (Net)	93,115	99.30%	73,402	99.09%
Other Income	658	0.70%	678	0.91%
Total Income	93,773	100%	74,080	100.00%
Cost of Material	50,941	54.32%	35,873	48.43%
Manufacturing Expenses	10,432	11.13%	8,706	11.75%
Employee Cost	8,667	9.24%	8,228	11.11%
Selling Administration and Other Expenses	9,488	10.12%	7,075	9.55%
EBITDA	14,246	15.19%	14,198	19.17%
Finance Costs	1,312	1.4%	1,975	2.67%
Depreciation and Amortisation Expense	4,205	4.48%	4,536	6.12%
Taxes	2,663	2.84%	2,179	2.94%
Profit Before Extraordinary Items	6,067	6.47%	5,507	7.43%
Exceptional Items	-	-	-	-
Minority's Share of Profit/(Loss) in Certain Subsidiary Companies	55	0.06%	111	0.15%
Net Profit (Loss)	6,012	6.41%	5,397	7.29%
EPS (Basic and Diluted)	6.06		5.37	

1. Revenue

a. Revenue from Operations

During FY22, Revenue from Operations was ₹ 93,115 million, up 26.9% from ₹ 73,402 million in FY21.

b. Other income

Income from other sources was ₹ 658 million in FY22, vis-à-vis ₹ 678 million in FY21.

2. Expenditure

a. Cost of Materials

Cost of material increased during the year under review to ₹ 50,941 million from ₹ 35,873 million in the preceding year, reflecting the impact of higher raw material prices.

b. Manufacturing Expenses

Manufacturing expense was ₹ 10,432 million in FY22 compared to ₹ 8,706 million in FY21. The manufacturing expense includes power, fuel, and water charges of ₹ 2,942 million, dyes and chemicals of ₹ 3,125 million and contract labour and job work charges of ₹ 1,551 million. As a percent of total income, manufacturing expenses stood at 11.13% in FY22 compared to 11.75% in FY21.

c. Employee Cost

Employee cost stood at ₹ 8,667 million in FY22 compared to ₹ 8,228 million in FY21. As a percent of total income it was 9.24% in FY22 compared to 11.11% last year.

d. Selling, Administration and Other Expenses

Selling, administration and other expenses were reported at ₹ 9,488 million in FY22 vis-à-vis ₹ 7,075 million in FY21. The increase was primarily because of higher logistics expenses during the year.

e. Finance Costs

Financial expenses in FY22 were ₹ 1,312 million. The corresponding figure in FY21 was ₹ 1,975 million.

f. Depreciation and Amortisation Expense

Depreciation was reported at ₹ 4,205 million in FY22 vis-à-vis ₹ 4,536 million in FY21.

3. Profitability

a. EBITDA

EBITDA during FY22 stood at ₹ 14,246 million, implying an EBITDA margin of 15.2%.

b. PROFIT AFTER TAX

Profit after Tax post minority interest stood at ₹ 6,012 million in FY22 vis-à-vis ₹ 5,397 million in FY21. Net profit margin stood at 6.41% compared to 7.29% in FY21, reflecting increased input costs during the course of the financial year.

4. Earnings Per Share (Basic)

Earnings per share for the year ending March 31, 2022 was up by 12.8% at ₹ 6.06 per share from ₹ 5.37 per share at the end of March 31, 2021.

5. Balance Sheet

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
A. ASSETS		
1. Non-current Assets		
Property, Plant and Equipment	36,960	35,118
Capital work-in-progress	1,617	1,709
Goodwill on Consolidation	1,832	1,830
Other Intangible assets	214	283
Right-of-use assets	1,047	910
Intangible assets under development	42	21
Financial Assets		
- Investments	39	19
- Loans	19	4
- Other financial assets	1,922	768
Non-current tax assets (net)	403	397
Deferred Tax Assets (net)	1,251	1,120
Other non-current assets	523	627
Total Non-current Assets	**45,870**	**42,806**
2. Current Assets		
Inventories	19,779	17,731
Financial Assets		
- Investments	6,939	1,093
- Trade receivables	9,993	11,817
- Cash & cash equivalents	2,318	2,994
- Bank balances other than cash and cash equivalents above	337	997
- Loans	6	6
- Other financial assets	2,332	4,422
Current tax assets (net)	28	21
Other current assets	6,766	4,891
Total Current Assets	**48,499**	**43,972**
Total Assets	**94,368**	**86,778**
B. EQUITY AND LIABILITIES		
1. Equity		
Equity Share capital	988	1,005
Other Equity		
- Reserves and surplus	38,620	35,164
- Other reserves	108	278
Equity attributable to owners of Welspun India Limited	**39,717**	**36,447**
Non-controlling Interests	1,046	985
Total Equity	**40,763**	**37,432**
2. Liabilities		
Non-current liabilities		
Financials Liabilities		
- Borrowings	10,536	9,705
- Lease liabilities	904	777
- Other financial liabilities	73	52
Non-current tax liabilities (net)	2,229	2,244
Provisions	29	27
Deferred tax liabilities (net)	2,980	2,494
Other non-current liabilities	1,442	982
Total Non-current liabilities	**18,193**	**16,282**

Management Discussion and Analysis

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
3. Current Liabilities		
Financials Liabilities		
- Borrowings	21,348	18,709
- Lease liabilities	251	212
- Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	580	525
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,725	10,391
- Other financial liabilities	841	589
Employee benefit obligations	1,544	1,346
Current Tax Liabilities (net)	670	51
Other Current Liabilities	1,453	1,241
Total current liabilities	**35,413**	**33,064**
Total liabilities	**53,606**	**49,346**
Total Equity and Liabilities	**94,368**	**86,778**

5. Networth

Net worth of the Company stands at ₹ 39,717 million on March 31, 2022 against ₹ 36,447 million at March 31, 2021.

Book value of equity shares stands at ₹ 40.20 per equity share as at March 31, 2022 which was ₹ 36.28 per equity share on March 31, 2021.

The details of movement under various heads for Net Worth are as follows:

a. Share Capital

The issued, subscribed, and paid-up share capital as of March 31, 2022 stands at ₹ 988.06 million.

b. Reserves and Surplus

- Securities Premium Account: The Securities Premium account balance stands at ₹ 1,238 million at the end of FY'22, which was ₹ 3,238 million at the end of FY21. This reflects the share buy back concluded during the year.
- Capital Redemption Reserve: The balance as of March 31, 2022 amounted to ₹ 1,624 million, which was ₹ 1,608 million at the end of FY21.
- Capital Reserve: The balance as of March 31, 2022 amounted to ₹ 1,475 million, which was almost the same as at the end of FY21.
- Foreign exchange translation reserve as of March 31, 2022 stands at ₹ (14) million vis-à-vis ₹ (60) million in the previous year
- Profit and Loss Account: The balance in the Profit and Loss Account as on March 31, 2022 was ₹ 33,326 million vis-à-vis ₹ 27,911 million as on March 31, 2021.

6. Loan Funds

- Gross debt as on March 31, 2022 stands at ₹ 31,884 million compared to ₹ 28,414 million at the end of FY21. The long-term debt stands at ₹ 12,142 million vis-à-vis ₹ 10,962 million at the end-of FY21.
- Cash and cash equivalents of the Company in FY22 stands at ₹ 9,595 million up from ₹ 5,084 million at the end of the preceding financial year.
- Net debt as on March 31, 2022 stands at ₹ 22,289 million after reducing the cash and bank balance and liquid investment. At the end of FY21, the net debt was ₹ 23,327 million.
- Net debt at the end of FY22, excluding flooring debt, was ₹ 13,989 million.
- Net debt to Equity stands at 0.56 at the end of FY22 (vis-à-vis 0.64x at the end of FY21) while Net debt/EBITDA stands at 1.56 at the end of FY22 (compared to 1.64x at the end of FY21).

7. Fixed Assets

Net block (including Capital Work in Progress) stood at ₹ 38,578 million by the end FY22 vis-à-vis ₹ 36,827 million at the end of FY21.

8. Inventory

Inventory as on March 31, 2022 stood at ₹ 19,779 million vis-à-vis ₹ 17,731 million in FY21. The inventory days were 78 days in FY22 compared to 88 days in FY21. The Inventory turnover ratio stands at 4.7x in FY22 against 4.2x at the end of FY21.

9. Debtors

Sundry debtors on March 31, 2022 were at ₹ 9,993 million, a reduction from ₹ 11,817 million at the end of FY21. Receivable days/debtor days is 40 days in FY22 compared to 59 days in FY21. Debtors turnover ratio stands at 9.22 in FY22 vis-à-vis 6.3 times at the end of FY21.

10. Current Liabilities

Trade payables stood at ₹ 9,305 million as of March 31, 2022 vis-à-vis ₹ 10,915 million in FY21.

11. Buy Back & Dividend

The Company has a stated policy, according to which the Board will endeavour to achieve distribution of 25% of PAT for a financial year, on consolidated basis, with equity shareholders. The Company had made an offer for buy-back of fully paid-up equity shares of ₹ 1 each of the Company, not exceeding 1,66,66,666 equity shares (representing approximately 1.66% of the total number of equity shares in the issued, subscribed and paid up equity capital) at a price of ₹ 120 per equity share, not exceeding ₹ 2,000 million on a proportionate basis by way of tender offer in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The tendering period for the buyback offer opened on June 22, 2021 and closed on July 05, 2021. Total 1,66,66,666 equity shares were bought back at a price of ₹ 120 per equity share and the total amount utilised in buy-back was ₹ 2,000 million. The settlement of bids by the Clearing Corporation on the stock exchange was completed on July 14, 2021.

Key Financial Indicators

Particulars	As at March 31, 2022	As at March 31, 2021
Total Income (₹ in million)	93,773	74,080
EBITDA (₹ in million)	14,246	14,198
EBIT (₹ in million)	10,041	9,662
Net Profit after Tax (₹ in million)	6,012	5,397
Net Worth (₹ in million)	39,717	36,447
Net Debt (₹ in million)	22,288	23,327
Net Debt/Equity (in times)	0.56	0.64
Net Debt/EBITDA (in times)	1.56	1.64
Net Sales/Net Worth (in times)	2.36	2.03
Interest Coverage Ratio (in times)	7.65	4.89
Current Ratio (in times)	1.37	1.33
Pre-tax ROCE (in %)	13.4	13.8
ROE (in %)	15.8	16.3
Inventory Days (in days)	78	88
Receivable Days (in days)	39	59
Payable Days (in days)	36	54
Net Operating Cycle i.e. Inventory Days + Receivable Days - Payable Days (in days)	80	93
Book value per share	40.20	36.28

Note: The days outstanding are calculated on the basis of the closing numbers

Changes in Key Financial Ratios

Ratios	As at March 31, 2022	As at March 31, 2021	Remarks
Debtors Turnover	9.2	6.3	Led by more efficient collections of accounts receivable
Inventory Turnover	4.7	4.2	Reflects higher cost of goods due to increase in raw material prices
Interest Coverage Ratio	7.7	4.9	Interest coverage ratio has improved, reflecting healthy cashflows and reduced net debt
Current Ratio	1.4	1.3	No significant change
Debt Equity Ratio	0.56	0.64	Reflects reduced net debt
Operating Profit Margin (%)	15.2	19.2	Reflects impact of higher input costs
Net Profit Margin (%)	6.6	7.3	Reflects impact of higher input costs in operating and net margins
Return on Average Equity (ROE in %)	15.8	16.3	No significant change

Management Discussion and Analysis

Outlook

The Company's growth during the year under review has been stellar in the face of unprecedented challenges, with a strong performance demonstrated by its core as well as its emerging businesses. High input costs, rising inflation, and the resulting weakening of business sentiment are issues that are likely to take some time to ease but players like Welspun that enjoy scale, high differentiation, operating efficiencies, and strategic relationships with clients tend to be better positioned to face medium term adversities and emerge stronger. The Company has been taking the steps necessary to ensure that it continues its dialogues and long term partnerships with its customers, while keeping a keen eye on operating costs and further innovating and value engineering its products. The Company remains focused on executing its long-term growth strategy centred around its brands, emerging businesses, and B2B and D2C channels including retail and e-commerce.

Risk Management

Risks are inevitable in today's world and WIL strongly believes that its success depends upon identification of potential risks in advance and the creation of appropriate mitigation strategies to bypass or minimise impact, to the extent possible. The Company constantly scans its external environment to identify emerging threats while also evaluating its impact on its business goals. WIL's Risk Management Committee reviews the management's enterprise-wide risk management efforts and provides valuable recommendations and guidance towards mitigating the same.

The Company's risk management policy is well-defined and encompasses a robust risk management framework. The Risk Management Committee of the Board oversees and reviews this framework, while also assessing the risks, its management strategy and mitigation procedures. This Committee is tasked with reporting its findings and recommendations to the Board.

The Company has localised its effort to minimise risks by creating risk management committees at each location (plants and head office), thereby promoting a risk-aware culture across the organisation. These committees assess risks and monitor mitigation measures at their respective locations. The Company has created risk registers for each location, which includes every minute function. Risk prioritisation and monitoring is therefore performed, at a functional level, at a plant level as well as at the Company level. Plant heads and functional heads are responsible for managing the risks. Apart from the scheduled and structured risk management meetings, risk management is also included in the business performance review, wherein inherent risks are discussed during the business review meetings.

Some of the key strategic and business risks the Company is actively managing are summarised as under:

Risks	Mitigation strategies
Increased demand for sustainably manufactured products, resulting from changing consumer mindsets.	The Company consistently works towards innovation in manufacturing sustainable products. It spends around 0.5%-0.75% of its revenue on product innovation.
Concentration risk, with heavy dependence on few geographies and customers	The Company is developing a detailed supply chain mechanism to increase its share of e-commerce. Currently, it is working on finalising logistics and warehouse management for the same.
Inability to expand operations / fear of losing opportunity towards additional demand on account of space constraint at existing plant locations. Concentration risk, since a majority of its plants are located in the state of Gujarat.	The Company plans to cater to incremental demand through outsourcing. To that effect, it has garnered many strong relationships with vendors that align with our quality and excellence. Going forward, the Company's own capacities will only cater to US and UK customers. The management is looking to explore design changes at the existing plants to explore if additional production lines can be set up. Moreover, the Company is now manufacturing Flooring products and has also commercially started expanded operations for Spunlace in the state of Telangana
Impact on profitability and cash flows due to withdrawal of rebate in taxes	This risk will impact the entire Textile industry, if it fructifies. The Company would continue to engage through industry forums like ASSOCHAM to make formal presentations to the Government as necessary.
Cyber vulnerability leading to breaches in systems and leaking of the Company's	A maturity map /scorecard for different activities has been created across different risks (operational. IT infrastructure, application, end point) and around 235+ control points have been identified.
Inability to attract and retain talent	The Company works towards upskilling to achieve higher productivity, and takes appropriate measures to retain high skilled workers.

Risks	Mitigation strategies
Operating risks, such as • Volatility in cotton prices may impact profitability adversely • Non-availability of Key Raw Materials resulting in supply chain issues • Non fulfillment of customer orders due to limited availability of specialised/organic cotton • Use of obsolete technology impacting economic efficiencies. • Impact on business continuity due to the COVID-19 pandemic and other such world affairs	• A substitute of 60 PVA has been identified (Mint yarn), and materials can be sourced from Japan easily, although it marginally increases the cost of production. WIL has initiated procurement of the same. • The Company is developing relationships in other countries, especially Tanzania, Turkey and Myanmar, for organic cotton. • Within India, it plans to tap the organic farming practices in Maharashtra and Gujarat • A detailed business plan is being presented to the Management for replacement of Old Looms • The global sourcing team at WIL is working to identify vendors across multiple geographies to undertake localised production
Inability to attract and retain talent	The Company constantly innovates to stay ahead of its competition. To that effect, it has diversified its portfolio to include new products like Welspun Flooring. It also keeps undertaking measures to continually stay ahead of the curve and differentiate itself through its superior scale and quality as well as deep strategic relationships with clients. The growing contribution from Brands too add to the competitive edge that the Company already enjoys.

Human Resources

With over 24,000 employees on its payroll, the WIL workforce is among the Company's most critical assets. WIL constantly invests in the up-skilling of its workforce and creates a nurturing and supportive environment for them to enable them to learn, grow and thrive. The Company provides various platforms such as events, programmes and training sessions, to induce team spirit while also helping them enhance their skills, thus ensuring a positive work environment and culture that inspires them to perform with precision and productivity.

Internal Control Systems and their Adequacies

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

Directors' Report

To
The Members,
Welspun India Limited

Your Directors have pleasure in presenting the 37th Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2022.

1. Financial highlights:

₹ million

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations (Net)	93,115	73,402	67,035	59,563
Other Income	658	678	861	832
Total Revenue	93,773	74,080	67,896	60,395
EBITDA	14,246	14,197	9,768	11,656
EBITDA Margins (%)	15	19	14	19
Finance Cost	1,312	1,975	813	1,014
Depreciation and amortisation	4,205	4,536	2,761	3,301
Profit before exceptional items and tax and share of net profit of Associates	8,728	7,686	-	-
Share of net profit of Associates	1	1	-	-
Profit before tax	8,729	7,687	6,194	7,341
Tax Expense	2,663	2,179	2,272	2,074
Profit after taxation	6,066	5,508	3,922	5,267
Earnings per share (Basic & Diluted) (Nominal value per share Re. 1)	6.06	5.37	3.95	5.24

2. Performance and Outlook:

Your Company's total revenue has seen growth of 27% on consolidated basis and 13% on standalone basis. In spite of factors like Ukraine-Russia conflict, logistical challenges, unseen levels of increases in commodity prices and decades' high inflation in western economies, your Company has seen growth. Commodity prices have impacted EBITDA. Your Company's EBITDA on consolidated level has remained almost same and has seen slid down by 16% on standalone basis. This has resulted in decrease in EBITDA margin of 21% on consolidated basis and 25% on standalone basis. Profit before Tax has increased by 14% on consolidated basis and reduced by 16% on standalone basis. Profit After Tax has increased by 10% on consolidated basis and reduced by 26% on standalone basis.

3. Dividend:

i. Dividend Distribution Policy:

The Board of Directors approved Dividend Distribution Policy of the Company, as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations 2015"). The Dividend Distribution Policy provides that the Board will endeavor to achieve distribution of 25% of PAT for a financial year, on consolidated basis, with equity shareholders. The Policy is attached as Annexure – 1 to this Report and it is also available on your Company's website and the web link thereto is as given below.

www.welspunindia.com under the tab Investors -> Policies

ii. Dividend for Financial Year 2021-22:

The Board has recommended dividend of ₹ 0.15 per equity share for the Financial Year ("FY") 2021-22 amounting to ₹ 148.21 million, consequently cash outflow of ₹ 148.21 million i.e. 2.44% of consolidated PAT. Considering cash outflow of ₹ 2 billion on account of Buyback approved and completed on July 15, 2021 along with dividend cash outflow of ₹ 148.21 million, payout to shareholders amounts to 35.41% of consolidated PAT.

A snapshot of the dividend track record of your Company for previous financial years is given below.

₹ million

Financial Year	Total Dividend (%)	Cash Outflow (including DDT)
2021-22	15%	148
2020-21	15%	151
2019-20	100%	1,211

4. Subsidiaries:

During the year FY2021-22, the Company divested its investment in Pure Sense Organic Myanmar Limited ("PSOML"), a Myanmar based company engaged in the business of organic cotton. Myanmar witnessed a military coup in the middle of Covid Pandemic. The Company decided exit from this project.

A report on the performance and financial position of each of the subsidiary companies of your Company is included in the consolidated financial statement presented in Form AOC-1 attached as Annexure – 2 to this Report. Your Company's policy on Material Subsidiary as approved by the Board is hosted on your Company's website and the web link thereto is as given below.

www.welspunindia.com under the tab Investors -> Polices

5. Auditors and Auditors' Report:

i. Statutory Auditors:

Your Company's Auditors, S R B C & CO LLP's tenure expires at the 37th Annual General Meeting to be held in this year 2022. The Board of Directors recommends re-appointment of S R B C & CO LLP (having Firm Registration Number 324982E/E300003) as the Statutory Auditors of the Company for the second term of consecutive five years commencing from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting. The Auditors are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' observation read with Notes to Accounts for FY 2021-22 are self-explanatory and therefore do not call for any comment.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under Report is ₹ 53.19 million.

ii. Cost Auditors:

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has reappointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of your Company for FY 2022-23 on the recommendations made by the Audit Committee.

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

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

iii. Secretarial Auditor:

The Secretarial Audit Report for FY 2021-22 is attached herewith as Annexure - 3 to this Report. As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Secretarial Audit Report for FY 2021-22 of Welspun Global Brands Limited, material unlisted subsidiary company is also attached under Annexure – 3.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed MNB & Co. LLP, Practicing Company Secretaries, as the Secretarial Auditor of your Company for the FY 2022-23.

6. Disclosure of Shares held in suspense account:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year		Remarks
No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	
825	333,630	8	1,410	8	1,480	817	332,150	-

7. Listing with the Stock Exchanges:

Your Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual listing fees for the FY 2022-23 have been paid to NSE and BSE. The unsecured Commercial Papers outstanding as at March 31, 2022 are listed on the National Stock Exchange of India and the details are as given below:

Subscriber's Name	ISIN	Maturity value (₹)	Maturity Units	Issue date	Maturity date	CP Outstanding on 31.03.2022 (₹)
BNP Paribas Mutual Fund	INE192B14570	250,000,000/-	500	28-Feb-22	27-May-22	250,000,000/-
Kotak Bank	INE192B14588	100,00,00,000/-	2000	17-Mar-22	13-Sep-22	100,00,00,000/-

Directors' Report (Contd.)

8. Finance:

i. Credit Rating:

During the year, CARE Ratings Limited ('CARE') has reaffirmed your Company's long term credit rating as 'AA' and short term credit rating as 'A1+'. India Ratings & Research, a Fitch Group company, has reaffirmed your Company's long-term issuer rating as 'IND AA/Stable' and reaffirmed short-term credit rating as 'IND A1+'.

ii. Deposits:

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

9. Board of Directors:

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

i. Changes in Directors and Key Managerial Personnel:

During the year, there was no change in Board of Directors and Key Managerial Personnel except as given below.:

(i) Resignation of Sanjeev Sancheti as Chief Financial Officer of the Company w.e.f. May 14, 2021;

(ii) Appointment of Sanjay Gupta as Chief Financial Officer of the Company w.e.f. May 15, 2021;

(iii) Resignation of Arun Todarwal as Independent Director w.e.f. July 01, 2022 and

(iv) Appointment of K H Viswanathan as Independent Director w.e.f. July 01, 2022

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Mr. Rajesh Mandawewala (holding Director Identification Number 00007179) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment.

Details about director being appointed or re-appointed are given in the Notice of the forthcoming Annual General Meeting.

ii. Declaration by an Independent Director(s):

Your Company has received declarations from all the independent directors as per the provisions of Section 149(7) of the Act confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on the date of this Report which may affect their respective status as an independent director.

Your Board confirms that in its opinion the independent directors fulfill the conditions prescribed under the SEBI (LODR), 2015 and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs ("IICA"), Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Companies Act, 2013.

Test of independence based on criteria given in SEC (USA) Rule 4200

Key Independence Criteria	Arun Todarwal	Arvind Singhal	Pradeep Poddar	Anisha Motwani
The director must not have been employed by the Company in an executive capacity within the last five years.	✓	✓	✓	✓
The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of $60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the Company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed	✓	✓	✓	✓
The director must not be a "Family Member of an individual who is, or during the past three years was employed by the Company or by any parent or subsidiary of the Company as an executive officer.	✓	✓	✓	✓
The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the Company or a member of the Company's senior management	✓	✓	✓	✓
The director must not be affiliated with a significant customer or supplier of the Company	✓	✓	✓	✓
The director must have no personal services contract(s) with the Company or a member of the Company's senior management	✓	✓	✓	✓
The director must not be affiliated with a not-for-profit entity that receives significant contributions from the Company	✓	✓	✓	✓
The director must not have been a partner or employee of the Company's outside auditor during the past three years	✓	✓	✓	✓
The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent	✓	✓	✓	✓

iii. Directors' Evaluation:

Background:

Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of the Board, its committees and the directors.

In compliance with Sections 134, 178 of, and Paras II, V and VIII of Schedule IV to, the Act and Regulation 17 of Para A of Part D of Schedule II to SEBI Regulations 2015, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors. The evaluation process invited graded responses to a structured questionnaire, which was largely in line with the SEBI Guidance Note on Board Evaluation, for each aspect of the evaluation. All the results were satisfactory.

Mode of evaluation:

Board assessment is conducted through a structured questionnaire. Each question contains a scale of 0 to 3. The Company has developed an in-house digital platform to facilitate confidential responses to a structured questionnaire. All the directors participated in the evaluation process.

Further, meeting of independent directors was conducted to review the performance of the Board as a whole and that of non-independent directors.

Results:

The evaluation results were discussed at the meeting of Board of Directors, Committees and the Independent Directors meeting. The Directors were satisfied with the overall corporate governance standards, Board performance and effectiveness.

	Key parameters
Board of Directors	• Board structure and composition • Board meeting practices (agenda, frequency, duration) • Functions of the Board (Strategic direction etc.) • Quantity, quality & timeliness of information • Board culture and effectiveness • Functioning of Board Committees • Director induction and development programs
Board Committee	• Composition, roles & responsibilities and effectiveness of the committee • Meeting structure and information flow • Contributions to Board decisions
Independent directors	• Independence from company (no conflict of interest) • Independent views and judgement • Objective contribution to the Board deliberations
Chairperson	• Promote effective decision-making • Encourage high quality of constructive debate • Open-minded and listening to the members • Effectively dealing with dissent and work constructively towards consensus • Shareholders' interest supreme while taking decisions
Executive Directors	• Relevant expertise and commitment • Performance vis-à-vis business budget, peers • Dealing with challenges • Developing leaders

Directors' Report (Contd.)

Board of Directors	
Parameters with high evaluation scores:	**Key focus areas:**
• Well informed decision-making process and considers interest of all stakeholders • In-depth understanding about key performance drivers, risks and opportunities • Strong oversight on quality of financial reporting process & internal financial controls • Constructive Board culture • Regular monitoring of actions taken on key decisions	• Induction & Continuous training for Independent Directors [Action plan: comprehensive induction toolkit shall be developed for new directors and periodic re-assessment of training needs] • Enhance governance over succession plan within the organisation [Action plan: Successor readiness dashboard and progress update to be shared with NRC at regular intervals.] • Strive to balance time spent between strategic matters and day-to-day responsibilities • Formally define/document roles & responsibilities of the Board and Committees [Action plan: Board Charter, AC Charter, NRC Charter, ESG & CSR Committee charters have been developed]

Board Committees	
Parameters with high evaluation scores:	**Key focus areas:**
• Strong oversight on financial reporting process, internal financial controls, compliance with related party transaction regulations and reporting to Board on key control gaps • Performance monitoring of subsidiaries • Effective in advising senior executives	• Higher time to discuss CSR issues and interaction with operating management on CSR matters

Key actions taken as a result of previous year's evaluation:

- Separate presentation by each business vertical CEOs to the Board
- Formal and dedicated agenda for briefing by Committee Chairperson to the Board on key updates from Committee meetings

iv. Familiarisation program for Independent Director(s):

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

The policy on Company's familiarisation programme for Independent Directors is hosted on your Company's website and a web link thereto is as given below:

www.welspunindia.com under the tab Investors -> Policies

v. Committees of the Board of Directors:

Information on the Audit Committee, the Nomination and Remuneration Committee, ESG & CSR Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, Risk Management Committee and meetings of those committees held during the year is given in the Corporate Governance Report forming part of this Report.

10. Employee Stock Option Plan ("ESOP"):

The Company granted stock options during the financial year 2021-2022.

Disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(I)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP including -	
(a)	Name of the ESOP Plan	WELSOP 2005
(b)	Date of shareholders' approval	September 28, 2005
(c)	Total number of options approved under ESOP	36,544,760 (3,654,476 at the time of passing of shareholders resolution with shares being of face value ₹ 10 per share.)
(d)	Vesting requirements	Vesting: 20% on end of one year from the date of grant; 20% on end of second year from the date of grant; 30% on end of third year from the date of grant and 30% on end of fourth year from the date of grant.
(e)	Exercise price or pricing formula	At the latest available closing market price of the equity shares of the Company at the time of grant.
(f)	Maximum term of options granted	3 years
(g)	Source of shares (primary, secondary or combination)	Primary
(h)	Variation in terms of options	No modifications were made to the schemes during the year.

(II)	Method used to account for ESOP - Intrinsic or fair value.	The Company has recognised compensation cost using fair value method of accounting. The Company has recognised stock option compensation cost of ₹ 17.42 million in the statement of profit and loss for the financial year 2021-22.	
(III)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company accounted for employee compensation cost on the basis of fair value of the options.	
(IV)	Option movement during the year	Options granted on July 31, 2021	Options granted on November 26, 2021
	Number of options outstanding at the beginning of the period	-	-
	Options granted	3,000,000	300,000
	Options vested	-	-
	Options exercised	-	-
	The total number of shares arising as a result of exercise of option	-	-
	Options forfeited/lapsed	400,000	-
	The exercise price	133.45	139.00
	Money realised by exercise of options	-	-
	Loan repaid by the Trust during the year from exercise price received	Not applicable	Not applicable
	Number of options outstanding at the end of the Year	2,600,000	300,000
	Number of options exercisable at the end of the Year	-	-
Employee wise details of options granted to:-			
•	Key managerial personnel	200,000 options granted to Mr. Sanjay Gupta, Chief Financial Officer of the Company having exercise price of ₹ 133.45 per share.	
•	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year:	
		1. A K Joshi	200,000
		2. Keyur Parekh	200,000
		3. Sanjay Kanungo	200,000
		4. Rajendra Mehta	200,000
		5. Amarsinh Dhanwade (resigned w.e.f. January 08, 2022)	200,000
		6. Puesh Ajmani	200,000
		7. Umasankar Mahapatra(resigned w.e.f. March 23, 2022)	200,000
		8. Manjari Upadhye	200,000
		9. Mukesh Sawalani	200,000
		10. Cherian Thomas	200,000
		11. Altaf Jiwani	500,000
		12. Amit Bhandari	200,000
		13. Chintan Thakker	200,000

Directors' Report (Contd.)

• Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share".	₹ 3.95	
	Options granted on July 31, 2021	Options granted on November 26, 2021
Weighted-average value of share price (Rs.)	133.45	139.00
Exercise prices (Rs.)	133.45	139.00
weighted-average fair values of options (Rs.)	44.80	46.86
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:		
(i) risk-free interest rate	3.94% - 5.65%	4.29% - 5.65%
(ii) expected life	1-4	1-4
(iii) expected volatility	50%	50%
(iv) Dividend yield	1.05%	1.05%
(v) the price of the underlying share in market at the time of option grant.	133.45	139.00

11. Loans, Guarantees and Investments:

Information of amounts of investments made, loans given, guarantees given and security provided by your Company as on March 31, 2022 is as given under:

₹ million

Particulars	Amount
Investments	18,961.70
Loans/Receivables	-
Guarantees	24,354.60
Security	-
Total	**43,316.30**

The Company has issued guarantee of ₹ 8.2 billion in favour of consortium of Bankers led by State Bank of India ("the Consortium") to secure repayment of working capital facilities extended by the Consortium to Welspun Global Brands Limited ("WGBL"), a subsidiary of your Company.

The Company has issued guarantees of ₹ 8.15 billion in favour of the lenders of Welspun Flooring Limited ("WFL"), a wholly owned subsidiary of your Company to secure repayment of facilities extended by those lenders to WFL and ₹ 1.56 billion in favour of Exim Bank Limited to secure term loan facility. The Company issued a guarantee of ₹ 2.55 billion to Catalyst Trusteeship Limited, security trustee of consortium of lenders to WFL consisting of Bank of Baroda, HDFC Bank and IDFC First Bank. The Company has issued guarantee of Rs. 175 million in favour of HDFC Bank Limited to secure working capital facility availed by WFL. Additionally, your Company had issued guarantee of amount of 1 200 million in favour of Axis Bank Limited to secure forward contracts risk.

Your Company's Board has authorised issue of guarantees of amounts upto ₹ 1.40 billion to Customs Authorities to secure fulfilment of export obligations of Welspun Advanced Materials (India) Limited ("WAMIL"), a wholly owned subsidiary of your Company. Additionally, the Company has issued guarantee in favour of Catalyst Trusteeship Limited to secure term loan facility for an amount of ₹ 2.48 billion.

Disclosures pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI Regulations, 2015 is given at Note No. 36 of the audited financial statements.

12. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business, to serve mutual needs and mutual interest. Except for contracts with WGBL and WCPGL, subsidiaries of your Company, there were no materially significant related party transactions made by your Company. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company's policy on Related Party Transactions as approved by the Board is hosted on your Company's website and a web link thereto is as given below:

www.welspunindia.com under the tab Investors -> Policies

Disclosures as required under the Act are given in Form AOC-2 as Annexure – 4 to this Report.

The details of the related party transactions as required under IND-AS 24 are set out in Note 29(ii) to the Standalone financial statements forming part of this Report.

13. Details of Remuneration to Directors and Key Managerial Personnel:

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

(a) the ratio of the remuneration of each Executive Director and Key Managerial Personnel to the median remuneration of the employees of your Company for FY 2021-22 is as given below:

Name and Designation	Remuneration (₹ million)	The percentage increase in remuneration	The ratio of the remuneration to the median remuneration of the employees (No. of times)
Rajesh Mandawewala Managing Director	107.91	18.39	485
Ms. Dipali Goenka CEO and Joint Managing Director	125.67	24.20	580
Sanjay Gupta * Chief Financial Officer	14.76	* -	79
Sanjeev Sancheti@ Chief Financial Officer	7.85	@ -	-
Shashikant Thorat Company Secretary	5.38	36.20	30

* Joined with effect from May 15, 2021
@ Acted as CFO upto May 14, 2021.

(b) The percentage increase in the median remuneration of employees in FY 2021-22 was 15.18%.

(c) Your Company had 19,905 permanent employees on its payroll as on March 31, 2022.

(d) Average percentage increase in the salaries of employees other than the managerial personnel in FY 2021-22 was 11%.

The key parameters for any variable component of remuneration availed by the directors are as per the Nomination and Remuneration Policy. We affirm that the remuneration is as per the Nomination and Remuneration Policy of your Company.

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

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

Amarsinh Dhanwade, Senior Vice President, 43, 20/08/2018, 17.28, MBA/PGDM, L'Oreal, Permanent, 0, No(resigned w.e.f. 08/01/2022), Altaf Jiwani, *Director, 55, 02/02/2015, 44.88, B.TECH/MMS, Philips Carbon Black, Permanent, 0, No, Abhinandan Singh, Senior Vice President, 50, 20/12/2021, 2.95, MBA, Coforge Limited, Permanent, 0, No, Bharat Thanvi, President, 48, 01/07/2013, 9.72, BE/Btech, Welspun, Permanent, 0, No, Cherian Thomas, President, 51, 02/12/2019, 17.23, BE (Mechanical)+ MBA, Frigoglass, Permanent, 0, No, Chintan Thaker, President, 44, 01/12/2013, 12.43, B.SC + MBA, Gujarat Infra Limited, Permanent, 0, No, Dipali Goenka, CEO & Joint Managing Director, 52, 07/08/2000, 125.67, B.A. (Psychology), N.A., Contractual, 0.07, Yes, Madhumita Mitra, Senior Vice President, 51, 30/12/2021, 11.81, MBA, AP Moller Maersk, Permanent, 0, No, Puesh Ajmani, Senior Vice President, 43, 25/08/2020, 15.76, MBA + PGDM, Square Panda Inc., Permanent, 0, No, Rajesh Mandawewala, Managing Director, 60, 01/12/1985, 107.91, CA, NA, Contractual, 1,030, No, Rajendra Mehta, President, 52, 01/09/2021, 18.98, MBA, Synergy Capital, Permanent, 0, No, Ruchi Ahuja, Senior Vice President, 43, 28/12/2021, 2.95, BA, Nurture Agtech Private Limited, Permanent, 0, No, Sanjay Gupta, President, 53, 14/05/2021, 14.80, CA, CS, Vibgyor School Group, Permanent, 0, No, Shailesh Apte, Senior Vice President, 40, 13/09/2021, 6.64, M.Com, JSW Steel, Permanent, 0, No, Sanjeev Sancheti, President, 54, 02/07/2020, 4.11, CA, Srei Infra Finance, Permanent, 0, No, (resigned w.e.f. May 14, 2021) Sanjay Kanungo, President, 54, 23/01/2017, 17.60, BE (Mechanical), Trident, Permanent, 0, No.

* Not a member of the Board.

iii. Ms. Dipali Goenka, CEO & Joint Managing Director, who is receiving remuneration and commission from your Company, receives ₹ 37.50 million as remuneration (including variable pay) and commission of 2% of profits also from WGBL, a subsidiary of your Company.

iv. Details of managerial remuneration and payments to other directors is given in the Annual Return.

Directors' Report (Contd.)

14. Annual Return:

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at

www.welspunindia.com under the tab Investors -> Shareholders Information -> Annual Return FY 21-22.

15. Business Responsibility and Sustainability Report (BRSR)

SEBI vide Notification No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 has replaced filing of Business Responsibility Report with Business Responsibility and Sustainability Report. SEBI has made it voluntary to the Companies for filing the BRSR for the financial year 2021-22. The Company is pleased to present its 1st Business Responsibility and Sustainability Report (BRSR) for the FY 2021-22 which is a part of this Annual Report.

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

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

17. Corporate Social Responsibility (CSR):

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

The CSR Policy of your Company as approved by the Board of Directors, is hosted on your Company's website and a web link thereto is as given below: www.welspunindia.com under the tab Investors -> Policies

The initiatives undertaken by your Company during FY 2021-22 in CSR have been detailed in this Report. Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 are given in Annexure – 6 to this Report.

During the year under review, your Board of Directors modified the Company's CSR Policy by way of linking the Company's CSR programs with the Sustainable Development agenda adopted by the UN; clearly defined activities and goals - ongoing/long-term; provisions related to excess contribution & set-off, capital assets governance structure & responsibilities.

18. Internal controls:

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

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

For the year ended March 31, 2022, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and/or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

19. Risk management:

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

20. Corporate Governance:

The Company is committed to maintain the highest standards of corporate governance requirements as set out by SEBI. The Report on Corporate Governance as stipulated under SEBI Regulations, 2015 forms an integral part of this Report. The requisite Compliance Certificate is obtained from MNB & Co LLP, Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of SEBI Regulations 2015, is annexed to the Corporate Governance Report.

21. Management Discussion and Analysis Report ("MDA"):

The MDA Report on the operation of the Company as required under the SEBI Regulations, 2015, is provided in a separate section and forms part of this Report.

22. Vigil mechanism:

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

23. Directors' Responsibility Statement:

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the FY 2021-22;

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

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

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

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

24. Miscellaneous:

During the year, there was no change in the general nature of business of your Company. No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. No amount was required to be transferred to General Reserve. No share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, based on the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace, the Internal Complaints Committee for each location of your Company informed that no cases of sexual harassments were reported during the year under review. Your Company has not made any provision of money for the purchase of, or subscription for, shares of your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required. No fraud took place in the Company during the year and hence, no such reporting was made to the Audit Committee and the Board under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014. The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

25. Acknowledgements:

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

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

July 27, 2022
Mumbai

Annexure – 1

Dividend Distribution Policy

(In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. REGULATORY FRAMEWORK

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy.

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

2. OBJECTIVE & PHILOSOPHY

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

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

3. DIVIDEND DECLARATION - CIRCUMSTANCES AND FINANCIAL PARAMETERS

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

Provided that dividend calculated at 25 per cent (25%) of Profit after Tax on consolidated basis in respect of any financial year would be subject to limit of amount equal to 40 per cent (40%) of Profit after Tax on standalone basis for that financial year.

The shareholders may expect dividend in following circumstances:

1) The Board will assess the Company's financial requirement, including present and future organic and inorganic growth opportunities and other relevant factors.
2) In the circumstances where no material event has occurred affecting the long term business stability of the Company.
3) No event has happened which may have long term material effect on the business of the Company. In such circumstances, dividend may be recommended or declared at the discretion of the Board.
4) Dividend received from subsidiaries will be considered while assessing whether dividend would put a strain on funds flow of the Company at a standalone level.

4. FACTORS FOR DETERMINING DIVIDEND

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

A. Internal Factors

i) Stability/trends of earnings;
ii) Liquidity of funds;
iii) Need for additional capital;
iv) Acquisitions and/or any other potential strategic action;
v) Expansion of business;
vi) Past dividend trends;
vii) Dividend type and time of its payment;

B. External Factors

i) Prevailing legal requirements, tax rules Government policies, Statutory conditions or restrictions as may be provided under applicable laws;
ii) State of the industry or economy of the country;
iii) Capital market scenario;
iv) Financial covenants stipulated by the lenders;
v) Covenants in agreement with shareholding group(s);

5. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHARES

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

6. UTILISATION OF RETAINED EARNINGS

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

1. Maintain existing operations;
2. Acquisitions, expansion or diversification;
3. Funding organic and inorganic growth
4. Short-term investment in risk-free instruments with moderate returns;
5. Repayment of borrowings;
6. Meet contingent and other liabilities;
7. Issue of Bonus Shares;
8. Investment in Subsidiaries
9. Research and Development
10. Innovation
11. Acquisition of Intellectual Property Rights

7. AMENDMENTS/MODIFICATIONS

1. This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.
2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
4. Any difficulty or ambiguity in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
5. When the company proposes to declare dividend on the basis of parameters other than what is mentioned in the policy or proposes to change its dividend distribution policy, the same along with the rationale shall be disclosed.

For Welspun India Limited

Sd/-
Rajesh Mandawewala
Managing Director
00007179

Date: January 27, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 10, 2022
Mumbai

Annexure – 2

Form AOC – 1

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

Performance and financial position of the subsidiaries

₹ million

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Name of the Subsidiary company	WGBL	#WUSA	WCPGL	#CHL	WUL	WFL	CLL	CWG	WASEZ	WHTUKL	WZTL	WIPL	CHT	NHT
Reporting period year ended	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Reporting currency and Exchange rate	INR NA	USD ₹ 75.79	INR NA	GBP ₹ 99.48	GBP ₹ 99.48	INR NA	USD ₹ 75.79	Euro ₹ 84.20	INR NA	GBP ₹ 99.48	INR NA	INR NA	GBP ₹ 99.48	MXN ₹ 3.58
Share Capital	235.29	10.21	295.38	474.55	506.75	6,035.41	-	9.18	0.51	1,048.62	55.00	2.60	512.82	53.22
Reserves & Surplus	4,211.00	1,735.86	3,798.97	(86.14)	303.02	(1,010.20)	(218.76)	(21.60)	2,401.06	(608.43)	61.41	(2.40)	(34.12)	(53.22)
Total Assets	22,513.94	12,358.26	4,330.78	1,630.35	1,159.84	15,986.54	(87.74)	(7.75)	2,644.54	749.51	57.08	0.22	483.17	-
Total Liabilities	19,147.86	10,612.19	897.20	1,241.94	350.07	11,076.47	131.02	4.67	677.81	309.32	1.18	0.02	4.47	-
Investments (excluding investments in subsidiaries)	1,080.21	-	660.77	-	-	115.15	-	-	434.84	-	60.51	-	-	-
Turnover	76,119.15	24,428.29	4,372.11	3.078.74	2,552.55	7,005.95	510.04	0.26	34.96	-	-	-	-	-
Profit/(Loss) before Taxation	695.36	254.80	105.57	98.61	105.98	642.40	3.66	(4.16)	7.92	(0.01)	4.11	(0.02)	-	-
Provision for Taxation	147.22	66.34	(70.69)	-	-	-	-	-	2.74	-	0.64	-	-	-
Profit/(Loss) after Taxation	548.14	188.46	176.26	98.61	105.98	642.40	3.66	(4.16)	5.18	(0.01)	3.47	(0.02)	-	-
Proposed Dividend (Equity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.03	98.68	77.00	98.11	98.11	100.00	98.11	98.11	100.00	98.11	100.00	100.00	98.11	98.03

Consolidated figures of the Company and all its subsidiaries are given.

Reporting currency and Exchange rate is as on the last date of the relevant financial year in the case of foreign subsidiaries.

WGBL = Welspun Global Brands Limited, WUSA = Welspun USA, Inc., WCPGL = Welspun Captive Power Generation Limited, CHL = CHT Holdings Limited, WUL = Welspun UK Limited, WFL = Welspun Flooring Limited, CLL = Christy Lifestyle LLC, CWG = Christy Welspun GmbH, WASEZ = Welspun Anjar SEZ, WHTUKL = Welspun Home Textiles UK Limited, WZTL = Welspun Zucchi Textiles Limited, WIPL = Welspun Innovation Products Limited (previously known as Welspun Advanced Materials Limited), CHT = Christy Home Textiles Limited, NHT = Novelty Home Textiles S A DE C V.

₹ million

Sr. No.	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Name of the Subsidiary company	WMEL	WHPL	ERK	BDI	AITP	PSOML	CL	CUL	WNEX	TILT	WAMIL	TMG	ATTL	ETPL
Reporting period year ended	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Reporting currency and Exchange rate	USD ₹ 75.79	GBP ₹ 99.48	GBP ₹ 99.48	INR NA	INR NA	MKK ₹ 0.05	GBP ₹ 99.48	GBP ₹ 99.48	USD ₹ 75.79	USD ₹ 75.79	INR NA	USD ₹ 75.79	INR NA	INR NA
Share Capital	16.54	2.99	0.20	0.10	0.10	-	-	-	269.30	-	802.60	685.63	10.01	1.10
Reserves & Surplus	36.14	577.54	58.34	(14.42)	(0.38)	-	854.85	2.57	(256.38)	3.76	(15.60)	(19.28)	(0.85)	(0.06)
Total Assets	53.41	582.97	58.56	1.26	0.25	-	854.85	2.57	13.11	3.76	2,908.42	667.17	9.19	1.06
Total Liabilities	0.73	2.44	0.02	15.58	0.53	-	-	-	0.19	-	2,121.42	0.82	0.03	0.02
Investments(excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-	-	-	51.94	-	-	-
Profit/(Loss) before Taxation	(0.99)	(1.59)	-	0.02	(0.04)	(0.41)	-	-	(0.53)	-	(6.28)	(9.99)	(0.85)	(2.06)
Provision for Taxation	-	-	-	-	-	-	-	-	-	--	(0.47)	-	-	-
Profit/(Loss) after Taxation	(0.99)	(1.59)	-	0.02	(0.04)	(0.41)	-	-	(0.53)	-	(5.81)	(9.99)	(0.85)	(2.06)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-		-	-
% of Share holding	98.03	98.11	98.11	100.00	100.00	51.00	98.11	98.11	100.00	98.68	100.00	98.68	100.00	100.00

Reporting currency and Exchange rate is as on the last date of the relevant Financial year in case of foreign subsidiaries.
WMEL = Welspun Mauritius Enterprises Limited, WHPL = Welspun Holdings Private Limited, ERK = E. R. Kingsley (Textiles) Limited, BDI = Besa Developers and Infrastructure Private Limited, AITP = Anjar Integrated Textile Park Developers Private Limited, PSOML = Pure Sense Organics Myanmar Limited, CL = Christy 2004 Limited, CUL = Christy UK Limited, WNEX – Welspun Nexgen Inc., USA., TILT = TILT Innovation Inc., WAMIL = Welspun Advanced Materials (India) Limited, TMG = TMG (Americas) LLP, ATTL = Anjar Terry Towels Limited; ETPL = Easygo Textiles Private Limited.

Notes:
Anjar Integrated Textile Park Developers Private Limited, Welspun Innovative Products Limited, Anjar Terry Towels Limited and Easygo Textiles Private Limited is yet to commence business.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO & Joint Managing Director
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary
FCS - 6505

May 10, 2022
Mumbai

Annexure – 3

Form No. MR -3

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

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
WELSPUN INDIA LIMITED,
Registered Office: Welspun City,
Village Versamedi Anjar 370110,
Gujarat, India.
CIN: L17110GJ1985PLC033271

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: - (to the extent applicable during the period under review)

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; (to the extent applicable during the period under review)

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extent applicable during the period under review)

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (to the extent applicable during the period under review);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (to the extent applicable during the period under review);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable during the period under review);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (to the extent applicable during the period under review);

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (to the extent applicable during the period under review);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (to the extent applicable during the period under review)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2011; (not applicable to the company during the audit period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (to the extent applicable during the period under review);

(i) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (to the extent applicable during the period under review);

(vi) We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

As per management representation in writing received by me stating that during audit period, the company has adequate and proper compliance mechanism system in place for compliance of laws applicable, as mentioned hereinbelow:

- Labour laws and other incidental laws related to wages, gradually, provident fund, employees State insurance Corporation, compensation, etc.
- Direct and indirect taxes.
- Electricity Act, Environment protection related acts, Explosives act, Motor vehicle Act, Energy Conservation related Acts, Indian boilers act, Fire prevention and life safety related Acts
- Factories Act, 1948 along with local factories Act and rules
- Maharashtra Shops and Establishment Act 1948 and Maharashtra Shops and Establishment Rules, 1961
- Food Safety & Standards Act
- Industrial Disputes Act,
- Legal Metrology Act
- Gujrat Industrial Relations Act, Gujrat Shops and Establishments Act and other local Acts

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

(i) The Company has complied with Secretarial Standards pursuant to Section 118(10) of the Companies Act, 2013 with regard to Members Meeting and Board of Directors Meetings.

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

We further report that:

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

During the year under consideration, following changes in Board of Directors and Key Managerial personnel were observed:

1. Mr. Sanjeev Sancheti resigned as Chief Financial Officer of the Company w.e.f. May 14, 2021;
2. Mr. Sanjay Gupta was appointed as Chief Financial Officer of the Company w.e.f. May 15, 2021;
3. Ms. Dipali Goenka was re-appointed as the Joint Managing Director of the Company for a period of 5 years w.e.f. April 01, 2021;
4. Ms. Anisha Motwani was re-appointed as Independent Director of the second consecutive term of 5 years w.e.f. October 22, 2021.

In the Board meeting held on October 27, 2021, Remuneration payable to Ms. Dipali Goenka, CEO and JMD, has been revised.

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

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

We further report that during the audit period under review the Company:

- The Company has obtained approval of Members through special resolution for borrowings of upto ₹ 750 Crore in one or more form or instruments, including but not limited to loans, ESG Bonds, NCD, ECB, CP etc;
- The Company has declared and paid Dividend of ₹ 0.15 per share on Equity Shares for Financial Year 2020-21;
- The Company bought back its 1,66,66,666 equity Shares in July 2021;
- Nomination and Remuneration Committee of the Company has approved grant of 3,000,000 stock options ("ESOPs") under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of ₹ 1 each in the Company, at an exercise price of ₹ 133.45 on July 31, 2021. Further, the Nomination and Remuneration Committee of the Company has approved grant of 300,000 stock options ("ESOPs") under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of ₹ 1 each in the Company, at an exercise price of ₹ 139 on November 26, 2021;

Annexure – 3 (Contd.)

- The Company has obtained approval of Members through special resolution for borrowing from time to time, by way of issuing securities including but not limited to secured/unsecured, redeemable, non-convertible debentures (NCDs) and/or commercial papers (CPs) to be issued on a private placement basis, in domestic and/or international market, in one or more series/tranches from time to time, amounts upto ₹ 500 Crore (Rupees Five Hundred Crore only);
- The Company has amended its Articles of Association of Company for deletion of clause of Common Seal and
- The Company has acquired the newly incorporated Easygo Textiles Private Limited ('ETPL') from its promoters, being related parties of the Company, at ₹ 10.68 Lakh as the consideration which is at arm's length and thus, ETPL has become a wholly owned subsidiary of the Company.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307
UDIN: F008242D000277104
Peer Reviewed Firm No. 1259/2021

Place: Mumbai
Date: 10/05/2022

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
WELSPUN INDIA LIMITED,

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

Place: Mumbai
Date: 10/05/2022

Annexure – 3 (Contd.)

Secretarial Audit Report of Welspun Global Brands Limited, unlisted material subsidiary company

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
WELSPUN GLOBAL BRANDS LIMITED,
Registered Office: Survey No. 675 Anjar,
Welspun City, Kachchh Gujarat 370110 India.
CIN: U71210GJ2004PLC045144

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: - (to the extent applicable during the period under review)

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; (Not Applicable during the period under review)

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extent applicable during the period under review)

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not Applicable during the period under review);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable during the period under review);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable during the period under review);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the period under review);

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable during the period under review);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable during the period under review)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2011; (Not Applicable during the period under review);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the period under review);

(i) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the period under review);

(vi) We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

As per management representation in writing received by me stating that during audit period, the company has adequate and proper compliance mechanism system in place for compliance of laws applicable, as mentioned herein below:

- Labour laws and other incidental laws related to wages, gradually, provident fund, employees State insurance Corporation, compensation, etc.
- Direct and indirect taxes.
- Electricity Act, Environment protection related acts, Explosives act, Motor vehicle Act, Energy Conservation related Acts, Indian boilers act, Fire prevention and life safety related Acts
- Factories Act, 1948 along with local factories Act and rules
- Maharashtra Shops and Establishment Act 1948 and Maharashtra Shops and Establishment Rules, 1961
- Food Safety & Standards Act
- Industrial Disputes Act,
- Legal Metrology Act
- Gujarat Industrial Relations Act, Gujarat Shops and Establishments Act and other local Acts

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

(i) The Company has complied with Secretarial Standards pursuant to Section 118(10) of the Companies Act, 2013 with regard to Members Meeting and Board of Directors Meetings.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non Executive Directors. There was no change in the composition of the Board of Directors during the period under review.

In the Board meeting held on October 26, 2021, Remuneration payable to Ms. Dipali Goenka, Managing Director, has been revised.

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

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

We further report that during the audit period under review the company:

- The board accorded its consent to borrow amount upto ₹ 150 CR from Aditya Birla finance Limited for infusion of funds in Easygo Textiles Private Limited, Group Company.
- The Company has availed Working Capital demand loan facility aggregating to ₹ 75 Cr. (Rupees Seventy-Five Crore) from Bank of Baroda.

We further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307
UDIN: F008242D000277060
Peer Reviewed Firm No. 1259/2021

Place: Mumbai
Date: 09 May, 2022

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

Annexure – 3 (Contd.)

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
WELSPUN GLOBAL BRANDS LIMITED,

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307

Place: Mumbai
Date: 09 May, 2022

Annexure – 4

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto for financial year 2021-22.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

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

Note: The above transactions are material as per SEBI Regulations, 2015. Other transactions which are not material transactions but entered into in the ordinary course of business and on arm's length basis are mentioned in the Note No. 31(ii) of the audited financial statements.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

10 May, 2022
Mumbai

Annexure – 5

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

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

Your Company is continuously engaged in the process of energy conservation through continuous improvements in operational and maintenance practice. For more details on energy efficiency and saving, you may refer to the Business Responsibility and Sustainability Report (BRSR) which is forming part of the Annual Report.

(ii) the steps taken by the Company for utilising alternate sources of energy: Refer to BRSR.

(iii) the capital investment on energy conservation equipments: - Refer to BRSR.

Technology Absorption

(i) The efforts made towards technology absorption:

Welspun continues to develop innovative solutions for all its major markets and customer in soft home categories viz. Towels, Sheets, Rugs, Carpets, TOB and Utility Bedding; with holistic approach towards wellness & sustainability We advanced our thought leadership through various global collaboration with technology partners and universities Welspun is regional partner for 'Fashion for Good' program in Sustainable Innovations. Welspun was once again named amongst the most 'Influential Innovators' at the Clarivate South & South East Asia Innovation Award 2021.

Some examples of successful development & execution are as below:

a) In collaboration with DuPont Biomaterials Welspun launched a novel home textile Collection made with bio-based materials. The collection was developed to meet a growing demand for home textile products that not only bring desired performance but also are sustainable.

b) Welspun became the first Indian company to receive US FDA 510(k) approval for its 3 Ply Surgical Masks. Certified by BIS and CE already, this product from Welspun has now got all required certifications to supply to global markets including critical medical uses.

In FY 2021-22, Welspun India Limited and its subsidiaries have 33 unique inventions. These inventions have been applied for patent protection in major markets like USA and Europe. Your Company is acknowledged as Thought leader in Home Textile Industry in terms of innovation, 43% of revenue is through innovative products.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

We continue to develop innovative range of products to attract new business and customers and maintain leadership in market. This has been possible because of Innovation, Product Development and R&D done in your Company on a continuous basis. We remain closely connected with today's families through research which is central to our Innovation pipeline. Understanding what is important to them allows us to provide them with solutions for everyday living.

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

(iv) the expenditure incurred on Research and Development.

	₹ million
Capital	-
Recurring	263.83
Total	263.83
Total R&D expenditure as a percentage of total turnover	0.39

Foreign Exchange and Earnings Outgo:

Refer to Note No. 41 and 44 of the audited financial statements for details.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 10, 2022
Mumbai

Annexure – 6

Corporate Social Responsibility (CSR)

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

1. A brief outline of the Company's CSR Policy.

The Company's corporate philosophy has always been to practice ethical business and be socially responsible. There is a strong commitment to a wider all-round social progress, as well as to a sustainable development that balances the needs of the present with those of the future. The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.: (i) Education; (ii) Empowerment of women; and (iii) Environment and Health.

These 3E's are implemented through:

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

2. The Composition of the ESG & CSR Committee (Erstwhile Corporate Social Responsibility Committee).

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Arun Todarwal	Chairman/Independent Director	8	8
2	Ms. Dipali Goenka	Member/CEO & Joint Managing Director	8	6
3	Ms. Anisha Motwani	Member/Independent Director	8	8

Mr. Shashikant Thorat, Company Secretary acts as the Secretary to the Committee.

The Committee's Charter is hosted on the website of the Company at www.welspunindia.com under Investors ->Company's Charter.

3. Provide the web-link where Composition of ESG & CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company- "http://www.welspunindia.com" under the tab "Investors > Polices".

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Not applicable.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required to be set-off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹ Lakh)	Amount required to be set-off for the financial year, if any (in ₹ Lakh)
-	-	-	-
	Total		

6. Average net profit/(loss) of the Company as per Section 135(5): ₹ 5,189.79 million.

7. (a) Two per cent of average net profit of the Company as per Section 135(5): ₹ 103.79 million.

(b) Surplus arising out of the CSR Projects or programs or activities of the previous financial years - Nil

(c) Amount required to be set-off for the financial year, if any – N/A.

(d) Total CSR Obligation for the financial year (7a+7b-7c) = ₹ 103.79 million.

8. (a) CSR amount spent or unspent for the financial year:

Amount Unspent (In ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
93,986,000	28,343,000	April 26, 2022	-	-	-

Annexure – 6 (Contd.)

(b) Details of CSR amount spent against Ongoing Projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount Allocated for the Project (in ₹ lakh)	Amount spent in the current financial year (in ₹ Lakh)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implemen-tation-Direct	Mode of implementation-through implementing agency	
				State	District	(years)			(in ₹)	(Yes/No)	Name	CSR Registration Number
1	W01 Wel-Shiksha	Promoting Education	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	41,000,000	10,914,000	1,174,000			
2	W02 Wel-Netrutva - Health	Promoting Healthcare	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	8,000,000	4,007,000	431,000			
3	W03 Wel-Netrutva - Livelihood	Empowerment of women and socially backward	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	27,000,000	8,628,000	928,000			
4	W07 Wel-Vriksha	Ensuring Environmental Sustainability	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyderabad. (Gujarat, MP, Karnataka, Talengana)	3	57,100,000	26,600,000	2,861,000	No	Welspun Foundation For Health And Knowledge	CSR0001502
5	W08 Disaster Relief - Draughts & Covid-19	Disaster Relief	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyderabad. (Gujarat, MP, Delhi, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyderabad. (Gujarat, MP, Delhi, Karnataka, Talengana)	3	38,700,000	12,402,000	1,334,000			
6	W12 Rural Livelihood	Livelihood Enhancement Project	Yes	Nakhatrana, Wardha, Hyderabad (Gujarat, Maharashtra, Talengana)	Nakhatrana, Wardha, Hyderabad (Gujarat, Maharashtra, Talengana)	3	87,100,000	23,980,000	2,579,000			
7	W09 We-Volunteer	Development of Art and Culture	Yes	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyderabad. (Gujarat, MP, Delhi, Karnataka, Talengana)	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyderabad. (Gujarat, MP, Delhi, Karnataka, Talengana)	3	3,800,000	2,178,000	234,000			
	Total						**262,700,000**	**88,709,000**	**9,541,000**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of imple-mentation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration No.
1	W11 Institutional Support	Improvement of socially backward	Yes	Anjar, Mumbai (Gujarat, Maharashtra)	Anjar, Mumbai (Gujarat, Maharashtra)	25,00,000	No	Welspun Foundation for Health and Knowledge	CSR0001502

(d) Amount spent in Administrative Overheads: ₹ 27.77 lakh

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 939.86 lakh

(g) Excess amount for set-off, if any – Not applicable

Sr. No.	Particulars	Amount (in ₹)
(i)	Two Percent of average net profits of the Company as per Section 135(5)	1037.96 Lakh
(ii)	Total amount spent for the Financial Year	939.86 Lakh
(iii)	Excess amount spent for the Financial Year [(ii-i)]	Nil
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial year, if any.	Nil
(v)	Amount available for set-off in succeeding financial years [iii-iv]	Nil

Note: ₹ 98.10 Lakh (difference between Sr. No. (i) and Sr. No. (ii)) has been disbursed to Welspun Foundation For Health and Knowledge ("WFHK"). WFHK has kept it in Unspent CSR Account.

9. (a) Details of Unspent CSR Amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount Unspent un the reporting Financial Year (in ₹)	Amount Transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

Annexure – 6 (Contd.)

(b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial year(s):

1 Sr. No.	2 CSR Project/ Activity undertaken	3 Sector in which the project is identified	4 State and District where project was undertaken	5 Financial Year in which the Project was Commenced	6 Project Duration	7 Amount of outlay budget	8 Direct Expenditure on program/ Over Heads (₹ In Lakhs)	9 Cumulative expenditure up to 31.03.2022 (₹ In Lakhs)	10 Amount spent Direct or through implementing agency	11 Whether qualified as per Schedule VII of Co's Act.
1	W01 Wel-Shiksha	Promoting Education	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyedrabd. (Gujarat, MP, Karnataka, Talengana)	2020-21	3	4.10	109.14	228.24	Direct	Yes
2	W02 Wel-Netrutva - Health	Promoting Healthcare	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyedrabd. (Gujarat, MP, Karnataka, Talengana)	2020-21	3	0.80	40.07	40.07	Direct	Yes
3	W03 Wel-Netrutva - Livelihood	Empowerment of women and socially backward	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyedrabd. (Gujarat, MP, Karnataka, Talengana)	2020-21	3	2.70	86.28	136.07	Direct	Yes
4	W07 Wel-Vriksha	Ensuring Environmental Sustainability	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Mandya, Hyedrabd. (Gujarat, MP, Karnataka, Talengana)	2020-21	3	5.71	266.00	348.55	Direct	Yes
5	W08 Disaster Relief – Floods, Draughts & Covid - 19	Disaster Relief	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyedrabd. (Gujarat, MP, Delhi, Karnataka, Talengana)	2020-21	3	3.78	124.02	198.45	Direct	Yes
6	W11 Institutional Support	Emprovement of socially backward	Anjar, Mumbai (Gujarat, Maharashtra)	2021-22	3	0.55	25.00	25.00	Indirect	Yes
7	W12 Rural Livelihood	Livelihood Enhancement Project	Nakhatrana, Wardha, Hyedrabad (Gujarat, Maharashtra, Talengana)	2020-21	3	8.71	239.80	515.67	Direct	Yes
8	W09 We-Volunteer	Development of Art and Culture	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyedrabd. (Gujarat, MP, Delhi, Karnataka, Talengana)	2021-22	3	0.38	21.78	21.78	Direct	Yes
9	W10 Admin	CSR capacity building of own Personnel	Anjar, Valsad, Vapi, Bharuch, Dahej, Bhopal, Amravati, Dewas, Mandya, Hyedrabd. (Gujarat, MP, Delhi, Karnataka, Talengana)	2020-21	-	1.00	27.77	57.27	Direct	Yes
			Total			27.82	9.40	15.71		

10. In case of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

Asset-wise Detail

Asset	Date of Creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset.
		NIL		

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5): Not Applicable

For and on Behalf of the Board

Dipali Goenka
CEO & Joint Managing Director
DIN: 00007199

Arun Todarwal
Chairman of the ESG & CSR Committee
DIN: 00020916

Date: May 10, 2022
Place: Mumbai

Corporate Governance Report

I. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board believes that Corporate Governance is about sustainably maximising shareholder value. The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the Company, its members and other stakeholders. The Board supports the broad principles of Corporate Governance and believes that sound corporate governance is critical to enhancing and retaining investor trust. In order to attain the highest-level of Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS:

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

a) Composition:

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

	Name of the Director	Category	Board Meetings Attended during the Year 2021-22	Attendance at the Last AGM	No. of other Directorship/ Partnership			Chairman/ Member in No. of Board/ Committees including other Companies @	Number of Shares held
					Pub.	Pvt.	Other Body Corporate		
(01)	Balkrishan Goenka	C, P, NE	5/8	Yes	7	1	5	-	490,660
(02)	Arun Todarwal	NE, I	8/8	Yes	3	1	2	3C, 5M	-
(03)	Pradeep Poddar	NE, I	7/8	Yes	4	-	-	3C, 8M	-
(04)	Arvind Kumar Singhal	NE, I	8/8	Yes	3	5	2	1C, 4M	-
(05)	Ms. Anisha Motwani	NE, I	8/8	Yes	9	1	-	1C, 8M	-
(06)	Rajesh Mandawewala	P, E	7/8	Yes	9	6	3	1M	1,030
(07)	Ms. Dipali Goenka	P, E	6/8	Yes	9	4	13	1M	750,400

@ Chairmanship/Membership of Audit Committee and Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee considered of both listed and public limited companies.
Abbreviations:
C = Chairman, E = Executive Director, I = Independent Director, M=Member, NE = Non-Executive Director, NI = Non Independent Director, P = Promoter & Promoter Group.

b) Names of the listed entities where the person is a director and the category of directorship:

Sr. No.	Name of Director	Name of Listed Companies	Category of Directorship
1.	Balkrishan Goenka	Welspun India Limited	Chairman, Non-Executive
		Welspun Corp Limited	Chairman, Non-Executive
		Welspun Enterprises Limited	Chairman, Executive
		Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)	Chairman, Non-Executive
2.	Arun Todarwal	Welspun India Limited	Non-Executive, Independent Director
		Anuh Pharma Limited	Non-Executive, Independent Director
3.	Pradeep Poddar	Welspun India Limited	Non-Executive, Independent Director
		Uflex Limited	Non-Executive, Independent Director
		Polycab India Limited	Non-Executive, Independent Director
4.	Arvind Kumar Singhal	Welspun India Limited	Non-Executive, Independent Director
		Greaves Cotton Limited	Non-Executive, Independent Director
		Blue Star Limited	Non-Executive, Independent Director
		Metro Brands Limited	Non-Executive, Independent Director

Sr. No.	Name of Director	Name of Listed Companies	Category of Directorship
5.	Ms. Anisha Motwani	Welspun India Limited	Non-Executive, Independent Director
		Prataap Snacks Limited	Non-Executive, Independent Director
		Abbott India Limited	Non-Executive, Independent Director
		Star Health and Allied Insurance Company Limited	Non-Executive, Independent Director
		Somany Home Innovation Limited	Non-Executive, Independent Director
6.	Rajesh Mandawewala	Welspun India Limited	Managing Director, Executive Director
		Welspun Corp Limited	Non-Executive Director
		Welspun Enterprises Limited	Non-Executive Director
		AYM Syntex Limited	Chairman, Non-Executive Director
8.	Ms. Dipali Goenka	Welspun India Limited	CEO & Joint Managing Director, Executive Director
		Welspun Corp Limited	Non-Executive Director
		Welspun Enterprises Limited	Non-Executive Director

c) Key Board qualifications, expertise and attributes:

The Board of the Company is comprised of qualified members who bring in the required skills, competencies and expertise that allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Company's Board is in compliance with the highest standards of corporate governance. The Board has identified core skills, expertise, competencies, as given below, required for the Company's business to enable the Company to function effectively and all of these core skills, expertise, competencies are available with the Board.

- Global Business, Government Policies
- Commodity (cotton) and Currency market
- Textiles, Advanced Textiles, Flooring solutions businesses
- Sales, Marketing, Retail, Brand Building
- Corporate Governance
- Financial
- Innovation/Sustainability

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Key Board qualifications

Name of Director	Area of expertise					
	Finance & Accounts	Diversity	Global Business	General Management & Strategy	Board service and governance	Brand Building
Balkrishan Goenka – Chairman	✓	✓	✓	✓	✓	✓
Arun Todarwal – Independent Director	✓	✓	✓	✓	✓	-
Pradeep Poddar - Independent Director	✓	✓	✓	✓	✓	✓
Arvind Singhal – Independent Director	✓	✓	✓	✓	✓	✓
Ms. Anisha Motwani – Independent Director	✓	✓	✓	✓	✓	✓
Rajesh Mandawewala – Managing Director	✓	✓	✓	✓	✓	✓
Ms. Dipali Goenka – CEO & Joint Managing Director	✓	✓	✓	✓	✓	✓

Corporate Governance Report (Contd.)

d) During FY 2021-22, eight meetings of the Board of Directors were held on the following dates: May 14, 2021, May 15, 2021, July 28, 2021, September 18, 2021, October 27, 2021, December 08, 2021, February 03, 2022 and February 23, 2022.

e) In addition to the above, a meeting of the Independent Directors was held on March 03, 2022 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 ("the Act") and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations, 2015"). The said meeting was attended by Arun Todarwal, Pradeep Poddar, Arvind Singhal and Ms. Anisha Motwani.

f) The Board of the Company hereby confirms that the independent directors fulfill the conditions as specified in these SEBI Regulations, 2015 and are independent of the management.

g) Relationships inter-se directors:

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

III. AUDIT COMMITTEE:

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 of the SEBI Regulations, 2015 and Section 177 of the Act.

The Committee comprises of 3 (Three) Independent Directors. The Committee met 22 times during the year. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Chairman/ Member	Number of Meetings Attended
Arun Todarwal	Chairman	22/22
Rajesh Mandawewala*	Member	0/5
Pradeep Poddar	Member	20/22
Ms. Anisha Motwani#	Member	17/17

* Resigned w.e.f. May 14, 2021

#Appointed w.e.f. May 14, 2021

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

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

IV. NOMINATION AND REMUNERATION COMMITTEE:

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

The Committee comprises of 3 (Three) Independent Directors. The Committee met 10 times during the year. The Composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Chairman/ Member	Number of Meetings Attended
Arun Todarwal	Chairman	10/10
Balkrishan Goenka*	Member	0/2
Pradeep Poddar	Member	8/10
Ms. Anisha Motwani#	Member	8/8

* Resigned w.e.f. May 14, 2021

#Appointed w.e.f. May 14, 2021

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

Board evaluation: Refer to Para 9 (iii) of Directors' Report.

Nomination and Remuneration Policy:

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

Appointment of Directors:

- While identifying persons who may be appointed as a director(s), the Committee shall consider business of the Company, strength, weakness, opportunity and threat to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act, SEBI Regulations, 2015 and any other laws as applicable.
- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

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

- The Non-Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- The Non-Executive Directors shall not be eligible for any remuneration/commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.

There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

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

Directors Remuneration:

Sr No.	Particulars	Balkrishan Goenka Non-Executive Chairman	Rajesh Mandawewala Managing Director	Ms. Dipali Goenka CEO & Joint Managing Director
1.	Salary	-	₹ 17.00 million	₹ 28.13 million@
2.	Performance Linked Incentives	-	-	₹ 9.38 million@*
3.	Commission	1% of the consolidated net profit	1% of the consolidated net profit	1% of the consolidated net profit
4.	Service Contract/ Term of Approval	April 1, 2021 to March 31, 2026	April 1, 2022 to March 31, 2027	April 1, 2021 to March 31, 2026
5.	Notice Period	N.A.	3 months	3 months
6.	Severance Fees	N.A.	NIL	NIL
7.	Stock Options	N.A.	NIL	NIL

@ With effect from July 1, 2021

* **Performance Linked Criteria:** As per the Company's Variable Pay Policy all AVP and above employees are eligible for variable pay which is calculated as 20% of their fixed CTC (except for few functions which are mentioned in the policy). Target Variable Pay also depends on two components - Individual performance, Organisation/SBU performance and min and max pay out scale. Organisation's performance will be assessed based on three parameters - Total sales turnover, EBIDTA and Inventory in days. Ms. Goenka will be eligible for earning variable pay only if overall score for organisational performance is equal or more than 85% (weighted average of the above three parameters).

Apart from above and except for related party transactions appearing in the financial statements, there is no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

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

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

The Committee comprises of 3 (Three) members and the Chairman of the Committee is Non-Executive Director. The Committee met 4 times during the year. The composition of the Committee is given hereunder:

Name of the Member	Chairman/ Member	Number of Meetings Attended
Balkrishan Goenka*	Chairman	4/4
Rajesh Mandawewala*	Member	4/4
Pradeep Poddar	Member	3/4
Arun Todarwal#	Chairman	0/0
Arvind Kumar Singhal#	Member	0/0

* Resigned w.e.f. February 03, 2022
# Appointed w.e.f. February 03, 2022

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

Number of Shareholders complaints/requests received during the year:

During the year under review, total 33 complaints from shareholders' were received. Break-up and number of complaints received under different category is given hereunder:

Sr. No.	Nature of Grievances	Nos
1	Non-receipt of Share Certificate	3
2	Non-receipt of Dividend Warrants	13
3	Non-receipt of Rejected Demat Request Form	8
4	Non-receipt of Exchange Certificate	2
5	Non-receipt of Rep/Split/Consolidate/ Duplicate	2
6	Non-receipt of Annual Report	5
Total		**33**

Corporate Governance Report (Contd.)

All complaints/requests received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders. Securities received for transfer/transmission were transferred/transmitted and no transfer was pending as at March 31, 2022.

VI. ESG & CSR COMMITTEE (EARLIER KNOWN AS CORPORATE SOCIAL RESPONSIBILITY COMMITTEE):

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

Terms of reference: Environmental, Social and Governance (“ESG”) & Corporate Social Responsibility (“CSR”) Committee (“ESG & CSR Committee”) is to assist the Board in fulfilling its oversight responsibilities of incorporating relevant and sustainable policies, to achieve the strategic priorities of the Company.

Composition of the Committee: The Committee comprises of 3 (Three) members. The Committee met eight times during the year. The Chairman of the Committee is an Independent Director.

Name of the Member	Chairman/ Member	Number of Meetings Attended
Arun Todarwal	Chairman	8/8
Ms. Anisha Motwani	Member	8/8
Ms. Dipali Goenka	Member	7/8

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

VII. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee is formed in accordance with Regulation 21 sub-regulation 5 of the SEBI Regulations, 2015.

Terms of reference: Monitoring and reviewing of the risk, management plan, review of cyber security etc.

Composition of the Committee: The Committee comprises of 5 (Five) members. The Committee met twice during the year. The composition of the Committee is given hereunder:

Name of the Member	Chairman/ Member	Number of Meetings Attended
Arun Todarwal	Chairman	2/2
Pradeep Poddar	Member	1/2
Rajesh Mandawewala	Member	0/2
Sanjay Gupta - Chief Financial Officer	Member	1/2
Shreeram Phanse - Head, Internal Audit	Member	2/2

The Company Secretary of the Company, Shashikant Thorat, will act as the Secretary of the Committee.

VIII. GENERAL BODY MEETINGS:

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

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
34th Annual General Meeting	Monday, August 12, 2019	10.30 a.m.	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370 110	• Ratification of remuneration payable to Cost Auditors. • Appointment of Mr. Pradeep Poddar (DIN 00025199) as an Independent Director for 2nd Consecutive term. • Enabling resolution for conversion of loan into equity. • Payment of remuneration by way of commission to Mr. Balkrishan Goenka, non-executive Chairman of the Company. • Approval of remuneration payable to Mr. Rajesh Mandawewala, Managing Director. • Approval of remuneration payable to Ms. Dipali Goenka, CEO & Joint Managing Director.
35th Annual General Meeting	Tuesday, September 29, 2020	4:00 p.m.	VIRTUAL	• Ratification of remuneration payable to Cost Auditors. • Payment of remuneration by way of commission to Mr. Balkrishan Goenka, non-executive Chairman of the Company.
36th Annual General Meeting	Tuesday, August 31, 2021	11:00 a.m.	VIRTUAL	• Alteration of Articles of Association of the Company by removing clauses providing for, or dealing with, common seal. • Payment of commission @ 1%of net profit to Mr. Balkrishan Goenka, the non-executive Chairman. • Revision in remuneration payable to Mr. Rajesh Mandawewala, Managing Director. • Re-appointment of Ms. Dipali Goenka as Joint Managing Director for a period of five years. • Re-appointment of Ms. Anisha Motwani as an Independent Director for a second consecutive term.

IX. DISCLOSURE:

a. Related Party Transactions:

For material related party transactions, refer Note 29(ii) of Notes to Accounts annexed to the Financial Statements and Annexure 4 to the Directors' Report. The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is given below.

www.welspunindia.com under the tab Investors -> Policies

b. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c. Code of Conduct:

The Company has framed the Code of Conduct for Board members and senior management personnel. A copy of the Code has been hosted on the Company's website and a web link thereto is given below.

www.welspunindia.com under the tab Investors -> Policies

All Board members and senior management personnel have affirmed compliance of the same.

A declaration signed by the Chief Executive Officer & Joint Managing Director of the Company with respect to Compliance of Code of Conduct is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2021-22.

Dipali Goenka

CEO & Joint Managing Director

d. Whistleblower Policy and Vigil Mechanism:

Refer point no. 22 of the Directors' Report.

e. Policy for determining 'material' subsidiaries:

The Company's policy on determining material subsidiaries as required under SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is given below.

www.welspunindia.com under the tab Investors -> Policies

f. Corporate Governance Compliance:

The Company is in compliance with the mandatory requirements mentioned under Regulation 27 of SEBI Regulations, 2015 to the extent applicable and in addition the Company at its discretion adopted requirements mentioned at (C) - “Modified Opinion(s) in Audit Report”, (D) - “Separate posts of chairperson and chief executive officer” and (E) - “Reporting of Internal Auditor” of Part E of Schedule II to the SEBI Regulations, 2015.

The Company is in compliance with Corporate Governance requirements as specified in Regulation 17 to 29 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Regulations, 2015.

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

Refer point no. 9(iv) of the Directors' Report.

h. Criteria for making payments to non-executive directors is hosted on the Company's website on -

www.welspunindia.com under the tab Investors -> Policies

Further, for details regarding payments made to non-executive directors can be referred in the Annual Return which is hosted on the Company's website on -

www.welspunindia.com under the tab Investors -> Policies

i. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. No. of complaints filed during the financial year: NIL

b No. of complaints disposed of during the financial year: NIL

c No. of complaints pending as on end of the financial year: NIL

j. Commodity price risk or foreign exchange risk and hedging activities:

Detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is given below. Also refer to the Management Discussion and Analysis Report.

Corporate Governance Report (Contd.)

1. Risk management policy of the Company with respect to commodities: Cotton forms significant portion of the cost of products for the Company. The Company's Cotton procurement policy is in alignment with Business Plan of the Company for respective year. The Company procures around 70% to 75% of the annual requirement during cotton season.
2. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:
   a. Total exposure of the Company to commodities in ₹ 10,917.20 million.
   b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
	₹ (million)	MT	OTC	Exchange	OTC	Exchange	
Cotton	10,917.20	69,497	-	-	-	-	-

   c. Commodity risks faced by the listed entity during the year and how they have been managed: Cotton our main raw material being an agricultural commodity poses all related risks. The weather patterns, government/intervention in cotton producing countries, trade tariff wars between countries effect the price movement of cotton. In our Company we have been following the policy of covering the raw material as per customer orders and have graded the buying pattern based on the importance of the type of cotton. We have put our efforts in strengthening ties with our supply partners so that we are not affected by potential shortages or surges in demand for a type of cotton especially in Egyptian, Supima and Organic cottons. We have also gearing up to meet the increasing demand for sustainable cottons such as Better Cotton Initiative (BCI) by developing ginners to procure from farmers under the BCI project supported by Welspun Foundation as well as integrating other projects in India and other countries into our supply.

k. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under Report is ₹ 53.19 million.

X. MEANS OF COMMUNICATION:

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

These results are simultaneously hosted on the website of the Company at www.welspunindia.com under the tab Investors-> Financial Results. The official press release and the presentations made to institutional investors/ analyst are also available on the website of the Company.

XI. GENERAL SHAREHOLDER INFORMATION:

1. **Annual General Meeting** shall be held on Monday, September 12, 2022 at 11.30 a.m. via other audio visual means.
2. **Financial Year** of the Company is April 1 of a year to March 31 of the following year.
3. **Date of Book Closure:** Monday, June 27, 2022 to Tuesday, June 28, 2022 (both days inclusive).
4. **Dividend payment date:** Starting from Monday, September 12, 2022 and thereafter
5. **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on:

   (i) National Stock Exchange of India Limited (NSE)
   Exchange Plaza, C-1, Block G,
   Bandra Kurla Complex, Bandra (E),
   Mumbai – 400051

   (ii) Bombay Stock Exchange Limited (BSE)
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai – 400001

   The Annual listing fees for the FY 2022-23 have been paid to NSE and BSE.

6. **Stock Code/Symbol for equity shares:**
   National Stock Exchange of India Limited : WELSPUNIND; Series: EQ
   Bombay Stock Exchange Limited : 514162
   ISIN No. (For dematerialised shares) : INE192B01031

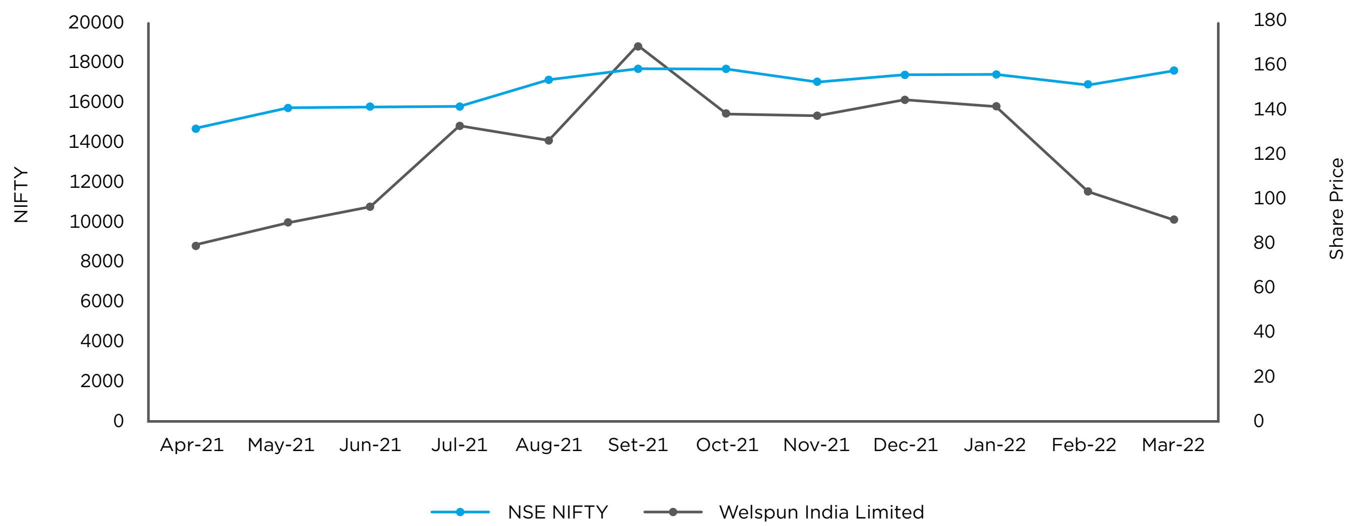
7. **Stock Market data of high and low price of equity shares on National Stock Exchange of India Limited and Bombay Stock Exchange Limited is under:**

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-2021	87.50	75.55	87.90	75.55
May-2021	104.40	79.45	104.45	79.55
Jun-2021	97.80	86.00	97.80	86.00
Jul-2021	145.40	93.55	145.45	95.65
Aug-2021	142.95	115.20	143.00	115.20
Sep-2021	170.50	124.20	170.60	124.25
Oct-2021	170.70	136.15	170.75	136.25
Nov-2021	146.60	122.35	148.80	122.45
Dec-2021	152.90	133.00	152.95	133.20
Jan-2022	160.00	132.20	159.95	132.20
Feb-2022	145.80	100.55	145.70	100.60
Mar-2022	112.10	89.05	112.05	89.10

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

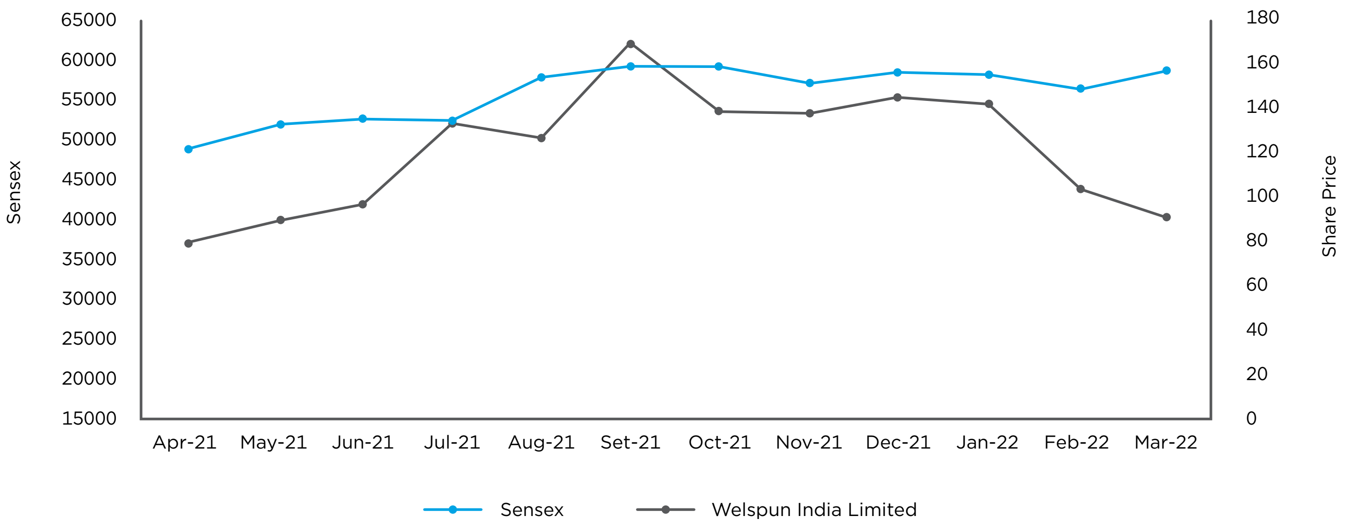
Month	NSE (S&P Nifty)	Closing price of Share (₹)	BSE Index (Sensex)	Closing price of Share (₹)
Apr-2021	14,631.10	79.50	48,782.36	79.50
May-2021	15,582.80	88.95	51,937.44	89.05
Jun-2021	15,721.50	96.40	52,482.71	96.45
Jul-2021	15,763.05	133.45	52,586.84	133.35
Aug-2021	17,132.20	126.90	57,552.39	126.75
Sep-2021	17,618.15	169.30	59,126.36	169.10
Oct-2021	17,671.65	137.70	59,306.93	137.70
Nov-2021	16,983.20	137.90	57,064.87	138.20
Dec-2021	17,354.05	145.50	58,253.82	145.45
Jan-2022	17,339.85	141.95	58,014.17	141.95
Feb-2022	16,793.90	104.90	56,247.28	105.15
Mar-2022	17,464.75	90.85	58,568.51	90.85

NSE & Welspun India Limited



Corporate Governance Report (Contd.)

BSE & Welspun India Limited



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

   Link Intime India Private Limited
   Unit: Welspun India Limited
   C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
   Mumbai – 400 083
   Email - rnt.helpdesk@linkintime.co.in
   Tel: +91-22-49186000
   Fax: +91-22–49186060

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

11. **Distribution of Shareholding:**

Number of Shares	No. of shareholders	Percentage of Shareholders	Total Shares for the range	Percentage of Issued Capital
Upto – 500	163,333	86.92	15,950,709	1.61
501-1,000	12,720	6.77	10,191,011	1.03
1,001-2,000	5,870	3.12	8,893,802	0.90
2,001-3,000	2,214	1.18	5,607,098	0.57
3,001-4,000	912	0.49	3,265,800	0.33
4,001-5,000	732	0.39	3,459,685	0.35
5,001-10,000	1,077	0.57	7,874,675	0.80
10,001 and above	1,052	0.56	932,815,704	94.41
Total	**187,910**	**100.00**	**988,058,484**	**100.00**

12. **De-materialisation of shares and liquidity:** As on March 31, 2022, 99.65% equity shares have been dematerialised and have reasonable liquidity on NSE and BSE.

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

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

    Refer to point no. 6 of the Directors' Report.

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

16. **Plant locations of the Company:**
    (i) Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370 110
    (ii) Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396191

17. **Address for correspondence:**

    The Company Secretary,
    Welspun India Limited
    7th Floor, Welspun House,
    Kamala City,
    Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
    Tel: +91-22-66136000; +91-22-24908000, Fax: +91-22-24908020/21
    E-mail: CompanySecretary_WIL@welspun.com

18. **Credit Ratings:** Refer to point no. 8(i) of the Directors' Report.

Corporate Governance Report (Contd.)

Certificate of Practicing Company Secretary on Corporate Governance Report

To
The Members
WELSPUN INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Welspun India Limited for the financial year ended March 31, 2022, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") in particular the Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Regulations.

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

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

In our opinion and to the best of our information and according to the explanation provided to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations during the financial year ended March 31, 2022.

We state that such compliance is neither an assurance as to future viability of the Company nor to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307
UDIN: F008242D000294495
Peer Reviewed Firm No. 1259/2021

Place: Mumbai
Date: May 10, 2022

Certificate of Non-Disqualification of Directors

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

To
The Members
WELSPUN INDIA LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun India Limited bearing CIN L17110GJ1985PLC033271 and having registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Balkrishan Gopiram Goenka	00270175	17/01/1985
2	Rajesh Rameshkumar Mandawewala	00007179	26/10/1989
3	Dipali Balkrishan Goenka	00007199	01/04/2013
4	Arun Lalchand Todarwal	00020916	01/04/2019
5	Pradeep Narendra Poddar	00025199	15/09/2019
6	Arvind Kumar Singhal	00709084	01/04/2019
7	Anisha Motwani	06943493	22/10/2018

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

For MNB & Co. LLP
Company Secretaries

CS Maithili Nandedkar
Partner
FCS: 8242, C P No. 9307
UDIN: F008242D000294495
Peer Reviewed Firm No. 1259/2021

Place: Mumbai
Date: May 10, 2022

Business Responsibility and Sustainability Report (BRSR)

The SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 has stated that with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1,000 listed companies (by market capitalisation) and shall replace the existing BRR. Filing of BRSR is voluntary for the financial year 2021-22. As a proactive measure to adapt to changing regulatory requirements, we have attempted to map our existing ESG information with the requirements of BRSR. In addition to BRSR, we are also reporting Business Responsibility Report (BRR) as per mandates.

Welspun's approach to Business Responsibility and Sustainability

The lens through which businesses are assessed is rapidly evolving. The commitment of a firm to environmental, social, and governance (ESG) principles within and with external stakeholders has taken prominence. Welspun India Limited (WIL) believes that conducting its operations sustainably and aligning business with sustainability objectives improves the bar for everyone, resulting in a more prosperous future. The Company further believes that it has a responsibility to empowering its people, promoting environmental sustainability, being transparent and accountable, enabling customer centric innovation, caring for communities, and connecting with stakeholders.

WIL's goal is to leverage its scale to improve products, empower communities, and safeguard the environment. It has shown excellent resilience, agility, and responsiveness in its operations. WIL strives to create shared value for all by constantly engaging with stakeholders across the value chain to develop long-term sustainable solutions. It also endeavours to create value for its stakeholders by adapting to an agile and flexible work structure, embracing efficient working capital management, and expanding current market segments. In line with the Company's 2030 sustainability goals, it actively supports a low-carbon society and collaborates with customers and suppliers to implement sustainable practices. The Company is similarly devoted to advancing social and community growth.

WIL believes in handling all of its business operations in a fair and transparent manner. The Company holds itself to the highest standards of professionalism, honesty, integrity, and ethical behaviour. It is dedicated to operating and growing its business in a socially responsible manner, ensuring long-term value development for its stakeholders. As a part of its commitment to responsible business practices, WIL has focused on enhancing its governance framework by articulating ESG goals at each level. These goals showcase the organisation's accountability and strengthens internal and external stakeholders' confidence in it. The Company has adopted a holistic ESG approach, named WELOCITY that aims to propel the well-being of all its stakeholders at each stage of its operations. WELOCITY stands on the three pillars of economic growth, environmental conservation, and social empowerment, with acceleration at its core. With governance as the bedrock, it aims to promote the well-being of the environment and society, along with the well-being of its stakeholders. In the last fiscal year WIL has focused on identifying material sustainable issues and articulated a target for each issue identified. It has changed its sustainability strategy from being reactive to being proactive and is taking steps ahead of time to prevent negative effects on ESG parameters. The Company is taking the next step towards being transformative, focusing on comprehensive organisational development and integrating sustainable solutions at each level. It is also embedding circularity in every realm of its value chain, right from sourcing of raw materials to manufacturing, supply chain and waste recycling.

In order to improve its ESG performance WIL has setup processes to identify and assess potential environmental, social and governance issues that could affect the business and stakeholders. After identifying the gaps and improvement areas it has formulated a strategic ESG roadmap outlining key actions to be undertaken in the short, medium, and long term. WIL has prioritised the following key issues that could impact its sustainable value creation: GHG Emissions, Water, Waste, Cotton Sourcing, Diversity Inclusion and Sustainable Supply Chain.

The Company believes in engaging with its suppliers to enhance their environmental and social aspects. WIL strives to inculcate responsible supply chain practices in its system and aims to achieve synergetic benefits through lower transportation costs, lower inventory, faster working capital cycle, and recycling of packaging. The sustainable sourcing practices are effectively implemented in its supply chain. For this it ensures that all of its supplier locations are SA 8000 certified, and its vendors are regularly assessed for their social and environmental performance. The Company also conducts annual supplier meetings to discuss and strategise on its environmental and social goals. In FY22, as a part of its goal to assess 100% of suppliers based on ESG parameters, WIL developed a Supplier Manual to support suppliers to adopt sustainable business practices. The manual contains the Supplier Code of Conduct which each supplier is required follow diligently. In FY22, WIL successfully achieved procuring 45% of sustainable cotton for its operations and aims to procure 100% sustainable cotton by 2030.

WIL is conscious that its processes contribute significantly to greenhouse gas (GHG) emissions. It is exploring methods to mitigate GHG emissions through process improvements and investment in low-carbon technologies. WIL has also committed to the Science Based Targets initiative of Net Zero Emissions as a part of its 2030 carbon neutrality goal. It aims to shift to 100% renewable energy by 2030. Further, the Company has setup internal performance indicators and metrices to monitor emissions and energy consumption across all its locations.

WIL's processing operations are water-intensive, and hence judicious use of water resources is critical to the Company in the long term. WIL strives to ensure the sustainability of local water sources everywhere it operates and has taken several initiatives to promote water efficiency. It aims to cut down its water consumption levels and to become freshwater positive by 2030.

WIL's waste management practices include reduced waste generation, segregation at source, recycling and upcycling textile waste and responsible waste disposal including hazardous waste. Across all its facilities, it regularly monitors the waste produced from its operations and identifies areas for achieving zero waste status by recycling and up-cycling hazardous and non-hazardous waste generated in the factory. Waste disposal is carried out through appropriate methods and directed to authorised disposal channels as per the laws and regulations of the respective State Pollution Boards. By 2025, WIL targets to ensure that zero hazardous waste reaches landfills. WIL also aims to continually identify opportunities that reduce its impact on the environment and decrease its environmental footprint through afforestation and tree plantation efforts.

Energy costs make up a significant proportion of WIL's operational costs. Its energy management practices are targeted to improve energy efficiency through process and equipment modification, energy conservation and introducing new technology. All the facilities run on ISO 14001 certified robust environment management systems to ensure environment friendly operations.

Addressing the needs of its employees is a priority at Welspun India Limited. As an equal opportunities' employer, the Company offers the same opportunities to all its people, regardless of their gender, race, caste, religion, marital status, sexual orientation, age, nationality, ethnicity, aptitude, or other personal traits. WIL promotes collaboration across teams and hires people from all walks of life. All members are treated with respect, dignity, justice, and human rights are upheld. The Company is also committed to creating Corporate Social Value and not merely executing its Corporate Social Responsibility. It has adopted a multi-pronged approach that goes beyond compliance and works towards holistic development of communities by strengthening educational foundation, improving access to healthcare services, empowering people, and conserving the environment.

At WIL, sustainability targets are integrated into the Company's decision-making processes with clearly defined accountabilities that help it stay focused on accomplishing its objectives. Several policies like Code of Conduct, Anti-Bribery & Anti-Corruption, Ethics & Compliance policy, Corporate Social Responsibility, Cyber-Security, Whistle-blower policy and Vigil Mechanism, Suppliers Code of Conduct, Sustainable Procurement policy are in place to support the sustainable growth path of the organisation. Guided by these policies, Welspun India will continue its operations with agility, striving for greatness with utmost enthusiasm and a revitalised sense of mission. It is unceasingly devoted to providing diverse and innovative business offerings to meet the demands of its stakeholders and ensures that all its stakeholders – customers, suppliers, vendors, its people, and others – are both partners and beneficiaries in its journey towards sustained value creation.

Section A - General Disclosures

I. Details of the listed entity

1. Corporate Identity number:	L17110GJ1985PLC033271
2. Name of the Listed Entity:	Welspun India Limited
3. Year of incorporation:	1985
4. Registered office address:	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat -370110, India
5. Corporate address:	Welspun House, 6h Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013, India
6. E-mail:	companysecretary_WIL@welspun.com
7. Telephone:	+91 22 6613 6000 (Board line, Corporate Office)
8. Website:	www.welspunindia.com
9. Financial year for which reporting is being done:	April 01, 2021 to March 31, 2022
10. Name of the Stock Exchange(s) where shares are listed:	1) BSE Limited, 2) The National Stock Exchange of India Limited
11. Paid-up Capital:	₹ 98,80,58,484.00
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr. Rajesh Mandawewala Contact no.: 022 – 66136000 Email id: companysecretary_WIL@welspun.com
13. Reporting boundary:	The reporting boundary covers 4 plants of Welspun India Limited for period from 01, April 2021 to 31, March 2022

Business Responsibility and Sustainability Report (Contd.)

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
i	Production of Textile products	WIL is a global leader in Home Textiles, supplying to B2B businesses i.e., global retail and hospitality brands. It has B2C business through retail stores. It is also expanding into flooring solutions and advanced textiles.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
i	Towels	1399	53.97
ii	Bed Sheets	1392	33.87
iii.	Rugs	139 - 1393	8.54
iv.	Top of Bed	1392	2.10
v.	Carpet	139 - 1393	1.31
vi.	Bath robe	1399	0.21

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	1 corporate office	4
International	0	5	5

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	WIL serves all the states in India (28 States)
International (No. of countries)	European markets and USA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export contributes 89% to the total turnover.

c. A brief on types of customers

WIL has B2B and B2C customers.

In the B2B category, WIL supplies its products to retailers like Amazon, Flipkart and Myntra domestically. In the international market WIL supplies its products to large retailers like Walmart and IKEA. The Company also sells its products through stores to individual customers in India and abroad.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1,957	1,780	91%	177	9%
2.	Other than Permanent (E) (interns, trainees, part time employees, etc.)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**1,957**	**1,780**	**91%**	**177**	**9%**
Workers						
4.	Permanent (F)	19,423	14,508	75%	4,915	25%
5.	Other than Permanent (G) (contract)	4,318	3,398	79%	920	21%
6.	**Total workers (F + G)**	**23,741**	**17,906**	**75%**	**5,835**	**25%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	162	138	85%	24	15%
5.	Other than Permanent (G)	2	2	100%	0	0%
6.	**Total differently abled workers (F + G)**	**164**	**140**	**85%**	**24**	**15%**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	29%
Key Management Personnel	6	1	17%

20. Turnover rate for permanent employees and workers

	FY 2021-22		
	Male	Female	Total
Permanent Employees	20%	37%	22%
Permanent Workers	53%	46%	51%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Welspun India Limited has 28 subsidiaries as of 31st March 2022.				

S. No.	Name of the holding/subsidiary/associate companies/joint ventures	Indicate whether it is a holding/Subsidiary/Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Welspun Group Master Trust (Private Trust, not a company)	Holding	69.46	No
2	Welspun Global Brands Limited	Subsidiary	98.03	Yes
3	Welspun USA, Inc. (USA)	Subsidiary	98.64	Yes
4	Welspun Mauritius Enterprises Limited (Mauritius)	Subsidiary	98.03	(Holding shares of Mexico Co.)
5	Welspun Holdings Private Limited (Cyprus)	Subsidiary	98.17	(Holding shares of WUK business)
6	Welspun Home Textiles UK Limited (UK)	Subsidiary	98.17	(No business)
7	CHT Holdings Limited (UK)	Subsidiary	98.17	Yes
8	Christy Home Textiles Limited (UK)	Subsidiary	98.17	(No business)
9	Welspun UK Limited (UK)	Subsidiary	98.17	Yes
10	Christy 2004 Limited (UK)	Subsidiary	98.17	(No business)
11	E. R. Kingsley (Textiles) Limited (UK)	Subsidiary	98.17	(No business)
12	Christy Welspun GmbH (Germany)	Subsidiary	98.17	Yes
13	Christy UK Limited (UK)	Subsidiary	98.17	Yes
14	Christy Lifestyle LLC (USA)	Subsidiary	98.17	Yes
15	Besa Developers and Infrastructure Private Limited	Subsidiary	100	(No business)
16	Welspun Captive Power Generation Limited	Subsidiary	77	Yes
17	Anjar Integrated Textile Park Developers Private Limited	Subsidiary	100	(No business)
18	Welspun Zucchi Textiles Limited	Subsidiary	100	(No business)

Business Responsibility and Sustainability Report (Contd.)

S. No.	Name of the holding/subsidiary/associate companies/ joint ventures	Indicate whether it is a holding/ Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
19	Welspun Anjar SEZ Limited	Subsidiary	100	Yes
20	Novelty Home Textiles S.A. de C.V. (Mexico).	Subsidiary	98.03	(No business)
21	Welspun Flooring Limited	Subsidiary	100	Yes
22	Welspun Nexgen Inc.	Subsidiary	100	(No business)
23	Welspun Innvoative Products Limited	Subsidiary	100	(No business)
24	TILT Innovations Inc.	Subsidiary	98.68	(No business)
25	Welspun Advanced Materials (India) Limited	Subsidiary	100	Yes
26	TMG (Americas) LLP	Subsidiary	98.68	(Property company)
27	Anjar Terry Towels Limited	Subsidiary	100	Yes
28	Easygo Textiles Private Limited	Subsidiary	100	(No business)

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): ₹ 93,773 million

(iii) Net worth (in ₹): ₹ 39,717 million

VI. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:*

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	0	0
Investors (other than shareholders)	Yes	-	-
Shareholders	Yes	30	0
Employees and workers	Yes	-	-
Customers	Yes	-	-
Value Chain Partners	-	-	-
Other (please specify)	-	-	-

24. Overview of the entity's material responsible business conduct issues Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product Stewardship	O	WIL's business objectives and principles have been mapped with various industry trends and global frameworks including Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), ESG metrices, National Voluntary Guidelines (NVGs). This analysis has enabled in identifying the risks and opportunities for WIL.	Launch of sustainable products	Positive implication
2	Water and waste management	R		WIL measures and monitors the quantity of water consumed across all its business locations and operations. It has set up a 30 MLD Sewage Treatment plant at our Anjar factory, which recycles sewage wastewater from the neighbouring areas, leading to zero intake of freshwater for manufacturing processes. Rainwater harvesting is carried out for WIL factories, enabling more freshwater availability for neighbouring communities. Waste management practices include segregation at source, recycling and upcycling textile waste, responsible disposal of hazardous waste and reducing waste. Across all facilities, WIL regularly monitors the waste generated from its operations and identifies areas for developing zero waste by recycling and up-cycling hazardous and non-hazardous waste generated in the factory. Waste disposal is carried out through appropriate methods and directed to authorised disposal channels as per the laws and regulations of the respective State Pollution Boards.	Negative Implication
3	Climate change	R		WIL has identified and assessed its physical and transition risks in line with recommendations provided by Task Force in Climate-Related Financial Disclosures (TCFD)	Negative Implication
4	Circular economy	O		Recycle of textile and process wastes for beneficial use	Positive implication
5	Energy and carbon	R		WIL has set a target to increase its renewable energy consumption to 100% by 2030. The Company has implemented various energy saving initiatives.	Negative Implication
6	Corporate social value	O		Increase in the livelihood opportunities for communities	Positive implication
7	Governance	O			
8	Human rights	R		Our Code of Conduct and Ethics Policy, Prevention of Sexual Harassment (PoSH) Policy, and HR practices covers aspects of human rights for WIL's operations and are extended to subsidiaries, suppliers and business partners.	Negative Implication
9	Supply chain Management	R		WIL has implemented its Supplier Code of Conduct based on ESG parameters for its suppliers to adhere and follow. It regularly evaluates its vendors on required quality standards to ensure the highest standards in material procurement. The assessment procedures include screening on ISO, EMS certifications, supply chain management, labour practices, safety, in addition to quality, delivery and service ratings.	Negative Implication
10	Innovation	O		Improving process efficiencies, development of new products across categories.	Positive implication

Business Responsibility and Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Customer centricity	O		Reaching customers through multiple platforms, providing them easy access to our products, developing new designs as per the customer requirements.	Positive implication
12	Occupational health & safety	R		SA 8000 certified factories to enable sound human rights as well as health and safety practices. ISO 45001-2018 certification at all WIL facilities to ensure our operations are conducted according to international standards on health and safety. Mandatory safety training to our employees, contractors, sub-contractors, and other agencies regularly on HS aspects such as fire safety, emergency preparedness, and office safety	Negative Implication
13	Market leadership	O			
14	Risk, opportunities, and crisis mgmt.	R		WIL has evolved a robust governance architecture to identify and evaluate potential risks and formulate an appropriate mitigation strategy. The Company is ably guided by the Risk Management Committee of the Board, which reviews the management's enterprise-wide risk management efforts. The Company has established a risk management policy that defines the overall risk management framework. The risk management committee of the Board oversees and reviews the risk management framework as well as the assessment of risks, its management and mitigation procedures. The committee reports its findings and recommendations to the Board.	Negative Implication
15	Product quality and safety	O		Better products for customers which enhance their quality of life.	Positive Implication
16	Employee well-being	O		Various initiatives for employee engagement and well being launched by HR department of the Company	Positive implication
17	Biodiversity	R		Plantation initiatives through Welspun Foundation near all operation sites.	Positive implication
18	Industry collaboration	O		Sharing of knowledge and good practices will improve the overall ecosystem of the textile industry	Positive implication

Section B: Management and process disclosures

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
c. Web Link of the Policies, if available	https://www.welspunindia.com/investor-corner								
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	No	Yes	Yes	NA	No	Yes
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines and ILO guidance.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	100% closure of all Ethics related issues. Maintain a clear logbook (digital) and 100% compliance expected	30% recycling of Textile Scraps 70% of Packaging Material to make sustainable 45% Sustainable Cotton (Vapi + Anjar)	WeExpress Survey Score >80% by FY 21-22 year-end	Assess 100%of critical suppliers through ESG parameters	Increase diversity across levels and have at least 25% women in the workforce	GHG Emissions intensity 1% lower than FY 20-21 Electricity intensity 1% lower than FY 20-21 Water intensity 1% lower than FY 20-21		Minimum 10% volunteering out of total 25000 employees. Target of 2500 numbers of employees	Customer satisfaction score in excess of 90%
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	64.3% achieved (Remaining issues are pending due to lack of evidence)	55% recycling of Textile Scraps achieved 67% of Packaging Material to make sustainable achieved 45% Sustainable Cotton Vapi + Anjar) achieved	-	100% of Critical suppliers are assessed by the audit	26% Increased across whole of WIL	Achieved 1.6% Lower GHG emissions intensity Achieved 10% Lower Electricity intensity Achieved 3% lower water intensity		1766 employees volunteered for local community engagements	-

Business Responsibility and Sustainability Report (Contd.)

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:									

Welspun India Limited (WIL) believes that operating responsibly and aligning business with sustainability goals raises the bar for everyone and leads to a more prosperous future. WIL's mission is to use its scale to better products, empower people, and protect the environment. In its operations, it has demonstrated exceptional resiliency, agility, and reactivity. WIL aspires to create shared value for all stakeholders by collaborating with them throughout the value chain to establish long-term, sustainable solutions. Moving forward, the Company wants to evaluate all its business actions through the ESG lens. It wants to embed circularity in every realm of its value chain, right from sourcing of raw materials to manufacturing, supply chain and waste recycling.

WIL's ESG strategy aims to propel the well-being of our environment, society, and economic performance with governance as a strong bedrock. Our social mission is based on the 3Es – Education, Empowerment and Environment & Health. To achieve these goals, the Welspun Foundation for Health and Knowledge (WFHK) has conducted a number of projects. In line with the Company's 2030 sustainability goals, it actively supports a low-carbon society and collaborates with customers and suppliers to implement sustainable practices. The Company is similarly devoted to advancing social and community growth. In the last fiscal year WIL has focused on identifying material sustainable issues and articulated a target for each issue identified. It has changed its sustainability strategy from being reactive to being proactive and is taking steps ahead of time to prevent negative effects on ESG parameters. The Company is taking the next step towards being transformative, focusing on comprehensive organisational development and integrating sustainable solutions at each level. It has identified the gaps and improvement areas and has formulated a strategic ESG roadmap outlining key actions to be undertaken in the short, medium, and long term. WIL has prioritised the following key issues that could impact its sustainable value creation: GHG Emissions, Water, Waste, Cotton Sourcing, Diversity Inclusion and Sustainable Supply Chain.

Sustainable raw materials are an important aspect of WIL's sustainability journey, which is part of its fundamental processes. In Wardha, Maharashtra, and Kutch, Gujarat, WIL partnered with farmers to teach them how to grow BCI (Better Cotton Initiative) and Organic Cotton. The key cotton producing locations for Welspun farmers have been given complete farm management solutions directly from the field to the market. In FY22, as a part of its goal to assess 100% of suppliers based on ESG parameters, WIL developed a Supplier Manual to support suppliers to adopt sustainable business practices. The manual contains the Supplier Code of Conduct which each supplier is required follow diligently. In FY22, WIL successfully achieved procuring 45% of sustainable cotton for its operations and aims to procure 100% sustainable cotton by 2030. WIL is conscious that its processes contribute significantly to greenhouse gas (GHG) emissions. It is exploring methods to mitigate GHG emissions through process improvements and investment in low-carbon technologies. WIL has also committed to the Science Based Targets initiative of Net Zero Emissions as a part of its 2030 carbon neutrality goal. It aims to shift to 100% renewable energy by 2030. Further, the Company has setup internal performance indicators and metrices to monitor emissions, energy consumption, water consumption and waste consumption across all its locations.

The Company recognises that climate change is not just an environmental issue but also a business risk. Welspun India will continue its operations with agility, striving for greatness with utmost enthusiasm and a revitalised sense of mission and meet the demands of its stakeholders and ensures that all its stakeholders – customers, suppliers, vendors, its people, and others – are both partners and beneficiaries in its journey towards sustained value creation.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	1. DIN Number 00007179 2. Name Mr. Rajesh Mandawewala 3. Designation Managing Director 4. Telephone Number 022 - 66136000 5. Email-ID companysecretary_WIL@welspun.com								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes	Yes	Yes	No	No	Yes	No	Yes	No

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half-yearly/ Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board Committee									Quarterly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Board Committee									Quarterly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	The Board members spent on average 39 hours on familiarisation programs which included updates on: 1. Raw material (Principle 2) 2. Brands and Marketing (Principle 9) 3. Consumer Insights (Principle 9) 4. Business specific updates operational updates (Principle 6) 5. Different channels of customers (Principle 9) 6. CSR activities (Principle 8) 7. Code of conduct (Principle 1)		
Employees other than BoD and KMPs	The employees and workers were given training on health and safety (Principle 3), skill upgradation (Principle 3) and human rights (Principle 5)		

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

   There were no penalties imposed on Welspun India Limited by the Stock Exchanges or SEBI or any statutory or regulatory authority on any matter during the reporting period. Further, there were no incidences of significant fines levied or non-compliance with respect to the regulations concerning aspects related to environment, labour, health and safety impacts of products and services, marketing communications, and product information disclosure and labelling.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

   NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes, WIL does have an anti-corruption and anti-bribery policy. The policy is available publicly on the following weblink: https://www.welspunindia.com/uploads/investor_data/AntiBriberyAntiCorruptionPolicy.pdf

Business Responsibility and Sustainability Report (Contd.)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2021-22
Directors	No Complaints
KMPs	No Complaints
Employees	No Complaints
Workers	No Complaints

6. Details of complaints with regard to conflict of interest:

	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

   Nothing that was reported to the Board. However, such complaints go to Mr. Pradeep Kumar, Chief Ethics Officer as well as to the Ethics Committee.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with each partner) under the awareness programmes
3	Supplier Code of Conduct, ESG Awareness	

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes.

   Directors make statutory disclosures about entities/firms in which they and their relatives are interested. Any such transactions get reported as RPTs. If a Director is interested, she or he does not participate in the discussion.

   The Company also has fair purchase, and recruitment procedures to avoid any conflict of Interest.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the al and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY 2021-22	Details of improvements in environmental and social impacts
R&D Capex	₹ 222.1 million (overall R&D)	1. Development of products with recycled materials which leads to lower impact on environment. 2. Development of towels/rugs/sheets up to 50% of recycled material 3. Development of sustainable product range in collaboration with Dupont biomaterials and FFG. 4. Technology adoption for reduction of power and electricity requirement. 5. Reduction in water, electricity and GHG emission intensity 6. Development of sustainable packaging material along with recycled material. 7. Diversity and inclusion, local community engagement, employee engagement initiative is special focus with Target and KPI in place.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

      Yes

   b. If yes, what percentage of inputs were sourced sustainably?

      70% of recycled content used in packaging material 45% of sustainable cotton sourced

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   a. 70% of recycled content used in packaging material

   b. E-waste is transported to authorised recycler

   c. ETP sludge used as a boiler fuel in the TFH boiler and it has replaced nearly 2000 MT coal of every year. Following the Pollution Control Board Manifest system, other hazardous waste is disposed to TSDF.

   d. All the other waste is transported to authorised recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

   WIL is a registered entity with the Central Pollution Control Board (CPCB) and its waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Yes, WIL conducted LCA of its products in 2017.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   The LCA study concluded that when compared with industry average, for cotton products there is potential for improvement in overall environmental impacts if the energy consumption in the gate-to-gate processes is reduced. WIL has taken several energy saving initiatives like installation of heat recovery systems and process optimisation to reduce energy consumption in the production process.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material
	FY 2021-22
Recycled cotton	6% of total cotton use
Packaging material	70% of total packaging use is from recycled material

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2021-22		
	Re-used	Recycled	Safely disposed
Plastics (including packaging)		1455 MT	-
E-waste	-	-	-
Hazardous Waste	1655 MT		332 MT
Other Waste (Cotton waste)	-	1897 MT	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

Business Responsibility and Sustainability Report (Contd.)

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	1,780	1,780	100%	1,780	100%	0	0%	1,780	100%	1,780	100%
Female	177	177	100%	177	100%	177	100%	0	0%	177	100%
Total	**1,957**	**1,957**	**100%**	**1,957**	**100%**	**177**	**9%**	**1,780**	**91%**	**1,957**	**100%**
Other than Permanent Employees											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	14,508	14,508	100%	14,508	100%	0	0%	0	0%	14,508	100%
Female	4,915	4,915	100%	4,915	100%	4,915	100%	0	0%	4,915	100%
Total	**19,423**	**19,423**	**100%**	**19,423**	**100%**	**4,915**	**25%**	**0**	**0%**	**19,423**	**100%**
Other than Permanent workers											
Male	3,398	3,398	100%	3398	100%	0	0%	0	0%	3,398	100%
Female	920	920	100%	920	100%	920	100%	0	0%	920	100%
Total	**4,318**	**4,318**	**100%**	**4318**	**100%**	**920**	**21%**	**0**	**0%**	**4,318**	**100%**

2. Details of retirement benefits, for Current FY.

Benefits	FY 2021-22		
	No. of employees covered as a % of total employees	No. of permanent workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Yes
Gratuity	100%	100%	Yes
ESI	100%	100%	Yes

3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Yes, WIL has an equal remuneration policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees			
	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Retention rate
Male	54	54	100%	-
Female	8	8	100%	-
Total	**62**	**62**	**100%**	**-**

Gender	Permanent Workers			
	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Retention rate
Male	0	0	0	-
Female	164	164	100%	-
Total	**164**	**164**	**100%**	**-**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, documented procedures are in place pertaining to grievance redressal mechanisms which include a Hotline number, Committees, GR/IR officer etc.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	1,957	47	2%
- Male	1,780	33	2%
- Female	177	14	8%
Total Permanent Workers	19,423	115	1%
- Male	14,508	100	1%
- Female	4,915	15	0.3%

8. Details of training given to employees and workers:

Category	FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Male	1,780	610	34%	1,096	62%
Female	177	42	24%	158	89%
Total	**1,957**	**652**	**33%**	**1,254**	**64%**
Permanent Workers					
Male	14,508	8,006	55%	14,359	99%
Female	4,915	2,159	44%	3,104	63%
Total	**19,423**	**10,165**	**52%**	**17,463**	**90%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22		
	Total (A)	No. (B)	% (B/A)
Employees			
Male	1,780	1,780	100%
Female	177	177	100%
Total	**1,957**	**1,957**	**100%**
Permanent Workers			
Male	14,508	14,320	99%
Female	4,915	4,886	99%
Total	**19,423**	**19,206**	**99%**

Business Responsibility and Sustainability Report (Contd.)

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, our manufacturing facilities are certified for ISO 45001:2018 i.e., Occupational Health & Safety Management System.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Welspun has established, implemented, and maintained a process for hazard identification taking into consideration the following:

1. Workflow, and social factors (such as working hours, workload, harassment and abuse), leadership and organisational culture
2. Routine and non-routine activities and situations including hazards arising from infrastructure, machinery and tools, raw materials, physical conditions of workplace, product, testing method, production processes, maintenance, dispatch of goods, and human factors
3. Past relevant incidents and occurrences whether internal or external, including emergencies and their root-causes.
4. Potential emergency situations
5. Employees' or persons' access to the workplace and their activities, workers who involve directly or indirectly and those who work or reside in the vicinity of the workplace
6. Any other issues including but not limited to:
   a) The design of the workplace, production processes, machinery and tools, operating procedures, work-organisation including the needs and capabilities of the workers involved
   b) Situations occurring in the vicinity of the workplace caused by work-related activities under the control of the organisation
   c) Situations not controlled by the organisation and occurring in the vicinity of the workplace that can cause injury and ill-health to persons in the workplace,
7. Actual or proposed changes in organisation, operations, processes, activities, and the OH&S management,

A team consisting of H&S representatives, HR, Operation Head, Quality Head, Department Head as well as including the workers or their representatives have been involved to determine the OH&S hazard as well as aspect and impact assessment and associated risks and opportunities of all activities/ processes/services of the Company.

The level of risk for each identified hazard has been decided based on risk assessment (severity and probability). Criteria have been established for the level of risks and significance level.

Hazard Identification and Risk Assessment (HIRA) is also used in the health and safety management system.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. WIL has documented procedures in place which allow workers to remove themselves from the situations they believe could cause injury or ill health and doing so will not result in any negative consequences to their employment. The direct contact numbers of Health & Safety and Compliance teams are made available so that workers can directly inform about the situation. Moreover, a Health & Safety Committee has been constituted with equal representation of workers and periodic meetings are conducted. We have also implemented near miss reporting system to identify the hazards and their timely rectification.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22 Current Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees and Permanent workers	0
	Contract Workers	0.15
Total recordable work-related injuries	Employees and Permanent workers	0
	Contract Workers	4
No. of fatalities	Employees and Permanent workers	Nil
	Contract Workers	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil
	Permanent Workers	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

A documented procedure is in place to provide safe working conditions, keeping in mind the prevailing knowledge of the industry and of any specific hazards, conducive to the maintenance of health of the employees employed in all operations and categories in the Company and to avoid or reduce the chances of risk or accidents or hazards to the safety of the establishment, employees engaged for work and the community around.

1. There is a separate designated team comprising of 9 qualified safety officers for WIL Anjar plant and 3 qualified safety officers for WFL plant, to implement, monitor and improve the health and safety conditions of the workplace
2. The Health and Safety committee has been constituted with equal representation of workers with the objectives to oversight and ensure optimum safety standards are maintained across operating facilities.
3. Health and Safety training and awareness is one of the most important parts of the orientation training program. In addition, a refresher training program is organised periodically.
4. Periodic internal audits are conducted. The findings of internal assessments are reviewed, and root-cause analysis and corrective action is taken based on the root-cause analysis report. In addition, Health and Safety assessment is also conducted by an external agency i.e., PWC, on a quarterly basis. Moreover, ergonomic assessment is conducted annually.

The Vapi plant has implemented ISO 45001:2018 and is certified by Intertek.

13. Number of Complaints on the following made by employees and workers:

	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%. Entire premises including offices and warehouses are assessed externally once every quarter, and internally once every six months for WIL Anjar and Vapi plants and once every 12 months for WFL plant. In addition, OH&S Management system audit is conducted annually by accredited 3rd party audit firm.
Working Conditions	100%. Internal assessment on working conditions is conducted once every six months. Further, the third-party external audit is conducted for SA 8000, WCA and SMETA on an annual basis in addition to customers' code of conduct audits which are conducted either by the customer or by the customers' nominated 3rd party agencies. The assessment of working conditions covers the entire premises including all activities, operations, offices, and warehouses covering all categories of employment

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

There has been no accident or incident resulting in LTI injury or illness during the year. In addition, no significant risk has been identified or reported that could have a potentially significant impact. However, the process of review of HIRA (Hazard identification & Risk assessment) is conducted on an annual basis taking into consideration all internal and external assessment reports, near-miss and minor injuries report, if any. Further, appropriate corrective action is taken on the findings of internal and external audit reports as per the procedures laid down under the SOP.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

   (A) Employees (Y/N) - Yes

   (B) Permanent Workers (Y/N). - Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Suppliers are assessed on ESG parameters and it is ensured that statutory dues such as PF, gratuity, etc. are deducted and paid accordingly

Business Responsibility and Sustainability Report (Contd.)

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	FY 2021-22	
	Total no. of affected employees/ workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
Employees	Nil	
Permanent Workers		

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

   Yes. There is a policy of retainership for the employee who intends to continue working, depending upon the availability of opportunities in a particular department. In addition, employees are entitled to gratuity or severance pay based upon age and years of service.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% Critical suppliers are audited annually.
Working Conditions	100% Critical suppliers are audited annually.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners

   Based on the severity of the findings of suppliers' assessment, suppliers are given a tentative time frame to close the findings with root-cause analysis and further correctional and corrective actions. We expect our suppliers to engage and improve their sustainability performance to achieve the larger goal of creating a sustainable value-chain. In case of a severe or major violation of our code of conduct, a follow-up assessment takes place based on or within the mutually agreed target date of completion of identified findings.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   Welspun continuously engages with its internal and external stakeholders through various processes and identifies the key stakeholder groups through timely feedback.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Quarterly meetings Presentations, Investor relation calls	Quarterly	Economic value, Sustainable wealth creation, Risk management Compliance and disclosures
Government and regulators	No	Need basis participation in industry level consultation groups, participation in forums	Continuous	Compliance Sustainable practices, Inclusive growth
Employees	No	Surveys, Workshops, Capacity building, appraisals newsletters, Town halls, Rewards	Continuous	Professional growth, Diversity at the workplace, Leadership connect sessions, Workplace safety, Equal opportunities, Work-life balance
Business partners/ suppliers and contractors	No	Direct interactions, Supplier meets, Associations	Continuous	Payment processing cycles, Business ethics, transparency, Compliance
Communities & NGOs	Yes	Direct engagement, Dedicated CSR team, visits, and camps, 2 Community needs assessments	Continuous	Infrastructure development, Education and healthcare, environmental protection, Employment opportunities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Timely feedback is collected from stakeholders and the inputs are provided to the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

   WIL has implemented initiatives like Wel-Shiksha and Wel-Netrutva to address the concerns of vulnerable groups like children and women in the community.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)
Employees			
Permanent	1,957	674	34%
Other than permanent	0	0	0
Total Employees	**1,957**	**674**	**34%**
Workers			
Permanent	19,423	8,957	46%
Other than permanent	4,318	1,496	35%
Total Workers	**23,741**	**10,453**	**44%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent					
Male	1,780	180	10%	1,600	90%
Female	177	19	11%	158	89%
Other than Permanent					
Male	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil
Workers					
Permanent					
Male	14,508	385	3%	14,123	97%
Female	4,915	176	4%	4,739	96%
Other than Permanent					
Male	3,398	420	12%	2978	88%
Female	920	44	5%	876	95%

Business Responsibility and Sustainability Report (Contd.)

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (in ₹)	Number	Median remuneration/ salary/wages of respective category (in ₹)
Board of Directors (BoD)	5		2	
Key Managerial Personnel	11	2,25,00,000	2	4,20,00,000
Employees other than BoD and KMP	1448	22,21,000	154	22,45,000
Permanent Workers	13556	3,40,000	4873	3,07,000

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   There is a documented procedure on Grievance Redressal Mechanism and as per the standard operating procedures, the following mechanisms are in place to address employees' grievances:

   1. Separate designated IR Officers for each department
   2. Committees such as Works Committee, Grievance Redressal Committee and H&S Committee, which have been formed to receive and address grievances related to human rights
   3. Suggestion/Complaint boxes have been placed at conspicuous places, encouraging employees to submit suggestions, comments, and complaints anonymously.
   4. Hotline numbers

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22	
	Filed during the year	Pending resolution at the end of year
Sexual Harassment	Nil	Nil
Discrimination at workplace	Nil	Nil
Child Labour	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil
Wages	Nil	Nil
Other human rights related issues	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   Company's Non-discrimination and Whistle-blower policies have been communicated to all stakeholders and have been prominently displayed in bilingual form. As per the policy statement, employees are free to lodge any complaint or report misconduct, using various mechanisms. Suggestion/complaint boxes are placed at conspicuous places encouraging employees to submit complaints anonymously. The employees who report misconduct or suspected violation are protected from retaliation. At WFL there is a Committee for Prevention of Sexual Harassment and an Internal Compliant Committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

    No violations of significant concern have been reported during the year. However, any moderate or minor violations raised during the Suppliers' assessment throughout in the supply chain are addressed through root-cause analysis and corrective actions, within the agreed timeframe.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.

   No complaints so far hence not applicable.

2. Details of the scope and coverage of any Human rights due diligence conducted.

   The Human Rights assessment is conducted on a yearly basis. All critical suppliers and business partners are audited, annually. Based on the findings/result of the assessment, a follow-up audit is scheduled within 90 to 120 days of initial or annual audit if violations or significant risks are found.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100% (WIL - Anjar+Vapi) || 25% (WFL)
Discrimination at workplace	100% (WIL - Anjar+Vapi) || 25% (WFL)
Child Labour	100% (WIL - Anjar+Vapi) || 25% (WFL)
Forced Labour/ Involuntary Labour	100% (WIL - Anjar+Vapi) || 25% (WFL)
Wages	100% (WIL - Anjar+Vapi) || 25% (WFL)
Others – please specify	100% (WIL - Anjar+Vapi) Aspects covered: • Freedom of association and Collective Bargaining • Environment Management and Compliance • Health and Safety • Business Ethics

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

   Human Rights assessment of all critical business partners is conducted, annually. Any findings/ concerns raised during the assessment is addressed with root-cause analysis, corrective and preventive actions within the agreed target date of completion. A follow-up assessment is conducted in case if there is any major violation or significant risks.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22
Total electricity consumption (in GJ)	19,22,322
Total fuel consumption (in GJ)	36,35,534
Energy consumption through other sources (C)	-
Total energy consumption (A+B+C) excluding aux consumption (in GJ)	55,57,855
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	59.3 GJ per ₹ million

   Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   Yes.

   Mr. Ketan Vasavada (Energy Manager Registration Number: EM 0723).

   The site at WFL is USGBC Gold LEED (Leadership Energy and Environment) v 4 certified, verified by GBCI (Green Business Certification Inc) and IGBC platinum certified.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Yes, the following plants are registered as designated consumers under PAT scheme of Government of India: WIL Anjar and WIL Vapi (PAT Cycle III)

Business Responsibility and Sustainability Report (Contd.)

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22
Water withdrawal by source (in kilolitres)	
(i) Surface water	-
(ii) Groundwater	-
(iii) Third party water (Municipal Water Supply)	**WIL Total:** 21,10,291 KL (Municipal Water) **WFL Total:** 2,06,049 KL (Soft Water + DM Water + Domestic Water)
(iv) Seawater/desalinated water	-
(v) Others (Rainwater Harvesting structures)	2,88,137 KL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**26,04,477 KL**
Total volume of water consumption (in kilolitres)	**26,04,477 KL**
Water intensity per rupee of turnover (Water consumed KL/turnover)	27.7 KL per ₹ million

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assessment has been carried out at Vapi and WFL plants.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The plant at WFL has implemented a mechanism for Zero Liquid Discharge for its manufacturing operations and domestic use.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22
NOx	MT/m3	51
Sox	MT/m3	20
Particulate matter (PM)	MT/m3	258
Persistent organic pollutants (POP)	-	NA
Volatile organic compounds (VOC)	-	NA
Hazardous air pollutants (HAP)	-	NA
Others – please specify		NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an assurance has been carried out at the plant at Anjar by M/s. Royal Environment Auditing & Consultancy Service. The WFL plant has conducted life cycle assessment for all product categories manufactured and has received third party environment product declarations from SCS Global USA

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,44,082
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	7,07,312
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tonne CO_2 per INR	11.2 tCO_2e per ₹ million

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes.

ETP and STP sludge are used as boiler fuel in the TFH boiler and have replaced nearly 6,200 MT coal of every year. At the WFL plant, the Company has phased out use of coal in manufacturing operations and is instead using rice husk (biomass) for steam generation

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22
Total Waste generated (in metric tonnes)	
Plastic waste **(A)**	1,455 MT
E-waste **(B)**	0
Bio-medical waste **(C)**	1 MT
Construction and demolition waste **(D)**	-
Battery waste **(E)**	0
Radioactive waste **(F)**	-
Other Hazardous waste. Please specify, if any. **(G)** 1. Grease 2. Used Oil 3. ETP Sludge 4. Dry ink waste 5. Waste containing oil	1. Used Drums: 287 MT 2. Used Oil: 45 MT 3. ETP Sludge: 2250 MT
Other Non-hazardous waste generated **(H)** Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Composition (MT): Wooden scrap: 1,331 Paper scrap: 2,899 Metal Scrap: 601 LDPE scrap: 65 HDPE Scrap: 102 Carton Puttha: 833 Cotton Sweeping Waste: 379 Cotton Sweeping Waste with Burka: 430 Fly ash: 4,984 Spinning Waste: 3,282 Others (Process Waste): 6,750
Total (A+B + C + D + E + F + G + H)	**Total: 25,694 MT**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)	
(i) Recycled	1897
(ii) Re-used	
(iii) Other recovery operations	
Total	1897
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	
Category of waste	
(i) Incineration	2251 (Bio-Medical + ETP Sludge)
(ii) Landfilling	
(iii) Other disposal operations	23,443 (Sold to authorised recyclers)
Total	**25,694**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, the plant at Vapi has carried out an independent assessment and the WFL plant has received assurance from SCS Global USA. Welspun Flooring Limited has received zero waste certification by SCS Global USA, verifying 98 % of the waste is diverted from landfill and is reused/repurpose and recycled.

Business Responsibility and Sustainability Report (Contd.)

9. a. Briefly describe the waste management practices adopted in your establishments.

There is a documented procedure for waste management which includes the following steps:

1. Identification of types of wastes and waste generation points including operations, processes and activities
2. Providing a designated area separately at each process or department for segregation, packing of wastes generated
3. Transportation of waste from the temporary storage location to main scrap yard on daily or weekly basis.
4. Storage of waste in separately allocated shade based on the types of waste as well as based on reusable or recyclable wastes
5. Identification of vendors for recycling of different types of waste and further authorisation to selected vendors based on compliance with the law as well Company's SOP.
6. Transportation of waste to vendors following the procedures of packaging of different types of waste as well as requirements of types of vehicle/ transport.
7. Waste is transported only to the authorised vendor/recycler. The annual assessment is performed at the vendors' place of business.

b. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

There is a documented policy and procedures on identification, testing, storage, transportation and handling of chemicals which includes the following procedures:

1. Before procurement of chemicals, the suppliers are required to provide certificates and documents confirming the compliance with MRSL standard such as certificates of OEKO-TEX 100, GOTS, REACH, SDS/MSDS as well as ZDHC MRSL Declaration.
2. A designated Chemical Manager is responsible to review and approve chemicals. Dyes/chemicals are approved based on submission and review of aforesaid documents and certificates.
3. Chemicals Risk Analysis/Mapping is carried out on an annual basis.
4. The ETP in-let water, ETP out-let water and sludge are tested daily in our in-house lab, monthly by the Govt. approved agency and annually based on ZDHC MRSL parameters by globally recognised laboratories such as SGS, Hohenstain etc.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable as there are no operations near above-mentioned zones.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
No EIA undertaken in FY 2021-22					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we have valid CC&A for Air, Water and Hazardous waste.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	NA	Nil	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22
From renewable sources	
Total electricity consumption (in GJ) (A)	39,094
Total fuel consumption (B)	-
Energy consumption through other sources (C)	-
Total energy consumed from renewable sources (A+B+C) (in GJ)	**39,094**
From non-renewable sources	
Total electricity consumption (in GJ) (D)	19,22,322
Total fuel consumption (E) (in GJ)	36,35,534
Energy consumption through other sources (F)	
Total energy consumed from non-renewable sources (D+E+F)	**55,57,855**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Provide the following details related to water discharged:

	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)	
(i) To Surface water	
- No treatment	
- With treatment – please specify level of treatment	
(ii) To Groundwater	
- No treatment	
- With treatment – please specify level of treatment	
(iii) To Seawater	
- No treatment	
- With treatment – please specify level of treatment	Treatment: ETP Discharge: 34,12,829 KL
(iv) Sent to third parties	
- No treatment	
- With treatment – please specify level of treatment	
(v) Others	
- No treatment	
- With treatment – please specify level of treatment	
Total water discharged (in kilolitres)	**34,12,829**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

Business Responsibility and Sustainability Report (Contd.)

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   NA

   For each facility/plant located in areas of water stress, provide the following information:

   (i) Name of the area: Anjar

   (ii) Nature of operations: Textile Manufacturing

   (iii) Water withdrawal, consumption and discharge in the following format:

   WIL's Anjar facility falls under a water stress area. We have setup a 30 MLD Sewage Treatment plant at our Anjar factory, which recycles sewage wastewater from the neighbouring areas, leading to zero intake of freshwater for manufacturing processes.

Parameter	FY 2021-22
Water withdrawal by source (in kilolitres)	
(i) Surface water	-
(ii) Groundwater	-
Total volume of water withdrawal (in kilolitres)	3,54,671
Total volume of water consumption (in kilolitres)	3,54,671
Water intensity per rupee of turnover (KL Water consumed/₹ crore turnover)	3.8 KL per ₹ million
Water discharge by destination and level of treatment (in kilolitres)	
Total water discharged (in kilolitres)	22,34,557

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   No.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2021-22
Total Scope 3 emissions	Metric tonnes of CO_2 equivalent	5,98,072 (The emission inventory includes 8 out of 12 applicable categories of Scope 3. Remaining 4 categories are being computed and to be reported next fiscal year. The 4 categories are: 1. Fuel & Energy related Activities 2. Upstream Leased Assets 3. Business Travel 4. Employee Commute
Total Scope 3 emissions per rupee of turnover	Tonne CO_2 per ₹ million	6.4 tCO_2e per ₹ million

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

   No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installed STP of 30 MLD and ETP of 29 MLD to recycle wastewater and reuse within the manufacturing process at WIL Anjar. Installed 250 KL ETP/STP to recycle wastewater and reuse within the manufacturing process at WFL.	This process ensures recycling and treatment of sewage and effluent water generations. 100% of water requirement is met through the recycled water thus ensuring zero freshwater usage. WFL is a zero liquid discharge facility from day one of its operations	100% recycled water usage in our production activities at Anjar
2	ETP and STP Sludge	The Company has initiated ETP and STP sludge use as boiler fuel. The CPCB/GPCB accepted our proposal and have given permission to use ETP sludge as boiler fuel.	100% generated ETP and STP sludge used as boiler fuel along with coal in the ratio of 80:20. WIL has stopped sending ETP and STP sludge to TSDF site for landfilling. ETP sludge is sent to TSDF at WFL plant (Ramky).
3	Installed 30MT Solar sludge dryer	The sludge generated from the operating facility has an equivalent calorific value as coal. Therefore, it is dried and used as an alternative fuel in boilers.	About 2000 MT coal saved by using dried ETP bio sludge
4	Reduction of GHG emissions	Usage of public transport leads to reduction of carbon footprint emission. (e.g., 95% of employees are using public transport). Use of ETP sludge as an alternative fuel for coal produce lesser emission. WFL has conducted life cycle assessment for all product categories and the plant has verified EPD	GHG emission has been reduced compared to the previous years.
5	Installed ESP in boiler stacks	Installation of ESP ensures filtration of fine particles including dust and smoke, from flowing gas in the boiler.	Reducing air pollutants like SPM, SoX and NoX
6	Recycling and Reuse of soft and hard waste	100% of soft and hard waste generated from the manufacturing of textile is being recycled and reused in the process.	Reduced raw material consumption

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Yes.

   WIL has put in place a disaster management plan to be implemented in the event of a sudden calamity or chain of events which affect normal working within the factory area and/or may cause serious injuries, loss of life, extensive damage to the properties etc. Such events may also result from natural phenomena like flood, earthquakes, cyclones, forest fires in which the day-to-day patterns of life are, in many instances, affected and people are plunged into helplessness and suffering and as a result need protection, clothing, shelter, medical and life necessities.

   Aim of this Disaster Plan is to familiarise employees in the Factory to:

   (a) Control Disaster

   (b) Combat Fire

   (c) Rescue People

   (d) Save life not only inside the factory but also in neighbouring area in case of an accident.

Business Responsibility and Sustainability Report (Contd.)

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

   Environmental Aspects and Impact analysis is conducted and reviewed on an annual basis to identify significant and non-significant environmental aspects. Preventive and additional control measures are taken to mitigate or minimise the identified significant environmental impacts.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   100% critical suppliers are assessed for environmental impacts, annually.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

   Welspun India Limited is a part of 6 associations.

   b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Indian Merchants Chamber	National
3	TEXPROCIL (The Cotton Textiles Export Promotion Council)	National
4	SRTEPC (The Synthetic & Rayon Textile Export Promotion Council)	National
5	Well Living Lab	International
6	Cotton Egypt Association (CEA)	International

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
Presently, there are no public policy positions advocated by the entity.					

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
Wel-Shiksha: The project aims at creating a revolution in promoting primary education in rural India by digitalising classrooms, improving learning levels and creating volunteers from the communities.	NA	NA	Yes	No	

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

   Grievances of the community, if any, are first communicated to the CSR team. Based on the nature of grievance, the matter is discussed with the respective department. The suggestions/solutions to mitigate the problem are then communicated to the community. Based on mutual agreement, the action plan is executed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22
Directly sourced from MSMEs/small producers	59% (other than cotton) 40% cotton
Sourced directly from within the district and neighbouring districts	64% (other than cotton) 50% cotton

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative social impact identified.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
CSR activities are executed in villages around the manufacturing sites. No aspirational districts are taken up currently under CSR.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

   No

   (b) From which marginalised/vulnerable groups do you procure?

   No

   (c) What percentage of total procurement (by value) does it constitute?

   No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

Business Responsibility and Sustainability Report (Contd.)

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Wel-Shiksha	75,000	100% (children)
2	Wel-Netrutva	70,427	100% (women)
3	We-Volunteer	1,632	
4	Covid-19	15,000	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   We have a documented procedure to receive and address consumers' complaints and feedback. A designated team is responsible for receiving, addressing, and communicating the response to any consumer complaint or feedback. The feedback/complaints are addressed and responded to within 7 days as per the documented policy of the Company.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	0
Advertising	0	0	0
Cyber-security	0	0	0
Delivery of essential services	0	0	0
Restrictive Trade Practices	0	0	0
Unfair Trade Practices	0	0	0
Other (Product related)	0	0	0

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	1234	
Forced recalls	Nil	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   WIL considers data privacy a critical aspect. A cyber security framework has been developed and is followed in order to take appropriate security measures.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

   Since there were no complaints, there was no need for any corrective action.

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Product information is publicly available on customer e-comm sites where it is listed as well as our own brand sites. https://www.spaces.in; https://www.christy.co.uk/; https://welspunflooring.com/; https://welspunusa.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Care instructions on the product as well as packaging are provided based on specific retailer and program guidelines

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Not Applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. Made in Green Label provides information that the product doesn't contain any harmful substances and has been tested for them and produced sustainably in accordance with OEKO-TEX guidelines. WIL has carried out partner satisfaction surveys with international and domestic customers as well as suppliers to take feedback, further improve service experience and identify improvement areas.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact

      Nil

   b. Percentage of data breaches involving personally identifiable information of customers

      Nil

Independent Auditor's Report

To the Members of Welspun India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Welspun India Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

- We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of government grant in respect of incentive under Gujarat Textile policy (the 'Policy') (as described in note 2.4 of the standalone financial statements)	
The Company is eligible to claim government grant in the form of reimbursement of State Goods and Service Tax (SGST) collected on products sold to the extent of the eligible capital investments in plant and machinery for the specified period under the policy. During the current year, there has been a change in the product/sales mix, which has been factored by the management for computation of government grant. The estimates and judgements used by the management in the computation of government grants includes: • Future sales growth rate; • Future product/sales mix and eligibility period; • Input tax credit utilization; • SGST rates on the products; • Eligible Capital Investments limit Considering the significance of the estimates and judgements used by the management, we have determined this to be a key audit matter.	We performed the following audit procedures, among others: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants. • We analysed the forecast in respect of sales and purchase used by the management in computation of the government grant with respect to reimbursement of SGST . • We compared the forecast in respect to sales and purchase to the business plan and previous forecasts to the actual results. • We compared the eligible capital investments considered by the management with the amount sanctioned by the regulatory authority and with the maximum amount of claim which can be utilized over the eligibility period. • We analysed the inputs used in the computation of government grant as per the modalities to claim the reimbursement of SGST under the Policy. • We evaluated the basis of management estimates and judgements in respect of: • Future sales growth rate; • Future product/sales mix and eligibility period; • Input tax credit utilization; and • SGST rates on the products. • We tested the arithmetical accuracy of the computation of government grant.

Key audit matters	How our audit addressed the key audit matter
Impairment of Investments (as described in note 2.22(v) of the standalone financial statements)	
The Company has investment in subsidiaries of ₹ 14,341.56 million which are carried at cost. For investments where management identifies any impairment indicators, such investments are tested for impairment using discounted cash-flow models by which recoverable value of each investment is compared to the carrying value as at balance sheet date. A deficit between the recoverable value and the carrying value would result in impairment. The Key inputs and assumptions used in the model are following: • Sales growth rate; • Operating margins (%); • Pre-tax discount rate (%); and • Perpetuity growth rate (%) Considering the significant degree of management judgement involved in the assumptions used for computation of the recoverable amount, this is determined as key audit matter.	We performed the following audit procedures, among others: • We evaluated the inputs and assumptions underlying management's assessment of indicators of impairment for investments in subsidiaries. • We evaluated the forecast of future cash flows used by the management in the model to compute the recoverable value. • We compared the forecast of future cash flows to business plan and previous forecasts to the actual results and analyzed results for material differences, if any. • We evaluated the basis of management assumptions in respect of future sales growth rate, operating margins, perpetuity growth rate and discount rate used to compute the recoverable value. • We involved valuation specialists to assist in evaluating the key assumptions and methodologies used by the Company in computing the recoverable amount. • We tested the arithmetical accuracy of the management's impairment testing model. • We read and assessed the relevant disclosures made in the standalone financial statements
Measurement of Income Tax (as described in note 2.5 of the standalone financial statements)	
The measurement of the income tax charge for the year and corresponding balance as at balance sheet date involves significant estimates and judgements, as in respect to certain items / transactions tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or as appropriate through a formal legal process. The Company claims deduction under Chapter VIA of the Income Tax Act, 1961. The tax deduction computation involves significant estimates and judgements in respect of selling price of the products and purchase of goods and services from the vendors. Due to the significance and materiality of the Chapter VIA deductions claimed by the Company and its impact on measurement of current income tax, this matter was considered significant to our audit.	We performed the following audit procedures , among others: • We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls related to procurement and sales process. • We evaluated the basis of management assumptions in respect of prices for sales and purchase of goods and services and measurement of deduction claimed under chapter VI A of the Income Tax Act, 1961. • We involved tax experts to assist in evaluating the measurement of income tax charge for the year including computation of deduction and evaluation of various tax positions and potential exposures. • We read and assessed disclosures made in the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 such other information is materially inconsistent with the 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 for the Standalone Financial Statements

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report (Contd.)

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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.

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 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 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.

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.

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.

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 for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended 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 30 to the standalone financial statements;

      ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2022;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

      iv. a) The management has represented that, to the best of its knowledge and belief and as disclosed in note 47(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief and as disclosed in note 47(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

      As stated in note 27(b) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISTUO6368
Place of Signature: Mumbai
Date: May 10, 2022

Annexure 1

referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

Re: Welspun India Limited ("the Company")

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been substantially confirmed by them as at March 31, 2022 and no material discrepancies were noticed in respect of such confirmations.

(b) As disclosed in note 11(a) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs five crores in aggregate from banks and/ or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the company has not provided advances in the nature of loans or provided security to companies, firms, Limited Liability Partnership or any other parties. During the year the Company has provided loans to other parties and provided guarantees to companies as detailed in the table below:

	Guarantees (Amt in INR Mil)	Loans (Amt in INR Mil)
Aggregate amount granted/ provided during the year ended March 31 2022 - Subsidiaries - Others	 2,325.60 -	 - 22.69
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries - Others	 24,354.60 -	 - 19.91

(b) During the year the Company has not provided security and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans, investments and guarantees to companies or any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of goods and services tax, provident fund, employees' state insurance, duty of custom and cess which have not been deposited on account of any dispute. The dues of income-tax, sales-tax, duty of excise, service tax, value added tax and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount in Mil (₹)**	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax Demand including penalty	16.06	AY 2005-06 to AY 2009-10	High Court
		22.10	AY 2010-11 to AY 2018-19	CIT- (Appeals)
Gujarat Sales Tax Act, 1961	Sales Tax including penalty and Interest	18.42	2000-01, 2003-04, 2004-05	Jt. Comm. of Sales Tax (Appeals-2), Vadodara
Central Excise Act, 1944	Excise Duty	429.11	April 2009 to Feb 2015	Comm. Of Central Excise, Kutch
	CENVAT including penalty	34.53	August 2005 to April 2010	Comm. Of Central Excise, Daman
	CENVAT including penalty	0.13	May 2010 to Nov 2010, Feb 2010 to Nov 2010	Superintendent, Central Excise Vapi
	CENVAT Credit	0.07	March 2011 to June 2011	Comm. Appeal Daman
	CENVAT including penalty	0.21	April 2015	Dy. Commissioner, GST and Central Excise Division-Vapi
	CENVAT including penalty	26.61	July 2004 & Jan 2012	Tribunal, CESTAT, Ahmedabad

** Net of amount paid under protest.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowing to or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised

Annexure 1 (Contd.)

on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c)of the Order are not applicable to the Company.

(xiii)According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company .

(xvi)(a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii)The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix)On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 22(b) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 22(b) to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISTUO6368
Place of Signature: Mumbai
Date: May 10, 2022

Annexure 2

to the independent auditor's report of even date on the standalone financial statements of Welspun India Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Welspun India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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.

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial control with reference to these standalone 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 these standalone 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 Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISTUO6368
Place of Signature: Mumbai
Date: May 10, 2022

Balance Sheet
As at March 31, 2022

Particulars	Note	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,527.89	20,971.96
Capital work-in-progress	3	416.82	229.25
Intangible assets	4	171.11	229.06
Right-of-use assets	35	87.20	132.51
Intangible assets under development	4	39.45	20.39
Equity investment in subsidiaries	5	12,677.11	12,552.52
Financial assets			
- Investments	6 (a)	1,696.66	1,531.37
- Loans	6 (b)	16.46	1.90
- Other financial assets	6 (c)	601.67	164.80
Non-current tax assets	7	377.90	377.90
Other non-current assets	8	264.87	116.52
Total non-current assets		**35,877.14**	**36,328.18**
Current assets			
Inventories	9	10,697.68	10,720.82
Financial assets			
- Investments	6 (a)	4,587.93	29.20
- Trade receivables	6 (d)	8,042.65	7,488.10
- Cash and cash equivalents	6 (e)	750.94	1,768.82
- Bank balances other than cash and cash equivalents above	6 (f)	47.68	466.07
- Loans	6 (b)	3.46	4.50
- Other financial assets	6 (c)	1,255.38	2,720.51
Other current assets	8	643.54	1,451.54
Total current assets		**26,029.26**	**24,649.56**
Total assets		**61,906.40**	**60,977.74**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 (a)	988.06	1,004.73
Other equity			
- Reserves and surplus	10 (b)	33,737.12	32,374.09
- Other reserves	10 (c)	26.28	7.55
Total equity		**34,751.46**	**33,386.37**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	1,465.69	2,608.48
- Lease liabilities	35	65.27	93.19
Non-current tax liabilities	12	2,200.76	2,159.86
Deferred tax liabilities (Net)	14	2,977.58	2,569.69
Other non-current liabilities	15	810.23	628.85
Total non-current liabilities		**7,519.53**	**8,060.07**
Current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	11,612.16	11,335.53
- Lease liabilities	35	34.13	52.29
- Trade payables	11 (c)	-	
(a) Total outstanding dues of micro enterprises and small enterprises		418.65	332.55
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,278.84	6,042.29
- Other financial liabilities	11 (b)	215.03	290.89
Current tax liabilities	12	537.19	-
Employee benefit obligations	13	1,045.98	942.55
Other current liabilities	15	493.43	535.20
Total current liabilities		**19,635.41**	**19,531.30**
Total liabilities		**27,154.94**	**27,591.37**
Total equity and liabilities		**61,906.40**	**60,977.74**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Place: Mumbai
Date: May 10, 2022

Statement of Profit and Loss
For the year ended March 31, 2022

Particulars	Note	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Income			
Revenue from operations	16	67,034.68	59,563.46
Other Income	17	860.60	832.20
Total income		**67,895.28**	**60,395.66**
Expenses			
Cost of materials consumed	18	35,142.19	28,240.23
Purchases of stock-in-trade		3,811.14	2,244.67
Changes in inventory of finished goods, work-in-progress and stock-in-trade	19	(310.65)	810.67
Employee benefits expense	20	5,505.50	5,350.58
Depreciation and amortization expense	21	2,760.91	3,301.42
Other expenses	22	13,979.19	12,093.21
Finance costs	23	813.28	1,014.20
Total expenses		**61,701.56**	**53,054.98**
Profit before tax		**6,193.72**	**7,340.68**
Income tax expense	24		
- Current Tax		1,868.61	1,465.18
- Deferred Tax		265.86	608.80
- Deferred tax charge related to earlier years		137.95	-
Total Income Tax Expense		**2,272.42**	**2,073.98**
Profit for the year		**3,921.30**	**5,266.70**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Change in fair value of FVOCI equity instruments Gain/(Loss)	10 (c)	18.73	8.55
Remeasurement of post employment benefit obligation Gain/(Loss)	20	16.22	54.58
Income tax effect	24	(4.08)	(13.74)
Other comprehensive income/(loss) for the year, net of tax		**30.87**	**49.39**
Total Comprehensive Income for the year		**3,952.17**	**5,316.09**
Earnings Per Share (₹) [Nominal value per share : Re. 1 (March 31, 2021 : Re. 1)]	33		
- Basic		3.95	5.24
- Diluted		3.95	5.24
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
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Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Place: Mumbai
Date: May 10, 2022

Statement of Changes in Equity

For the year ended March 31, 2022

A. Equity Share Capital

(₹ million)

Equity shares of Re. 1 each issued, subscribed and fully paid	No. of shares	Amount
At March 31, 2020	**1,004,725,150**	**1,004.73**
Changes in equity share capital during the year	-	-
At March 31, 2021	**1,004,725,150**	**1,004.73**
Changes in equity share capital during the year	(16,666,666)	(16.67)
At March 31, 2022	**988,058,484**	**988.06**

B. Other Equity

(₹ million)

Particulars	Notes	Reserves and Surplus							Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Share-based Payment Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2020		**478.38**	**1,474.77**	**3,238.12**	**711.39**	**-**	**21,163.89**	**27,066.55**	**(1.00)**	**27,065.55**
Add:										
Profit for the year		-	-	-	-	-	5,266.70	5,266.70	-	5,266.70
Other Comprehensive Income	10 (b), 10 (c)	-	-	-	-	-	40.84	40.84	8.55	49.39
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**5,307.54**	**5,307.54**	**8.55**	**5,316.09**
Balance as at March 31, 2021		**478.38**	**1,474.77**	**3,238.12**	**711.39**	**-**	**26,471.43**	**32,374.09**	**7.55**	**32,381.64**

(₹ million)

Particulars	Notes	Reserves and Surplus							Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Share-based Payment Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2021		**478.38**	**1,474.77**	**3,238.12**	**711.39**	**-**	**26,471.43**	**32,374.09**	**7.55**	**32,381.64**
Add:										
Profit for the year		-	-	-	-	-	3,921.30	3,921.30	-	3,921.30
Other Comprehensive Income	10 (b), 10 (c)	-	-	-	-	-	12.14	12.14	18.73	30.87
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**3,933.44**	**3,933.44**	**18.73**	**3,952.17**
Transactions with owners in their capacity as owners										
Add:										
Buyback of equity shares	34	16.67	-	(16.67)	-	-	-	-	-	-
Share-based payment		-	-	-	-	25.67	-	25.67	-	25.67
Less:										
Buyback of equity shares	34	-	-	1,983.33	-	-	-	1,983.33	-	1,983.33
Dividends paid	27 (b)	-	-	-	-	-	150.71	150.71	-	150.71
Tax on buyback of equity shares	27 (b)	-	-	-	-	-	462.04	462.04	-	462.04
Balance as at March 31, 2022		**495.05**	**1,474.77**	**1,238.12**	**711.39**	**25.67**	**29,792.12**	**33,737.12**	**26.28**	**33,763.40**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: May 10, 2022

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Statement of Cash Flows

For the year ended March 31, 2022

Particulars	Year Ended March 31, 2022 (₹ million)	Year Ended March 31, 2021 (₹ million)
A. Cash Flow From Operating Activities		
Profit Before Tax	6,193.72	7,340.68
Adjustments for :		
Depreciation and amortisation expenses	2,760.91	3,301.42
Income from government grants	(2,153.01)	(1,996.64)
Unrealised foreign exchange differences	7.64	20.23
Loss on disposal of property, plant and equipment	20.57	12.19
Impairment of investment in subsidiary / Changes in fair value of financial assets at fair value through profit or loss	(66.83)	(130.77)
Unwinding of discount on security deposits	(4.09)	(4.64)
Employee share-based payment expense	17.42	-
Gain on sale of investments (net)	(0.20)	-
Dividend income classified as investing cash flows	(0.95)	-
Liabilities/ provisions written back	(9.80)	(8.31)
Provision for doubtful debts/ advances written back	(4.87)	(43.50)
Provision for doubtful debts/ advances	33.52	57.07
Corporate guarantee commission	(37.73)	(39.23)
Interest income classified as investing cash flows	(308.88)	(316.14)
Finance expenses	813.28	1,014.20
	1,066.98	**1,865.88**
Operating Profit Before Working Capital Changes	**7,260.70**	**9,206.56**
Adjustments for changes in working capital :		
Decrease/ (increase) in trade receivables	(556.86)	49.29
Increase/ (decrease) in trade payables	(658.72)	453.12
Increase in employee benefit obligations	119.65	294.55
Increase/ (decrease) in other current liabilities	(48.54)	261.34
Increase/ (decrease) in other non current liabilities	181.38	(47.31)
Decrease/ (increase) in inventories	23.14	(156.63)
Decrease/ (increase) in other financial assets	(77.88)	206.74
Increase in other non-current assets	(150.00)	-
Decrease in other current assets	797.18	65.92
	(370.65)	**1,127.02**
Cash Flow Generated from Operations	6,890.05	10,333.58
Tax paid (Net of refunds)	(1,290.52)	(629.28)
Net Cash Inflow from Operating Activities	**5,599.53**	**9,704.30**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(1,898.49)	(1,158.28)
Sale of property, plant and equipment	21.61	125.33
Receipt of Government grants	3,570.63	1,930.83
Investment/ maturity in fixed deposit and margin money (net)	418.78	(239.77)
Loans given to employees and related parties	(13.52)	(2.90)
Advance given to related parties	44.35	(35.70)
Sales/ (Purchase) of Current Investment (Net)	(4,557.01)	2,228.71
Proceeds from sale of investments	0.20	892.83
Equity investment in subsidiaries and associates	(124.39)	(3,412.73)
Dividend received	0.95	-
Interest received	126.11	262.65
Net Cash from / (used) in Investing Activities	**(2,410.78)**	**590.97**

Statement of Cash Flows

For the year ended March 31, 2022

Particulars	Year Ended March 31, 2022 (₹ million)	Year Ended March 31, 2021 (₹ million)
C. Cash Flow from Financing Activities		
Repayment of borrowings - Non Current	(1,003.51)	(6,635.75)
(Repayment)/ Receipt of borrowings - Current (net)	137.35	(2,018.67)
Payment of lease liabilities	(53.44)	(50.67)
Receipt of interest subsidy	291.25	1,059.00
Dividend paid	(150.71)	-
Tax on dividend paid	(2,462.04)	-
Finance cost paid	(965.53)	(1,492.76)
Net Cash used in Financing Activities	**(4,206.63)**	**(9,138.85)**
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	**(1,017.88)**	**1,156.42**
Cash and Cash Equivalents at the beginning of the year	1,768.82	612.40
Cash and Cash Equivalents at the end of the year	750.94	1,768.82
Net increase / (decrease) in Cash and Cash Equivalents	**(1,017.88)**	**1,156.42**
Cash and cash equivalents comprise of:		
Cash on Hand	1.24	0.21
Cheques on Hand	-	10.00
Bank balances		
- In current accounts	439.70	1,714.10
Fixed deposits with Banks with original maturity period of less than three months	310.00	44.51
Total	**750.94**	**1,768.82**

Change in Liability arising from financing activities

(₹ million)

Particulars	April 1, 2021	Cash flow	Foreign exchange movement	March 31, 2022
Borrowing-Non Current [Refer Note 11 (a)]	3,599.96	(1,003.51)	-	2,596.45
Borrowing-Current [Refer Note 11 (a)]	10,344.05	137.35	-	10,481.40
	13,944.01	**(866.16)**	**-**	**13,077.85**

Notes:

1. The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Place: Mumbai
Date: May 10, 2022

Notes

To the Financial Statements for the year ended March 31, 2022

1. Corporate Information

Welspun India Limited (herein referred to as "WIL" or "the Company") is public limited company incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist. Kutch, Gujarat - 370110, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs. The financial statements were authorized for issue by the board of directors on May 10, 2022.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation of financial statements

The standalone financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities that is measured at fair value as stated in subsequent policies.

2.2 Foreign currency translation

a. Functional and presentation currency

The financial statements of the Company are presented in INR, which is also its functional currency and all items included in the financial statements of the Company are measured using the same functional currency.

b. Transactions and balances

Foreign currency transactions are translated and recorded into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.3 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.23.

Sale of goods

For sale of goods, revenue is recognized when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 30-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal

Notes

To the Financial Statements for the year ended March 31, 2022

in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with rebates (including mark-downs, chargebacks etc.). The rights of return and rebates give rise to variable consideration.

The Company provides retrospective rebates including, markdowns, chargebacks etc. to certain customers once the conditions relating to such rebates are satisfied in terms of the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances:

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.13 Financial Instruments – Financial Assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract and cost to fulfill a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (under Other Expenses) because the amortization period of the asset that the Company otherwise would have used is less than one year.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Rebate/ drawback of taxes and duties

In case of sale made by the Group as Support Manufacturer, rebate / drawback of taxes and duties arising from Remissions of Duties and Taxes on Exported Products (RoDTEP), Duty Drawback scheme, Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL), and other applicable export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income' (Revenue from operation).

Interest Income

Interest income from the financial assets are recognized using effective interest rate method.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

2.4 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating income" (Revenue from operation) or are deducted in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to Statement of Profit and Loss over the periods and in proportions in which depreciation expense on those assets is recognized.

2.5 Income Tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax

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is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset if it is probable that MAT credit will reverse in the foreseeable future and taxable profit will be available against which the deferred tax asset can be utilised.

2.6 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

2.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Property	3 to 5 years
• Plant & Machinery	13 years
• Other equipments	3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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Refer to the accounting policies in Note 2.10 Impairment of non-financial assets.

ii) **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or change in the assessment of an option to purchase the underlying asset.

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Comany's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.8 Property, plant and equipment

Property Plant and equipment except for freehold land are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any. The cost of property plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes(other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. The company has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost.

Export Promotion Capital Goods (EPCG) grant relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are initially recognized / added in the cost of underlying property, plant and equipment and a corresponding liability which is released to the statement of profit and loss based on fulfilment of related export obligations.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

For following items of property, plant and equipment, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Life (years)
Office Equipment	3 to 5
Furniture and fixtures	10
Computers and Servers	3 to 6
Vehicles	5
Electrical installation	10
Factory Building	28
Residential and other Buildings	58

Plant and Machinery (except electrical installation) is depreciated on written down value method over the useful life ranging between 7.5 years to 20 years.

The useful lives have been determined based on technical evaluation done by the management's expert which is equal to or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income, as applicable.

2.9 Intangible assets

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Inventories

Raw materials and stores, work in progress, traded and finished goods

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases on weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Investment in compound financial instruments issued by subsidiary

Company considers issuance of non-market rate redeemable preference shares by subsidiary as compound instrument comprising a loan with market terms and a capital injection and hence treat the difference between the cash paid and fair value on initial recognition as an addition to the investment in the subsidiary and presented separately as 'Equity component of Preference

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shares' under 'Investment in subsidiaries'. Equity component is not subsequently re-measured.

2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

A. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income;
- For investments in debt instruments, this will depend on the business model in which the investment is held;
- For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

B. Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

C. Subsequent Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such assets are subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

ii. Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

iii. Fair value through profit or loss: A financial asset which is not classified in any of the above categories are measured at Fair value through profit or loss

Equity Investments

Investment in subsidiaries are carried at cost in the separate financial statements and accounted on first-in first-out (FIFO) basis.

The Company subsequently measures all other equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are

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not reported separately from other changes in fair value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial position and which are considered as integral part of company's cash management policy.

Trade receivable

Trade receivable are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount;
- For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

E. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

F. Income recognition

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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Financial liabilities

A. Initial Recognition and Measurement:

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

B. Subsequent Measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

- Derivatives that are not designated as hedges

The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

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Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

i. the functional currency of any substantial party to that contract;

ii. the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world;

iii. a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

C. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.15 Employee benefits

a. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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c. **Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation Fund

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit or Loss as past service cost.

Defined contribution plans

Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds

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

Superannuation Fund

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

Bonus Plan

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Share Based Payments

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Refer Note 46.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-

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vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.17 Provisions and contingent liabilities

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

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

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

2.18 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.20 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (Note 33)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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To the Financial Statements for the year ended March 31, 2022

2.21 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.22 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions with two decimal as per the requirement of Schedule III, unless otherwise stated.

2.23 Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

Critical estimates and judgements

i) Current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. (Refer Note 24)

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. (Refer Note 14).

Uncertain tax position and tax related contingency

The Company has taken certain tax positions particularly those relating to deductions / allowance under Section 80 IA and Section 36(1)(iii) of the Income Tax Act, 1961 by the Company. The taxation authorities may challenge these tax deductions and accordingly these matters are / might be subject to legal proceedings in the ordinary course of business. The outcome of the legal proceedings might be different from that estimated on the date of approval of these standalone Ind AS financial statements.

ii) Provisions & Contingent Liabilities.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 30).

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To the Financial Statements for the year ended March 31, 2022

iii) Provision / Liability

A provision / liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits that can be reasonably estimated. Estimation involves judgements based on the latest available, reliable information. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. The Company actualizes the provision / liability when the invoices are received and the resultant income / expense are recognised in the statement of the profit and loss. The Company also periodically reviews the provision / liability which are no longer required and the same are reversed and recognized as an income in the statement of profit and loss.

iv) Useful life of Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation (for property, plant and equipment and intangible assets) is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Notes 3 and 4).

v) Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices, age and quality/condition of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed. Refer Note 9 for details of inventory and provisions.

vi) Impairment for equity Investments in Subsidiaries

To test the impairment of equity investment e of subsidiaries, market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates (including perpetuity growth rate), discount rate, identification of a cash generating unit and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. Changes in the assumptions selected by management could significantly affect the Company's impairment evaluation and hence results.

vii) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 20 for the details of the assumptions used in estimating the defined benefit obligation.

viii) Government Grants

The Company has accrued income for Government grant related to fixed assets, in the ratio of related expenses, based on eligibility amount. Critical judgement is involved in determining whether the Company has fulfilled the conditions related to the grant. Estimates are involved in calculation of grant income where the eligibility amount is not confirmed by the government but application is made and the Company is complying all terms & conditions for eligibility. Further, key assumptions used in calculation of government grant to be recognized as revenue, receivables and deferred income include, the future sales growth rate, mix

Notes

To the Financial Statements for the year ended March 31, 2022

of inter and intra state purchases and corresponding input tax credit, utilization of input tax credit, indirect tax rates on the products, period of eligibility etc. Changes in the assumptions selected by the management could significantly affect the recognition of revenue, receivables and deferred income related to such government grants.

ix) **Fair value of Financial Instruments.**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The key judgement includes selection of valuation methodology and key assumptions include the discount rates etc. Changes to the valuation methodology, discount rates etc. could have a significant impact on the valuation of these financial instruments. Refer Note 25 and 26.

x) **Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

xi) **Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

xii) **Estimation uncertainty relating to the global health pandemic on COVID-19**

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 3 : Property, Plant and Equipment

(₹ million)

Particulars	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computers	Total	Capital Work in Progress
Cost or valuation										
At April 1, 2020										
Opening gross carrying amount	463.99	8,353.48	32,854.11	70.34	217.03	354.24	15.14	239.98	42,568.31	220.67
Additions	68.10	58.70	915.24	17.41	12.33	12.60	-	19.53	1,103.91	879.64
Disposals	(14.93)	(4.34)	(437.54)	(10.14)	(1.68)	(9.14)	-	-	(477.77)	-
Capitalised	-	-	-	-	-	-	-	-	-	(871.06)
At March 31, 2021 (A)	**517.16**	**8,407.84**	**33,331.81**	**77.61**	**227.68**	**357.70**	**15.14**	**259.51**	**43,194.45**	**229.25**
Depreciation										
At April 1, 2020	-	1,139.68	17,835.39	46.47	137.81	165.08	12.70	186.23	19,523.36	-
Depreciation charge during the year	-	263.05	2,747.77	10.94	31.86	29.94	-	25.73	3,109.29	-
Disposals	-	(1.44)	(397.23)	(9.63)	(1.53)	(0.33)	-	-	(410.16)	-
At March 31, 2021 (B)	**-**	**1,401.29**	**20,185.93**	**47.78**	**168.14**	**194.69**	**12.70**	**211.96**	**22,222.49**	**-**
Net book value at March 31, 2021 (A-B)	**517.16**	**7,006.55**	**13,145.88**	**29.83**	**59.54**	**163.01**	**2.44**	**47.55**	**20,971.96**	**229.25**
Cost or valuation										
At April 1, 2021										
Opening gross carrying amount	517.16	8,407.84	33,331.81	77.61	227.68	357.70	15.14	259.51	43,194.45	229.25
Additions	53.24	157.84	1,443.79	1.58	4.94	4.08	-	33.50	1,698.97	1,752.79
Disposals	(0.18)	-	(1,332.88)	(2.84)	(1.72)	-	-	(5.91)	(1,343.53)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,565.22)
At March 31, 2022 (A)	**570.22**	**8,565.68**	**33,442.72**	**76.35**	**230.90**	**361.78**	**15.14**	**287.10**	**43,549.89**	**416.82**
Depreciation										
At April 1, 2021	-	1,401.29	20,185.93	47.78	168.14	194.69	12.70	211.96	22,222.49	-
Depreciation charge during the year	-	264.22	2,282.03	9.78	20.87	29.65	-	19.17	2,625.72	-
Disposals	-	-	(816.84)	(2.69)	(1.62)	-	-	(5.06)	(826.21)	-
At March 31, 2022 (B)	**-**	**1,665.51**	**21,651.12**	**54.87**	**187.39**	**224.34**	**12.70**	**226.07**	**24,022.00**	**-**
Net book value at March 31, 2022 (A-B)	**570.22**	**6,900.17**	**11,791.60**	**21.48**	**43.51**	**137.44**	**2.44**	**61.03**	**19,527.89**	**416.82**

Notes :

(i) All title deeds of immovable property are held in the name of the Company.

(ii) Property, plant and equipment pledged as security - Refer to note 11(a) for information on property, plant and equipment pledged as security by the Company.

(iii) Contractual obligations - Refer to note 31 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Additions to fixed assets during the year include capital expenditure of ₹ Nil (Previous Year : ₹ 10.45 million) incurred on in-house Research and Development activities [Refer Note 38]

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

(₹ million)

Particulars	March 31, 2022		March 31, 2021	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	114.08	29.04	124.65	29.04
Accumulated depreciation	47.62	27.59	48.62	27.59
Net book value	66.46	1.45	76.03	1.45
Depreciation for the year	3.12	-	1.69	-

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(vi) Capital Work in Progress (CWIP) ageing schedule

(₹ million)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	411.62	5.20	-	-	416.82
Projects in progress -2020-21	212.25	16.85	-	-	229.10
Projects temporarily suspended-2021-22	-	-	-	-	-
Projects temporarily suspended-2020-21	0.15	-	-	-	0.15

Completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ million)

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
HDPE Water Pipe Line				
As at March 31, 2022	23.17	-	-	-
As at March 31, 2021	0.78	-	-	-
Sizeing Machine				
As at March 31, 2022	13.23	-	-	-
As at March 31, 2021	-	-	-	-
Rugs Expansion Project Machine				
As at March 31, 2022	12.94	-	-	-
As at March 31, 2021	-	-	-	-
Rugs Expansion Project Machine (stitching)				
As at March 31, 2022	12.80	-	-	-
As at March 31, 2021	-	-	-	-
Tsudakoma Airjet Loom (Terry Towel)				
As at March 31, 2022	12.77	-	-	-
As at March 31, 2021	-	-	-	-
Washer For Bedsheets (Dye)				
As at March 31, 2022	10.87	-	-	-
As at March 31, 2021	-	-	-	-
Rugs Expansion For Machinery				
As at March 31, 2022	8.89	-	-	-
As at March 31, 2021	-	-	-	-
Piece Count.Existing Greig M/C Modification				
As at March 31, 2022	5.81	-	-	-
As at March 31, 2021	-	-	-	-
Rugs Expansion-Hanger System For Packing				
As at March 31, 2022	5.54	-	-	-
As at March 31, 2021	-	-	-	-
Embroidery & Quilt Machine				
As at March 31, 2022	-	-	-	-
As at March 31, 2021	10.15	-	-	-
Stenter Multi Chamber - Thermic Fluid				
As at March 31, 2022	-	-	-	-
As at March 31, 2021	48.62	-	-	-
Plant and Machinery Others				
As at March 31, 2022	9.07	-	-	-
As at March 31, 2021	1.24	-	-	-

Notes

To the Financial Statements for the year ended March 31, 2022

Note 4 : Intangible assets

(₹ million)

Particulars	Computer software	Intangible assets under development
Cost or valuation		
At April 1, 2020		
Opening gross carrying amount	740.60	16.34
Additions	19.51	17.64
Discarded	(277.80)	-
Transfers/Capitalised	-	(13.59)
At March 31, 2021 (A)	**482.31**	**20.39**
Amortisation		
At April 1, 2020		
Opening accumulated amortisation	320.71	-
Amortisation charge during the year	133.25	-
Discarded	(200.71)	-
At March 31, 2021 (B)	**253.25**	**-**
Net book value at March 31, 2021 (A-B)	**229.06**	**20.39**
Cost or valuation		
At April 1, 2021		
Opening gross carrying amount	482.31	20.39
Additions	24.73	22.96
Discarded	(3.24)	-
Transfers/Capitalised	-	(3.90)
At March 31, 2022 (A)	**503.80**	**39.45**
Amortisation		
At April 1, 2021		
Opening accumulated amortisation	253.25	-
Amortisation charge during the year	82.52	-
Discarded	(3.08)	-
At March 31, 2022 (B)	**332.69**	**-**
Net book value at March 31, 2022 (A-B)	**171.11**	**39.45**

Intangible Asset under Development (IAUD) Ageing Schedule

(₹ million)

Intangible assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	22.96	13.74	2.75	-	39.45
Projects in progress -2020-21	17.64	2.75	-	-	20.39
Projects temporarily suspended-2021-22	-	-	-	-	-
Projects temporarily suspended-2020-21	-	-	-	-	-

Completion schedule for Intangible Asset under Development (IAUD), whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ million)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Digital Transformation Projects				
As at March 31, 2022	24.30	-	-	-
As at March 31, 2021	-	-	-	-

Notes

To the Financial Statements for the year ended March 31, 2022

Note 5 : Non-current equity investment in subsidiaries/associates

Particulars		As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Subsidiaries			
Unquoted			
10,000	(March 31, 2021 : 10,000) Equity Shares of ₹ 10 each fully paid up of BESA Developers and Infrastructure Private Limited	0.10	0.10
10,000	(March 31, 2021 : 10,000) Equity Shares of ₹ 10 each fully paid up of Anjar Integrated Textile Park Developers Private Limited	0.10	0.10
50,700	(March 31, 2021 : 50,700) Equity Shares of ₹ 10 each fully paid up of Welspun Anjar SEZ Limited	2,432.45	2,432.45
23,065,503	(March 31, 2021 : 23,065,503) Equity Shares of ₹ 10 each fully paid up of Welspun Global Brands Limited	2,281.80	2,281.80
22,744,215	(March 31, 2021 : 22,744,215) Equity Shares of ₹ 10 each fully paid up of Welspun Captive Power Generation Limited	801.66	801.66
742	(March 31, 2021 : 742) Equity Shares of USD 100 each fully paid up of Welspun USA Inc.	182.51	182.51
1,500	(March 31, 2021 : 1,500) Equity Shares of GBP 1 each, fully paid up of Welspun Holdings Private Limited, Cyprus	29.73	29.73
5,500,000	(March 31, 2021 : 5,500,000) Equity Shares of ₹ 10 each fully paid up of Welspun Zucchi Textiles Limited	92.13	92.13
65,000,000	(March 31, 2021 : 65,000,000) Equity Shares of ₹ 10 each fully paid up of Welspun Flooring Limited [Refer note (iii) below]	2,500.00	2,500.00
4,250	(March 31, 2021 : 4,250) Equity Shares of USD 1,000 each fully paid up of Welspun Nexgen Inc.	269.30	269.30
	Less : Provision for impairment	269.30	269.30
		-	-
260,000	(March 31, 2021 : 260,000) Equity Shares of ₹ 10 each fully paid up of Welspun Innovative Products Limited	2.60	2.60
33,010,000	(March 31, 2021: 33,010,000) Equity Shares of ₹ 10 each fully paid up of Welspun Advanced Materials (India) Limited	330.10	330.10
-	(March 31, 2021 : 261) Equity Shares of USD 100 each fully paid up of Pure Sense Organics Myanmar Limited	-	7.23
	Less : Provision for impairment	-	7.23
		-	-
1,001,000	(March 31, 2021: Nil) Equity Shares of ₹ 10 each fully paid up of Anjar Terry Towels Private Limited	10.01	-
110,000	(March 31, 2021: Nil) Equity Shares of ₹ 10 each fully paid up of Easygo Textiles Private Limited	1.07	-
Associate			
4,800	(March 31, 2021: 4,800) Equity Shares of ₹ 10 each fully paid up of Welassure Private Limited	2.94	2.94
		8,667.20	**8,656.12**
Equity Component of investment in debentures of subsidiaries			
353,541,044	(March 31, 2021 : 349,641,044) 0% Compulsorily Convertible Debentures of ₹ 10 each of Welspun Flooring Limited	3,535.41	3,496.40
47,250,000	(March 31, 2021 : 40,000,000) 0% Compulsorily Convertible Debentures of ₹ 10 each of Welspun Advanced Materials (India) Limited	472.50	400.00
200,000	(March 31, 2021 : Nil) 0% Compulsorily Convertible Debentures of ₹ 10 each of Easygo Textiles Private Limited	2.00	-
Equity Share Application pending allotment			
	Pure Sense Organics Myanmar Limited	-	2.79
	Less : Provision for impairment	-	2.79
		-	-
Total		**12,677.11**	**12,552.52**

Notes :

(i) Out of total debenture investment in Welspun Flooring Limited, ₹ Nil (Previous Year : ₹ 1,564.39 million) is out of conversion of loan given and interest accrued thereon.

(ii) Out of total debenture investment in Welspun Advanced Materials (India) Limited, ₹ Nil (Previouse Year : ₹ 120 million) is out of conversion of loan given.

(iii) Investment in Welspun Flooring Limited includes equity component of preference shares of ₹ 1,850 million.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 6 : Financial assets

6 (a) : Non-current investment

Particulars			As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Investment in equity shares (fully paid up)				
i) Quoted - Equity investment at FVOCI				
283,500	(March 31, 2021 : 283,500) Equity Shares of ₹ 10 each of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)		31.87	13.14
80	(March 31, 2021 : 80) Equity Shares of Re. 1 each of Khaitan Chemicals and Fertilizers Limited		*	*
ii) Unquoted - Equity investment at FVPL				
1,900	(March 31, 2021 : 1,900) Equity Shares of ₹ 10 each fully paid up of Welspun Global Services Limited		0.02	0.02
Total (equity instruments)		**(A)**	**31.89**	**13.16**
Investment in preference shares (fully paid)				
Unquoted - Preference shares at amortised cost				
1,389,575	(March 31, 2021 : 1,389,575) 0% Redeemable Preference Shares of ₹ 10 each of Welspun Global Brands Limited		1,025.32	943.66
Unquoted - Preference shares at FVPL				
1,000,000	(March 31, 2021 : 1,000,000) 1% Redeemable Cumulative Preference Shares of ₹ 10 each of Welspun Global Brands Limited		7.82	6.87
71,042,000	(March 31, 2021 : 71,042,000) 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited		631.31	567.36
-	(March 31, 2021 : 720) 7% Non-convertible Preference Shares of USD 100 each fully paid up of Pure Sense Organics Myanmar Limited		-	5.39
	Less : Provision for impairment		-	5.39
			-	-
Total (preference shares)		**(B)**	**1,664.45**	**1,517.89**
Others - FVPL		**(C)**	**0.32**	**0.32**
Total		**(A+B+C)**	**1,696.66**	**1,531.37**
	Aggregate amount of quoted investments and market value thereof		31.87	13.14
	Aggregate amount of unquoted investments		1,664.79	1,518.23
	Aggregate amount of impairment in the value of Investments		-	5.39

* Amount is below the rounding norms adopted by the Company

6 (a) : Current investments

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Investment in bonds at FVPL (unquoted)	4,034.48	29.20
Investment in mutual funds at FVPL (unquoted)	553.45	-
Total	**4,587.93**	**29.20**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	4,587.93	29.20
Aggregate amount of impairment in value of investments	29.20	29.20

6 (b) : Non-current loans

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Unsecured		
Considered doubtful		
Loans to related parties [Refer Note 29 (ii)]	15.56	15.56
Less : Allowance for Doubtful Loans	15.56	15.56
	-	-
Loan to employees	16.46	1.90
Total	**16.46**	**1.90**

Notes

To the Financial Statements for the year ended March 31, 2022

6 (b) : Current loans

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Loan to employees	3.46	4.50
Total	**3.46**	**4.50**

6 (c) : Other non-current financial assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Security Deposits to Related Parties [Refer Note 29 (ii)]	20.54	19.84
Security Deposits to Others	129.92	141.30
Fixed deposits with Banks with maturity period more than twelve months	0.07	0.63
Margin Money Deposit Accounts	0.18	3.01
Interest Accrued on Fixed Deposits	-	0.02
Net investment in lease [Refer Note 29 (ii)]	450.96	-
Total	**601.67**	**164.80**

6 (c) : Other current financial assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Security Deposits to Related Parties [Refer Note 29 (ii)]	36.18	56.89
Security Deposits to Others	17.90	18.54
Other Receivables from Related Parties [Refer Note below and Note 29 (ii)]	76.13	120.48
Government Grants Receivable	915.87	2,249.64
Less : Provision for Doubtful Balances	22.70	-
	893.17	2,249.64
Technology Upgradation Fund Credit Receivable	31.81	259.43
Interest Receivable under Subvention Scheme	96.71	12.68
Interest Accrued on Bonds/ Certificate of Deposits	98.92	-
Interest Accrued on Fixed Deposits/ Others	4.56	2.35
Insurance Claim Receivable	-	0.50
Total	**1,255.38**	**2,720.51**

Note :

No advances has been given in the nature of loans and advances to related parties

6 (d) : Trade receivables

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Receivables from related parties [Refer Note 29 (ii)]	7,249.16	6,809.89
Receivables from others	806.81	691.53
Less : Impairment allowance	(13.32)	(13.32)
Total receivables	**8,042.65**	**7,488.10**
Current portion	8,042.65	7,488.10
Break-up of security details		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	8,042.65	7,488.10
Trade receivables which has significant increase in credit risk	-	-
Trade receivables-credit impaired	13.32	13.32
Total	**8,055.97**	**7,501.42**
Impairment allowance (allowance for bad and doubtful debts)		
Impairment allowance	13.32	13.32
Total trade receivables	**8,042.65**	**7,488.10**

Notes

To the Financial Statements for the year ended March 31, 2022

Trade receivable ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

(₹ million)

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,167.83	1,850.23	6.28	16.73	1.58	-	8,042.65
	(5,813.21)	(1,561.89)	(61.14)	(51.86)	-	-	(7,488.10)
(ii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	13.32	13.32
					(7.40)	(5.92)	(13.32)
(iii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	6,167.83	**1,850.23**	**6.28**	**16.73**	**1.58**	**13.32**	**8,055.97**
	(5,813.21)	**(1,561.89)**	**(61.14)**	**(51.86)**	**(7.40)**	**(5.92)**	**(7,501.42)**
Less : Provision for doubtful Debts							13.32
							(13.32)
Gross Trade Receivable							**8,042.65**
							(7,488.10)

Note: Previous year figures are given in brackets.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6 (e) : Cash and cash equivalents

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Balances with banks		
- In current accounts	439.70	1,714.10
Fixed deposits with Banks with original maturity period of less than three months	310.00	44.51
Cheques on Hand	-	10.00
Cash on Hand	1.24	0.21
Total	**750.94**	**1,768.82**

6 (f) : Bank balances other than cash and cash equivalents

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Other Bank balances		
- Fixed deposits	25.38	440.77
- Unpaid dividend account [Refer note (a) below]	22.30	25.30
Total	**47.68**	**466.07**

Note:

(a) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 7 : Non-current tax assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Non-current tax assets	377.90	377.90
Total	**377.90**	**377.90**

Note 8 : Other non-current assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Capital Advances to Related Parties [Refer Note 29 (ii)]	39.80	45.33
Capital Advances to Others	72.88	69.00
- Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	2.19	2.19
- Considered Doubtful	2.44	7.72
	4.63	**9.91**
Less : Provision for Doubtful Balances	2.44	7.72
	2.19	**2.19**
Total	**264.87**	**116.52**

Note 8 : Other current assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	178.79	435.44
Prepaid Expenses	114.04	74.83
Advance to Vendors		
- Considered Good	348.32	938.92
- Considered Doubtful	14.36	3.58
	362.68	**942.50**
Less : Provision for Doubtful Advances	14.36	3.58
	348.32	**938.92**
Advance to Employees	2.39	2.35
Total	**643.54**	**1,451.54**

Note 9 : Inventories (at lower of cost or net realisable value)

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Raw Materials (Includes in transit ₹ 49.41 million; March 31, 2021 : ₹ 274.73 million)	5,516.87	5,781.91
Work-in-Progress	3,223.55	3,434.85
Finished Goods	1,460.41	938.46
Packing Materials	103.30	179.24
Stores, Spares, Dyes and Chemicals	393.55	386.36
Total	**10,697.68**	**10,720.82**

Note :

Cost of inventories recognised as (income)/ expense of ₹ 157.96 million [Previous year: (₹ 165.78) million] is in respect of write down of inventories.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 10 : Equity share capital and other equity

10 (a) : Equity share capital

(i) Authorised equity share capital

Particulars	Number of Shares	Amount (₹ million)
As at March 31, 2020	1,555,000,000	1,555.00
As at March 31, 2021	1,555,000,000	1,555.00
As at March 31, 2022	1,555,000,000	1,555.00

Equity Shares of ₹ 1 each (March 31, 2021 : ₹ 1 each)

(ii) Issued equity share capital

Particulars	Number of Shares	Amount (₹ million)
As at March 31, 2020	**1,004,725,150**	**1,004.73**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at March 31, 2020	**1,004,725,150**	**1,004.73**
Changes in equity share capital during the current year	-	-
As at March 31, 2021	**1,004,725,150**	**1,004.73**
Changes in equity share capital during the current year [Refer Note 34]	(16,666,666)	(16.67)
As at March 31, 2022	**988,058,484**	**988.06**

Equity Shares of ₹ 1 each (March 31, 2021 : ₹ 1 each fully paid up)

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	686,295,432	686.30	694,465,432	694.47
	686,295,432	686.30	694,465,432	694.47

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun Group Master Trust (WGMT)	686,295,432	69.46%	694,465,432	69.12%

(v) Shares held by promoters (Promotor as defined in the Companies Act, 2013)

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Balkrishan Gopiram Goenka (Welspun Group Master Trust)	694,465,432	(8,170,000)	686,295,432	69.46%	(0.81)%
B. K. Goenka (HUF)	193,320	-	193,320	0.02%	-
Balkrishan Gopiram Goenka	490,660	-	490,660	0.05%	-
Dipali B. Goenka	750,400	-	750,400	0.08%	-
Radhika Balkrishan Goenka	2,008,600	-	2,008,600	0.20%	-
Rajesh R. Mandawewala	1,030	-	1,030	0.00%	-
Aryabhat Vyapar Private Limited	5,424,020	-	5,424,020	0.55%	-
MGN Agro Properties Private Limited	-	1,000	1,000	0.00%	0.00%

Notes

To the Financial Statements for the year ended March 31, 2022

As at March 31, 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Balkrishan Gopiram Goenka (Welspun Group Master Trust)	683,302,903	11,162,529	694,465,432	69.12%	1.11%
B. K. Goenka (HUF)	193,320	-	193,320	0.02%	-
Balkrishan Gopiram Goenka	490,660	-	490,660	0.05%	-
Dipali B. Goenka	750,400	-	750,400	0.07%	-
Radhika Balkrishan Goenka	2,008,600	-	2,008,600	0.20%	-
Rajesh R. Mandawewala	1,030	-	1,030	0.00%	-
Aryabhat Vyapar Private Limited	5,424,020	-	5,424,020	0.54%	-

(vi) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Re. 1 per share (March 31, 2021 : Re. 1). Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(vii) Buyback in the peirod of five years immediately preceeding March 31, 2022 [Refer Note 34]

The Company has bought back 1,66,66,666 equity shares of Re. 1 each at a price of ₹ 120 per equity share in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The settlement of bids by the Clearing Corporation on the stock exchange was completed on July 14, 2021.

Note 10 (b) : Reserves and surplus

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Capital Redemption Reserve [Refer Note (a) below]		
Balance as at the beginning of the year	478.38	478.38
Add : Additions during the year [Refer Note 34]	16.67	-
Balance as at the end of the year	**495.05**	**478.38**
Capital Reserve [Refer Note (b) below]		
Balance as at the beginning of the year	1,474.77	1,474.77
Add : Additions during the year	-	-
Balance as at the end of the year	**1,474.77**	**1,474.77**
Securities Premium [Refer Note (c) below]		
Balance as at the beginning of the year	3,238.12	3,238.12
Add : Additions during the year	-	-
Less : Premium paid on buyback of equity shares [Refer Note 34]	1,983.33	-
Less : Transfer to capital redemption reserve [Refer Note 34]	16.67	-
Balance as at the end of the year	**1,238.12**	**3,238.12**
General Reserve [Refer Note (d) below]		
Balance as at the beginning of the year	711.39	711.39
Add : Additions during the year	-	-
Balance as at the end of the year	**711.39**	**711.39**
Share-based Payment Reserve [Refer Note (e) below]		
Balance as at the beginning of the year	-	-
Add : Employee stock options granted during the year	25.67	-
Less : Exercise of shares options	-	-
Balance as at the End of the Year	**25.67**	**-**
Retained earnings		
Balance as at the beginning of the year	26,471.43	21,163.89
Add : Profit for the year	3,921.30	5,266.70
	30,392.73	**26,430.59**

Notes

To the Financial Statements for the year ended March 31, 2022

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Less : Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	12.14	(40.84)
Less : Final dividend on Equity Shares	150.71	-
Less : Tax on buyback of equity shares	462.04	-
Balance as at the end of the year	**29,792.12**	**26,471.43**
Total	**33,737.12**	**32,374.09**

Note 10 (c) : Other Reserve

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
FVOCI - Equity investments		
Balance as at the beginning of the year	7.55	(1.00)
Add : Change in fair value of FVOCI equity instrument (Refer Note (f) below)	18.73	8.55
Balance as at the end of the year	**26.28**	**7.55**

Notes : Nature and purpose of reserves and surplus and other reserves

(a) Capital Redemption Reserve

Capital Redemption Reserve is created 1) when preference shares are redeemed out of profits of the Company, a sum equal to the nominal amount of the shares to be redeemed has to be transferred to this reserve and 2) when company purchases its own shares out of free reserves, a sum equal to the nominal value of shares so purchased has to be transferred to this reserve. This reserve may be used for paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

(b) Capital Reserve

Out of total, Capital Reserve of ₹ 1,426.59 million related to Gujarat high court approved composite scheme of arrangement between group companies. Balance ₹ 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

(c) Securities Premium

Securities premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(d) General Reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Company's securities. It was created by transfer of amounts out of distributable profits.

(e) Share-based Payment Reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(f) FVOCI equity investments

The management has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The management transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 11 : Financial liabilities

11 (a) : Non-current borrowings

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2022 Coupon/ Interest Rate* (%)	As at March 31, 2022 Amount (₹ million)	As at March 31, 2021 Coupon/ Interest Rate* (%)	As at March 31, 2021 Amount (₹ million)
	Term Loans - From Banks						
	(Secured, Measured at amortised cost)						
(a)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2024.	Repayable in 31 quarterly instalments commencing from March 2017	7.50	1,408.82	8.10	2,081.34
(b)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in June 2025.	Repayable in 34 quarterly instalments commencing from March 2017	7.50	512.66	7.50	611.15
(c)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2024.	Repayable in 27 quarterly instalments commencing from January 2018	7.25	674.97	7.35	907.47
	Total Non-current borrowings				**2,596.45**		**3,599.96**
	Less : Current maturities of long-term debt [included in Note 11 (a)]				1,130.76		991.48
	Non-current borrowings (as per balance sheet)				**1,465.69**		**2,608.48**

* The rate of interest on the Non-current borrowings in the table above are in the range of 7.25 % to 7.50 % (March 31, 2021 : 7.35% to 8.10%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

Note 11 (a) : Current borrowings

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Secured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	7,430.35	5,903.20
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note below and Note 11(a)]	1,130.76	991.48
Unsecured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	-	2,000.00
- Supplier financing [Refer Note (ii) below]	1,801.05	940.85
- Commercial Paper [Refer Note (iii) below]	1,250.00	1,500.00
Total current borrowings	**11,612.16**	**11,335.53**

Notes :

(i) The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw materials, stock-in-process, finished goods, semi finished goods, stores, spares and

Notes

To the Financial Statements for the year ended March 31, 2022

book debts and other current financial assets of the Company and second charge on entire fixed assets of the Company.

(ii) The bills of the vendors evidencing supply of material are discounted on presentation and the vendors are directly paid by the banks and the Company bears the discounting charge upfront. Later on the due date (depending on the tenor of financing), the Company pays the discounting bank the principal amount. This financing is unsecured and therefore there is no hypothecation against stock or debtors.

(iii) Commercial paper is an unsecured short term debt instrument issued by the Company generally for the period up to 181 days to meet the regular working capital requirements.

(iv) The rate of interest on the current borrowings except current maturities of long term debt are in the range of 4.50% to 6.00% (March 31, 2021 : 4.75% to 7.90%)

(v) The company have filed the quarterly returns or statements with the banks according to the sanctioned working capital facilities, which are in agreement with the books of accounts, other than those mentioned below:

(₹ Million)

Name of the Bank	Nature of Current Asset offered as security	Quarter	Amount disclosed as per quarterly return/ statement	Amount as per books of Accounts	Difference	Reason for difference
State Bank of India & Consortuim Banks	Inventory	June' 30 2021	11,498.80	11,659.60	160.80	Inventory components on which Drawing power is not available, not reported
		Sept' 30 2021	10,949.90	11,238.60	288.70	
		Dec' 31 2021	12,424.90	12,679.00	254.10	
		Mar' 31 2022	10,577.09	10,697.68	120.59	
State Bank of India & Consortuim Banks	Government Receivable	June' 30 2021	1,453.10	1,464.91	11.81	Lower GST receivable considered
		Mar' 31 2022	973.70	974.11	0.41	

Note 11 (b) : Other current financial liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Interest Accrued but not due on Borrowings	19.77	24.36
Security Deposits	141.76	131.91
Creditors for Capital Purchases	31.01	108.57
Derivatives not designated as hedges		
- Foreign exchange forward cover	-	0.67
Unpaid dividends	22.30	25.30
Other Payables	0.19	0.08
Total	**215.03**	**290.89**

Note 11 (c) : Trade payables

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 37]	418.65	332.55
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Others	5,278.84	6,042.29
Total	**5,697.49**	**6,374.84**

Notes

To the Financial Statements for the year ended March 31, 2022

Trade payable ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

(₹ million)

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	401.46	17.19	-	-	-	418.65
	(298.75)	(33.80)	-	-	-	(332.55)
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,411.03	1,840.53	1.06	12.89	13.33	5,278.84
	(4,319.51)	(1,657.78)	(37.15)	(27.85)	-	(6,042.29)
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Note: Previous year figures are given in brackets.

Note 12 : Non-current tax liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Taxation (Net)	2,200.76	2,159.86
Total	**2,200.76**	**2,159.86**

Note 12 : Current tax liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Taxation (Net)	537.19	-
	537.19	**-**

Note 13 : Current employee benefit obligations

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Provision for Compensated Absences (Refer Note 20)	207.83	194.50
Provision for Gratuity (Refer Note 20)	149.64	101.81
Employee Benefits Payable**	688.51	646.24
Total	**1,045.98**	**942.55**

** Includes salary, wages, bonus, leave travel allowance and director commission

Notes

To the Financial Statements for the year ended March 31, 2022

Note 14 : Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to:

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Deferred Tax Liabilities arising on account :		
- Property, plant, equipment and Intangible Assets	3,354.33	2,724.52
Deferred Tax Asset arising on account of :		
- Provision for Doubtful Debts/ Advances	17.21	10.11
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	45.00	57.37
- Government Grants	224.79	8.93
- Provision for Employee Benefits	85.89	74.58
- Others	3.86	3.84
Total	**2,977.58**	**2,569.69**

The Company has tax loss (Long Term Capital Loss) of ₹ 395.16 million (March 31, 2021 : ₹ 73.70 million) which are available for offsetting against future taxable profits as per the below mentioned table:

Loss pertaining to assessment year (A.Y)	Amount (₹ million)	Set off available upto A.Y
2016-17	1.22	2024-25
2017-18	1.26	2025-26
2021-22	392.68	2029-30
Total	**395.16**	

Deferred tax assets has not been recognised in respect of these losses due to lack of reasonable certainty with respect of utilisation of these losses against future long term capital gains.

Movement in deferred tax liabilities/(assets)

(₹ million)

Particulars	Property, plant and equipment	Defined Benefit Obligation	Government grants	MAT Credit entitlement	Provisions*/ Expenses allowed on payment basis	Other items	Total
April 1, 2020	**2,481.34**	**(72.37)**	**100.84**	**(455.05)**	**(100.58)**	**(7.03)**	**1,947.15**
(Charged) / Credited :							
Statement of Profit and Loss	(243.18)	15.95	109.77	(455.05)	(33.10)	(3.19)	(608.80)
Other Comprehensive Income	-	(13.74)	-	-	-	-	(13.74)
March 31, 2021	**2,724.52**	**(74.58)**	**(8.93)**	**-**	**(67.48)**	**(3.84)**	**2,569.69**
(Charged) / Credited :							
Statement of Profit and Loss	(491.86)	15.39	215.86	-	(5.27)	0.02	(265.86)
Statement of Profit and Loss (pertaining to earlier years)	(137.95)	-	-	-	-	-	(137.95)
Other Comprehensive Income	-	(4.08)	-	-	-	-	(4.08)
March 31, 2022	**3,354.33**	**(85.89)**	**(224.79)**	**-**	**(62.21)**	**(3.86)**	**2,977.58**

* Provisions includes provision for doubtful debts/advances and provision for unpaid statutory dues under section 43B of the Income Tax Act, 1961

Notes

To the Financial Statements for the year ended March 31, 2022

Note 15 : Other non-current liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Deferred Income (Refer Note below)	810.23	628.85
Total	**810.23**	**628.85**

Note 15 : Other current liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Advances from Customers	138.75	29.36
Statutory dues	178.79	336.72
Deferred Income (Refer Note below)	175.89	169.12
Total	**493.43**	**535.20**

Note :

Deferred income relates to government grant for the purchase of property, plant and equipment and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
(a) Sale of Products		
Finished Goods	60,575.10	54,640.55
Traded Goods	3,746.35	2,261.68
Sub Total	**64,321.45**	**56,902.23**
(b) Other operating income		
Sale of Scrap	593.41	464.47
Job Work and Processing Charges	-	1.97
Government Grant :		
VAT/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	2,153.01	2,131.00
Rebate/ drawback of taxes and duties [Refer Note (ii) below]	(33.19)	63.79
Sub Total	**2,713.23**	**2,661.23**
Total	**67,034.68**	**59,563.46**

(i) **Value Added Tax (VAT)/State Goods and Service Tax (SGST) Concession:** Reimbursement of VAT/SGST collected on end product/intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per the Scheme.

(ii) **Merchandise Exports from India Scheme (MEIS):** Company is entitled for reward under MEIS computed at specified rates on FOB value of exports to specified countries.

(iii) **Revenue from contracts with customers**

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
India	64,163.84	57,290.04
Outside India	751.02	78.63
Total revenue from contracts with customers	**64,914.86**	**57,368.67**

Notes

To the Financial Statements for the year ended March 31, 2022

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Trade receivables*	8,042.65	7,488.10
Contract liabilities (advances from customers)	138.75	29.36

* Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

3) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Revenue as per contracted price	64,915.20	58,280.06
Less: Rebates, discounts, chargebacks, markdowns, etc.	0.34	911.39
Revenue from contracts with customers	**64,914.86**	**57,368.67**

4) Reconciliation of revenue from operations with revenue from contracts with customers

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Revenue from operations	67,034.68	59,563.46
Less: VAT/State Goods and Service Tax Incentive	2,153.01	2,131.00
Rebate /drawback of taxes and duties	(33.19)	63.79
Revenue from contracts with customers	**64,914.86**	**57,368.67**

Note 17 : Other income

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Dividend income from investments		
From related parties	0.95	-
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	4.48	9.16
On Loans given to related parties and others	-	16.84
On Preference shares	81.66	86.12
Interest income from financial assets measured at fair value through profit or loss		
On Bonds	189.95	154.98
Interest income on Others [Refer Note 35]	32.79	1.28
Interest income on income tax refund	-	47.76
Unwinding of discount on security deposits	4.09	4.64
Net gain on financial assets measured at fair value through profit or loss	66.83	146.18
Rent	132.35	96.97
Liabilities Written Back as no Longer Required	9.80	8.31
Profit on Cancellation of Forward/ Swap Contracts	-	15.64
Service Charges	15.31	3.66
Commission on Corporate Guarantees Issued	37.73	39.23
Miscellaneous	284.46	201.43
Total	**860.60**	**832.20**

Notes

To the Financial Statements for the year ended March 31, 2022

Note 18 : Cost of materials consumed

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Raw material consumed		
Opening inventory	5,781.91	4,735.04
Add: Purchases (net)	32,730.82	26,923.65
Less : Inventory at the end of the year	5,516.87	5,781.91
	32,995.86	**25,876.78**
Packing material consumed		
Opening inventory	179.24	180.83
Add : Purchases (net)	2,070.39	2,361.86
Less : Inventory at the end of the year	103.30	179.24
	2,146.33	**2,363.45**
Total	**35,142.19**	**28,240.23**

Note 19 : Changes in inventory of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods	1,460.41	938.46
Work-in-Progress	3,223.55	3,434.85
Total A	**4,683.96**	**4,373.31**
Less : Stock at the beginning of the year :		
Finished Goods	938.46	2,033.91
Work-in-Progress	3,434.85	3,150.07
Total B	**4,373.31**	**5,183.98**
(Increase) / decrease in Stocks (B-A)	**(310.65)**	**810.67**

Note 20 : Employee benefits expense

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Salaries, Wages, Allowances and Other Benefits	4,557.84	4,439.13
Gratuity and ex-gratia	159.10	160.76
Contribution to Provident and Other Funds	301.80	336.51
Managerial Remuneration	324.49	266.43
Employee stock option scheme [Refer Note 46]	17.42	-
Staff and Labour Welfare	144.85	147.75
Total	**5,505.50**	**5,350.58**

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

I Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Employers' Contribution to Provident Fund*	100.65	134.74
Employers' Contribution to Employees' State Insurance *	35.59	32.74
Employers' Contribution to Employees' Pension Scheme*	160.33	162.33
Employers' Contribution to Superannuation Scheme*	5.23	6.70
	301.80	**336.51**

* Included in Contribution to Provident and Other Funds

Notes

To the Financial Statements for the year ended March 31, 2022

II Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

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

Risk exposure

These defined benefit plans expose the Company to actuarial risk such as longitivity risks, interest rate risks, market (investment) risks.

a. Major Assumptions

Major Assumptions	As at March 31, 2022	As at March 31, 2021
Discount Rate (% p.a.)	7.25	6.90
Expected Rate of Return on Plan Assets (% p.a.)	7.25	6.90
Salary Escalation Rate @	6.00% p.a. for the next 5 years,5.00% p.a. thereafter, starting from the 6th year	6.50% p.a. for the next 5 years,5.00% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	For service 0 years and below 24.00% p.a. For service 1 years to 2 years 8.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 4.00% p.a.	For service 0 years and below 27.00% p.a. For service 1 years to 2 years 9.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

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

b. Change in the Present Value of Obligation

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Present Value of Obligation	488.58	504.14
Current Service Cost	90.16	90.71
Past Service Cost	-	-
Interest Cost	33.71	34.58
Total amount recognised in profit or loss	**123.87**	**125.29**
(Liability Transferred Out/ Divestments)	(5.99)	(28.61)
Remeasurements		
(Gain)/Loss from change in demographic assumptions	9.63	(0.77)
(Gain)/Loss from change in financial assumptions	(22.49)	(2.09)
Experience (Gains)/Losses	(8.67)	(52.98)
Total amount recognised in other comprehensive income	**(21.53)**	**(55.84)**
Benefit/ Exgratia paid	(65.70)	(56.40)
Closing Present Value of Obligation	**519.23**	**488.58**

c. Change in Fair Value of Plan Assets

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Fair Value of Plan Assets	386.77	407.57
Interest Income	26.69	27.96
Total amount recognised in profit or loss	**26.69**	**27.96**
Remeasurements		
Return on Plan Assets, Excluding Interest Income	(5.31)	(1.26)
Total amount recognised in other comprehensive income	**(5.31)**	**(1.26)**
Contributions	20.00	-
Benefits paid	(58.56)	(47.50)
Closing Fair Value of Plan Assets	**369.59**	**386.77**

Notes

To the Financial Statements for the year ended March 31, 2022

d. Balance Sheet Reconciliation

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Net (Liability)	(101.81)	(96.57)
Expenses Recognized in Statement of Profit or Loss	(97.18)	(97.33)
Income Recognized in OCI	16.22	54.58
Employer's Contribution	27.14	8.90
Net (Liability) Transfer Out	5.99	28.61
Closing Net (Liability)	(149.64)	(101.81)

e. Amount recognised in the Balance sheet

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Present value of Obligation	519.23	(488.58)
Fair Value of Plan Assets	369.59	386.77
Funded Status (Deficit)	(149.64)	(101.81)
Net (Liability) Recognised in the Balance Sheet	(149.64)	(101.81)

f. Expenses Recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Current Service Cost	90.16	90.71
Interest Cost	33.71	34.58
Interest Income	(26.69)	(27.96)
Total Expenses recognized in the statement of profit and loss*	**97.18**	**97.33**

* Included in Employee Benefits Expense

g. Expenses recognized in the Other Comprehensive Income

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	(21.53)	(55.84)
Return on Plan Assets, Excluding amounts included in Interest Income	5.31	1.26
Net (Income)/Expenses for the Period Recognized in OCI	**(16.22)**	**(54.58)**

h. Sensitivity Analysis

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Projected Benefit Obligation on Current Assumptions	519.23	488.58
Delta Effect of +1% Change in Rate of Discounting	(44.86)	(47.64)
Delta Effect of -1% Change in Rate of Discounting	52.95	57.17
Delta Effect of +1% Change in Rate of Salary Increase	53.42	57.40
Delta Effect of -1% Change in Rate of Salary Increase	(45.98)	(48.61)
Delta Effect of +1% Change in Rate of Employee Turnover	10.53	9.79
Delta Effect of -1% Change in Rate of Employee Turnover	(12.12)	(11.42)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

To the Financial Statements for the year ended March 31, 2022

i. The major categories of plans assets are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount (₹ million)	%	Amount (₹ million)	%
Insurer Managed funds	369.59	100.00	386.77	100.00

j. Defined benefit liability and employer contributions

Funding is done only for employees more than 5 years in the firm, for less than 5 years employees are paid separately.

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are ₹ 204.58 million.

The weighted average duration of the defined benefit obligation is 11 years (March 31, 2021 : 12 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ million)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	11 years and above	Total
March 31, 2022						
Defined benefit obligation (gratuity)	36.81	30.36	130.43	182.94	888.10	1,268.64
Total	**36.81**	**30.36**	**130.43**	**182.94**	**888.10**	**1,268.64**
March 31, 2021						
Defined benefit obligation (gratuity)	29.39	50.67	75.27	155.96	963.85	1,275.14
Total	**29.39**	**50.67**	**75.27**	**155.96**	**963.85**	**1,275.14**

III Other Employee Benefit

The liability for compensated absences as at year end is ₹ 207.83 million (March 31, 2021 : ₹ 194.50 million).

Note 21 : Depreciation and amortization expense

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Depreciation of property, plant and equipment	2,625.72	3,109.29
Amortisation of intangible assets	82.52	133.25
Depreciation of Right-of-use assets [Refer Note 35]	52.67	58.88
Total depreciation and amortization expense	**2,760.91**	**3,301.42**

Note 22 : Other Expenses

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Stores and Spares Consumed	1,091.20	909.68
Dyes and Chemicals Consumed	3,124.38	2,507.94
Contract Labour Charges	606.62	557.34
Job Work Expenses	732.57	967.11
Power, Fuel and Water Charges	6,269.78	5,000.99
Repairs and Maintenance:		
Plant and Machinery	270.72	237.00
Factory Building	23.37	29.08
Others	267.57	264.40
Brokerage and Commission	2.31	-
Freight, Forwarding and Coolie Charges	221.58	321.61

Notes

To the Financial Statements for the year ended March 31, 2022

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Directors' Sitting Fees	8.76	7.64
Rent [Refer Note 35]	28.85	8.93
Rates and Taxes	41.62	13.00
Printing and Stationery	9.41	7.12
Travelling and Conveyance	156.57	155.73
Legal and Professional Charges	287.31	317.77
Security Expenses	51.73	46.46
Insurance	312.92	292.37
Communication	24.40	24.49
Postage and Courier	7.75	6.19
Loss on Sale/ Discarding of Fixed Assets (Net)	20.57	12.19
Provision for Doubtful Debts	-	3.76
Provision for Doubtful Advances	28.61	3.58
Exchange Loss (Net)	36.33	91.82
Provision for impairment	-	15.41
Advances written off	4.91	49.73
Less: Allowance for doubtful advance written back	4.87	43.50
	0.04	6.23
Design and Development Expenses	28.03	48.13
Advertising and Sales Promotion	38.26	31.53
Donations	0.18	6.52
Corporate Social Responsibility Expenses [Refer Note 22 (b) below]	103.80	81.66
Payments to auditors [Refer Note 22 (a) below]	11.28	8.85
Miscellaneous	172.67	108.68
Total Other Expenses	**13,979.19**	**12,093.21**

Note 22 (a) : Details of Payments to auditors

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Payments to auditors		
As auditor:		
Audit fee	6.60	6.60
Tax audit fee	0.60	0.60
Certification fees	4.08	1.45
Re-imbursement of expenses	-	0.20
Total payments to auditors	**11.28**	**8.85**

Note 22 (b) : Details of CSR expenditure

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
(i) Gross amount required to be spent by the Company during the year	103.80	81.66
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	103.80	81.66
(iii) Details related to spent :		
(a) Contribution to Charitable Trust - Welspun Foundation for Health and Knowledge [Refer Note 29 (ii)]	103.80	81.66

Notes

To the Financial Statements for the year ended March 31, 2022

Nature of CSR activities :

Promoting education, healthcare, empowerment of women and socially backward, ensuring environmental sustainability, disaster relief, livelihood enhancement project, development of art and culture, CSR capacity building of own personnel.

Note 23 : Finance costs

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Interest on long term borrowings	208.48	433.07
(net of interest subsidy of ₹ 40.98 million, Previous Year : ₹ 489.29 million)		
- Short term borrowings	409.11	414.47
- Interest to Others	42.32	14.52
- Interest on lease liabilities	14.67	18.53
Discounting and Bank Charges	138.70	133.61
	813.28	**1,014.20**

Note 24 : Income tax expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

The Company has continued to create current tax provision under the old tax regime based on normal tax rates i.e 34.94%. Based on management estimates the company is expected to move to new tax regime from the subsequent year and hence deferred tax has been created at the rate of 25.17%.

a) Statement of Profit and Loss

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Income tax expense		
Current Tax		
Current Tax on profits for the year.	1,868.61	1,465.18
Total current tax expense	**1,868.61**	**1,465.18**
Deferred Tax		
Relating to originating and reversal of temporary differences	265.86	608.80
Deferred tax charge related to earlier years	137.95	-
Total deferred tax expense/(credit)	**403.81**	**608.80**
Income tax expense	**2,272.42**	**2,073.98**

b) Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Net loss/(gain) on remeasurement of defined benefit plans	(4.08)	(13.74)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Profit for the year before income tax expense	6,193.72	7,340.68
Tax at the Indian tax rate @ 34.94%	2,164.09	2,564.83
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Impact on account of change in tax rate	54.79	-
Corporate social responsibility expenditure	18.42	14.54
Deduction under section 80 IA	(93.82)	(189.61)
Adjustment of tax related to earlier years	137.95	(173.33)
Adjustment on account of fair value/ Impairment of investment	(50.83)	(81.17)
Other Items	41.82	(61.28)
Income tax expense	**2,272.42**	**2,073.98**

Notes

To the Financial Statements for the year ended March 31, 2022

Note 25 : Fair value measurements

Financial instruments by category

(₹ million)

Particulars	March 31, 2022 FVPL	March 31, 2022 FVOCI	March 31, 2022 Amortised cost	March 31, 2021 FVPL	March 31, 2021 FVOCI	March 31, 2021 Amortised cost
Financial assets						
Investments						
- Equity instruments	-	31.89	-	-	13.16	-
- Preference shares	639.13	-	1,025.32	574.23	-	943.66
- Bonds and debentures	4,034.48	-	-	29.20	-	-
- Mutual funds	553.45	-	-	-	-	-
- Others	0.32	-	-	0.32	-	-
Trade receivables	-	-	8,042.65	-	-	7,488.10
Loans	-	-	19.92	-	-	6.40
Cash and cash equivalents	-	-	750.94	-	-	1,768.82
Bank balance other than Cash and cash equivalents	-	-	47.68	-	-	466.07
Market to Market (Net) on forward / Swap contracts	-	-	-	-	-	-
Security deposits	-	-	204.54	-	-	236.57
Fixed deposit with bank	-	-	0.25	-	-	3.64
Interest accrued on fixed deposit, bonds and certificates	-	-	103.48	-	-	2.37
Government Grant & TUF	-	-	924.98	-	-	2,509.07
Interest Receivable under Subvention Scheme	-	-	96.71	-	-	12.68
Others financial assets	-	-	527.09	-	-	120.98
Total financial assets	**5,227.38**	**31.89**	**11,743.56**	**603.75**	**13.16**	**13,558.36**
Financial liabilities						
Borrowings and interest accrued thereon	-	-	13,097.62	-	-	13,968.37
Trade payables	-	-	5,697.49	-	-	6,374.84
Security Deposits	-	-	141.76	-	-	131.91
Creditors for Capital Purchases	-	-	31.01	-	-	108.57
Other financial liabilities	-	-	121.89	-	-	171.53
Total financial liabilities	**-**	**-**	**19,089.77**	**-**	**-**	**20,755.22**

(i) Fair value of Financial assets and liabilities measured at amortised cost

(₹ million)

Particulars	March 31, 2022 Carrying Amount	March 31, 2022 Fair Value	March 31, 2021 Carrying Amount	March 31, 2021 Fair Value
Financial Assets				
Investments				
- Preference Shares	1,025.32	1,023.21	943.66	941.72
Loans	19.92	19.92	6.40	6.40
Security deposits	204.54	204.54	236.57	236.57
Fixed deposits with Banks with maturity period more than twelve months	0.25	0.25	3.64	3.64
Interest Accrued on Deposits	103.48	103.48	2.37	2.37
Government Grant ,TUF & Incentive	1,021.69	1,021.69	2,521.75	2,521.75
Others	9,368.36	9,368.36	9,843.97	9,843.97
Total	**11,743.56**	**11,741.45**	**13,558.36**	**13,556.42**
Financial liabilities				
Borrowings	13,097.62	13,097.62	13,968.37	13,968.37
Others	5,992.15	5,992.15	6,786.85	6,786.85
Total	**19,089.77**	**19,089.77**	**20,755.22**	**20,755.22**

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The carrying amount of trade receivable, current loans, current portion of interest accrued on fixed deposit, bonds and certificates, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payable, capital creditors, current security deposits (liability) and other current financial liabilities are considered to be approximately same as their fair value, due to their short-term nature and have been classified as level 3 in the fair value hierarchy. Similarly, carrying values of government grants, TUF and incentive and interest subvention due to it sovereign nature and expected collection term are considered to approximate their fair value and have been classified as level 3 in the fair value hierarchy.

The fair value for loans, security deposits, advance recoverable in cash, fixed deposit with bank, interest accrued on fixed deposit and investments in preference shares is calculated based on cash flows discounted using a current lending rates. Further, security deposits, advance recoverable in cash and investments in preference share are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value for long term security deposits are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of long term borrowings is approximately equal to it's fair value since the borrowings are at floating rate of interest. Also, the carrying amount of short term borrowing is considered to be approximately same as it's fair value due to it's short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets :					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	639.13	639.13
Investment-Others	6 (a)	-	-	0.32	0.32
Bonds and Government Securities	6 (a)	-	-	4,034.48	4,034.48
Mutual funds	6 (a)	-	553.45	-	553.45
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	31.89	-	-	31.89
Total financial assets		**31.89**	**553.45**	**4,673.93**	**5,259.27**

(₹ million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets					
Investments					
Preference shares	6 (a)	-	-	1,023.21	1,023.21
Loans	6 (b)	-	-	19.92	19.92
Security deposits for more than 12 months	6 (c)	-	-	204.54	204.54
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	0.25	0.25
Interest Accrued on Deposits	6 (c)	-	-	103.48	103.48
Government Grant ,TUF & Incentive	6 (c)	-	-	1,021.69	1,021.69
Others		-	-	9,368.36	9,368.36
Total financial assets		**-**	**-**	**11,741.45**	**11,741.45**

Notes

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(₹ million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	11 (a)	-	-	13,097.62	13,097.62
Others		-	-	5,992.15	5,992.15
Total financial liabilities		**-**	**-**	**19,089.77**	**19,089.77**

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	574.23	574.23
Investment-Others	6 (a)	-	-	0.32	0.32
Bonds and Government Securities	6 (a)	-	-	29.20	29.20
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	13.16	-	-	13.16
Total financial assets		**13.16**	**-**	**603.75**	**616.91**

(₹ million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets					
Financial Investments at FVPL					
Preference shares	6 (a)	-	-	941.72	941.72
Loans	6 (b)	-	-	6.40	6.40
Security deposits for more than 12 months	6 (c)	-	-	236.57	236.57
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	3.64	3.64
Interest Accrued on Deposits	6 (c)	-	-	2.37	2.37
Government Grant ,TUF & Incentive		-	-	2,521.75	2,521.75
Others		-	-	9,843.97	9,843.97
Total financial assets		**-**	**-**	**13,556.42**	**13,556.42**
Financial Liabilities					
Borrowings	11 (a)	-	-	13,968.37	13,968.37
Others		-	-	6,786.85	6,786.85
Total financial liabilities		**-**	**-**	**20,755.22**	**20,755.22**

The above mentioned grouping into Level 1 to Level 3, is described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted preference shares and security deposits included in level 3.

Notes

To the Financial Statements for the year ended March 31, 2022

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2 and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

iii) Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- NAV quoted by mutual funds
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3) for FVPL instruments

The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021 :

(₹ million)

Particulars	Preference shares
As at April 1, 2020	**1,241.32**
Redemptions	(892.83)
Gains/losses recognised in profit or loss	225.74
As at March 31, 2021	**574.23**
Acquisitions	-
Gains/losses recognised in profit or loss	64.90
As at March 31, 2022	**639.13**

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted

Particulars	Fair Value (₹ million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Preference Shares	639.13	574.23	Discount Rate	8% to 10%	8% to 10%	March 31, 2022 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 38.38 million and decrease in discount rate by 50 bps would increase fair value by ₹ 39.69 million. March 31, 2021 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 21.42 million and decrease in discount rate by 50 bps would increase fair value by ₹ 22.44 million.

vi) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

Discussions of valuation processes and results are held between the CFO, and the valuation team meets once every three months, in line with the Company's quarterly reporting periods.

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The main level 3 inputs for preference shares used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management team.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 26 : Financial Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

Notes

To the Financial Statements for the year ended March 31, 2022

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Concentration of credit risk with respect to trade receivables are limited, due to major customers being subsidiaries of the Company which in turn have a large and diverse customer base. The following table gives details in respect of percentage of revenue generated (sale of products, sale of scrap and job work and processing charges) from the top ten customers.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top 10 Customers	96.86%	97.82%

Expected credit loss for trade receivables as at March 31, 2022 is ₹ 13.32 million (March 31, 2021 : ₹ 13.32 million)

During the year and previous years, the Company made no write-offs of trade receivables.

As at March 31, 2022

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Receivables	6,167.83	1,850.23	6.28	16.73	1.58	13.32	8,055.97
Expected loss rate	-	-	-	-	-	100.00%	0.17%
Allowance for doubtful debts	-	-	-	-	-	13.32	13.32
Carrying amount of trade receivables (net of impairment)	**6,167.83**	**1,850.23**	**6.28**	**16.73**	**1.58**	**-**	**8,042.65**

As at March 31, 2021

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Receivables	5,813.21	1,561.89	61.14	51.86	7.40	5.92	7,501.42
Expected loss rate	-	-	-	-	100.00%	100.00%	0.18%
Allowance for doubtful debts	-	-	-	-	7.40	5.92	13.32
Carrying amount of trade receivables (net of impairment)	**5,813.21**	**1,561.89**	**61.14**	**51.86**	**-**	**-**	**7,488.10**

Reconciliation of loss allowance provision - Trade receivables

	Amount (₹ million)
Allowance for doubtful debts on April 1, 2020	**9.56**
Expected Credit loss recognised	3.76
Written off during the year	-
Allowance for doubtful debts on March 31, 2021	**13.32**
Expected Credit loss recognised	-
Written off during the year	-
Allowance for doubtful debts on March 31, 2022	**13.32**

Notes

To the Financial Statements for the year ended March 31, 2022

The Company does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Derivative financial instruments, investments in government securities and bonds, and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings, good reputation, good past track records and reviews and hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ million)

As at	31-Mar-22		31-Mar-21	
	Fund Based	Non Fund Based	Fund Based	Non Fund Based
Fixed rate				
Expiring within one year (packing credit, bank overdraft and other facilities)	9,554.65	2,691.36	6,717.55	661.60
	9,554.65	**2,691.36**	**6,717.55**	**661.60**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of Financial liabiliities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2022

(₹ million)

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	8,464.92	2,665.12	640.88	1,106.95	440.47	-	13,318.34
Trade payables	5,697.49	-	-	-	-	-	5,697.49
Other financial liabilities	195.25	-	-	0.01	-	-	195.26
Financial Guarantee Obligation	-	-	-	-	-	-	-
Lease Liabilities	10.99	11.11	21.98	36.99	34.45	5.78	121.30
Total non-derivative liabilities	**14,368.65**	**2,676.23**	**662.86**	**1,143.95**	**474.92**	**5.78**	**19,332.39**

Notes

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As at March 31, 2022

(₹ million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

As at March 31, 2021

(₹ million)

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	6,899.21	4,167.32	628.91	1,299.69	1,562.07	-	14,557.20
Trade payables	6,374.84	-	-	-	-	-	6,374.84
Other financial liabilities	266.51	-	-	0.02	-	-	266.53
Lease Liabilities	18.43	16.89	31.30	40.75	66.28	7.06	180.71
Total non-derivative liabilities	**13,558.99**	**4,184.21**	**660.21**	**1,340.46**	**1,628.35**	**7.06**	**21,379.28**

As at March 31, 2021

(₹ million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	-	105.44	-	-	-	-	105.44
Total	**-**	**105.44**	**-**	**-**	**-**	**-**	**105.44**

(C) Market risk

(i) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period in India Rupees are as follows:

(₹ million)

	31-Mar-22			31-Mar-21		
Foreign Currency	USD	EUR	Others*	USD	EUR	Others*
Financial Assets						
Trade Receivable	11.85	-	-	67.67	1.13	-
Other Receivables	-	-	-	7.18	12.72	0.02
Net exposure to foreign currency risk (assets)	**11.85**	**-**	**-**	**74.85**	**13.85**	**0.02**
Financial liabilities						
Borrowing	-	-	-	-	-	-
Trade payables and provisions	451.57	24.94	2.94	808.18	72.46	-
Other Payable	-	-	-	1.18	-	-
Other financial liabilities	-	-	-	-	-	-
Foreign exchange forward contracts	-	-	-	(103.46)	-	-
Net exposure to foreign currency risk (liabilities)	**451.57**	**24.94**	**2.94**	**705.90**	**72.46**	**-**
Net open exposures (assets-liabilities) - assets /(liabilities)	**(439.72)**	**(24.94)**	**(2.94)**	**(631.05)**	**(58.61)**	**0.02**

* Others consists of JPY, CHF, CNY, AED & GBP

Notes

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(b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and foreign forward exchange contracts.

(₹ million)

Particulars	Impact on profit before tax	
	31-Mar-22	31-Mar-21
USD sensitivity		
USD - INR - Increase by 5 % (March 31, 2021 - 5%)*	(21.99)	(31.55)
USD - INR - Decrease by 5 % (March 31, 2021 - 5%)*	21.99	31.55
EURO sensitivity		
EURO - INR - Increase by 4 % (March 31, 2021 - 4%)*	(1.00)	(2.34)
EURO - INR - Decrease by 4 % (March 31, 2021 - 4%)*	1.00	2.34

(EURO sensitivity also calculated for EURO/USD forward contracts outstanding as on March 31, 2022)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
	(₹ million)	(₹ million)
Fixed rate borrowings	10,481.40	10,344.05
Floating rate borrowings	2,596.45	3,599.96
Total borrowings	**13,077.85**	**13,944.01**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31-Mar-22			31-Mar-21		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	7.44%	2,596.45	20%	7.81%	3,599.96	26%

(b) Sensitivity

Profit or (loss) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ million)

Particulars	Impact on profit before tax	
	31-Mar-22	31-Mar-21
Increase by 25 basis points (March 31, 2021 - 25 basis points)*	(6.49)	(9.00)
Decrease by 25 basis points (March 31, 2021 - 25 basis points)*	6.49	9.00

* Holding all other variables constant including change in interest subsidy

Notes

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(iii) Price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

(₹ million)

Particulars	Impact on profit before tax	
	31-Mar-22	31-Mar-21
Increase in price 0.75% (March 31, 2021 - 0.75%)*	34.41	0.22
Decrease in price 0.75% (March 31, 2021 - 0.75%)*	(34.41)	(0.22)

* Holding all other variables constant

Note 27 : Capital management

(a) Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises of all components including other equity.

For Impact of COVID-19 on capital management, refer Note 28.

The Company's strategy is to maintain a gearing ratio within 2:1. The gearing ratios were as follows:

The following table summarizes the capital of the Company:

Particulars	March 31, 2022	March 31, 2021
	(₹ million)	(₹ million)
Non-current borrowings	1,465.69	2,608.48
Current borrowings	11,612.16	11,335.53
Less: cash and cash equivalent	750.94	1,768.82
Net debt	12,326.91	12,175.19
Total equity	34,751.46	33,386.37
Gearing ratio	0.35	0.36

In order to achieve this overall objective, the Companies capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in certain cases, may permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Notes

To the Financial Statements for the year ended March 31, 2022

(b) Dividend

Particulars	March 31, 2022 (₹ million)	March 31, 2021 (₹ million)
Equity Share		
Final dividend for the year ended March 31, 2021 of Re. 0.15 (March 31, 2020 of ₹ Nil) per fully paid equity share	150.71	-
Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re. 0.15 per fully paid equity share (March 31, 2021 of Re. 0.15). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	148.21	150.71

Note 28 : Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has adopted measures to curb the spread of infection of COVID-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Companies operations, revenue and consequently profit during the year were impacted due to COVID-19. The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections and also actualised excess liabilities / provisions. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.

Note 29 : Related Party Disclosures

(i) Relationships

(a) Enterprises where control exists	
Parent	Welspun Group Master Trust (WGMT)
Subsidiary companies	Besa Developers and Infrastructure Private Limited (BESA)
	Welspun Global Brands Limited (WGBL)
	Welspun Holdings Private Limited, Cyprus (WHPL)
	Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)
	Welspun UK Limited (WUKL) (Held through CHTL)
	CHT Holdings Limited (CHTHL) (Held through WHTUKL)
	Welspun USA Inc., USA (WUSA)
	Welspun Captive Power Generation Limited (WCPGL)
	Anjar Integrated Textile Park Developers Private Limited (AITPDPL)
	Welspun Anjar SEZ Limited (WASEZ)
	Welspun Mauritius Enterprises Limited (WMEL)
	Novelty Home Textiles SA de CV (NHTSC) (Held through WMEL)
	Christy Home Textiles Limited (CHTL) (Held through CHTHL)
	Christy 2004 Limited (CHT 2004) (Held through WUKL)
	Christy Welspun GmbH (CWG) (Held through WUKL)
	Christy UK Limited (CUKL) (Held through CHTL)
	ER Kingsley (Textiles) Limited (ERK) (Held through CHTL)
	Christy Lifestyle LLC, USA (CLL) (Held through WUKL)
	Welspun Flooring Limited (WFL)
	Welspun Zucchi Textiles Limited (WZTL)
	Welspun Nexgen Inc., USA (WNI)
	Welspun Innovative Products Limited (WIPL)
	Tilt Innovation Inc., USA (TII) (Held through WUSA)
	TMG (Americas) LLC, USA (held through WUSA)

Notes

To the Financial Statements for the year ended March 31, 2022

	Pure Sense Organics Myanmar Limited (PSOML) (till June 8, 2021)	
	Welspun Advanced Materials (India) Limited (WAMIL)	
	Anjar Terry Towels Limited (ATTL) (with effect from September 25, 2021)	
	Easygo Textiles Private Limited (ETPL) (with effect from October 27, 2021)	
Associate Company	Welassure Private Limited (with effect from September 17, 2020)	
(b) Key Management Personnel	**Name**	**Nature of relationship**
	Balkrishan Goenka	Director & Chairman
	Rajesh Mandawewala	Managing Director
	Dipali Goenka	CEO & Joint Managing Director
	Arun Todarwal	Independent Director
	Arvind Singhal	Independent Director
	Pradeep Poddar	Independent Director
	Anisha Motwani	Independent Director
	Shalil Awale	Nominee Director (till May 28, 2020)
	Altaf Jiwani	Chief Financial Officer (till July 01, 2020)
	Sanjeev Sancheti	Chief Financial Officer (till May 14, 2021)
	Sanjay Gupta	Chief Financial Officer (with effect from May 15, 2021)
	Shashikant Thorat	Company Secretary
(c) Relatives of Key Management Personnel	Radhika Goenka	
(d) List of entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	For listing of parties, refer disclosure in Note 29(ii)	

(i) Terms and conditions:

- All transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and repayable in cash.

Notes

To the Financial Statements for the year ended March 31, 2022

29 (ii) Following are the transactions with related parties for the year ended March 31, 2022

(₹ million)

Particulars	Parent	Subsidiary companies																		Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year						₹ Million
	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL	PSOML	WAMIL	WPL	ATTL	ETPL	WZTL	Welspun Corp Limited	Welspun Steel Limited	Welspun Tradings Limited	AYM Syntex Limited	Welspun Realty Private Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Transactions during the year																										
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(1,439.96)	-	-	-	(195.00)	-	-	-	-	-	-	-	-	-	-	(1,634.96)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	10.20	-	10.22
	-	-	-	-	-	-	-	-	-	-	(1,534.96)	-	-	-	(195.00)	-	-	-	-	-	-	-	-	(8.62)	-	(1,738.58)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ MEIS Licenses *	-	-	2,062.28	-	-	-	-	3,634.21	-	-	1.53	-	-	-	20.69	-	-	-	-	1.73	327.30	-	409.62	-	-	6,457.36
	-	-	(1,119.98)	-	-	-	-	(3,280.08)	-	-	-	-	-	-	-	-	-	-	-	(2.55)	(427.90)	-	(491.82)	-	-	(5,322.33)
Purchase of Services/ Expenses incurred *	-	-	-	-	-	0.92	-	-	-	1.41	-	-	-	-	-	199.39	-	-	2.72	10.04	1.39	-	-	20.36	-	236.23
	-	-	(228.70)	-	-	-	-	-	-	(0.65)	-	-	-	-	-	(163.26)	-	-	(2.78)	(11.08)	(1.42)	-	-	(17.22)	-	(425.11)
Sale of Goods/ DEPB Licenses * +	-	-	65,225.60	-	-	(6.03)	-	126.85	-	0.73	119.98	-	-	-	15.33	0.08	-	-	-	42.66	42.48	-	12.77	-	-	65,580.45
	-	-	(59,306.67)	-	-	(78.63)	-	(135.87)	-	-	(32.21)	-	-	-	-	-	-	-	-	(33.02)	(19.04)	-	(#)	-	-	(59,605.44)
Sale of Services/ Expenses incurred *	-	-	132.22	-	-	-	-	49.91	-	-	14.55	-	-	-	0.76	1.51	-	-	#	9.82	0.38	0.04	-	-	-	209.19
	-	-	(146.61)	(0.06)	-	-	-	(0.43)	-	-	(24.74)	-	-	-	(142.90)	(2.59)	-	-	-	(8.75)	(0.35)	-	-	-	-	(326.43)
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(24.81)	-	-	-	-	(0.57)	-	-	(18.85)	-	-	-	(4.40)	-	-	-	-	-	-	-	-	-	-	(48.63)
Purchase of Fixed Assets / Capital Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.01	-	-	-	-	-	1.01
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(56.77)	-	-	-	-	-	(56.77)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(15.94)	-	-	-	(0.90)	-	-	-	-	-	-	-	-	-	-	(16.84)
Dividend Received	-	-	-	-	-	-	-	-	-	-	-		-	-		-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-		-	-		-	-	-	-	-	-	-	-	-	-	-
Remuneration and Commission+++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid ***	104.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104.17
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)	-		-	-	-	-	-	-	-	-	-	(2.79)
Investment Made during the year	-	-	-	-	-	-	-	-	-	-	1,036.50	-	-	-	72.50	-	10.01	3.07	-	-	-	-	-	-	-	1,122.08
	-	-	-	-	-	-	-	-	-	-	(1,247.06)	-	-	(5.39)	(730.00)	(2.94)	-	-	-	-	-	-	-	-	-	(1,985.39)
Redemption of debenture investment during the year	-	-	-	-	-	-	-	-	-	-	997.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	997.50
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

To the Financial Statements for the year ended March 31, 2022

(₹ million)

Particulars	Parent	Subsidiary companies																		Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year						₹ Million
	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL	PSOML	WAMIL	WPL	ATTL	ETPL	WZTL	Welspun Corp Limited	Welspun Steel Limited	Welspun Tradings Limited	AYM Syntex Limited	Welspun Realty Private Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.41)	-	-	-	-	-	-	-	-	-	-	-	(15.41)
Redemption of preference investment during the year	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(134.65)	-	-	-	-	(758.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(892.84)
Corporate Guarantee Given	-	-	1,300.00	-	-	-	-	-	-	-	25.00	-	-	-	1,000.60	-	-	-	-	-	-	-	-	-	-	2,325.60
	-	-	(1,285.00)	-	-	-	-	-	-	-	(4,460.00)	-	-	-	(2,519.00)	-	-	-	-	-	-	-	-	-	-	(8,264.00)
Commission on Corporate Guarantee Given @ +	-	-	-	-	(2.28)	-	-	-	-	-	34.50	-	-	-	5.51	-	-	-	-	-	-	-	-	-	-	37.73
	-	-	-	-	(6.57)	-	-	-	-	-	(32.51)	-	-	-	(0.14)	-	-	-	-	-	-	-	-	-	-	(39.22)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																										
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.00)	(2.40)	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	-	15.56	0.56	0.42	0.90	-	-	2.47	0.50	-	41.27	-	-	-	6.23	-	-	-	0.84	3.09	-	-	-	36.18	19.00	127.02
	-	(15.56)	(50.56)	(0.42)	(6.81)	-	-	-	(0.50)	-	(62.31)	-	-	-	(0.30)	(#)	-	-	(0.84)	(0.02)	-	-	-	(56.16)	(19.00)	(212.48)
Provision for diminution in value of Loans/ Advances	-	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	-	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	7,089.08	-	-	10.92	-	15.46	-	0.04	73.96	-	-	-	0.05	-	-	-	-	39.56	2.15	0.01	3.60	-	-	7,234.83
	-	-	(6,553.62)	-	-	(68.99)	-	-	-	-	(119.57)	-	-	-	(4.50)	(0.05)	-	-	-	(58.60)	-	-	-	-	-	(6,805.33)
Trade and other payables	-	-	462.09	-	-	14.34	-	429.85	-	-	1.57	-	-	-	-	12.34	-	-	0.91	-	46.28	-	2.16	-	-	969.54
	-	-	(344.94)	-	-	(12.94)	-	(300.42)	-	(1.82)	-	-	-	-	-	(12.53)	-	-	(18.08)	(0.01)	(35.11)	-	(56.52)	-	-	(782.38)
Investments	-	0.10	3,314.94	-	-	182.51	111.52	801.66	0.10	3,063.76	6,035.41	269.30	2.60	-	802.60	2.94	10.01	3.07	92.13	-	-	-	31.87	-	-	14,724.52
	-	(0.10)	(3,232.33)	-	-	(182.51)	(111.52)	(801.66)	(0.10)	(2,999.81)	(5,996.41)	(269.30)	(2.60)	(12.62)	(730.10)	(2.94)	-	-	(92.13)	-	-	-	(13.14)	-	-	(14,447.27)
Provision for impairment of investments	-	-	-	-	-	-	81.79	-	-	-	-	269.30	-	-	-	-	-	-	-	-	-	-	-	-	-	351.09
	-	-	-	-	-	-	(81.79)	-	-	-	-	(269.30)	-	(12.62)	-	-	-	-	-	-	-	-	-	-	-	(363.71)
Corporate Guarantee Given	-	-	8,200.00	-	-	-	-	-	-	-	12,635.00	-	-	-	3,519.60	-		-	-	-	-	-	-	-	-	24,354.60
	-	-	(6,900.00)	-	(1,058.88)	-	-	-	-	-	(12,610.00)	-	-	-	(2,519.00)	-		-	-	-	-	-	-	-	-	(23,087.88)
Other Commitments	-	-	-	-	-	-	-	10,611.99	-	-	1,961.38	-	-	-	587.50	-	1,238.00	-	-	-	-	-	-	-	-	14,398.87
	-	-	-	-	-	-	-	(8,516.15)	-	-	(947.88)	-	-	-	(660.00)	-	-	-	-	-	-	-	-	-	-	(10,124.03)
Net investment in lease	-	-	-	-	-	-	-	450.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450.96
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)	-	-	-	-	-	-	-	-	-	-	-	(2.79)
Provision for impairment of share application money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)	-	-	-	-	-	-	-	-	-	-	-	(2.79)

Notes

To the Financial Statements for the year ended March 31, 2022

29 (ii) Following are the transactions with related parties for the year ended March 31, 2022

(₹ million)

Particulars	₹ Million	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year										Key Management Personnel **											Relatives of Key Management Personnel	₹ Million
	Balance Brought Forward	Welspun Foundation for Health and Knowledge	Welspun Enterprises Limited	MGN Agro Properties Private Limited	Welspun Speciality Solutions Limited	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun Global Services Limited	Welspun Metallics Limited	Welspun DI Pipes Limited	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Sanjay Gupta	Sanjeev Sancheti	Shashikant Thorat	Radhika Goenka	TOTAL
Transactions during the year																								
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(1,634.96)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,634.96)
Repayment of Loans, Advances and Deposits given	10.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.22
	(1,738.58)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,738.58)
Loan Advance & Deposits Received	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ MEIS Licenses *	6,457.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,457.36
	(5,322.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,322.33)
Purchase of Services/ Expenses incurred *	236.23	-	-	-	-	-	-	99.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	335.43
	(425.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(425.11)
Sale of Goods/ DEPB Licenses * +	65,580.45	2.42	0.14	-	0.10	-	-	0.44	11.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,595.31
	(59,605.44)	(1.67)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(59,607.11)
Sale of Services/ Expenses incurred *	209.19	-	21.52	-	-	-	-	14.33	12.62	0.52	-	-	-	-	-	-	-	-	-	-	-	-	-	258.18
	(326.43)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(326.43)
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(48.63)	(19.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(68.40)
Purchase of Fixed Assets / Capital Goods	1.01	-	-	22.35	1.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.41
	(56.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(56.77)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(16.84)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16.84)
Dividend Received	-	-	-	-	-	-	-	0.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.95
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration and Commission+++	-	-	-	-	-	-	-	-	-	-	-	90.91	107.91	125.67	-	-	-	-	-	14.76	7.85	5.38	-	352.48
	-	-	-	-	-	-	-	-	-	-	-	(74.10)	(91.15)	(101.18)	-	-	-	-	(5.19)	-	(14.62)	(3.95)	-	(290.19)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.10	1.01	1.88	2.77	-	-	-	-	-	8.76
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.68)	(1.26)	(2.23)	(1.37)	-	-	-	-	-	(7.54)
Equity Dividend Paid ***	104.17		-	-	-	0.81	-	-	-	-	-	0.10	#	0.11	-	-	-	-	-	-	-	-	0.30	105.49
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	103.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103.80
	-	(81.78)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81.78)
Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)
Investment Made during the year	1,122.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,122.08
	(1,985.39)	-	-	-	-	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,985.41)
Redemption of debenture investment during the year	997.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	997.50
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(15.41)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.41)

Notes

To the Financial Statements for the year ended March 31, 2022

(₹ million)

Particulars	₹ Million	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year										Key Management Personnel **											Relatives of Key Management Personnel	₹ Million
	Balance Brought Forward	Welspun Foundation for Health and Knowledge	Welspun Enterprises Limited	MGN Agro Properties Private Limited	Welspun Speciality Solutions Limited	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun Global Services Limited	Welspun Metallics Limited	Welspun DI Pipes Limited	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Sanjay Gupta	Sanjeev Sancheti	Shashikant Thorat	Radhika Goenka	TOTAL
Redemption of preference investment during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(892.84)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(892.84)
Corporate Guarantee Given	2,325.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,325.60
	(8,264.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,264.00)
Commission on Corporate Guarantee Given @ +	37.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.73
	(39.22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39.22)
Contributions made	-	-	-	-	-	-	-	-	-	-	20.00	-	-	-	-	-	-	-	-	-	-	-	-	20.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																								
Loans, Advances and Deposits received	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
	(12.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	127.02	-	21.11	-	-	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	148.83
	(212.48)	-	-	-	-	-	(0.70)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(213.18)
Provision for diminution in value of Loans/ Advances	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	7,234.83	0.11	-	-	0.02	-	-	2.60	11.50	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	7,249.16
	(6,805.33)	(0.04)	-	-	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,805.38)
Trade and other payables	969.54	-	0.03	-	-	-	-	5.54	-	-	-	81.82	90.91	90.91	-	-	-	-	-	-	-	-	-	1,238.75
	(782.38)	-	-	-	-	-	-	-	-	-	-	(68.54)	(74.10)	(74.10)	(0.04)	(0.04)	(0.04)	(0.04)	-	-	-	-	-	(999.27)
Investments	14,724.52	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,724.54
	(14,447.27)	-	-	-	-	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,447.29)
Provision for impairment of investments	351.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	351.09
	(363.71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(363.71)
Corporate Guarantee Given	24,354.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,354.60
	(23,087.88)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,087.88)
Other Commitments	14,398.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,398.87
	(10,124.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,124.03)
Net investment in lease	450.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450.96
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)
Provision for impairment of share application money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.79)

Previous year figures are given in brackets
* Amount is inclusive of taxes
** As the liabilities for defined benefit plans and compensated absences are provided on acturial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.
*** Equity dividend for FY 2020-21
+ Negative figure indicates the credit note issued by Company on CHTHL and WUSA
@ Amount is exclusive of taxes
+++ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

Notes

To the Financial Statements for the year ended March 31, 2022

Note 30 : Contingent Liabilities

(a) Description on matters considered as contingent liabilities:

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Excise, Customs and Service Tax Matters	61.27	58.23
Income Tax Matters	78.33	200.40
Stamp Duty Matter	4.46	4.46
Sales Tax	18.42	16.95
Corporate Guarantees (Refer Note 32)	16,454.74	11,656.17

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

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

Note 31 : Capital and Other Commitments

(a) Capital Commitments

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	423.26	837.06

(b) Other Commitments

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Commitment for purchase of power and steam from Welspun Captive Power Generation Limited over the next three years.	10,611.99	8,516.15
Commitment for loan to or investment in Welspun Flooring Limited.	1,961.38	947.88
Commitment for loan to or investment in Welspun Advanced Materials (India) Limited.	587.50	660.00
Commitment for loan to or investment in Anjar Terry Towels Limited.	1,238.00	-

Note 32 : Disclosure required under Sec 186(4) of the Companies Act 2013

Details of corporate guarantees issued by the Company and liability outstanding against corporate guarantees as on March 31, 2022.

Name of Related Party	Purpose of Corporate Guarantee	Corporate Guarantee Amount (₹ million)	Liability Outstanding against Corporate Guarantees issued (₹ million)
Welspun Global Brands Limited	Working Capital	8,200.00	5,035.99
Welspun Flooring Limited	Working Capital/ Term Loan/ Forward Contract Risk	12,635.00	8,677.06
Welspun Advanced Materials (India) Limited	Term Loan/ Export obligations under EPCG	3,519.60	2,741.69
Total		**24,354.60**	**16,454.74**

Notes

To the Financial Statements for the year ended March 31, 2022

Details of corporate guarantees issued by the Company and liability outstanding against corporate guarantees as on March 31, 2021.

Name of Related Party	Purpose of Corporate Guarantee	Corporate Guarantee Amount (₹ million)	Liability Outstanding against Corporate Guarantees issued (₹ million)
Welspun Global Brands Limited	Working Capital	6,900.00	3,628.57
Welspun Flooring Limited	Working Capital/ Term Loan/ Forward Contract Risk	12,610.00	7,462.55
Welspun Advanced Materials (India) Limited	Term Loan/ Export obligations under EPCG	2,519.00	289.00
CHT Holdings Limited	Working Capital/ Term Loan	1,058.88	276.05
Total		**23,087.88**	**11,656.17**

Note 33 : Earnings per Share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit after Tax (A) (₹ million)	3,921.30	5,266.70
Weighted average number of equity shares outstanding during the year (B)	99,27,61,680	1,004,725,150
Number of Shares for Diluted Earnings Per Share (C)	99,27,72,714	1,004,725,150
Basic earnings per share (A)/(B)	3.95	5.24
Diluted earnings per share (A)/(C)	3.95	5.24
Nominal value of an equity share (Re.)	1.00	1.00

As at the end of current year, the outstanding potential equity shares had an anti-dilutive effect on EPS. Hence, there is no dilution of EPS of the Company for the current year.

Note 34 : Buy-back of equity shares

The Company had made an offer for buy-back of fully paid-up equity shares of Re, 1 each of the Company, not exceeding 1,66,66,666 equity shares (representing approximately 1.66% of the total number of equity shares in the issued, subscribed and paid up equity capital) at a price of ₹ 120 per equity share, not exceeding ₹ 2,000 million on a proportionate basis by way of tender offer in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The tendering period for the buyback offer opened on June 22, 2021 and closed on July 05, 2021. Total 1,66,66,666 equity shares were bought back at a price of ₹120 per equity share and total amount utilised in buy-back was ₹ 2,000 million. The settlement of bids by the Clearing Corporation on the stock exchange was completed on July 14, 2021. Accordingly, the equity share capital was reduced by ₹ 16.67 million and the premium on buy-back of ₹ 1,983.33 million was adjusted against Securities Premium account. Consequently, the Company has transferred an amount of ₹ 16.67 million being the nominal value of shares purchased from Securities Premium Account to Capital Redemption Reserve as per the requirement of Section 69 of the Companies Act 2013.

Note 35 : Leases

Company as lessee

The Company has lease contracts for various items of commercial property, plant and machinery and other equipment used in its operations. Leases of plant and machinery generally have lease term of 13 years, commercial property generally have lease terms between 2 and 16 years while other equipment generally have lease terms between 2 and 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes

To the Financial Statements for the year ended March 31, 2022

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ million)

Particulars	Right to use assets			
	Commercial Property	Plant and Machinery	Other Equipments	Total
As at March 31, 2020	59.62	39.05	45.55	144.22
Additions	86.22	-	-	86.22
Deletions	-	(39.05)	-	(39.05)
Depreciation expense	(41.10)	-	(17.78)	(58.88)
As at March 31, 2021	104.74	-	27.77	132.51
Additions	7.36	-	-	7.36
Deletions	-	-	-	-
Depreciation expense	(39.93)	-	(12.74)	(52.67)
As at March 31, 2022	72.17	-	15.03	87.20

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Balance at the beginning of the year	145.48	148.98
Additions	7.36	86.22
Deletions	-	(40.59)
Accretion of interest	14.67	18.53
Payments	(68.11)	(67.66)
Balance at the end of the year	99.40	145.48
Current lease liabilities	34.13	52.29
Non-Current lease liabilities	65.27	93.19

The maturity analysis of lease liabilities are disclosed in Note 26.

The effective interest rate for lease liabilities is 10% (Previous Year : 10%)

The following are the amounts recognised in statement of profit and loss:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Depreciation expense of right-of-use assets	52.67	58.88
Interest expense on lease liabilities	14.67	18.53
Expense relating to short-term leases and low value assets (included in other expenses)	23.24	17.72
Total amount recognised in profit or loss	**90.58**	**95.13**

The Company had total cash outflows for leases of ₹ 91.35 million in March 31, 2022 (₹ 85.38 million in March 31, 2021). There are no non-cash additions to right-of-use assets and lease liabilities. There are no future cash outflows relating to leases that have not yet commenced.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Company as lessor

The Company has entered in to lease agreement with Welspun Captive Power Generation Limited in respect of Boiler. This is accounted as finance lease as the material risks and rewards are transferred to the lessee.

Notes

To the Financial Statements for the year ended March 31, 2022

The effective interest rate contracted is 7.35 % per annum (FY 2020-21: Nil).

The following amounts are included in the Balance Sheet :

Particulars	As at March 31, 2022 (₹ million)
Non-current lease receivables [Refer Note 6 (c)]	450.96

The following amounts are recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2022 (₹ million)
Finance income on the net investment in finance leases (Refer Note 17)	22.77

The table below provides details regarding contractual undiscounted cash flows:

Particulars	As at March 31, 2022 (₹ million)
Due in 1st Year	40.02
Due in 2nd Year	40.02
Due in 3rd to 5th Year	120.07
Due beyond 5th Year	810.79
Total	**1,010.90**

Note 36 : Disclosure pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI listing Regulations, 2015.

(₹ million)

Particulars	Balance as at March 31, 2022	Maximum amount outstanding during the year ended March 31, 2022	Balance as at March 31, 2021	Maximum amount outstanding during the year ended March 31, 2021
i. Loans and advances in the nature of loans to subsidiary (excluding interest accrued)				
- Besa Developers and Infrastructure Private Limited	15.56*	-	15.56*	-
- Welspun Flooring Limited	-	-	-	858.70
- Welspun Advanced Materials (India) Limited	-	-	-	170.00
ii. Loans and advances in the nature of loans to associates	-	-	-	-
iii. Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-	-	-
iv. Investments by the Loanee in the shares of the Company as at March 31, 2022	-	-	-	-

* Provision for doubtful loans and advance of ₹ 15.56 million (March 31, 2021 : ₹ 15.56 million) has been made.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 37 : Disclosure for Micro and Small Enterprises:

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
-Principal	414.55	326.22
-Interest	-	0.34
The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
-Principal	320.50	548.79
-Interest	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	-	-
The amount of interest accrued and remaining unpaid at the end of year	4.10	6.33

The above information and that given in Note 11 (c) – "Trade Payable" regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 38 :

Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Material Consumption	155.17	106.06
Employee benefits expenses	63.87	60.00
Others	44.79	56.87
Total	**263.83**	**222.93**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Plant and Machinery	-	10.45
Total	**-**	**10.45**

Note 39 :

As required by Ind AS 108 – "Operating Segments", the Company has disclosed segment information in Consolidated Financial Statements and hence is not required to disclose the same in the Standalone Financial Statements.

Note 40 : Expenditure in Foreign Currency (net, on accrual basis)

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Travelling and conveyance	0.31	1.38
Repairs and Maintenance	7.69	25.97
Legal and Professional Charges	40.68	100.93
Membership and Subscription	7.32	-
Advertisement and Sales Promotion	24.07	29.97
Others	3.32	3.99
Total	**83.39**	**162.24**

Notes

To the Financial Statements for the year ended March 31, 2022

Note 41 : Details of Consumption and Purchases

(a) Details of Raw Materials and Packing Materials consumed

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Cotton Yarn	12,836.24	11,362.94
Cotton	10,093.23	7,420.72
Fabric	2,853.91	1,604.70
Others	851.67	577.71
Bed Linen Fabrics	4,728.29	3,710.38
Fiber	1,632.52	1,200.33
Packing Materials	2,146.33	2,363.45
Total	**35,142.19**	**28,240.23**

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

1) Raw Materials and Packing Materials

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	%	₹ million	%	₹ million
Imported	12.92%	4,539.00	15.36%	4,337.54
Indigenous	87.08%	30,603.19	84.64%	23,902.69
Total	**100.00%**	**35,142.19**	**100.00%**	**28,240.23**

2) Stores, Spares, Dyes and Chemicals

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	%	₹ million	%	₹ million
Imported	7.54%	318.04	9.04%	308.90
Indigenous	92.46%	3,897.54	90.96%	3,108.72
Total	**100.00%**	**4,215.58**	**100.00%**	**3,417.62**

Note 42 : Dividend remitted in foreign exchange

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of non-resident shareholders	1,238	-
Number of shares on which dividend is remitted	2,055,402	-
Year to which dividend relates	FY 2020-21	-
Amount remitted (₹ million)	0.31	-

Note 43 : Earnings in foreign currency

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Revenue from Exports on FOB basis	756.97	75.36
Commission on Corporate Guarantee	0.90	6.57
Total	**757.87**	**81.93**

Notes

To the Financial Statements for the year ended March 31, 2022

Note 44 : Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Companies accounting policy disclosures.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

(iv) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 45 : Ratio Analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.33	1.26	5.04%	
2	Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	3.61	2.94	22.71%	
3	Trade receivables turnover ratio (in times)	Revenue from Operations (excluding government subsidy and export incentives)	Average Accounts Receivable	8.36	7.63	9.51%	
4	Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.38	0.42	-9.90%	
5	Debt Service Coverage Ratio (in times)	Profit after tax + Interest expense + Depreciation and amortisation expense	Long term debt (excluding prepayments) repaid during the period + Interest payments + Lease payments	4.00	2.38	67.64%	On account of reduction in debt and interest thereon, the ratio has improved during the year.
6	Return on Equity Ratio (in %)	Profit after tax	Average Shareholder's Equity	11.51%	17.14%	-32.85%	On account of increase in input cost, the margins are affected thus leading to lower PAT%
7	Trade Payables Turnover Ratio (in times)	Purchases	Average Trade Payables	6.40	5.17	23.76%	
8	Net Capital Turnover Ratio (in times)	Revenue from Operations	Current Assets - Current Liabilities	10.48	11.64	-9.91%	
9	Net Profit Ratio (in %)	Profit after tax	Revenue from Operations	5.85%	8.84%	-33.84%	On account of increase in input cost, the margins are affected thus leading to lower Net Profit%
10	Return on Capital Employed Ratio (in %)	Earnings before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	13.85%	16.83%	-17.70%	
11	Return on Investment Ratio (in %)	Interest (Finance Income)	Weighted Average Investment	6.61%	6.27%	5.42%	

Note 46 : Share Based Payments

On July 31, 2021 and November 26, 2021, Nomination and Remuneration Committee of the company made grants of 3,000,000 and 300,000 stock options ("ESOPs") respectively, under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of Re. 1 each in the Company, at an exercise price (closing market price on date of grants) to certain employees of the Company and certain employees / non-independent directors of the subsidiaries. The salient features of the Scheme are as under:

Notes

To the Financial Statements for the year ended March 31, 2022

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

- 20% of the Options granted to vest at each of the 1st and 2nd anniversaries of the date of grant.
- 30% of the Options granted to vest at each of the 3rd and 4th anniversaries of the date of grant.

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

(iii) Method Used: The Fair value of Equity-settled share-based payment are estimated using Black-Scholes-Merton formula.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended March 31, 2022 (₹ million)
Expense arising from equity-settled share-based payment transactions*	17.42

* Expense disclosed is net off expense recovered from Subsidiary for ESOP amounting to ₹ 8.25 millions.

There were no cancellations or modifications to the awards in year ending March 31, 2022

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year :

Particulars	March 31, 2022	
	Number	WAEP
Options Outstanding at beginning of the year	-	-
Options Granted during the year	3,300,000	INR 133.95
Options Forfeited during the year	-	-
Options Exercised during the year	-	-
Options Expired during the year	400,000	INR 133.45
Options Outstanding at end of the year	2,900,000	INR 134.02
Options vested but not exercised at the year end	-	-

Summary of Valuation Assumptions:

Particulars	Option granted on July 31, 2021	Option granted on November 26, 2021
Share Price on Grant Date	INR 133.45	INR 139.00
Exercise price	INR 133.45	INR 139.00
Dividend Yield	1.05%	1.05%
Expected Volatility	50%	50%
Risk-free interest rate	3.94% - 5.65%	4.29% - 5.65%
Expected Term (years)	1 - 4	1 - 4
Weighted Average remaning contractual life (years)	5.04	5.36
Weighted Average Fair value of Option	INR 44.80	INR 46.86

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. The expected term of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes

To the Financial Statements for the year ended March 31, 2022

Note 47 : Other Statutory Information

1. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company has identified transaction with one struck off company i. e. Pan Club Hotels Private Limited as vendor with whom transaction during the year amounts to ₹ Nil (2020-21 : ₹ 0.22 million)
3. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
6. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
7. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Note 48 :

The figures for the previous year are re-arranged/ re-grouped, wherever necessary.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: May 10, 2022

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Independent Auditor's Report

To the Members of Welspun India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Welspun India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 associate as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 associate 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 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Measurement of government grant (as described in note 2.7 of the consolidated financial statements)</td></tr>
<tr><td>The consolidated financial statements include claims of government grant in respect of the following:
a. Claims in the form of reimbursement of State Goods and Service Tax (SGST) collected on sale of products based on the extent of the eligible capital investments in plant and machinery for the specified period under the Gujarat Textile Policy (the 'Policy') by the Holding Company. During the current year, there has been a change in the product /sale mix which has been factored by the management for computation of government grant.
b. Claims in the form of one time capital subsidy, interest subsidy on eligible capital investments, power subsidy, reimbursement of land and stamp duty and reimbursement of State Goods and Service Tax (SGST) collected on products sold to the extent of the eligible capital investments in plant and machinery for the specified period under Telangana Textile and Apparel Policy (TTAP) by one of the subsidiary company.
The estimates and judgements used by the management in the computation of government grants includes:
• Future sales growth rate;
• Future product/sales mix and eligibility period;
• Input tax credit utilisation;
• SGST rates on the products;
• Eligible capital investments limit;
Considering the significance of the estimates and judgements used by the management, we have determined this to be a key audit matter.</td><td>We performed the following audit procedures, among others:
• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants.
• We analysed the forecast in respect of sales and purchase used by the management in computation of the government grant with respect to reimbursement of SGST.
• We compared the forecast in respect to sales and purchase to the business plan and previous forecast to the actual results.
• We compared the eligible capital investments considered by the management with the amount sanctioned by the concerned regulatory authority and with the maximum amount of claim which can be utilized over eligibility period.
• We analysed the inputs used in the computation of government grant as per the modalities to claim the reimbursement of SGST under the Policy.
• We evaluated the basis of management estimates and judgements in respect of:
  • Future sales growth rate;
  • Future product/sales mix and eligibility period;
  • Input tax credit utilization;
  • SGST rates on products; and
  • Eligible capital investments.
• We read the legal opinion obtained by the Company in respect of incentive under the policy.
• We tested the arithmetical accuracy of the computation of government grant.</td></tr>
<tr><td colspan="2">Impairment of goodwill (as described in note 2.13 of the consolidated financial statements)</td></tr>
<tr><td>The consolidated financial statements of the Company has Goodwill of ₹ 1,831.63 million for the year ended March 31, 2022.
These goodwill balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment. This testing is done by using discounted cash-flow models of each CGU's to determine the recoverable value which is then compared with the carrying values of the net assets. A deficit between the recoverable value and the CGU's net assets would result in impairment.
The Group uses a discounted cash flow model ('model') to determine value in use. The Key inputs and assumptions used in the model are following:
• Sales growth rate;
• Operating cash profit (%);
• Pre-tax discount rate (%); and
• Perpetuity growth rate (%)
Considering that the impairment assessment requires consideration of above inputs that involve significant degree of management judgement, this is determined as key audit matter.</td><td>We performed the following audit procedures, among others:
• We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated.
• We evaluated the forecast of future cash flows used by the management in the model to compute the CGU's recoverable value.
• We compared the forecast of future cash flows to business plan and previous forecasts to the actual results and analyzed results for material differences, if any.
• We evaluated the basis of management assumptions in respect of future sales growth rate, operating cash profit, perpetuity growth rate and discount rate used to compute the CGU's recoverable value.
• We involved valuation experts to assist in evaluating the key assumptions and methodologies used by the Holding Company in computing the CGU's recoverable value.
• We tested the arithmetical accuracy of the management's impairment testing model.
• We read and assessed the disclosures made in the financial statements.</td></tr>
</table>

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Measurement of Income Tax and Deferred tax (as described in note 2.8 of the consolidated financial statements)	
The measurement of the Group's income tax and deferred tax charge for the year and corresponding balances as at balance sheet date involves significant estimates and judgements, as in respect to certain items / transactions the final tax treatment cannot be determined until resolution has been reached with the relevant tax authority or as appropriate through a formal legal process. The Holding Company and a subsidiary company claim deduction under Chapter VIA of the Income Tax Act, 1961. The tax deduction computation involves significant estimates and judgements in respect of selling price of the products and purchase of goods and services from the vendors. Further, a subsidiary company has generated credit of Minimum Alternate Tax (MAT) recorded as deferred tax assets. As at March 31, 2022, the said subsidiary has MAT credit of INR 763.66 million. The utilization of MAT credit involves significant estimates and judgements in respect of forecasted taxable profits for future years. Due to the significance and materiality of the deferred tax balances and current income tax positions and the judgment involved in determining these, this matter was considered significant to our audit and hence a key audit matter.	Our procedures over measurement of tax included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls related to procurement and sales process. • We evaluated the basis of management assumptions in respect of prices for sales and purchase of goods and services and measurement of deduction claim under chapter VI A of the Income Tax Act, 1961. • We involved tax experts to assist in evaluating measurement of income tax charge for the year including computation of deduction and evaluation of various tax positions and potential exposures. Our procedures over recoverability of the deferred tax asset included the following: • We evaluated the forecast of future taxable income post tax holiday period of 10 years prepared by the management to assess the recoverability of deferred tax asset. • We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analyzed results for material differences, if any. • We tested the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset. We read and assessed disclosures made in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 such 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, 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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group audits associate 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 the 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate 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 or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

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 associate 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 associate 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 associate of which we are the independent auditors and whose financial information we have audited, 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.

We communicate with those charged with governance of the Holding Company and such other entities 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.

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.

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 for the financial year ended March 31, 2022 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.

Independent Auditor's Report (Contd.)

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries whose financial statements include total assets of ₹ 5,012.70 Mil as at March 31, 2022, and total revenues of ₹ 3,205.94 Mil and net cash outflows of ₹ 104.84 Mil for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 1.26 Million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and joint operations and associates, is based solely on the report(s) of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries whose financial statements and other financial information reflect total assets of ₹ 1,332.47 Mil as at March 31, 2022, and total revenues of ₹ Nil and net cash outflows of ₹ 0.09 Mil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2022 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 consolidated financial statements of the Holding Company, its subsidiary companies and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and its associate and incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 35 to the consolidated financial statements;

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 26 to the consolidated financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Holding Company, its subsidiaries and its associates incorporated in India during the year ended March 31, 2022.

      iv. a) The respective managements of the Holding Company and its subsidiaries and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 41 (v)to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 41 (vi) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

Independent Auditor's Report (Contd.)

by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 27(b) to the consolidated financial statements, the Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by the subsidiary company, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISVPB9337
Place of Signature: Mumbai
Date: May 10, 2022

Annexure 1

referred to in Paragraph Under the Heading "Report on other Legal and Regulatory Requirements" of our Report of Even Date

Re: Welspun India Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISVPB9337
Place of Signature: Mumbai
Date: May 10, 2022

Annexure 2

To the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Welspun India Limited

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

In conjunction with our audit of the consolidated financial statements of Welspun India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 7 subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 22093649AISVPB9337
Place of Signature: Mumbai
Date: May 10, 2022

Consolidated Balance Sheet

As at March 31, 2022

Particulars	Note	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	36,960.31	35,117.60
Capital work-in-progress	3	1,617.26	1,709.22
Goodwill on Consolidation	4	1,831.63	1,829.77
Other Intangible assets	4	214.45	283.24
Right-of-use assets	34	1,047.04	910.48
Intangible assets Under Development	4	42.19	21.32
Financial assets			
- Investments	5 (a)	38.76	18.50
- Loans	5 (b)	19.04	3.50
- Other financial assets	5 (c)	1,921.79	768.32
Non-current tax assets (net)		403.41	396.70
Deferred tax assets (net)	6	1,250.61	1,120.30
Other non-current assets	7	523.02	626.83
Total non-current assets		**45,869.51**	**42,805.78**
Current Assets			
Inventories	8	19,778.65	17,731.03
Financial assets			
- Investments	5 (a)	6,939.41	1,092.73
- Trade receivables	5 (d)	9,992.87	11,817.03
- Cash & cash equivalents	5 (e)	2,318.12	2,994.19
- Bank balances other than cash and cash equivalents above	5 (f)	337.20	996.72
- Loans	5 (b)	5.99	5.97
- Other financial assets	5 (c)	2,332.24	4,421.64
Current tax assets (net)		28.36	21.48
Other current assets	7	6,766.14	4,891.26
Total current assets		**48,498.98**	**43,972.05**
Total Assets		**94,368.49**	**86,777.83**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9 (a)	988.06	1,004.73
Other Equity			
- Reserves and surplus	9 (b)	38,620.34	35,163.85
- Other reserves	9 (c)	108.43	278.23
Equity attributable to owners of Welspun India Limited		**39,716.83**	**36,446.81**
Non-controlling Interests		1,045.68	985.46
Total Equity		**40,762.51**	**37,432.27**
LIABILITIES			
Non-current liabilities			
Financials liabilities			
- Borrowings	10 (a)	10,536.08	9,704.77
- Lease liabilities	34	904.16	776.57
- Other financial liabilities	10 (b)	73.37	52.48
Non-current tax liabilities (net)		2,229.00	2,244.31
Provisions	11	28.75	27.39
Deferred tax liabilities (net)	13	2,980.31	2,494.34
Other non-current liabilities	14	1,441.81	981.82
Total non-current liabilities		**18,193.48**	**16,281.68**
Current liabilities			
Financials liabilities			
- Borrowings	10 (a)	21,347.72	18,709.13
- Lease liabilities	34	251.47	212.21
- Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	10 (c)	580.40	524.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10 (c)	8,724.96	10,390.59
- Other financial liabilities	10 (b)	840.92	589.38
Employee benefit obligations	12	1,544.08	1,345.98
Current Tax Liabilities (net)		669.60	50.87
Other Current Liabilities	14	1,453.35	1,240.82
Total current liabilities		**35,412.50**	**33,063.88**
Total liabilities		**53,605.98**	**49,345.56**
Total Equity and Liabilities		**94,368.49**	**86,777.83**
Summary of significant accounting policies	2		

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: May 10, 2022

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

Particulars	Note	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Income			
Revenue from Operations	15	93,114.68	73,401.76
Other Income	16	658.44	677.78
Total Income		**93,773.12**	**74,079.54**
Expenses			
Cost of materials consumed	17	43,618.88	33,217.98
Purchases of stock-in-trade		8,557.83	4,226.32
Changes in inventory of finished goods, work-in-progress and stock-in-trade	18	(1,235.95)	(1,571.11)
Employee benefits expense	19	8,666.98	8,227.69
Depreciation and amortization expense	20	4,204.68	4,536.44
Other expenses	21	19,919.80	15,780.76
Finance costs	22	1,312.45	1,975.06
Total expenses		**85,044.67**	**66,393.14**
Profit before Share of net profit of Associates and tax		**8,728.45**	**7,686.40**
Share of Associates' Net Profit		1.26	0.62
Profit before tax		**8,729.71**	**7,687.02**
Income tax expense	24		
- Current Tax		2,229.84	2,026.15
- Deferred Tax		294.84	152.94
- Deferred Tax charge related to earlier years		138.00	-
Total Income Tax Expense		**2,662.68**	**2,179.09**
Profit for the year		**6,067.03**	**5,507.93**
Other Comprehensive Income			
A (i) Items that may be reclassified to profit or loss			
Exchange gain / (loss) in translation of foreign operation	9 (c)	46.43	(9.46)
Deferred gain / (loss) on cash flow hedges	9 (c)	(319.48)	1,756.12
(ii) Income tax effect	24	80.41	(442.03)
		(192.64)	**1,304.63**
B (i) Items that will not be reclassified to profit or loss			
Gain due to Change in fair value of FVOCI equity instruments	9 (c)	18.73	8.55
Gain due to Remeasurement of post employment benefit obligation	19	18.51	55.28
(ii) Income tax effect	24	(3.23)	(13.67)
		34.01	**50.16**
Other comprehensive income / (Loss) for the year, net of tax		**(158.63)**	**1,354.79**
Total Comprehensive Income for the year		**5,908.40**	**6,862.72**
Profit is attributable to			
- Owners of Welspun India Limited		6,011.59	5,396.73
- Non-controlling interests		55.44	111.20
Other comprehensive income is attributable to:			
- Owners of Welspun India Limited		(154.52)	1,329.09
- Non-controlling interests		(4.11)	25.70
Total Comprehensive Income is attributable to			
- Owners of Welspun India Limited		5,857.07	6,725.82
- Non-controlling interests		51.33	136.90
Earnings Per Share (₹) [Nominal value per share: ₹ 1 (March 31, 2021: ₹ 1)]	33		
- Basic		6.06	5.37
- Diluted		6.06	5.37
Summary of significant accounting policies	2		

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: May 10, 2022

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

A. Equity Share Capital

(₹ million)

Equity shares of Re. 1 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 1, 2020	**1,004,724,050**	**1,004.73**
Balance as at March 31, 2021	**1,004,724,050**	**1,004.73**
Changes during the year (Refer Note 39)	(16,666,666)	(16.67)
Balance as at March 31, 2022	**988,057,384**	**988.06**

B. Other Equity

(₹ million)

Particulars	Notes	Reserves and Surplus							Other Reserves				Total Other Equity	Non-controlling interests	Total
		Capital redemption reserve	Capital reserve	Securities premium	General reserve	Share-based Payment Reserve	Retained earnings	Total	FVOCI Equity instruments	Hedging reserve	Foreign currency translation reserve	Total			
Balance as at April 1, 2020		**488.38**	**1,474.78**	**3,238.12**	**931.39**	**-**	**23,592.35**	**29,725.02**	**(1.00)**	**(957.71)**	**(50.52)**	**(1,009.23)**	**28,715.79**	**848.56**	**29,564.35**
Profit for the year		-	-	-	-	-	5,396.73	5,396.73	-	-	-	-	5,396.73	111.20	5,507.93
Other Comprehensive Income	9 (b),9 (c)	-	-	-	-	-	41.63	41.63	8.55	1,288.20	(9.29)	1,287.46	1,329.09	25.70	1,354.79
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**		**5,438.36**	**5,438.36**	**8.55**	**1,288.20**	**(9.29)**	**1,287.46**	**6,725.82**	**136.90**	**6,862.72**
Transactions with owners in their capacity as owners:															
Transfer to Capital Redemption Reserve	9 (b)	1,119.27	-	-	-	-	(1,119.27)	-	-	-	-	-	-	-	-
Transactions with Associate		-	0.47	-	-	-	-	0.47	-	-	-	-	0.47	-	0.47
Balance as at March 31, 2021		**1,607.65**	**1,475.25**	**3,238.12**	**931.39**	**-**	**27,911.44**	**35,163.85**	**7.55**	**330.49**	**(59.81)**	**278.23**	**35,442.08**	**985.46**	**36,427.54**
Balance as at April 1, 2021		**1,607.65**	**1,475.25**	**3,238.12**	**931.39**	**-**	**27,911.44**	**35,163.85**	**7.55**	**330.49**	**(59.81)**	**278.23**	**35,442.08**	**985.46**	**36,427.54**
Profit for the year		-	-	-	-	-	6,011.59	6,011.59	-	-	-	-	6,011.59	55.44	6,067.03
Other Comprehensive Income	9 (b),9 (c)	-	-	-	-	-	15.28	15.28	18.73	(234.32)	45.79	(169.80)	(154.52)	(4.11)	(158.63)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**6,026.87**	**6,026.87**	**18.73**	**(234.32)**	**45.79**	**(169.80)**	**5,857.07**	**51.33**	**5,908.40**
Transactions with owners in their capacity as owners:															
Dividends paid	27 (b)	-	-	-	-	-	(150.71)	(150.71)	-	-	-	-	(150.71)	-	(150.71)
Dividend distribution tax paid	27 (b)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	9 (b)	16.67	-	(16.67)	-	-	-	-	-	-	-	-	-	-	-
Buyback of equity shares	39	-	-	(1,983.33)	-	-	(462.04)	(2,445.37)	-	-	-	-	(2,445.37)	-	(2,445.37)
Share-based payments	23	-	-	-	-	25.67		25.67	-	-	-	-	25.67	-	25.67
Transactions with non-controlling interests	29 (c)	-	-	-	-	-	-	-	-	-	-	-	-	8.89	8.89
Acquisition of a subsidiary		-	0.03	-	-	-	-	0.03	-	-	-	-	0.03	-	0.03
Balance as at March 31, 2022		**1,624.32**	**1,475.28**	**1,238.12**	**931.39**	**25.67**	**33,325.56**	**38,620.34**	**26.28**	**96.17**	**(14.02)**	**108.43**	**38,728.77**	**1,045.68**	**39,774.45**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: May 10, 2022

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

Particulars	Year Ended March 31, 2022 (₹ million)	Year Ended March 31, 2021 (₹ million)
A. Cash Flow from Operating Activities		
Profit Before Tax	8,729.71	7,687.02
Adjustments for:		
Depreciation and amortisation expense	4,204.68	4,536.44
Income from government grants	(2,714.85)	(2,251.87)
Employee share-based payment expense	25.67	-
Unrealised Foreign Exchange Differences	109.17	(171.15)
Gain/(Loss) on disposal of property, plant and equipment	24.22	(24.12)
Loss on Sale of Investments	3.89	-
Unwinding of discount on security deposits	(6.91)	(7.84)
Insurance Claim for loss of profit	-	136.79
Net gain on financial assets measured at fair value through profit or loss	(2.69)	(62.58)
Dividend income classified as investing cash flows	(0.95)	-
Liabilities/ provision Written Back	(13.64)	(44.11)
Provision for Doubtful Debts/ Advances (net)	74.06	91.63
Share of Associates' Net Profit	(1.26)	(0.62)
Interest income classified as investing cash flows	(278.42)	(268.80)
Finance expenses	1,312.45	1,975.06
	2,735.42	**3,908.83**
Operating Profit Before Working Capital Changes	**11,465.13**	**11,595.85**
Adjustments for changes in working capital:		
(Increase) / decrease in trade receivables	1,726.62	(984.47)
Increase / (decrease) in trade payables	(1,626.43)	2,006.25
Increase in provisions	1.36	0.78
Increase in employee benefit obligations	216.61	521.01
Increase in other current liabilities	111.18	66.22
Increase in other non current liabilities	20.89	1.57
Increase in inventories	(2,047.62)	(2,443.88)
Increase in other financial assets	(347.70)	(826.19)
Increase in other non-current assets	(136.61)	(7.91)
(Increase) / decrease in other current assets	(1,876.41)	619.51
	(3,958.11)	**(1,047.11)**
Cash Flow Generated from Operations	7,507.02	10,548.74
Taxes Paid (net of refunds)	(1,640.01)	(1,013.16)
Net Cash Flow from Operating Activities	**5,867.01**	**9,535.58**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(5,296.75)	(4,498.17)
Sale of property, plant and equipment	236.45	290.72
Receipt of Government Grant	4,090.50	2,223.87
Maturity /(Investment) in fixed deposit and margin money (net)	658.90	(686.38)
Sales/ (Purchase) of Investment (Net)	(5,844.26)	1,404.92
Dividend received	0.95	-
Interest received	152.45	281.99
Net Cash Flow used in Investing Activities	**(6,001.76)**	**(983.05)**

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

Particulars	Year Ended March 31, 2022 (₹ million)	Year Ended March 31, 2021 (₹ million)
C. Cash Flow from Financing Activities		
Redemption of Preference Shares	-	(226.46)
Proceeds from borrowings - Non Current	2,440.59	1,142.02
Repayment of borrowings - Non Current	(1,266.51)	(6,740.11)
Proceeds from / (Repayment of) borrowings - Current (Net)	2,290.03	(265.80)
Payment of lease liabilities	(247.75)	(250.61)
Consideration on disposal of subsidiary	0.20	-
Dividends Paid	(150.71)	-
Buy back of equity shares including transaction cost	(2,462.04)	-
Receipt of interest subsidy	426.25	1,058.47
Interest Expenses paid	(1,577.43)	(2,338.76)
Net Cash Flow used in Financing Activities	**(547.37)**	**(7,621.25)**
Net increase (decrease) in Cash and Cash Equivalents (A + B + C)	**(682.12)**	**931.28**
Cash and Cash Equivalents at the beginning of the year	2,994.19	2,051.08
Effects of exchange rate changes on cash and cash equivalents	6.05	11.83
Cash and Cash Equivalents at the end of the year	2,318.12	2,994.19
Net Increase (decrease) in Cash and Cash Equivalents	**(682.12)**	**931.28**
Cash and cash equivalents comprise of:		
Cash on Hand	3.15	2.45
Money in Transit	361.52	524.38
Bank balances		
- In current accounts	1,594.11	2,274.53
- Fixed deposits with Banks with original maturity period of less than three months	359.34	192.83
Total	**2,318.12**	**2,994.19**

Change in Liability arising from financing activities

(₹ million)

Particulars	April 1, 2021	Cash flow	Foreign exchange movement	March 31, 2022
Borrowing-Non Current [Refer Note 10 (a)]	10,961.88	1,174.08	(5.79)	12,141.75
Borrowing-Current [Refer Note 10 (a)]	17,452.02	2,290.03	-	19,742.05
	28,413.90	**3,464.11**	**(5.79)**	**31,883.80**

Notes:

The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors

per Vikas Kumar Pansari
Partner
Membership No. 93649

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Place: Mumbai
Date: May 10, 2022

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 1: Corporate Information

The consolidated financial statements comprise financial statements of Welspun India Limited (the group) and its subsidiaries (collectively, the Group) for the year ended March 31, 2022. The Group is a public limited group which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India. The Group is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs and flooring products. These Group's consolidated financial statements were approved for issue by the board of directors on May 10, 2022.

Note 2: Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented. The financial statements are for the Group consisting of the Group and its subsidiaries.

2.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time). The financial statements have been prepared on the accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities that is measured at fair value as stated in subsequent policies.

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Business combinations policy explains how to account for any related goodwill.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management of the group assesses the financial

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

performance and position of the group, and makes strategic decisions.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss

c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.6 Revenue recognition

a) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.25 (i).

- **Sale of goods**

  For sale of goods, revenue is recognized when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 0-120 days. The Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

- **Sale of power and steam**

  Revenue from supply of power and steam is recognized for each unit of electricity/ steam delivered at the pre-determined contracted price during the period.

- **Variable consideration**

  If the consideration in a contract includes a variable amount, the Group estimates the

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with rebates (including mark-downs, chargebacks etc.). The rights to rebates give rise to variable consideration.

The Group provides retrospective rebates including, markdowns, chargebacks etc. to certain customers once the conditions relating to such rebates are satisfied in terms of the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

- **Contract balances:**

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.15 Financial Instruments – Financial Assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract and cost to fulfill a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (under Other Expenses) because the amortization period of the asset that the Group otherwise would have used is less than one year.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Rendering of service

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

b) Other Revenue

Rebate / Drawback of Taxes and Duties

In case of sale made by the Group as Support Manufacturer, rebate / drawback of taxes and duties arising from Remissions of Duties and Taxes on Exported Products (RoDTEP), Duty Drawback scheme, Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL), and other applicable export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income' (Revenue from operation).

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

2.7 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating income" or are deducted in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to profit or loss over the periods and in proportions in which depreciation expense on those assets is recognized.

2.8 Income Tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liability not recognised if they arise from initial recognition of goodwill.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, (a) the Group has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The respective Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more entities in the group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in

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To the Consolidated Financial Statements for the year ended March 31, 2022

India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.9 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Group's underlying financial performance.

2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property : 1 to 15 Years
- Plant & Machinery : 13 Years
- Motor Vehicle : 1 to 4 Years
- Other Equipment : 1 to 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.13 Impairment of non-financial assets.

b) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or change in the assessment of an option to purchase the underlying asset.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

2.11 Property, plant and equipment

Property Plant and equipment except for freehold land held are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any. The cost of property plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes(other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. The group has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

For following items of property, plant and equipment, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Life (years)
Office Equipment	3 to 10
Furniture and fixtures	2 to 10
Computer	3 to 6
Vehicles	5 to10
Electrical installation	5 to 40
Factory Building	12 to 30
Residential and other Buildings	27 to 60
Road, Fencing, etc.	3 to 10

Plant and Machinery (except electrical installations) is depreciated on written down value method over the useful life ranging between 7 years to 20 years.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Major inspection/overhauling including turnaround and maintenance costs are depreciated over the estimated life of the economic benefit derived from the inspection/overhaul. The carrying amount of the remaining previous overhaul cost is charged to the statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit. All other repair and maintenance costs are recognised in the statement of Profit and Loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income, as applicable.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

2.12 Intangible assets

a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

b) Other intangible assets

Other intangible assets with finite useful lives acquired by the group are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

2.13 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Inventories

Raw materials and stores, work in progress, traded and finished goods

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases on weighted average basis. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income;
- For investments in debt instruments, this will depend on the business model in which the investment is held;
- For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Initial Recognition and Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

c) Subsequent Measurement

- **Debt Instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

i) <u>Amortised cost:</u> Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such assets are subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

ii) <u>Fair value through other comprehensive income (FVOCI):</u> Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

iii) <u>Fair value through profit or loss:</u> A financial asset which is not classified in any of the above categories are measured at Fair value through profit or loss

- **Equity Investments**

The Group subsequently measures all other equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial position and which are considered as integral part of group's cash management policy.

- **Trade receivable**

Trade receivable are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

d) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

i) Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount;

ii) For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets

A financial asset is derecognised only when

i) The Group has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f) Income recognition

- **Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

- **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Financial liabilities

a) Initial Recognition and Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

b) Subsequent Measurement

- **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

- **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

- **Compound instrument**

Compound financial instrument issued by the Group comprises of compulsorily redeemable non-convertible preference shares. Compound financial instruments are split into separate equity and liability components. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have discretionary dividend feature/ off market interest rate. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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Interest related to the liability component of compound instrument is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

- **Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

- **Derivatives and hedging activities**

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the

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risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined)

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i) **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss the change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. Refer to Note 26 for more details.

ii) **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, the ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. Refer to Note 26 for more details.

The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

- **Embedded Derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

- **Embedded foreign currency derivatives:**

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

i) the functional currency of any substantial party to that contract,

ii) the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

iii) a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e., relatively liquid, and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The group currently does not have any such derivatives which are not closely related.

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- **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.17 Employee benefits

a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) **Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) **Post-employment obligations**

The group operates the following post-employment schemes:

i) defined benefit plans such as gratuity, and

ii) defined contribution plans such as provident fund and superannuation Fund

- **Defined Benefit Plans**

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees ('INR') is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Remeasurements are not reclassified to profit and loss in the subsequent periods.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

- **Defined contribution plans**

i) **Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds**

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

ii) **Superannuation Fund**

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

d) **Bonus Plan**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18 Share Based Payments

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Refer Note 23.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.19 Provisions and contingent liabilities

a) **Provisions** for legal claims, service warranties, volume discounts and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

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Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the group.

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

c) **Contingent Assets** are disclosed, where an inflow of economic benefits is probable.

2.20 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Earnings per share

a) **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (Refer note 33).

b) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.23 Current versus Non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

a) **An asset is treated as current when it is:**

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

b) **A liability is current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.24 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions with two decimal as per the requirement of Schedule III, unless otherwise stated.

2.25 Significant accounting judgements, estimates and assumption:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in

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applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

a) Current tax expense and deferred tax

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further a subsidiary Company has claimed deduction under section 80IA of the Income Tax Act, 1961 which involves significant estimates and judgements in respect of sales price of power and steam, purchase of goods and services from vendors (Refer note 24).

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets in respect of mat credit entitlement is expected to be utilized after the tax holiday period of ten years. There is significant management judgement involved in determination of forecast of future taxable profits beyond the ten years tax holiday (which also involves key assumptions like future growth rate, profit margins etc.) against which the aforesaid MAT credit entitlement is expected to be utilised. Any changes to these assumptions could significantly affect the recoverability of deferred tax asset on account of MAT credit entitlement. (Refer notes 6 and 13).

Uncertain tax position and tax related contingency

The Group has taken certain tax positions particularly those relating to deductions / allowance under Section 80 IA and Section 36(1)(iii) of the Income Tax Act, 1961 by the Group. The taxation authorities may challenge these tax deductions and accordingly these matters are / might be subject to legal proceedings in the ordinary course of business. The outcome of the legal proceedings might be different from that estimated on the date of approval of these console Ind AS financial statements.

b) Provisions & Contingent Liabilities.

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer note 35).

c) Provision / Liability

A provision / liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits that can be reasonably estimated. Estimation involves judgements based on the latest available, reliable information. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. The Group actualizes the provision / liability when the invoices are received and the resultant income / expense are recognised in the statement of the profit and loss. The Group also periodically reviews the provision / liability which are no longer required and the same are reversed and recognized as an income in the statement of profit and loss.

d) Useful life of Property, Plant and Equipment and intangible assets

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation (for property, plant and equipment and intangible assets) is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Group's property, plant and equipment and intangible assets (Refer Notes 3 and 4).

e) Provision for Inventory

The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on

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inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices, age and condition / quality of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed. Refer note 8 for details of inventory and provisions.

f) Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 19 for the details of the assumptions used in estimating the defined benefit obligation.

g) Government Grant

The group has accrued income for Government grant related to fixed assets, in the ratio of related expenses, based on eligibility amount. Critical judgement is involved in determining whether the Group has fulfilled the conditions related to the grant. Estimates are involved in calculation of grant income where the eligibility amount is not confirmed by the government but application is made and the Group is complying all terms & conditions for eligibility. Further, key assumptions used in calculation of government grant to be recognized as revenue, receivables and deferred income include, the future sales growth rate, mix of inter and intra state purchases and corresponding input tax credit, utilization of input tax credit, indirect tax rates on the products, period of eligibility etc. Changes in the assumptions selected by the management could significantly affect the recognition of revenue, receivables and deferred income related to such government grant.

h) Fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The key judgement includes selection of valuation methodology and key assumptions include the discount rates etc. Changes to the valuation methodology, discount rates etc. could have a significant impact on the valuation of these financial instruments. Refer Note 25.

i) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customers.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

j) Determination of control/significant influence

Significant management judgement is involved in determining whether the Group has control/ significant influence over another entity in which investment has been made by the Group. The judgement affects the determination of whether an entity is a subsidiary / associate and consequently required to be consolidated in the consolidated financial statements of the Group or not consolidated and required to be carried at fair value through profit and loss account / other comprehensive income. Refer note 5 (a).

k) Impairment of non-financial assets

The Group determines Cash Generating Units (CGU) based on management judgement after considering cash inflows generated from business activities of assets / group of assets for annual impairment testing as required by Ind AS 36. Impairment exists

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To the Consolidated Financial Statements for the year ended March 31, 2022

when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the determined period and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.

l) **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

m) **Estimation uncertainty relating to the global health pandemic on COVID-19**

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, and inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these console Ind AS financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

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Note 3 : Property, Plant and Equipment

(₹ million)

Particulars	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computers	Total	Capital Work in Progress
Cost or valuation										
At April 1, 2020										
Gross carrying amount										
Opening gross carrying amount	**4,054.95**	**10,813.51**	**41,822.47**	**79.48**	**296.43**	**446.70**	**131.32**	**396.45**	**58,041.31**	**564.23**
Additions	344.59	1,012.69	1,702.52	17.91	15.56	26.64	1.72	44.06	3,165.69	3,247.44
Disposals	(189.77)	(4.34)	(438.74)	(10.35)	(1.85)	(20.14)	-	(0.17)	(665.36)	-
Transfers	-	-	-	-	-	-	-	-	-	(2,102.45)
Exchange Differences	0.04	-	4.27	(0.01)	1.59	12.43	(3.58)	4.57	19.31	-
At March 31, 2021 (A)	**4,209.81**	**11,821.86**	**43,090.52**	**87.03**	**311.73**	**465.63**	**129.46**	**444.91**	**60,560.95**	**1,709.22**
Depreciation										
At April 1, 2020	**-**	**1,398.70**	**19,539.96**	**46.67**	**174.22**	**213.53**	**68.52**	**273.95**	**21,715.55**	**-**
Depreciation charge during the year	-	411.86	3,516.47	12.06	36.44	37.07	58.89	51.88	4,124.67	-
Disposals	-	(1.44)	(397.59)	(9.73)	(1.69)	(9.80)	-	(0.13)	(420.38)	-
Exchange Differences	-	-	5.21	-	1.67	12.25	(1.71)	6.09	23.51	-
At March 31, 2021 (B)	**-**	**1,809.12**	**22,664.05**	**49.00**	**210.64**	**253.05**	**125.70**	**331.79**	**25,443.35**	**-**
Net book value at March 31, 2021 (A-B)	**4,209.81**	**10,012.74**	**20,426.47**	**38.03**	**101.09**	**212.58**	**3.76**	**113.12**	**35,117.60**	**1,709.22**
Cost or valuation										
At April 1, 2021										
Opening gross carrying amount	**4,209.81**	**11,821.86**	**43,090.52**	**87.03**	**311.73**	**465.63**	**129.46**	**444.91**	**60,560.95**	**1,709.22**
Additions	76.10	1,063.27	4,522.01	1.79	43.58	28.00	122.08	67.24	5,924.07	5,403.42
Disposals	(218.90)	(2.51)	(326.29)	(2.84)	(2.22)	-	-	(15.27)	(568.03)	-
Transfers/Capitalised	(0.50)	33.49	(60.28)	1.79	5.63	13.79	-	2.45	(3.63)	(5,495.38)
Exchange Differences	(0.01)	24.27	1.28	-	0.10	(0.89)	3.92	2.73	31.40	-
At March 31, 2022 (A)	**4,066.50**	**12,940.38**	**47,227.24**	**87.77**	**358.82**	**506.53**	**255.46**	**502.06**	**65,944.76**	**1,617.26**
Depreciation										
At April 1, 2021	-	1,809.12	22,664.05	49.00	210.64	253.05	125.70	331.79	25,443.35	-
Depreciation charge during the year	-	438.52	3,240.07	11.17	30.75	41.60	15.61	47.52	3,825.24	-
Disposals	-	(0.12)	(270.63)	(2.70)	(2.11)	-	-	(13.92)	(289.48)	-
Exchange Differences	-	0.84	0.49	-	(0.06)	(1.01)	3.92	1.16	5.34	-
At March 31, 2022 (B)	**-**	**2,248.36**	**25,633.98**	**57.47**	**239.22**	**293.64**	**145.23**	**366.55**	**28,984.45**	**-**
Net book value at March 31, 2022 (A-B)	**4,066.50**	**10,692.02**	**21,593.26**	**30.30**	**119.60**	**212.89**	**110.23**	**135.51**	**36,960.31**	**1,617.26**

Notes:

(i) Property, plant and equipment pledged as security - Refer to note 10(a) for information on property, plant and equipment pledged as security by the Group.

(ii) Contractual obligations - Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress mainly comprises of new plant and machinery for flooring plant being constructed in India.

(iv) Capital work-in-progress includes Employee Benefit Expenses, Professional charges, Travelling Expenses & Other expenses of ₹ 15.49 million as at March 31, 2022 (March 31, 2021: ₹ 0.78 million) directly attributable to project.

(v) Additions to Property, plant and equipment during the year include capital expenditure of ₹ 10.24 million (Previous Year: ₹ 10.45 million) incurred on in-house Research and Development activities [Refer note 36]

(vi) Borrowing Costs aggregating ₹ 97.04 million (March 2021: ₹ 3.80 million) attributable to the acquisition or construction of qualifying assets are capitalised during the year as part of the cost of such assets.

(vii) Certain subsidiaries has some immovable property which is not in the name of company i.e registration of property in the name of company is in process on March 31, 2022

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To the Consolidated Financial Statements for the year ended March 31, 2022

Description of Property	Gross Carrying Value (₹ million)	Held in Name of	Whether promoter,director or their relative or employee	Period held – indicate range,where appropriate	Reason for not being held in name of company
Owned- Freehold land	145.96	Telangana State Industrial Infrastructure Corporation (TSIIC)	No	1.2 years	The Company has started operations in March 2022. As per the TSIIC norms, process can be started for registration of sale deed post starting of commercial operation. Therefore, process for registration of sale deed will be started in financial year 2022-23.
Owned- Freehold land	409.34	Telangana State Industrial Infrastructure Corporation (TSIIC)	No	3 Years	Registration in process

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

(₹ million)

Particulars	March 31, 2022		March 31, 2021	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	0.49	29.04	1.21	29.04
Accumulated Depreciation	0.15	27.59	0.38	27.59
Net book value	0.34	1.45	0.83	1.45
Depreciation for the year	0.01	-	0.02	-

(ix) Capital Work in Progress (CWIP) ageing schedule

(₹ million)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	1,520.29	96.97	-	-	1,617.26
Projects in progress -2020-21	1,683.67	25.55	-	-	1,709.22
Projects temporarily suspended-2021-22	-	-	-	-	-
Projects temporarily suspended-2020-21	-	-	-	-	-

Completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ million)

Capital Work in Progress	To be completed in As at March 31, 2022				To be completed in As at March 31, 2021			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
HDPE Water Pipe Line	23.17	-	-	-	0.78	-	-	-
Sizeing Machine	13.23	-	-	-	-	-	-	-
Rugs Expansion Project Machine	12.94	-	-	-	-	-	-	-
Rugs Expansion Project Machine (Stitching)	12.80	-	-	-	-	-	-	-
Tsudakoma Airjet Loom (Terry Towel)	12.77	-	-	-	-	-	-	-
Washer For Bedsheets (Dye)	10.87	-	-	-	-	-	-	-
Rugs Expansion For Machinery	8.89	-	-	-	-	-	-	-

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(₹ million)

Capital Work in Progress	To be completed in As at March 31, 2022				To be completed in As at March 31, 2021			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Piece Count. Existing Greig M/C Modification	5.81	-	-	-	-	-	-	-
Rugs Expansion-Hanger System For Packing	5.54	-	-	-	-	-	-	-
Embroidery & Quilt Machine	-	-	-	-	10.15	-	-	-
Stenter Multi Chamber - Thermic Fluid	-	-	-	-	48.62	-	-	-
Projects in progress - Hyderabad	157.98	-	-	-	-	-	-	-
Projects in progress - Road Phase I (Anjar)	37.42	-	-	-	-	-	-	-
Plant and Machinery Others	9.07	-	-	-	1.24	-	-	-
Total	**310.49**	**-**	**-**	**-**	**60.79**	**-**	**-**	**-**

Note 4 : Intangible assets

(₹ million)

Particulars	Goodwill on consolidation	Computer software	Intangible assets under development
Cost or valuation			
At April 1, 2020			
Opening gross carrying amount	1,831.57	835.56	16.34
Exchange differences	26.31	(0.59)	-
Additions	-	36.12	18.57
Disposals	-	(295.45)	-
Transfers/Capitalised	-	-	(13.59)
At March 31, 2021 (A)	**1,857.88**	**575.64**	**21.32**
Amortisation			
At April 1, 2020	**28.11**	**358.46**	**-**
Amortisation charge during the year	-	149.06	-
Impairment of Goodwill	-	-	
Disposals	-	(214.53)	-
Exchange differences	-	(0.59)	-
At March 31, 2021 (B)	**28.11**	**292.40**	**-**
Net book value at March 31, 2021 (A-B)	**1,829.77**	**283.24**	**21.32**
Cost or valuation			
At April 1, 2021			
Opening gross carrying amount	1,857.88	575.64	21.32
Exchange differences	1.86	0.64	-
Additions	-	29.11	24.77
Disposals	-	(3.24)	-
Transfers/Capitalised	-	3.65	(3.90)
At March 31, 2022 (A)	**1,859.74**	**605.80**	**42.19**

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To the Consolidated Financial Statements for the year ended March 31, 2022

(₹ million)

Particulars	Goodwill on consolidation	Computer software	Intangible assets under development
Amortisation			
At April 1, 2021	28.11	292.40	-
Amortisation charge during the year	-	101.40	-
Impairment of Goodwill	-	-	
Disposals	-	(3.09)	-
Transfers/Capitalised		-	
Exchange differences	-	0.64	-
At March 31, 2022 (B)	**28.11**	**391.35**	**-**
Net book value at March 31, 2022 (A-B)	**1,831.63**	**214.45**	**42.19**

Note:

(i) Intangible assets under development mainly comprises of software development expenses.

(ii) Intangible Assets under Development (IAUD) Ageing Schedule

(₹ million)

Intangible assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	24.77	14.67	2.75	-	42.19
Projects in progress -2020-21	18.57	2.75	-	-	21.32
Projects temporarily suspended-2021-22	-	-	-	-	-
Projects temporarily suspended-2020-21	-	-	-	-	-

(iii) Completion schedule for Intangible Asset under Development (IAUD), whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ million)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Digital Transformation Projects				
As at March 31, 2022	24.30	-	-	-
As at March 31, 2021	-	-	-	-

(i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment which is one of the reportable segment.

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Home Textile Segment	1,831.63	1,829.77

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of 5-6 years and applies perpetuity growth rate ranging from 2.5% to 3.5% onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

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The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

Assumptions	As At March 31, 2022	As At March 31, 2021
Sales Growth (% annual growth rate)	3% to 41%	5% to 32%
EBITDA (%)	0% to 38%	1% to 18%
Post-tax discount rate (%)	10% to 16%	10% to 16%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations of market development.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segments and the countries in which they operate.

Note 5 (a) : Non-current investment

Particulars		As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Investment in equity instruments (fully paid up)			
In Associates			
4,800	(March 31, 2021: 4,800) Equity Shares of ₹10 each fully paid up of Welassure Private Limited	5.29	4.03
Investment in equity shares (fully paid up)			
a) Quoted - Equity investment at FVOCI			
283,500	(March 31, 2021: 283,500) Equity Shares of ₹ 10 each fully paid up of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	31.87	13.14
80	(March 31, 2021: 80) Equity Shares of Re. 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*
b) Unquoted - Equity investment at FVPL fully paid up			
100	(March 31, 2021: 100) Equity Shares of ₹ 10 each fully paid up of Weltreat Enviro Management Organisation	*	*
1,900	(March 31, 2021: 1,900) Equity Shares of ₹10 each fully paid up of Welspun Global Services Limited	0.02	0.02
Total (equity instruments)		**31.89**	**13.16**
Others Investments at FVPL		1.58	1.31
Total Non Current Investments		**38.76**	**18.50**
Aggregate amount of quoted investments and market value thereof		31.87	13.14
Aggregate amount of unquoted investments		6.89	5.36

* Amount is below the rounding norms adopted by the Company

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Note 5 (a) : Current investments

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Investments in equity instruments (fully paid-up)		
Preference shares at FVPL (unquoted)		
Investments in Mutual Funds at FVPL (unquoted)	1,850.13	215.03
Investments in Bonds at FVPL (unquoted)	5,089.28	877.70
Total	**6,939.41**	**1,092.73**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	6,939.41	1,092.73

Note 5 (b) : Non-current Loans

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Loan to employees	19.04	3.50
Total	**19.04**	**3.50**

Note 5 (b) : Current Loans

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Loan to employees	5.99	5.97
Total	**5.99**	**5.97**

Note 5 (c) : Other non-current financial assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Security Deposits to		
- Related Parties (Refer Note 30)	20.54	19.00
- Others	189.20	188.16
Government Grants Receivable*	1,710.79	557.50
Fixed deposits with Banks with maturity period more than twelve months	1.08	0.63
Margin Money Deposit Accounts	0.18	3.01
Interest Accrued on Fixed Deposits	-	0.02
Total	**1,921.79**	**768.32**

*Government Grants Receivable includes Receivable against VAT/SGST Incentives, Rebate / Drawback of Taxes and Duties and Interest subsidies.

Note 5 (c) : Other current financial assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Security Deposits to		
- Related Parties (Refer Note 30)	123.80	158.30
- Others	39.54	51.64
Advances to Related Parties (Refer Note 30)	31.97	-
Government Grants Receivable*	1,674.86	3,125.14
Mark-to-Market gain (Net) on Forward/ Swap Contracts	221.62	726.89

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Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Other Receivables	32.47	275.90
Interest Accrued on Bonds/ Certificate of Deposits	135.83	17.92
Interest Accrued on Deposits	17.60	9.52
Insurance Claim Receivable	54.55	56.33
Total	**2,332.24**	**4,421.64**

*Government Grants Receivable includes Receivable against VAT/SGST Incentives, Rebate / Drawback of Taxes and Duties and Interest subsidies.

Note 5 (d) : Trade receivables

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Unsecured, considered good		
- Trade receivables	9,615.82	11,430.41
- Receivables from related parties (Refer Note 30)	472.44	473.72
Less: Impairment allowance	95.39	87.10
Total	**9,992.87**	**11,817.03**
Current portion	9,992.87	11,817.03
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	9,971.27	11,780.93
Trade receivable which have significant increase in credit risk	1.38	-
Trade receivable - Credit impaired	115.61	123.20
Total	**10,088.26**	**11,904.13**
Impairment allowance (allowance for bad and doubtful debts)		
Impairment allowance	(95.39)	(87.10)
Total Trade Receivable	**9,992.87**	**11,817.03**

Trade Receivables Ageing Schedule for the year ended as on March 31, 2022 and March 31, 2021

(₹ million)

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,528.88	1,418.42	5.92	10.23	4.23	2.68	9,970.36
	(8,999.78)	(2,600.32)	(115.42)	(43.81)	(7.02)	(13.67)	(11,780.02)
(ii) Undisputed Trade Receivables - credit impaired	0.14	21.35	10.47	47.89	6.71	29.05	115.61
	-	(49.34)	(13.98)	(28.88)	(18.12)	(12.88)	(123.20)
(iii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	0.91	0.91
	-	-	-	-	-	(0.91)	(0.91)
(v) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	0.29	1.09	-	1.38

Notes

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(₹ million)

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(vii)Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	8,529.02	**1,439.77**	**16.39**	**58.41**	**12.03**	**32.64**	**10,088.26**
	(8,999.78)	**(2,649.66)**	**(129.40)**	**(72.69)**	**(25.14)**	**(27.46)**	**(11,904.13)**
Less: Provision	-	-	-	-	-	-	95.39
	-	-	-	-	-	-	(87.10)
Balance as on 31 March 2022	**-**	**-**	**-**	**-**	**-**	**-**	**9,992.87**
Balance as on 31 March 2021	**-**	**-**	**-**	**-**	**-**	**-**	**(11,817.03)**

Note: Previous year figures are given in brackets.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

Note 5 (e) : Cash and cash equivalents

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Cash on Hand	3.15	2.45
Cheques on Hand/ Money in Transit	361.52	524.38
Balances with banks		
- In Current Accounts	1,594.11	2,274.53
Fixed deposits with Banks with original maturity period of less than three months	359.34	192.83
Total	**2,318.12**	**2,994.19**

Note 5 (f) : Bank balances other than cash and cash equivalents

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Fixed Deposits (Refer note (a) below)	84.58	592.06
- In Margin Money Deposit Accounts	230.32	379.36
Unpaid Dividend Account (Refer note (b) below)	22.30	25.30
Total	**337.20**	**996.72**

(a) Fixed Deposits include ₹ 0.04 million (March 31, 2021: ₹ 0.04 million) under lien with sales tax authorities

(b) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 6 : Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	7.08	10.50
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	-	0.78
- Provision for Employee Benefits	43.78	-
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	11.40	46.94
- Provision for Inventory	382.94	423.69
- Unabsorbed Depreciation and Business Losses	31.62	0.56
- Others	154.70	20.80
Minimum Alternative Tax Credit Entitlement	763.37	759.26
Deferred Tax Liabilities arising on account of temporary differences in:		
- Property, plant, equipment and Intangible Assets	111.29	142.23
- On Cash Flow Hedges	32.99	-
Total	**1,250.61**	**1,120.30**

Note: The Group's subsidiary has recognised deferred tax asset in respect of Minimum Alternate Tax (MAT) Credit of ₹ 763.37 million (March 31, 2021: ₹ 759.26 million) which is expected to be utilised after the tax holiday period of ten years. The management based on the projections prepared for a period of fifteen years expects to fully utilise the MAT credit entitlement. Also refer Note 2.24 (i).

Particulars	Property, plant, equipment and Intangible Assets	Hedging reserves	Preference shares	Minimum Alternative Tax Credit Entitlement	Provision for Doubtful debts/ Advances	Provision for Employee Benefits	Provision for unpaid statutory dues	Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	Provision in Inventory	Unabsorbed depreciation and Business Losses	Other items	Total
April 01, 2020	**(153.46)**	**328.61**	**(23.34)**	**587.52**	**20.18**	**-**	**24.44**	**25.11**	**337.11**	**-**	**15.60**	**1,161.77**
(Charged) / Credited:												
to Statement of Profit and Loss	11.23	-	23.34	171.74	(9.68)	-	(23.66)	21.83	86.58	0.56	5.20	287.14
to Other Comprehensive Income	-	(328.61)	-	-	-	-	-	-	-	-	-	(328.61)
March 31, 2021	**(142.23)**	**-**	**-**	**759.26**	**10.50**	**-**	**0.78**	**46.94**	**423.69**	**0.56**	**20.80**	**1,120.30**
(Charged) / Credited:												
to Statement of Profit and Loss	30.94	-	-	4.11	(3.42)	43.78	(0.78)	(35.54)	(40.75)	31.06	133.90	163.30
to Other Comprehensive Income	-	(32.99)	-	-	-	-	-	-	-	-	-	(32.99)
March 31, 2022	**(111.29)**	**(32.99)**	**-**	**763.37**	**7.08**	**43.78**	**-**	**11.40**	**382.94**	**31.62**	**154.70**	**1,250.61**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 7 : Other Non-current assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Capital Advances to		
- Related Parties (Refer Note 30)	39.80	45.33
- others	285.77	509.45
Security Deposits to Others	26.72	25.19
Advances Recoverable in Cash or in Kind or for Value to be Received		
- Considered Good	150.00	-
- Considered Doubtful	-	-
	150.00	**-**
Less: Provision for Doubtful Advances	-	-
	150.00	**-**
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	5.14	29.19
- Considered Doubtful	7.72	7.72
	12.86	**36.91**
Less: Provision for Doubtful Balances	7.72	7.72
	5.14	**29.19**
Prepaid Expenses	15.59	17.67
Total	**523.02**	**626.83**

Note 7 : Other Current assets

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Balances with Customs, Excise, Sales Tax and other Government Authorities	5,915.62	3,552.58
Prepaid Expenses	293.69	145.69
Advance to vendors	537.18	1,176.42
Advance to Employees	19.65	16.57
Total	**6,766.14**	**4,891.26**

Note 8 : Inventories

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Raw Materials	6,880.91	6,429.95
Work-in-Progress	3,513.91	3,707.79
Finished Goods and Traded Goods (including in transit)	8,601.59	6,892.21
Packing Materials	148.06	231.53
Stores, Spares, Dyes and Chemicals	634.18	469.55
Total	**19,778.65**	**17,731.03**

Note Cost of inventories recognised as (income)/ expense of ₹ 359.92 million (Previous year: ₹ (65.56) million) is in respect of write down of inventories.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

9 (a) : Equity share capital

i) Authorised equity share capital

Particulars	Equity Shares of Re. 1 each	
	Number of Shares	Amount (₹ million)
As at April 1, 2020	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2021	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2022	**1,555,000,000**	**1,555.00**
Equity Shares of Re. 1 each (March 31, 2021: Re. 1 each)		

ii) Issued, subscribed and paid up

Particulars	Equity Shares of Re. 1 each fully paid up	
	Number of Shares	Amount (₹ million)
As at April 1, 2020	**1,004,725,150**	**1,004.73**
As at March 31, 2021	**1,004,725,150**	**1,004.73**
Less:Changes in equity share capital during the current year (Refer note 39)	16,666,666	16.67
As at March 31, 2022	**988,058,484**	**988.06**
Equity Shares of Re. 1 each (March 31, 2021: Re. 1 each)		

(iii) Shares held by holding company (Holding company as defined in Ind AS-24: "Related Party Disclosure")

Holding Company Name	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Equity Shares:				
Welspun Group Master Trust (WGMT)	686,295,432	686.30	694,465,432	694.47
	686,295,432	**686.30**	**694,465,432**	**694.47**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity Shares:				
Welspun Group Master Trust (WGMT)	686,295,432	69.46%	694,465,432	69.12%

(v) Shares held by promoters (Promoter as defined in the Companies Act, 2013)

As at March 31, 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Balkrishan Gopiram Goenka (Welspun Group Master Trust)	694,465,432	(8,170,000)	686,295,432	69.46%	-0.81%
B. K. Goenka (HUF)	193,320	-	193,320	0.02%	-
Balkrishan Gopiram Goenka	490,660	-	490,660	0.05%	-
Dipali B. Goenka	750,400	-	750,400	0.08%	-
Radhika Balkrishan Goenka	2,008,600	-	2,008,600	0.20%	-
Rajesh R. Mandawewala	1,030	-	1,030	0.00%	-
Aryabhat Vyapar Private Limited	5,424,020	-	5,424,020	0.55%	-
MGN Agro Properties Private Limited	-	1,000	1,000	0.00%	0.00%

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

As at March 31, 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Balkrishan Gopiram Goenka (Welspun Group Master Trust)	683,302,903	11,162,529	694,465,432	69.12%	1.11%
B. K. Goenka (HUF)	193,320	-	193,320	0.02%	-
Balkrishan Gopiram Goenka	490,660	-	490,660	0.05%	-
Dipali B. Goenka	750,400	-	750,400	0.07%	-
Radhika Balkrishan Goenka	2,008,600	-	2,008,600	0.20%	-
Rajesh R. Mandawewala	1,030	-	1,030	0.00%	-
Aryabhat Vyapar Private Limited	5,424,020	-	5,424,020	0.54%	-

(vi) Rights, preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of Re. 1 per share (March 31, 2021: Re. 1). Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(vii) Buyback in the period of five years immediately preceding March 31, 2022 [Refer Note 39]

The Company has bought back 1,66,66,666 equity shares of Re. 1 each at a price of ₹ 120 per equity share in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The settlement of bids by the Clearing Corporation on the stock exchange was completed on July 14, 2021.

Note 9 (b): Reserves and surplus

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Capital Redemption Reserve		
Balance as at the beginning of the year	1,607.65	488.38
Add: Additions during the year (Refer note 39)	16.67	1,119.27
Balance as at the end of the Year	**1,624.32**	**1,607.65**
Capital Reserve		
Balance as at the beginning of the year	1,475.25	1,474.78
Add: Additions during the year (Refer note b below)	0.03	0.47
Balance as at the end of the year	**1,475.28**	**1,475.25**
Securities Premium reserve		
Balance as at the beginning of the year	3,238.12	3,238.12
Less: Transfer to Capital Redemption Reserve (Refer note 39)	16.67	-
Less: Premium utilised on buy back of shares (Refer note 39)	1,983.33	-
Balance as at the end of the year	**1,238.12**	**3,238.12**
General Reserve		
Balance as at the beginning of the year	931.39	931.39
Add: Additions during the year	-	-
Balance as at the end of the year	**931.39**	**931.39**
Employee Share-based Payment Reserve		
Balance as at the beginning of the year	-	-
Add: Employees stock options granted during the year (Refer note b below and 23)	25.67	-
Balance as at the end of the year	**25.67**	**-**
Retained earnings		
Balance as at the beginning of the year	27,911.44	23,592.35
Add: Profit for the year	6,011.59	5,396.73
	33,923.03	**28,989.08**

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To the Consolidated Financial Statements for the year ended March 31, 2022

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Add: Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	15.28	41.63
Less: Dividend		
Final dividend on Equity Shares	150.71	-
Tax on buyback of Shares (Refer note 39)	462.04	-
Less: Appropriations		
Transfer to Capital Redemption Reserve	-	1,119.27
Balance as at the end of the year	**33,325.56**	**27,911.44**
Total	**38,620.34**	**35,163.85**

Note 9 (c): Other reserves

(₹ million)

Particulars	FVOCI - Equity Investments (Refer note (f) below)	Hedging reserve (Refer note (g) below)	Foreign currency Translation reserve (Refer note (h) below)	Total other reserves
As at April 1, 2020	**(1.00)**	**(957.71)**	**(50.52)**	**(1,009.23)**
Change in fair value of FVOCI equity instrument	8.55	-	-	8.55
Amount recognised in Hedging Reserve during the year	-	1,619.21	-	1,619.21
Gain transferred to Statement of Profit and Loss	-	102.31	-	102.31
Deferred tax	-	(433.32)	-	(433.32)
Foreign currency translation differences	-	-	(9.29)	(9.29)
As at 31 March, 2021	**7.55**	**330.49**	**(59.81)**	**278.23**
Change in fair value of FVOCI equity instrument	18.73	-	-	18.73
Amount recognised in Hedging Reserve during the year	-	(319.48)	-	(319.48)
Gain transferred to Statement of Profit and Loss	-	6.33	-	6.33
Deferred tax	-	78.83	-	78.83
Foreign currency translation differences	-		45.79	45.79
As at 31 March, 2022	**26.28**	**96.17**	**(14.02)**	**108.43**

Notes: Nature and purpose of reserves and surplus and other reserves

(a) Capital Redemption Reserve

Capital Redemption Reserve is created 1) when preference shares are redeemed out of profits of the Group, a sum equal to the nominal amount of the shares to be redeemed has to be transferred to this reserve and 2) when Group purchases its own shares out of free reserves, a sum equal to the nominal value of shares so purchased has to be transferred to this reserve. This reserve may be used for paying up unissued shares of the Group to be issued to members of the Group as fully paid bonus shares.

(b) Capital Reserve

I) Out of total, Capital Reserve of ₹ 1,427.10 million related to approved composite scheme of arrangement between group companies Balance ₹ 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

(c) Securities premium reserve

Securities premium Account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

(d) General Reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Group's securities. It was created by transfer of amounts out of distributable profits.

(e) Employee Share-based Payment Reserve

The Employee share-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

(f) FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(g) Hedging reserve

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described within note 26. For hedging foreign currency risk, the group uses foreign currency forward contracts and foreign currency option contracts, both of which are designated as cash flow hedges.To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the nonfinancial asset.

The group designates the spot component of foreign currency forward contracts and the intrinsic value of foreign currency option contracts as hedging instruments in cash flow hedge relationships. The group defers changes in the forward element of foreign currency forward contracts and the time value element of foreign currency option contracts in the costs of hedging reserve. The deferred costs of hedging are included in the initial cost of the related inventory when it is recognised or reclassified to profit or loss when the hedged item affects profit or loss.

(h) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Note 10 (a): Non-current borrowings

(₹ million)

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As on March 31, 2022	As on March 31, 2021
1	**Secured Loans:**				
	Measured at amortised cost				
(A)	**Term Loans**				
(i)	**- From Banks**				
(a)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2024.	Repayable in 31 quarterly instalments commencing from March 2017	1,408.82	2,081.34
(b)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in June 2025.	Repayable in 34 quarterly instalments commencing from March 2017	512.66	611.15
(c)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2024.	Repayable in 27 quarterly instalments commencing from January 2018	674.97	907.47
(d)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties, all intangible assets, all accounts and on project rights, titles, interest, benefits in the existing and future Project documents, letter of credit, guarantee and insurance policies of the Company and second pari passu charge over present and future book debts, operating cash flows, receivables, commission, revenue; Negative Lien on 51% of the total paid up equity shares as well as 51% of NCDs/CCDs/Sponsor sub debt etc..	Last Instalment due in Quarter ending March 2029.	Repayable in 33 quarterly instalments commencing from Quarter ending March 2021.	6,554.14	6,742.33
(e)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties, all intangible assets, all accounts and on project rights, titles, interest, benefits in the existing and future Project documents, letter of credit, guarantee and insurance policies of the Company and second pari passu charge over present and future book debts, operating cash flows, receivables, commission, revenue; Negative Lien on 51% of the total paid up equity shares as well as 51% of NCDs/CCDs/Sponsor sub debt etc.	Last Instalment due in Quarter ending March 2031.	Repayable in 33 quarterly instalments commencing from Quarter ending March 2023.	1,289.12	369.59
(f)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties, all intangible assets, all accounts, project rights, titles, interest, benefits in the existing and future Project documents, letter of credit, guarantee and an insurance policies of the Company; Negative Lien on 51% of the total paid up equity shares and second pari passu charge over present and future book debts, operating cash flows, receivables, commission, revenue.	Last instalment due in December 2030	Repayable in quarterly instalments commencing from December 2022	1,702.04	250.00
	Total borrowings			**12,141.75**	**10,961.88**
	Less: Current maturities of long-term debt (included in Note 10(a))			1,605.67	1,257.11
	Total			**10,536.08**	**9,704.77**

Notes:

The rate of interest on the Non-current borrowings in the table above are in the range of 3.41 % to 9.25 % (March 31, 2021: 3.5 % to 9.25 %). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

Note 10 (a): Current borrowings

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Secured:		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	14,156.93	10,482.60
- Export bills discounted [Refer Note (iii) below]	2,534.07	2,528.57
Current maturities of long term debt		
- Rupee Term Loans from Banks [Refer note 10 (a)]	1,605.67	1,257.11
Unsecured:		
Measured at amortised cost		
- Working Capital Loans from Banks	-	2,000.00
- Supplier financing [Refer note (ii) below]	1,801.05	940.85
- Commercial Paper [Refer note (iv) below]	1,250.00	1,500.00
	21,347.72	**18,709.13**

Note:

(i) The working capital loans, which includes cash credit, packing credit and short term loan from banks, are generally secured by hypothecation of raw materials, stock-in-process, finished, semi finished goods, stores, spares and book debts and current financial assets of borrowing companies and second charge on entire fixed assets of borrowing companies and by corporate guarantees issued by certain companies within the Group.

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To the Consolidated Financial Statements for the year ended March 31, 2022

(ii) The bills of the vendors evidencing supply of material are discounted on presentation and the vendors are directly paid by the banks and the Group bears the discounting charge upfront. Later on the due date (depending on the tenor of financing), the Group pays the discounting bank the principal amount. This financing is unsecured and therefore there is no hypothecation against stock or debtors.

(iii) Export bills are discounted with the banks and the net amount after deduction of discounting charges is received by the Group. Once the bills are realised the same is utilized to settle the outstanding amount with the bank.

(iv) Commercial paper is an unsecured short term debt instrument issued by the Company generally for the period up to 181 days to meet the regular working capital requirements.

(v) The rate of interest on the current borrowings except current maturities of long term debt are in the range of 4.50% to 8.55% (March 31, 2021: 4.75% to 7.90%)

Note 10 (b): Other Non-current financial liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Security Deposits	73.37	52.48
Total	**73.37**	**52.48**

Note 10 (b): Other current financials liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Interest Accrued but not due on Borrowings	46.32	28.64
Security Deposits	154.29	126.22
Creditors for Capital Purchases	586.18	369.33
Provision for mark-to-market losses on derivatives	0.19	0.67
Unpaid Dividends	22.30	25.30
Other Payables	31.64	39.22
Total	**840.92**	**589.38**

Note 10 (c): Trade payables

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	580.40	524.90
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	8,724.96	10,390.59
Total	**9,305.36**	**10,915.49**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Trade Payable Ageing Schedule for the year ended as on March 31, 2022 and March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	556.27	24.01	0.12	-	-	580.40
	(474.77)	(50.13)	-	-	-	(524.90)
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,873.49	1,725.84	61.81	15.95	47.87	8,724.96
	(8,501.94)	(1,707.83)	(74.67)	(90.70)	(15.45)	(10,390.59)
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as on March 31, 2022	**7,429.76**	**1,749.85**	**61.93**	**15.95**	**47.87**	**9,305.36**
Balance as on March 31, 2021	**(8,976.71)**	**(1,757.96)**	**(74.67)**	**(90.70)**	**(15.45)**	**(10,915.49)**

Note: Previous years figures are given in brackets

Note 11 : Non-current provisions

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Provision for litigation [Refer note (a) below]	28.75	27.39
Total	**28.75**	**27.39**

Particulars	Provisions for litigation
As at April 1, 2020	**26.61**
Charged/ (credited) to profit or loss	0.78
Provisions utilised/adjusted during the year	-
As at March 31, 2021	**27.39**
Charged/ (credited) to profit or loss	1.36
Provisions utilised/adjusted during the year	-
As at March 31, 2022	**28.75**

(a) Provision for litigation - non current is for litigation and disputes towards legal notices received for non-payment of rent in case of stores taken on lease.

Note 12 : Current employee benefit obligations

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Provision for Compensated Absences [Refer Note 19]	296.96	272.78
Provision for Gratuity [Refer Note 19]	274.36	190.07
Employee Benefits Payable*	972.76	883.13
Total	**1,544.08**	**1,345.98**

* Includes salary, wages, bonus, leave travel allowance and director commission

Notes

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Note 13 : Deferred tax liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities arising on account of temporary differences in:		
- Property, Plant and Equipment and Intangible assets	3,359.20	3,095.60
- Hedging reserves	-	113.42
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	17.21	16.40
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	45.00	57.37
- Provision for Employee Benefits	85.89	109.09
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	0.79	15.89
- Government grants	224.79	-
- Provision for Inventory	2.14	103.40
- Unabsorbed Depreciation and Business Losses of Subsidiaries	-	396.20
- Others	3.07	16.33
Total	**2,980.31**	**2,494.34**

Notes:

i) The Group has tax loss (Long Term Capital Loss) of ₹ 574.49 million (March 31, 2021: ₹ 73.70 million) which are available for offsetting against future taxable profits. Deferred tax assets has not been recognised in respect of these losses due to lack of reasonably certainty with respect of utilisation of these losses against future long term capital losses.

ii) The Group has not recognised deferred tax liabilities for taxes amounting to ₹ 1,409.99 million (March 31, 2021: ₹ 1,191.35 million) that would be payable on the Group's share in unremitted earnings of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

iii) Since Its Subsidiariy has continued losses in the current year ,the Deferred Tax assets on losses have been restricted to the extent of Deferred Tax Liabilities and hence DTA of ₹ 2,367.92 million has not been recognised

Particulars	Property, Plant and Equipment and Intangible assets	Hedging reserves	Minimum Alternative Tax Credit Entitlement	Provision for Doubtful debts/ Advances	Provision for unpaid statutory dues	Employee Benefits Expenses	Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	Provision in Inventory	Unabsorbed Depreciation and Business Losses	Government grants	Other items	Total
April 01, 2020	**2,714.50**	**-**	**(455.05)**	**(19.21)**	**(81.37)**	**(72.37)**	**(7.03)**	**(15.03)**	**(238.11)**	**100.84**	**0.00**	**1,927.17**
Charged / (Credited):												-
to Statement of Profit and Loss	381.10	-	455.05	2.81	24.00	(50.39)	(8.86)	(88.37)	(158.09)	(100.84)	(16.33)	440.08
to Other Comprehensive Income	-	113.42	-	-	-	13.67	-	-	-	-	-	127.09
March 31, 2021	**3,095.60**	**113.42**	**-**	**(16.40)**	**(57.37)**	**(109.09)**	**(15.89)**	**(103.40)**	**(396.20)**	**-**	**(16.33)**	**2,494.34**
Charged / (Credited):												-
to Statement of Profit and Loss	125.60	(0.02)	-	(0.81)	12.37	19.97	15.10	101.26	396.20	(224.79)	13.26	458.14
to Statement of Profit and Loss (pertaining to earlier years)	138.00											138.00
to Other Comprehensive Income	-	(113.40)	-	-	-	3.23	-	-	-	-	-	(110.17)
March 31, 2022	**3,359.20**	**-**	**-**	**(17.21)**	**(45.00)**	**(85.89)**	**(0.79)**	**(2.14)**	**-**	**(224.79)**	**(3.07)**	**2,980.31**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 14 : Other Non current liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Deferred Income [Refer Note below]	1,441.81	981.82
Total	**1,441.81**	**981.82**

Note 14 : Other current liabilities

Particulars	As At March 31, 2022 (₹ million)	As At March 31, 2021 (₹ million)
Advances from Customers	150.84	271.03
Unearned Revenue	5.32	3.95
Statutory dues	755.76	546.47
Deferred Income (Refer Note below)	541.09	414.43
Others	0.34	4.94
Total	**1,453.35**	**1,240.82**

Note:

Deferred income relates to government grant for the purchase of property, plant and equipment and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Note 15 : Revenue from Operations

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
(a) Sale of Products		
Finished Goods and Traded Goods	82,929.35	65,266.09
Power & Steam	538.12	674.90
Sub Total	**83,467.47**	**65,940.99**
(b) Other operating income		
Government Grant:		
Vat/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	2,714.85	2,411.47
Rebate / Drawback of Taxes and Duties [Refer Note (ii) below]	5,941.40	4,319.89
Sale of Coal	112.82	16.10
Sale of Scrap	640.21	448.99
Job Work and Processing Charges	237.93	264.32
Sub Total	**9,647.21**	**7,460.77**
Total	**93,114.68**	**73,401.76**

Notes:

(i) Value Added Tax (VAT)/State Goods and Service Tax (SGST) Concession: Reimbursement of VAT/SGST collected on end product/intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per the Scheme.

(ii) Pursuant to the approval granted by the Union Cabinet on July 14, 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated March 8, 2019 on exports of Apparel /Garments and Made ups, during the year, the Group has recognised RoSCTL benefit of ₹ 1,050.20 millions pertaining to the eligible export sales for the period from January 1, 2021 to March 31, 2021.

Pursuant to the scheme guidelines for Remission of Duties and Taxes on Exported Products (RoDTEP) notified by Ministry of Commerce and industries vide notification 19 /2015-2020 dated August 17, 2021 for other textile products, during the year, the Group has recognised the benefit of RoDTEP of ₹ 40.40 millions pertaining to eligible export sales for the period January 1, 2021 to March 31, 2021.

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To the Consolidated Financial Statements for the year ended March 31, 2022

(iii) Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
India	13,357.30	8,984.12
Outside India	71,101.13	57,686.28
Total revenue from contracts with customers	**84,458.43**	**66,670.40**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Trade receivables*	9,971.27	11,817.03
Contract liabilities (advances from customers)	150.84	271.03
Refund liabilities (Rebates, discounts, chargebacks, markdowns, etc.)	1,349.20	1,824.45

* Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

3) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Revenue as per contracted price	87,822.12	69,639.75
Less: Rebates, discounts, chargebacks, markdowns, etc.	3,363.69	2,969.35
Revenue from contracts with customers	**84,458.43**	**66,670.40**

4) Reconciliation of revenue from operations with revenue from contracts with customers

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Revenue from operations	93,114.68	73,401.76
Less: VAT/State Goods and Service Tax Incentive	2,714.85	2,411.47
Export Benefits	5,941.40	4,319.89
Revenue from contracts with customers	**84,458.43**	**66,670.40**

Note 16 : Other income

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	19.24	16.77
Interest income from financial assets measured at fair value through profit or loss		
On Bonds and Certificate of Deposits	254.78	175.03
Interest income on Others	4.14	6.74
Interest income on income tax refund	0.26	70.26
Rent	60.79	45.08
Dividend income from investments	0.95	-
Unwinding of discount on security deposits	6.91	7.84
Net gain on financial assets measured at fair value through profit or loss	2.69	62.58

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Liabilities Written Back as no Longer Required	13.64	44.11
Profit on Cancellation of Forward/ Swap Contracts	-	44.80
Profit on Sale/ Discarding of Property, Plant and Equipment (Net)	-	24.12
Service Charges	15.31	-
Miscellaneous	279.73	180.45
Total	**658.44**	**677.78**

Note 17 : Cost of materials consumed

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Raw material consumed		
Opening inventory	6,429.95	5,325.40
Add: Purchases (net)	40,863.46	31,422.64
Less: Inventory at the end of the year	6,880.91	6,429.95
	40,412.50	**30,318.09**
Packing material consumed		
Opening inventory	231.53	180.83
Add: Purchases (net)	3,122.91	2,950.59
Less: Inventory at the end of the year	148.06	231.53
	3,206.38	**2,899.89**
Total	**43,618.88**	**33,217.98**

Note 18 : Changes in inventory of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
(Increase)/ Decrease in Stocks		
Stock at the end of the year:		
Finished Goods and Traded Goods	8,509.29	7,017.52
Work-in-Process	3,513.91	3,707.79
Total A	**12,023.20**	**10,725.31**
Less: Stock at the beginning of the year:		
Finished Goods and Traded Goods	7,079.46	5,727.70
Work-in-Process	3,707.79	3,426.50
Total B	**10,787.25**	**9,154.20**
(Increase)/ decrease in Stocks (A-B)	**(1,235.95)**	**(1,571.11)**

Note 19 : Employee Benefits Expense

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Salaries, Wages, Allowances and Other Benefits	7,979.28	7,560.95
Contribution to Provident and Other Funds	463.57	482.62
Employee Stock Option Scheme	25.67	-
Staff and Labour Welfare	198.46	184.12
Total	**8,666.98**	**8,227.69**

The amount of Employee cost capitalised during the year ended March 31, 2022 was ₹ 77.28 million (March 31,2021: ₹ 34.62 million)

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

I Defined Contribution Plans

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Employers' Contribution to Provident Fund & Pension Scheme	375.93	394.27
Employers' Contribution to Employees' State Insurance	39.83	40.44
Employers' Contribution to Superannuation Scheme	9.12	10.31
Other social security funds	38.69	37.60
Total	**463.57**	**482.62**

II Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

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

Risk exposure

These defined benefit plans expose the Group to actuarial risk such as longitivity risks, interest rate risks, market (investment) risks.

a. Major Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	% p.a. 7.27 to 7.29	% p.a. 6.80 - 6.90
Salary Escalation Rate @	5.00 to 6.50	5.00 to 6.50

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

b. Change in the Present Value of Obligation

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Present Value of Obligation	638.54	620.31
Current Service Cost	122.24	112.75
Past Service Cost	2.63	-
Interest Cost	44.04	42.55
Total amount recognised in profit or loss	**168.91**	**155.30**
Remeasurement		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumptions	9.25	(3.00)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial assumptions	(30.81)	(2.81)
Actuarial (Gains)/Losses on Obligations - Due to Experience assumptions	(7.17)	(50.27)
Total amount recognised in other comprehensive income	**(28.73)**	**(56.08)**
Benefit Paid Directly by the Employer	(8.96)	(4.39)
Benefit/ Exgratia paid	(77.26)	(72.45)
Liability transferred out / divestment	0.92	(4.16)
Closing Present Value of Obligation	**693.42**	**638.53**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

c. Change in Fair Value of Plan Assets

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Fair Value of Plan Assets	448.46	479.94
Interest Income	30.94	32.91
Total amount recognised in profit or loss	**30.94**	**32.91**
Remeasurement		
Return on Plan Assets, excluding amounts included in Interest Income	(10.22)	(0.80)
Total amount recognised in other comprehensive income	**(10.22)**	**(0.80)**
Contributions	20.00	-
Benefits paid	(70.12)	(63.59)
Closing Fair Value of Plan Assets	**419.06**	**448.46**

d. Balance Sheet Reconciliation

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Opening Net Liability	(190.07)	(140.38)
Income Recognized in Statement of Profit or Loss	(137.98)	(122.36)
Expenses/(Income) Recognized in OCI	18.51	55.23
Benefit Paid Directly by the Employer	8.96	4.39
Liability transferred out / divestment	(0.91)	4.15
Employer's Contribution	27.14	8.90
Net Liability Recognised in the Balance Sheet	**(274.36)**	**(190.07)**

e. Amount recognised in the Balance sheet

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Present value of Obligation	693.42	638.53
Fair Value of Plan Assets	419.06	448.46
Funded Status Deficit	**(274.36)**	**(190.07)**
Expense recognised in statement of profit or loss	-	-
Net Liability Recognised in the Balance Sheet	**(274.36)**	**(190.07)**

f. Expenses Recognised in the Statement of Profit and Loss

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Current Service Cost	122.24	112.75
Net Interest Cost	13.10	9.63
Past Service Cost	2.63	-
Interest Income	-	-
Total Expenses recognized in the statement of profit and loss	**137.97**	**122.38**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

g. Expenses recognized in the Other Comprehensive Income

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Re-measurement		
Return on Plan Assets	10.22	0.80
Net Actuarial (Gain)/Loss recognised in the year	(28.73)	(56.08)
Net (Income)/Expenses for the Period Recognised in OCI	**(18.51)**	**(55.28)**

h. Sensitivity Analysis

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Projected Benefit Obligation on Current Assumptions	693.42	638.53
Delta Effect of +1% Change in Rate of Discounting	(59.95)	(61.61)
Delta Effect of -1% Change in Rate of Discounting	70.67	73.69
Delta Effect of +1% Change in Rate of Salary Increase	71.31	73.98
Delta Effect of -1% Change in Rate of Salary Increase	(61.46)	(62.87)
Delta Effect of +1% Change in Rate of Employee Turnover	13.95	12.34
Delta Effect of -1% Change in Rate of Employee Turnover	(16.03)	(14.37)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i. The major categories of plans assets are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ million)	%	(₹ million)	%
Insurer Managed funds	419.06	100.00	448.46	100.00

j. Defined benefit liability and employer contributions

Funding is done only for employees more than 5 years in the group, for less than 5 years employees are paid separately.

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are ₹ 258.07 million.

The weighted average duration of the defined benefit obligation is 9-13 years (March 31, 2021: 8-13 years). The expected maturity analysis of gratuity is as follows:

(₹ million)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	11 years and above	Total
March 31, 2022						
Defined benefit obligation (gratuity)	53.30	38.35	155.40	281.86	1,162.83	1,691.74
Total	**53.30**	**38.35**	**155.40**	**281.86**	**1,162.83**	**1,691.74**
March 31, 2021						
Defined benefit obligation (gratuity)	43.52	57.65	96.70	212.78	1,228.08	1,638.72
Total	**43.52**	**57.65**	**96.70**	**212.78**	**1,228.08**	**1,638.72**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹ 296.96 million (March 31, 2021: ₹ 272.78 million).

Note 20 : Depreciation and Amortisation Expense

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Depreciation of property, plant and equipment	3,825.24	4,124.67
Amortisation of intangible assets	101.40	149.05
Depreciation on right-of-use assets (Refer note 34)	278.04	262.72
Total depreciation and amortization expense	**4,204.68**	**4,536.44**

Note 21 : Other Expenses

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Stores and Spares Consumed	1,406.31	1,253.11
Dyes and Chemicals Consumed	3,124.56	2,507.94
Contract Labour Charges	786.36	645.52
Job Work Expenses	764.37	981.87
Power, Fuel and Water Charges (Net of subsidy ₹ 213.92 million including accrued of PY of ₹ 10.80 million (PY of ₹ Nil))	2,942.05	2,094.61
Warehouse Expenses	954.00	846.79
Repairs and Maintenance:		
Plant and Machinery	431.43	346.94
Factory Building	23.37	29.08
Others	368.37	390.57
Brokerage and Commission	473.34	354.31
Freight, Forwarding and Coolie Charges	3,961.98	2,395.05
Directors' Sitting Fees	11.22	10.39
Rent	321.29	137.42
Rates and Taxes	87.40	51.75
Printing and Stationery	17.01	15.00
Travelling and Conveyance	298.09	258.55
Legal and Professional Charges	804.54	790.31
Security Expenses	55.35	57.38
Insurance	447.26	411.05
Communication	119.44	95.33
Postage and Courier	96.53	99.57
Loss on Sale/ Discarding of Property , Plant and Equipment (Net)	24.22	-
Provision for Doubtful Advances	12.58	-
Loss on Sale of Investments	3.89	-
Provision for Doubtful Debts/Advances	59.84	79.48
Exchange Loss (Net)	85.08	69.18
Bad Debts Written off	1.60	3.81
Advances Written off	0.04	8.34
Design and Development Expenses	156.41	179.52
Royalty	565.05	387.63
Advertising and Sales Promotion	1,013.86	738.74
Donations	1.02	7.89
Corporate Social Responsibility Expenses	137.12	113.69
Payments to auditors	31.12	30.17
Miscellaneous	333.70	389.77
Total Other Expenses	**19,919.80**	**15,780.76**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 22 : Finance costs

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Interest and finance charges on Long Term Borrowings	134.23	715.16
(net of interest subsidy of ₹ 707.49 million, Previous Year: ₹ 779.14 million)		
Interest on short term borrowings	683.92	599.70
Excess of face value over carrying value of preference shares	-	161.29
Interest to Others	41.30	20.67
Interest on lease liability	56.16	54.29
Discounting and Bank Charges	396.84	423.95
Total	**1,312.45**	**1,975.06**

Note 23 : Share Based Payments

On July 31, 2021 and November 26, 2021, Nomination and Remuneration Committee of the company made grants of 3,000,000 and 300,000 stock options ("ESOPs") respectively, under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of Re. 1 each in the Company, at an exercise price (closing market price on date of grants) to certain employees of the Company and certain employees / non-independent directors of the subsidiaries. The salient features of the Scheme are as under:

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

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

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

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

(iii) Method Used: The Fair value of Equity-settled share-based payment are estimated using Black-Scholes-Merton formula.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended March 31, 2022 (₹ million)
Expense arising from equity-settled share-based payment transactions	25.67

There were no cancellations or modifications to the awards in year ending March 31, 2022.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2022	
	Number	WAEP
Options Outstanding at beginning of the year	-	-
Options Granted during the year	3,300,000	INR 133.95
Options Forfeited during the year	-	-
Options Exercised during the year	-	-
Options Expired during the year	400,000	INR 133.45
Options Outstanding at end of the year	2,900,000	INR 134.02
Options vested but not exercised at the year end	-	-

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To the Consolidated Financial Statements for the year ended March 31, 2022

Summary of Valuation Assumptions:

Date of Grant	Option granted on July 31, 2021	Option granted on November 26, 2021
Share Price on Grant Date	INR 133.45	INR 139.00
Exercise price	INR 133.45	INR 139.00
Dividend Yield	1.05%	1.05%
Expected Volatility	50%	50%
Risk-free interest rate	3.94% - 5.65%	4.29% - 5.65%
Expected Term (years)	1 - 4	1 - 4
Weighted Average remaning contractual life (years)	5.04	5.36
Weighted Average Fair value of Option	INR 44.80	INR 46.86

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. The expected term of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 24 : Income tax expense

This note provides an analysis of the Group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

(a) Statement of Profit and Loss

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Current Tax		
Current Tax on profits for the year.	2,265.79	2,163.28
Adjustment for current tax of prior periods	(35.95)	(137.13)
Total current tax expense	**2,229.84**	**2,026.15**
Deferred Tax		
Relating to originating and reversal of temporary differences	294.84	152.94
Deferred tax charge related to earlier years	138.00	-
Total deferred income tax expense/(benefit)	**432.84**	**152.94**
Income tax expense	**2,662.68**	**2,179.09**

(b) Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Deferred tax credit/(Charge) for the year on:		
Deferred gain on cash flow hedges	80.41	(442.03)
Net loss/(gain) on remeasurement of defined benefit plans	(3.23)	(13.67)
Total	**77.18**	**(455.70)**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

(C) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Profit for the year before income tax expense	8,729.71	7,687.02
Tax at the Indian tax rate @ 34.94% (previous year 34.94 %)	**3,050.16**	**2,685.84**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Impact on account of change in tax rate	54.79	-
Donation and Corporate social responsibility expenditure	28.19	24.82
Deduction under section 80IA	(228.75)	(584.65)
Adjustment of tax related to earlier years	102.00	(137.13)
Interest on loan given to subsidiary	-	6.74
Redemption of Preference Shares	-	34.76
Deferred tax not created	(159.17)	184.98
Other Items	(134.74)	4.16
Difference in Overseas tax rate and tax payable at lower rates	(49.80)	(40.43)
Income Tax Expenses	**2,662.68**	**2,179.09**

Note 25 : Fair value measurements

Financial instruments by category

(₹ million)

Particulars	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	31.89	-	-	13.16	-
- Bonds and debentures	5,089.28	-	-	877.70	-	-
- Mutual funds	1,850.13	-	-	215.03	-	-
- Others	1.58	-	-	1.31	-	-
Trade receivables	-	-	9,992.87	-	-	11,817.03
Loans	-	-	25.03	-	-	9.47
Cash and cash equivalents	-	-	2,318.12	-	-	2,994.19
Bank balance other than Cash and cash equivalents	-	-	337.20	-	-	996.72
Security deposits	-	-	373.08	-	-	417.10
Government Grants Receivable	-	-	3,385.65	-	-	3,682.64
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	221.62	-	-	726.89	-
Other financial assets	32.47	-	241.21	275.90	-	87.43
Total financial assets	**6,973.46**	**253.51**	**16,673.16**	**1,369.94**	**740.05**	**20,004.58**
Financial liabilities						
Borrowings including interest there on	-	-	31,930.12	-	-	28,442.54
Trade payables	-	-	9,305.36	-	-	10,915.49
Security Deposits	-	-	227.66	-	-	178.70
Creditors for Capital Purchases	-	-	586.18	-	-	369.33
Mark-to-market loss on Forward Contracts	0.19	-	-	0.67	-	-
Lease Liability	-	-	1,155.63	-	-	988.78
Other financial liabilities	-	-	53.94	-	-	64.52
Total financial liabilities	**0.19**	**-**	**43,258.89**	**0.67**	**-**	**40,959.36**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

(i) Fair value of Financial assets and liabilities measured at amortised cost

(₹ million)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade receivables	9,992.87	9,992.87	11,817.03	11,817.03
Loans	25.03	25.03	9.47	9.47
Cash and cash equivalents	2,318.12	2,318.12	2,994.19	2,994.19
Bank balance other than Cash and cash equivalents	337.20	337.20	996.72	996.72
Security deposits	373.08	373.08	417.10	417.10
Government Grants Receivable	3,385.65	3,385.65	3,682.64	3,682.64
Other financial assets	241.21	241.21	87.43	87.43
Total	**16,673.16**	**16,673.16**	**20,004.58**	**20,004.58**
Financial liabilities				
Borrowings including interest there on	31,930.12	31,930.12	28,442.54	28,442.54
Trade payables	9,305.36	9,305.36	10,915.49	10,915.49
Security Deposits	227.66	227.66	178.70	178.70
Creditors for Capital Purchases	586.18	586.18	369.33	369.33
Lease Liability	1,155.63	1,155.63	988.78	988.78
Other financial liabilities	53.94	53.94	64.52	64.52
Total	**43,258.89**	**43,258.89**	**40,959.36**	**40,959.36**

The carrying amount of trade receivable, current loans, current portion of interest accrued on fixed deposit, bonds and certificates, cash and cash equivalents, bank balances other than cash and cash equivalents, government grants, TUF and incentive, trade payable, capital creditors, current security deposits (liability) and other current financial liabilities are considered to be approximately same as their fair value, due to their short-term nature and have been classified as level 3 in the fair value hierarchy.

The fair value for loans, security deposits, advance recoverable in cash, fixed deposit with bank, interest accrued on fixed deposit and investments in preference shares is calculated based on cash flows discounted using a current lending rates. Further, security deposits, advance recoverable in cash and investments in preference share are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value for long term security deposits are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of long term borrowings is approximately equal to it's fair value since the borrowings are at floating rate of interest. Also, the carrying amount of short term borrowing is considered to be approximately same as it's fair value due to it's short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financials instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets:					
Financial Investments at FVPL					
Bonds and debentures	5 (a)	-	-	5,089.28	5,089.28
Mutual funds	5 (a)	-	1,850.13	-	1,850.13
Others	5 (a)	-	-	1.58	1.58
Other Financials Assets		-	-	32.47	32.47
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	5 (c)	-	221.62	-	221.62
Financial Investments at FVOCI		-	-	-	-
Equity Investment	5 (c)	31.89	-	-	31.89
Total financial assets		**31.89**	**2,071.75**	**5,123.33**	**7,226.97**
Financial liabilities					
Derivatives not designated as hedges					
Foreign exchange forward cover at FVPL	10 (b)	-	0.19	-	0.19
Total financial liabilities		**-**	**0.19**	**-**	**0.19**

(₹ million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets					
Trade receivables	5 (d)	-	-	9,992.87	9,992.87
Loans	5 (b)	-	-	25.03	25.03
Cash and cash equivalents	5 (e)	-	-	2,318.12	2,318.12
Bank balance other than Cash and cash equivalents	5 (f)	-	-	337.20	337.20
Security deposits	5 (c)	-	-	373.08	373.08
Government Grants Receivable	5 (c)	-	-	3,385.65	3,385.65
Other financial assets	5 (c)	-	-	241.21	241.21
Total financial assets		**-**	**-**	**16,673.16**	**16,673.16**
Financial Liabilities					
Borrowings	10 (a)	-	-	31,930.12	31,930.12
Trade payables	10 (c)	-	-	9,305.36	9,305.36
Security Deposits	10 (b)	-	-	227.66	227.66
Creditors for Capital Purchases	10 (b)	-	-	586.18	586.18
Lease Liability	34	-	-	1,155.63	1,155.63
Other financial liabilities	10 (b)	-	-	53.94	53.94
Total financial liabilities		**-**	**-**	**43,258.89**	**43,258.89**

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets:					
Financial Investments at FVPL					
Bonds and debentures	5 (a)	-	-	877.70	877.70
Mutual funds	5 (a)	-	215.03	-	215.03
Others	5 (a)	-	-	1.31	1.31
Other Financials Assets		-	-	275.90	275.90

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	5 (c)	-	726.89	-	726.89
Financial Investments at FVOCI					
Equity Investment	5 (a)	13.16	-	-	13.16
Total financial assets		**13.16**	**941.92**	**1,154.91**	**2,109.99**
Financial liabilities					
Mark-to-market loss on Forward Contracts		-	0.67	-	0.67
Total financial liabilities		**-**	**0.67**	**-**	**0.67**

(₹ million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial Assets					
Trade receivables	5 (d)	-	-	11,817.03	11,817.03
Loans	5 (b)	-	-	9.47	9.47
Cash and cash equivalents	5 (e)	-	-	2,994.19	2,994.19
Bank balance other than Cash and cash equivalents	5 (f)	-	-	996.72	996.72
Security deposits	5 (c)	-	-	417.10	417.10
Government Grants Receivable	5 (c)	-	-	3,682.64	3,682.64
Mark-to-Market gain (Net) on Forward/ Swap Contracts	5 (c)	-	-	-	-
Other financial assets	5 (c)	-	-	87.43	87.43
Total financial assets				**20,004.58**	**20,004.58**
Financial Liabilities					
Borrowings including interest there on	10 (a)	-	-	28,442.54	28,442.54
Trade payables	10 (c)	-	-	10,915.49	10,915.49
Security Deposits	10 (b)	-	-	178.70	178.70
Creditors for Capital Purchases	10 (b)	-	-	369.33	369.33
Lease Liability	34	-	-	988.78	988.78
Other financial liabilities	10 (b)	-	-	64.52	64.52
Total financial liabilities		**-**	**-**	**40,959.36**	**40,959.36**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2. The mutual funds, bonds and debentures are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Valuations of Level 2 instruments can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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To the Consolidated Financial Statements for the year ended March 31, 2022

There are no transfers between levels 1 and 2 during the period. The group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period and transfers out of fair value hierarchy level as at the end of reporting period.

iii) Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- NAV quoted by mutual funds
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3) for FVPL instruments

The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021:

(₹ million)

Particulars	Equity Share
As at April1, 2020	**-**
Loss recognised in Statement of Profit and Loss	-
Amount Received on redemption	-
Investment made during the year	0.02
As at March 31, 2021	**0.02**
(Gains/ Loss) recognised in Statement of Profit and Loss	-
Amount Received on redemption	-
Investment made during the year	-
As at March 31, 2022	**0.02**

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value (₹ million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Equity Shares	0.02	0.02	March 31, 2022: Proportionate net worth of the investee entities March 31, 2021: Proportionate net worth of the investee entities	NA	NA	March 31, 2022: NA as the value is Nil March 31, 2021: NA as the value is Nil

vi) Valuation processes:

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO).

Discussions of valuation processes and results are held between the CFO, and the valuation team at least once every three months, in line with the Group's quarterly reporting periods.

The main level 3 inputs for preference shares used by the Group are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management team.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 26 - Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects of the financial performance of the Group, derivative financial instruments, such as foreign exchange contracts, foreign currency swap contracts are entered to hedge certain foreign currency risk exposure and interest rate swap to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

This note explain the sources of risk which the Group is exposed to and how the Group manages the risk and impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits, letters of credit and insurance for certain trade receivables
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts, plain Vanilla Foreign currency options
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	The Group achieves the optimum interest rate profile by benchmarking, borrowing rates that represent economic variabilities in which the Group operates. Further, the Group is eligible for interest subsidy of upto 8% p.a. on the certain term loans as a result the Group does not hedge these loans.
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by the Risk Management committee, under policies approved by the Board of Directors. Group Risk Management committee identifies, evaluates and hedge financial risk in close cooperation with Group companies. The Board provides policy for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Group determines default by considering the business environment in which the Group operates and other macro-economic factors. The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward -looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. The following table gives details in respect of percentage of revenue generated (sale of products) from the top ten customers.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top ten customers	60.97%	64.22%

Expected credit loss for trade receivables as at March 31, 2022 is ₹ 95.39 million (March 31, 2021: ₹ 87.10 million)

As at March 31, 2022

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount	8,529.02	1,439.77	16.39	58.41	12.03	32.64	10,088.26
Expected Loss Rate	0.00%	0.40%	23.21%	84.67%	62.59%	88.43%	0.95%
Allowance for Doubtful	-	5.73	3.80	49.46	7.53	28.86	95.39
Carrying amount of trade receivables (net of impairment)	8,529.02	1,434.04	12.59	8.95	4.50	3.78	9,992.87

As at March 31, 2021

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Carrying Amount	8,999.78	2,649.66	129.40	72.69	25.14	27.46	11,904.13
Expected Loss Rate	0.00%	0.48%	18.20%	24.38%	70.34%	55.74%	0.73%
Allowance for Doubtful	-	12.84	23.55	17.73	17.68	15.31	87.10
Carrying amount of trade receivables (net of impairment)	8,999.78	2,636.82	105.85	54.96	7.46	12.15	11,817.03

Reconciliation of loss allowance provision - Trade receivables

Particulars	Amount (₹ million)
Allowance for doubtful debts on March 31, 2020	**60.16**
Expected Credit loss recognised	44.56
Written off during the year	17.62
Allowance for doubtful debts on March 31, 2021	**87.10**
Expected Credit loss recognised	9.89
Written off during the year	1.60
Allowance for doubtful debts on March 31, 2022	**95.39**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, Derivative financial instruments, investments in government securities and bonds, and investments in mutual funds. The Group has diversified portfolio of investment with various number of counter-parties which have good credit ratings, good reputation, good past track records and reviews and hence the risk is reduced. Individual risk

Notes

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limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group.

B. Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ million)

As at	March 31, 2022 Fund based	March 31, 2022 Non Fund based	March 31, 2021 Fund based	March 31, 2021 Non Fund based
Expiring with one year (Export bills discounting, Packing Credit, Bank overdraft etc.)	17,502.85	6,842.23	14,338.52	2,160.63
Expiring beyond one year (bank loans)	-	-	1,183.16	-
TOTAL	**17,502.85**	**6,842.23**	**15,521.68**	**2,160.63**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of Financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2022

(₹ million)

Contractual maturities of Non derivatives financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non derivatives							
Borrowings	17,533.16	2,961.56	1,259.09	3,116.32	5,807.93	5,530.34	36,208.40
Trade payables	9,305.36	-	-	-	-	-	9,305.36
Other financial liabilities	787.24	-	7.41	73.32	-	-	867.97
Lease Liabilities	105.81	106.07	210.79	350.42	559.64	1,281.57	2,614.30
Total	**27,731.57**	**3,067.63**	**1,477.29**	**3,540.06**	**6,367.57**	**6,811.91**	**48,996.03**

As at March 31, 2022

(₹ million)

Derivative Financial Instruments for highly probable forecast sales (based on contracted rate)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	5,962.52	10,989.35	20,392.81	-	-	-	37,344.68
Forward contracts EUR- INR	70.99	43.31	17.44	-	-	-	131.75
Forward contracts GBP- INR				-	-	-	-
Total	**6,033.51**	**11,032.66**	**20,410.25**	**-**	**-**	**-**	**37,476.43**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

As at March 31, 2022

(₹ million)

Derivative Financial Instruments for firm commitments/highly probable forecast purchases (based on contracted rate)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	333.34	123.82	-	-	-	-	457.16
Forward contracts EUR- INR	13.45	-	-	-	-	-	13.45
Forward contracts CHF- INR	-	-	-	-	-	-	-
Total	**346.79**	**123.82**	**-**	**-**	**-**	**-**	**470.61**

As at March 31, 2021

(₹ million)

Contractual maturities of Non derivatives financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non derivatives							
Borrowings	13,762.72	4,813.20	1,014.66	2,196.96	4,852.64	5,229.20	31,869.38
Trade payables	10,915.49	-	-	-	-	-	10,915.49
Other financial liabilities	554.72	4.92	1.10	52.48	-	-	613.22
Lease Liabilities	72.12	70.69	118.95	213.29	372.97	308.12	1,156.14
Total	**25,305.05**	**4,888.81**	**1,134.71**	**2,462.73**	**5,225.61**	**5,537.32**	**44,554.23**

As at March 31, 2021

(₹ million)

Derivative Financial Instruments for highly probable forecast sales (based on contracted rate)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	8,134.31	9,298.88	18,376.48	-	-	-	35,809.67
Forward contracts EUR- INR	163.62	146.66	-	-	-	-	310.28
Forward contracts GBP- INR	61.41	61.94	-	-	-	-	123.35
Total	**8,359.34**	**9,507.48**	**18,376.48**	**-**	**-**	**-**	**36,243.30**

As at March 31, 2021

(₹ million)

Derivative Financial Instruments for firm commitments/highly probable forecast purchases (based on contracted rate)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	-	105.44	-	-	-	-	105.44
Forward contracts EUR- INR	-	-	-	-	-	-	-
Forward contracts CHF- INR	-	-	-	-	-	-	-
Total	**-**	**105.44**	**-**	**-**	**-**	**-**	**105.44**

C. Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses).

This foreign currency risk is hedged by using foreign currency forward contracts. The Group manages its foreign currency risk by designating forward contracts as hedging instruments against:

In case of foreign currency sales and pool of trade receivables in foreign currency-

- Highly probable forecasted sales in foreign currency i.e. towards future sales where corresponding exposure is yet to be recorded in the books (for an initial part of the tenure of the contract), and
- Pool of trade receivables in foreign currency (for balance part of the tenure of contract), and

Further, the Group settles these forward contracts with banks by utilising it against the realisations for pool of trade receivables in foreign currency.

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In case of imports and corresponding trade payables-

- Firm commitments and settlement of certain foreign currency trade payables.

(a) Foreign currency risk exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows. Translation related risks are not included in the assessment of group's exposure to currency risk. Translation exposures arise from financial and non financial items held by subsidiary companies with a functional currency different from the group's presentation currency. However, foreign currency denominated inter-company receivables and Payables which do not form part of net investment in a foreign operation are considered as exposure, accordingly included below.

(₹ million)

As at	March 31, 2022			March 31, 2021		
Foreign Currency	USD	EUR	Others*	USD	EUR	Others*
Financial Assets						
Trade Receivables	10,428.78	151.83	26.89	11,838.76	93.87	100.69
Other Receivables	-	-	-	7.18	12.72	0.02
Foreign exchange forward contracts	(5,722.47)	-	-	(7,803.05)	-	-
Net exposure to foreign currency risk (assets)	**4,706.31**	**151.83**	**26.89**	**4,042.89**	**106.59**	**100.71**
Financial liabilities						
Borrowings	2,682.67	-	-	5,056.17	-	-
Trade payables and provision	3,494.14	35.86	25.42	4,069.82	95.76	69.02
Other financial liabilities	160.37	112.72	53.66	36.26	49.89	-
Less: Hedged through derivatives						
Buyer's credit	150.22	-	-	-	-	-
Foreign exchange forward contracts**	(150.22)	-	-	(103.46)	-	-
Net Net exposure to foreign currency risk (liabilities)	**6,337.18**	**148.58**	**79.08**	**9,058.79**	**145.65**	**69.02**
Net open exposures (assets-liabilities) - assets / (liabilities)	**(1,630.87)**	**3.25**	**(52.19)**	**(5,015.90)**	**(39.06)**	**31.69**

*Others consists of GBP, JPY, CNY, AED, HKD and CHF foreign currencies.

**These contracts are taken to hedge the buyer's credit.

Cross Currency Interest Rate Swap

Group has enetered into INR-USD swap during FY 2021-22, details of which are mentioned hereunder-

INR Notional (Million)	USD Notional (Million)	Maturity	Os notional as on 31.03.22 (USD Million)	MTM as on 31.03.22 (INR Million)
1,750	23.78	31-Aug-25	22.59	4.11

(b) Foreign currency sensitivity

The sensitivity of other component of equity arises from foreign forward exchange contracts.

(₹ million)

	Impact on profit before tax	
	31-Mar-22	31-Mar-21
USD sensitivity		
USD-INR - Increase by 5% (March 31, 2021 - 5%)*	(81.54)	(250.79)
USD - INR - Decrease by 5% (March 31, 2021 - 5%)*	81.54	250.79
EURO sensitivity		
EURO - INR - Increase by 4% (March 31, 2021 - 4%)*	0.13	(1.56)
EURO - INR - Decrease by 4% (March 31, 2021 - 4%)*	(0.13)	1.56

* Holding all other variables constant

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(c) Hedge accounting

(i) Cash Flow Hedge

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions (forecasted sales). The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy and procedures. Mark-to-Market Gain/(Loss) on Forward Contracts which are assessed as effective under Cash Flow hedge are recognized through Other Comprehensive Income and ineffective hedges are transferred to Statement of Profit and Loss account.

(ii) fair Value Hedge

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments/highly probable forecast transactions to purchase raw materials and foreign currency required at the settlement date of certain payables for these purchases and at the settlement date of pool of trade receivables in foreign currency. Hedging the forecast purchases and pool of foreign currency trade receivables is in accordance with the risk management strategy outlined by the Board of Directors. Mark-to-Market Gain/(Loss) on Forward Contracts under Fair Value hedged are recognized through statement of Profit and Loss account.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date).

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

i) Differences in the timing of the cash flows of the hedged items and the hedging instruments

ii) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

As at March 31, 2022

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts:

Particulars	Less than 3 months		3 to 6 Months		6 months to 1 year		Total
Foreign Currency Forward Contracts for Highly probable forecast sales	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million
Forward contracts (in USD)	2.00	76.95	142.44	77.15	260.48	78.29	404.92
Forward contracts (in EURO)	0.80	88.74	0.50	86.62	0.20	87.22	1.50
Forward contracts (in GBP)	-	-	-	-	-	-	-

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts:

Particulars	Less than 3 months		3 to 6 Months		6 months to 1 year		Total
Foreign Currency Forward Contracts for Firm Commitments/Highly probable forecast purchases	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million
Forward contracts (in USD)	4.35	76.68	1.61	77.04	-	-	5.95
Forward contracts (in EUR)	0.16	84.44	-	-	-	-	0.16

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As at March 31, 2021

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts:

Particulars	Less than 3 months		3 to 6 Months		6 months to 1 year		Total
Foreign Currency Forward Contracts for Highly probable forecast Sales	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million
Forward contracts (in USD)	0.25	73.90	121.39	76.60	239.75	76.65	361.39
Forward contracts (in EURO)	1.85	88.45	1.65	88.88	-	-	3.50
Forward contracts (in GBP)	0.60	102.34	0.60	103.24	-	-	1.20

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts:

Particulars	Less than 3 months		3 to 6 Months		6 months to 1 year		Total
Foreign Currency Forward Contracts for Firm Commitments/Highly probable forecast purchases	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million	Average Rate (₹)	Amount in Million
Forward contracts (in USD)	-		1.42	74.51	-	-	1.42

Impact of hedging activities

Disclosure of effects of hedge accounting on financial positions:

(₹million)

31-Mar-22	Nominal value (Foreign Currency in Million)	Carrying amount of hedging instrument		Hedging Ratio	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
		Assets	Liabilities			
Cash flow hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	404.92	127.63	-	1:1	841.12	(841.12)
Forward contracts (EURO-INR)	1.50	3.46	-	1:1	-	-
Forward contracts (GBP-INR)	-	-	-	1:1	-	-
Fair Value hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	75.15	85.78	-	1:1	-	-

(₹ million)

31-Mar-21	Nominal value (Foreign Currency in Million)	Carrying amount of hedging instrument		Hedging Ratio	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
		Assets	Liabilities			
Cash flow hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	361.39	444.29	-	1:1	1,619.21	(1,619.21)
Forward contracts (EURO-INR)	3.50	5.49	-	1:1	-	-
Forward contracts (GBP-INR)	1.20	0.79	-	1:1	-	-
Fair Value hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	108.15	262.31	(0.48)	1:1	-	-

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Disclosure of effects of hedge accounting on financial performance

(₹ million)

March 31, 2022 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Highly probable forecast sales	841.12	-	(999.77)	Revenue from contracts with customers
Highly probable forecast sales	-	-	-	Other income

(₹ million)

March 31, 2021 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Highly probable forecast sales	1,584.61	-	136.91	Revenue
Highly probable forecast sales	-	29.16	-	Other income

The Group's hedging policy allows for effective hedge relationship to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedge item and hedging instrument. The Group uses hypothetical derivative method to assess effectiveness.

Movement in cash flow hedging reserve

(₹ million)

Derivative instruments	Forward contracts
(i) Cash flow hedging reserve	
As at March 31, 2020	**(957.71)**
Add: Loss recognised in other comprehensive income during the year	1,584.61
Add: Amounts reclassified to profit or loss	136.91
Less: Deferred Tax	(433.32)
As at March 31, 2021	**330.49**
Add: Loss recognised in other comprehensive income during the year	(1,293.25)
Add: Amounts reclassified to profit or loss	980.10
Less: Deferred Tax	78.83
As at March 31, 2022	**96.17**

C (ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Fixed rate borrowings	15,897.64	13,972.62
Floating rate borrowings	15,986.17	14,441.28
Total	**31,883.81**	**28,413.90**

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As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

(₹ million)

Particulars	March 31, 2022			March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	7.38%	15,986.17	50%	6.20%	14,441.28	51%
Net exposure to cash flow interest rate risk	-	15,986.17	-	-	14,441.28	-

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ million)

Particulars	Impact on profit before tax	
	31-Mar-22	31-Mar-21
Increase by 50 basis points (March 31, 2021 - 50 basis points)*	(79.93)	(72.21)
Decrease by 50 basis points (March 31, 2021 - 50 basis points)*	79.93	72.21

* Holding all other variables constant including change in interest subsidy

(iii) Price risk

(a) Exposure

The Group is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

(₹ million)

Particulars	Impact on profit before tax	
	31-Mar-22	31-Mar-21
Increase in price 0.75% (March 31, 2021 - 0.75%)*	52.05	8.20
Decrease in price 0.75% (March 31, 2021 - 0.75%)*	(52.05)	(8.20)

* Holding all other variables constant

Note 27 : Capital management

(a) Risk Management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Group's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

The Group monitors capital on the basis of the net debt to equity ratio. The Group is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents. Equity comprises all components excluding other components of equity (which comprises the cash flow hedges, translation of foreign operations and available-for-sale financial investments).

For Impact of COVID-19 on capital management, refer Note 39.

The Group's strategy is to maintain a gearing ratio within 2:1. The gearing ratios were as follows:

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The following table summarizes the capital of the Group:

Particulars	March 31, 2022 (₹ million)	March 31, 2021 (₹ million)
Non current borrowings	10,536.08	9,704.77
Current borrowings	19,742.05	17,452.02
Current maturities of long term debt	1,605.67	1,257.11
Less: cash and cash equivalent	2,318.12	2,994.19
Net debt	29,565.68	25,419.71
Total equity	40,762.51	37,432.27
Gearing ratio	0.73	0.68

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in certain cases, may permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

(b) Dividend

Particulars	March 31, 2022 (₹ million)	March 31, 2021 (₹ million)
Equity Share		
Final dividend for the year ended March 31, 2021 of ₹ 0.15 (March 31, 2020 of ₹ Nil) per fully paid share	150.71	-
Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re.0.15 per fully paid equity share (March 31, 2021 of Re. 0.15). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	148.21	150.71

Note 28 : Segment Information

i) Information about Primary Business Segment

Identification of Segments:

The Group is engaged in the business of Home Textiles (which includes towels, bath robes, bath rugs/ mats, area rugs, carpet, bedsheets, utility bedding and fashion bedding), generation of Power and Flooring (which includes tiles ,Grass tiles).

The Chief Operating Decision Makers monitor operating results under two operating segment viz., "Home Textiles" and "Flooring" for the purpose of making decision about profit or loss in the financial statements.

Segment Information for the year ended March 31, 2022

(₹ million)

Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	87,911.12	6,611.08	-	94,522.20
	Inter Segment Revenue	102.67	1,304.85	-	1,407.52
	Net Revenue from Operation	**87,808.45**	**5,306.23**	**-**	**93,114.68**
2	**Profit before interest, depreciation, exceptional items and tax**	14,110.82	(143.41)	278.17	14,245.58
	Less: Depreciation and amortization expense	3,611.56	593.12	-	4,204.68
	Less: Finance costs	1,285.30	27.15	-	1,312.45
	Share of Associates' Net Profit	(1.26)	-	-	(1.26)
	Profit before Tax	**9,215.22**	**(763.68)**	**278.17**	**8,729.71**
	Tax Expenses	-	-	2,662.68	2,662.68
	Profit after Tax (before adjustment for Non controlling Interest)	**9,215.22**	**(763.68)**	**(2,384.51)**	**6,067.03**
	Less: Share of Profit / (Loss) transferred to Non controlling entities	77.05	(21.61)	-	55.44
	Profit after Tax (after adjustment for Non controlling Interest)	**9,138.17**	**(742.07)**	**(2,384.51)**	**6,011.59**
3	**Segment Assets**	68,957.38	15,921.63	9,489.48	94,368.49
	Segment Liabilities	36,318.23	11,408.84	5,878.91	53,605.98

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Segment Information for the year ended March 31, 2021

(₹ million)

Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	71,282.79	3,187.38	-	74,470.17
	Inter Segment Revenue	28.59	1,039.82	-	1,068.41
	Net Revenue from Operation	**71,254.20**	**2,147.56**	**-**	**73,401.76**
2	**Profit before interest, depreciation, exceptional items and tax**	14,862.83	(996.31)	331.38	14,197.90
	Less: Depreciation and amortization expense	4,019.32	517.12	-	4,536.44
	Less: Finance costs	1,605.36	369.70	-	1,975.06
	Share of Associates' Net Profit	-	-	0.62	0.62
	Profit before Tax	**9,238.16**	**(1,883.14)**	**332.00**	**7,687.02**
	Tax Expenses	-	-	2,179.09	2,179.09
	Profit after Tax (before adjustment for Non controlling Interest)	**9,238.16**	**(1,883.14)**	**(1,847.09)**	**5,507.93**
	Less: Share of Profit / (Loss) transferred to Non controlling entities	126.40	(15.20)	-	111.20
	Profit after Tax (after adjustment for Non controlling Interest)	**9,111.76**	**(1,867.94)**	**(1,847.09)**	**5,396.73**
3	**Segment Assets**	69,312.45	13,620.32	3,845.06	86,777.83
	Segment Liabilities	34,573.56	9,982.48	4,789.52	49,345.56

ii) Information about Secondary Geographical Segments:

(₹ million)

Particulars	India		Outside India		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
External Revenue	16,038.96	11,459.38	77,075.72	61,942.38	93,114.68	73,401.76
Carrying Amount of Segment Assets*	39,836.94	38,404.50	2,398.96	2,093.95	42,235.90	40,498.45

* Carrying Amount of Segment Assets are Non-Current assets excluding the Tax Assets, Deferred Tax Assets and Financial Assets

Notes:

(a) The segment revenue in the geographical segments considered for disclosure as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India, earnings outside India and rebate / drawback of taxes and duties on sales made to customers located outside India.

(b) Segment Revenue and assets include the respective amounts identified to country of domicile viz India and other countries viz out side India and amounts allocated on a reasonable basis.

(c) Information about major customers - Refer Note 26

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Note 29 : Interests in other entities

(a) Subsidiaries

The list of group's subsidiaries is stated below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
		%	%	%	%	
Anjar Integrated Textile Park Developers Private Limited (AITP)	India	100.00	100.00	-	-	Development of Textile Park
Welspun Anjar SEZ Limited (WASEZ)	India	100.00	100.00	-	-	Development of Industrial Park
Besa Developers and Infrastructure Private Limited (BESA)	India	100.00	100.00	-	-	Real Estate
Welspun Global Brands Limited (WGBL)	India	98.03	98.03	1.97	1.97	Trading in Home Textile Product
Welspun USA Inc. (WUSA)	U.S.A.	98.68	98.68	1.32	1.32	Trading in Home Textile Product
Welspun Captive Power Generation Limited (WCPGL)	India	77.00	77.00	23.00	23.00	Power Generation
Welspun Holdings Private Limited (WHPL)	Cyprus	98.11	98.11	1.89	1.89	Investment
Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)	U.K.	98.11	98.11	1.89	1.89	Investment
CHT Holdings Limited (CHTHL) (Held through WHTUKL)	U.K.	98.11	98.11	1.89	1.89	Investment
Christy Home Textiles Limited (CHTL) (Held through CHTHL)	U.K.	98.11	98.11	1.89	1.89	Investment
Christy Welspun GmbH (CWG) (Held through WUKL)	Germany	98.11	98.11	1.89	1.89	Trading in Home Textile Product
Welspun UK Limited (WUKL) (Held through CHTL)	U.K.	98.11	98.11	1.89	1.89	Trading in Home Textile Product
Christy 2004 Limited (Held through WUKL)	U.K.	98.11	98.11	1.89	1.89	Trading in Home Textile Product
Christy Lifestyle LLC (Held through WUKL)	U.S.A.	98.11	98.11	1.89	1.89	Trading in Home Textile Product
Christy UK Limited (CUKL) (Held through CHTL)	U.K.	98.11	98.11	1.89	1.89	Trading in Home Textile Product
ER Kingsley (Textiles) Limited (Held through CHTL)	U.K.	98.11	98.11	1.89	1.89	Trading in Home Textile Product
Welspun Mauritius Enterprises Limited (WMEL)	Mauritius	98.03	98.03	1.97	1.97	Investment
Novelty Home Textiles S A DE C V (Held through WMEL)	Mexico	98.03	98.03	1.97	1.97	Manufacturing of Textile Products
Welspun Zucchi Textiles Limited (WZTL)	India	100.00	100.00	-	-	Manufacturing of bathrobes
Welspun Flooring Limited (WFL)	India	100.00	100.00	-	-	Manufacturing of Tiles and Flooring Solutions
Welspun Innovative Products Limited (WIPL) (Previously known as Welspun Advanced Materials Limited)	India	100.00	100.00	-	-	Manufacturing of Home Textile Product

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Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
		%	%	%	%	
Welspun Advanced Materials (India) Limited (WAMIL)	India	100.00	100.00	-	-	Manufacturing of Home Textile Product
Welspun Nexgen Inc. (WNI)	U.S.A.	100.00	100.00	-	-	Investment
TILT Innovations Inc. (TII) (Held through WUSA)	U.S.A.	98.68	98.68	1.32	1.32	Trading in Innovative Home Textile Product
TMG (Americas) LLC, (Held through WUSA)****	U.S.A.	98.68	98.68	1.32	1.32	Real Estate
Pure Sense Organics Myanmar Limited. (PSOM) ***	Myanmar	-	51.00	-	49.00	Farming of Organic Cotton
Easygo Textiles Private Limited(ETPL)**	India	100.00	-	100.00	-	Manufacturing of Home Textile Product
Anjar Terry Towels Limited(ATTL)*	India	100.00	-	100.00	-	Manufacturing of Home Textile Product

* On September 25, 2021 Anjar Terry Towels Private Limited became the 100% Subsidiary Company and Name was changed to Anjar Terry Towels Limited (ATTL) on November 11, 2021

** On October 27, 2021, Easygo Textiles Private Limited (ETPL) became the 100% Subsidiary Company.

*** On 7th December 2021, Pure Sense Organics Myanmar Limited. (PSOM) ceased to a subsidiary of Welspun India limited (WIL).

**** The Company's subsidiary viz. Welspun USA Inc acquired TMG (Americas) LLC, USA on April 18, 2020.

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for Welspun Captive Power Generation Limited that has non-controlling interests that is material to the Group. The amounts disclosed for subsidiary is before inter-company eliminations.

(₹ million)

Summarised Balance Sheet	Welspun Captive Power Generation Limited	
	As At March 31, 2022	As At March 31, 2021
Current assets	2,253.70	1,603.05
Current liabilities	444.68	231.61
Net current assets	**1,809.02**	**1,371.44**
Non-current assets	2,737.85	2,558.33
Non-current liabilities	452.52	11.35
Net non-current assets	**2,285.33**	**2,546.98**
Net assets	**4,094.35**	**3,918.42**
Accumulated NCI	941.70	901.24

(₹ million)

Summarised statement of profit and loss	Welspun Captive Power Generation Limited	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue	4,372.11	4,104.08
Profit for the year	176.26	400.18
Other comprehensive income (Loss)	(0.34)	0.90
Total comprehensive income	**175.92**	**401.08**
Profit allocated to NCI	40.54	92.04
Dividends paid to NCI	-	-

Notes
To the Consolidated Financial Statements for the year ended March 31, 2022

(₹ million)

Summarised cash flows	Welspun Captive Power Generation Limited	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flows from operating activities	232.94	1,506.55
Cash flows from investing activities	(251.62)	(553.51)
Cash flows from financing activities	106.47	(991.78)
Net increase/ (decrease) in cash and cash equivalents	**87.79**	**(38.74)**

(c) Investmet in Associate
The Group has a 48% (Previous year: 48%) interest in Welassure Private Limited (wef September 17, 2020), which is primary in the business of supply manpower to corporate for their various activities. Welassure Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Welassure Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Welassure Private Limited:

(₹ million)

Summarised Balance Sheet	As At March 31, 2022	As At March 31, 2021
Current assets	60.66	41.97
Current liabilities	55.30	38.19
Net current assets	**5.36**	**3.78**
Non-current assets	5.73	4.77
Non-current liabilities	-	0.00
Net non-current assets	**5.73**	**4.77**
Net assets	**11.09**	**8.55**

(₹ million)

Summarised statement of profit and loss	March 31, 2022	From September 17, 2020 to March 31, 2021
Revenue	307.00	115.39
Profit for the year	2.63	1.37
Other comprehensive income (Loss)	-	-
Total comprehensive income	**2.63**	**1.37**
	1.26	**0.66**
Less - Elimination	0.00	0.04
Group's Share of profit for the year	1.26	0.62

Note 30: Related Party Disclosures
(i) Relationships

(a) Enterprises where Control Exists	
Ultimate Parent	Welspun Group Master Trust (WGMT)
(b) Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	Welspun Corp Limited (WCL)
	AYM Syntex Limited (AYMSL)
	Welspun Di Pipes limited (WDPL)
	Welspun Logistics Limited (WLL)
	Welspun Enterprises Limited (WENL)
	Welspun Realty Private Limited (WRPL)
	Welspun Speciality Solutions Limited (WSSL) (Formerly known as RMG Alloy Steel Ltd) (RMGL)
	Welspun Steel Limited (WSL)
	Welspun Tradings Limited (WTR)
	Welspun Multiventure LLP (WML)
	Wel-treat Enviro Management Organisation (WEMO)
	Koolkanya Private Limited (KPL)
	Veremente Enterprises Private Limited (VEPL)
	MGN Agro Properties Private Limited (MGN)
	Welspun Tradewel Limited (WTL)
	Aryabhat Vyapar Private Limited (AVPL)
	Welspun Foundation for Health and Knowledge (WFHK)
	Welspun Metallics Limited (WMAL)
	Welspun Wasco Coatings Private Limited (WASCO)
	Welspun Tubular LLC (WTLLC)
	Welspun Global Services Limited (WGSL)
	Welspun Developers and Infrastructure Limited (WDI)
	Welspun Global Brand Limited Employees Gratuity Fund (WGBLGF)
	Welspun India Limited Employees Gratuity Fund (WILGF)
(c) Associate Company	Welassure Private Limited (WPL) (with effect from September 17,2020)

(d) Key Management Personnel	Name	Nature of relationship
	Balkrishan Goenka (BKG)	Director & Chairman
	Rajesh R. Mandawewala (RRM)	Managing Director
	Dipali Goenka (DBG)	CEO & Joint Managing Director
	Arun Todarwal (AT)	Independent Director
	Arvind Singhal (AS)	Independent Director
	Pradeep Poddar (PP)	Independent Director
	Anisha Motwani (AM)	Independent Director
	Altaf Jiwani (AJ)	Chief Financial Officer (till July 01, 2020)
	Sanjeev Sancheti (SS)	Chief Financial Officer (till. May 14, 2021)
	Sanjay Gupta (SG)	Chief Financial Officer (w.e.f. May 15, 2021)
	Shashikant Thorat (ST)	Company Secretary
(e) Relatives of Key Management Personnel	Radhika Goenka (RBG)	
	Vanshika Goenka (VBG)	

(ii) Terms and conditions
- All outstanding balances are unsecured and repayable in cash.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 30(iii) : Following are the transactions with related parties mentioned in (i) above and the year-end balances

(₹ million)

Particulars	Ultimate Parent	Associate Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year															Total c/f
	WGMT	WPL***	WCL	WDPL	WLL	AYMSL	WENL	WRPL	WSSL	WSL	WTR	WML	WEMO	MITCPL	KPL	VEPL	MGN	
Transactions during the year																		
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Advance & Deposits Received	-	-	28.40	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	28.41
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loans, Advances and Deposits given	-	-	0.02	-	-	-	-	17.25	-	-	-	-	-	-	-	-	-	17.27
	-	-	-	-	-	-	-	(28.83)	-	-	-	-	-	-	-	-	-	(28.83)
Loans, Advances and Deposits Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	-	10.18	2.34	-	-	610.64	-	-	0.48	401.14	-	-	-	-	-	-	-	1,024.78
	-	(1.75)	(2.61)	-	-	(797.52)	-	-	-	(479.58)	-	-	-	-	-	-	-	(1,281.46)
Purchase of Services/ Expenses incurred	-	236.32	13.03	-	-	-	-	34.34	-	8.44	-	-	-	-	-	-	-	292.13
	-	(171.38)	(25.80)	-	-	-	-	(31.36)	-	(8.61)	-	-	-	-	-	-	-	(237.15)
Sale of Goods/ DEPB Licenses *	-	0.08	457.62	1.23	1.01	838.30	9.47	-	0.28	438.51	-	-	-	-	-	-	-	1,746.50
	-	-	(389.46)	-	-	(695.19)	(0.40)	-	(0.95)	(684.35)	-	-	-	-	-	-	-	(1,770.35)
Sale of Services/ Expenses incurred	-	2.79	17.29	3.54	-	-	21.52	-	-	0.72	0.04	-	-	-	-	-	-	45.89
	-	(2.59)	(9.43)	-	-	-	-	-	-	(0.38)	-	-	-	-	-	-	-	(12.40)
Sale of Fixed Assets	-	-	-	186.55	-	-	-	-	-	-	-	-	-	-	-	-	-	186.55
	-	-	(38.36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.36)
Purchase of Fixed Assets / Capital Goods	-	-	1.01	-	-	-	-	-	1.05	-	-	-	-	-	-	-	22.35	24.42
	-	-	(105.21)	-	-	-	-	-	(0.21)	-	-	-	-	-	-	-	-	(105.42)
Remuneration and Commission +	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(2.94)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.94)
Dividend Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid	101.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101.88
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim Equity Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits received (including interest accrued but not due)	-	-	28.40	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	28.41
	-	-	(30.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30.80)
Loans, Advances and Deposits given (including interest accrued on loan)	-	#	36.26	-	-	-	21.11	123.80	-	-	-	0.70	19.00	-	-	-	-	200.86
	-	#	(33.19)	-	-	-	-	(157.57)	-	-	-	(0.70)	(19.00)	-	-	-	-	(210.46)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	101.17	0.19	0.01	42.51	2.88	-	0.02	309.18	0.01	-	-	-	-	-	-	455.98
	-	(0.08)	(139.86)	-	-	(35.96)	(3.20)	-	(0.01)	(293.72)	-	-	-	-	-	-	-	(472.83)
Trade and Other Payables	-	20.51	0.11	-	-	18.56	0.03	-	-	47.35	-	-	-	-	-	-	-	86.57
	-	(14.99)	(10.23)	-	-	(75.38)	-	-	-	(35.11)	-	-	-	-	-	-	-	(135.71)
Investments	-	2.94	-	-	-	31.87	-	-	-	-	-	-	-	-	-	-	-	34.80
	-	(2.94)	-	-	-	(13.14)	-	-	-	-	-	-	-	-	-	-	-	(16.08)

Note:
Year 2020-21 figures are given in round brackets.
* Amount is inclusive of taxes
** As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.
*** Associate w.e.f. September 17, 2020
+ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 30(iii) : Following are the transactions with related parties mentioned in (i) above and the year-end balances

(₹ million)

Particulars	Total b/f	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year								Key Management Personnel **											Relatives of Key Management Personnel		Post-employment Benefit Plan		TOTAL
		WTL	AVPL	WFHK	WASCO	WMAL	WDI	WGSL	WTLLC	BKG	RRM	DBG	AT	AS	PP	AM	SG	AJ	SS	ST	RBG	VBG	WGBLGF	WILGF	
Transactions during the year																									
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Advance & Deposits Received	28.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.41
	-	-	-	-	-	(19.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.80)
Repayment of Loans, Advances and Deposits given	17.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.27
	(28.83)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28.83)
Loans, Advances and Deposits Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	1,024.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,024.78
	(1,281.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,281.46)
Purchase of Services/ Expenses incurred	292.13	-	-	-	-	-	-	182.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	474.92
	(237.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(237.15)
Sale of Goods/ DEPB Licenses *	1,746.50	-	-	2.42	1.72	27.79	-	0.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,778.88
	(1,770.35)	-	-	(7.34)	(1.73)	(0.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,780.19)
Sale of Services/ Expenses incurred	45.89	-	-	-	-	12.62	-	14.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72.85
	(12.40)	-	-	-	-	-	(1.57)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.97)
Sale of Fixed Assets	186.55	-	-	-	-	28.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	214.84
	(38.36)	-	-	(19.77)	-	(159.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(217.52)
Purchase of Fixed Assets / Capital Goods	24.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.42
	(105.42)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(105.42)
Remuneration and Commission +	-	-	-	-	-	-	-	-	-	90.91	107.91	162.27	-	-	-	-	14.76	-	7.85	5.38	-	2.00	-	-	391.07
	-	-	-	-	-	-	-	-	-	(74.10)	(91.15)	(138.96)	-	-	-	-	-	(5.19)	(14.62)	(3.95)	-	(3.00)	-	-	(330.97)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	3.74	1.01	2.17	2.77	-	-	-	-	-	-	-	-	9.69
	-	-	-	-	-	-	-	-	-	-	-	-	(2.68)	(1.26)	(2.23)	(1.37)	-	-	-	-	-	-	-	-	(7.54)
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(2.94)	-	-	-	-	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.96)
Dividend Received	-	-	-	-	-	-	-	0.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.95
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid	101.88	-	0.81	-	-	-	-	-	-	2.40	-	0.11	-	-	-	-	-	-	-	-	0.30	-	-	-	105.50
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim Equity Dividend Paid ++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	135.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135.45
	-	-	-	(112.28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(112.28)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.00	20.00
Closing Balance																									
Loans, Advances and Deposits received (including interest accrued but not due)	28.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.41
	(30.80)	-	-	-	-	(19.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.60)
Loans, Advances and Deposits given (including interest accrued on loan)	200.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.86
	(210.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(210.46)
Trade Receivables (Net of Bills Discounted with Banks)	455.98	-	-	0.11	0.09	13.67	-	2.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	472.44
	(472.83)	-	-	(0.04)	(0.08)	(0.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(473.72)
Trade and Other Payables	86.57	-	-	-	-	-	-	7.73	-	81.82	90.91	92.73	-	-	-	-	-	-	-	-	-	-	-	-	359.76
	(135.71)	-	-	-	-	-	-	-	-	(68.54)	(74.10)	(84.79)	(0.04)	(0.04)	(0.04)	(0.04)	-	-	-	-	-	-	-	-	(363.30)
Investments	34.80	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.82
	(16.08)	-	-	-	-	-	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16.10)

Note:
Year 2020-21 figures are given in round brackets.
* Amount is inclusive of taxes
** As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.
*** Associate w.e.f. September 17, 2020
+ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 31: Capital & Other Commitments

(a) Capital commitments:

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	895.67	3,075.04

(b) Other Commitments

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Amount of Export Commitments / Obligation in accordance with the EPCG Scheme. Duty saved ₹ 1,725.57 million (2021: ₹ 1,271.21 million)	7,357.90	7,789.93
Future commitments towards Minimum royalties, image fund fees, and merchandise coordinator fees against trademark and patent licensing agreements and issue of Standby Letter of Credit against custom duty liabilities	737.31	896.40

Note 32:

During the previous year, the insurance surveyor in their report dated March 02, 2021 had assessed and approved LOP claim of ₹ 43.21 million. Pursuant to the LOP claim as assessed by the insurance surveyor, the Company's subsidiary viz. Welspun Captive Power Generations Limited (WCPGL) on prudent basis had written off ₹ 136.79 million and grouped under other expenses. Further, during the previous year, the insurance surveyor had finalized / approved the machinery break down claim of ₹ 12.61 million, and accordingly WCPGL had written off balance amount of ₹ 9.31 million under Repairs and Maintenance grouped under other expenses.The above mentioned claim are expected to be realised within one year.

Note 33: Earnings per Share

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Profit available for Equity Shareholders (A) (₹ million)	6,011.59	5,396.73
Number of Equity Shares for Basic Earnings Per Share		
- Weighted Number of equity shares outstanding during the year (B)	99,27,61,680	1,004,725,150
- Weighted Number of diluted equity shares outstanding during the year (C)	99,27,72,714	1,004,725,150
Basic Earnings per share (A/B) (₹)	6.06	5.37
Diluted Earnings per share (A/C) (₹)	6.06	5.37
Nominal value of an equity share (₹)	1.00	1.00

Note: As at the end of current year, the outstanding potential equity shares had an anti-dilutive effect on EPS. Hence, there is no dilution of EPS of the Company for the current year.

Note 34: Leases

Group as Lessee

The Group has lease contracts for various items of commercial property, plant and machinery, vehicles and other equipment used in its operations. Leases of commercial property generally have lease term between 2 and 16 years and leases of plant and machinery have lease term of 13 years, while motor vehicles and other equipment generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ million)

Particulars	Right to use assets				
	Commercial Property	Plant & Machinery	Motor Vehicles	Other equipments	Total
As at 1st April 2020	**613.71**	**39.05**	**5.23**	**63.55**	**721.54**
Additions	597.81	-	-	-	597.81
Lease modifications / adjustments	(107.81)	(39.05)	0.38	0.33	(146.15)
Depreciation expense	(234.62)	-	(3.06)	(25.04)	(262.72)
As at 31 March 2021	**869.09**	**-**	**2.55**	**38.84**	**910.48**
Additions	402.32	-	-	0.57	402.89
Lease modifications / adjustments	8.51	-	3.77	(0.57)	11.71
Depreciation expense	(256.39)	-	(3.50)	(18.15)	(278.04)
As at 31 March 2022	**1,023.53**	**-**	**2.82**	**20.69**	**1,047.04**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ million)

Particulars	Amount
As at 1st April 2020	**787.74**
Additions	597.80
Lease modifications / adjustments	(149.63)
Accretion of interest	54.29
Payments	(301.42)
As at 31 March 2021	**988.78**
Additions	402.89
Lease modifications / adjustments	9.87
Accretion of interest	56.16
Payments	(302.07)
As at 31 March 2022	**1,155.63**
Current	251.47
Non-current	904.16

The maturity analysis of lease liabilities are disclosed in Note 26

The effective interest rate for lease liabilities is between 4% and 11%.

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Depreciation expense of right-of-use assets	278.04	262.72
Interest expense on lease liabilities	56.16	54.29
Expense relating to short-term leases and low value assets (included in other expenses)	197.52	80.17
Variable lease payments (included in other expenses)	189.33	78.81
Total amount recognised in profit or loss	**721.05**	**475.99**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

The Group had total cash outflows for leases of INR 688.92 millions in March 31, 2022 (₹ 460.40 million in March 31, 2021). There are no non-cash additions to right-of-use assets and lease liabilities. There are no future cash outflows relating to leases that have not yet commenced.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Note 35: Contingent Liabilities:

a. Description on matters considered as contingent liabilities:

Description	As at March 31, 2022 (₹ million)	As at March 31, 2021 (₹ million)
Excise, Customs and Service Tax Matters	61.27	58.23
Stamp Duty Matter	4.46	4.46
Sales Tax Matters	19.46	17.99
Income Tax Matters	274.71	384.29
Claims against the group not acknowledged as debts	48.51	48.51

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

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

Note 36: Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Material Consumption	155.17	106.06
Employee benefits expenses	81.90	75.88
Others	44.79	56.87
Total	**281.86**	**238.81**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

Particulars	Year ended March 31, 2022 (₹ million)	Year ended March 31, 2021 (₹ million)
Plant and Machinery*	10.24	10.45
Total	**10.24**	**10.45**

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 37 : Additional information mandated by Schedule III of the Companies Act, 2013 regarding Subsidiary companies considered in the consolidated financial statements:

Name of Entity	Net assets / (liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Parent								
Welspun India Limited								
31 March, 2022	85.25%	34,751.46	64.63%	3,921.30	-19.46%	30.87	66.89%	3,952.17
31 March, 2021	89.19%	33,386.37	95.62%	5,266.70	3.65%	49.39	77.46%	5,316.09
Subsidiaries								
Indian								
Welspun Global Brands Limited								
31 March, 2022	10.91%	4,446.29	9.03%	548.14	148.62%	(235.75)	5.29%	312.39
31 March, 2021	11.04%	4,133.90	8.64%	475.87	96.87%	1,312.45	26.06%	1,788.32
Welspun Zucchi Textiles Limited								
31 March, 2022	0.29%	116.41	0.06%	3.47	0.00%	-	0.06%	3.47
31 March, 2021	0.30%	112.94	0.05%	2.98	0.00%	-	0.04%	2.98
Welspun Flooring Limited								
31 March, 2022	12.33%	5,025.21	10.59%	642.40	-0.09%	0.15	10.88%	642.55
31 March, 2021	11.60%	4,343.66	-13.34%	(735.00)	0.11%	1.47	-10.69%	(733.53)
Welspun Innovative Products Limited								
31 March, 2022	0.00%	0.20	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
31 March, 2021	0.00%	0.22	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Besa Developers and Infrastructure Private Limited								
31 March, 2022	-0.04%	(14.32)	0.00%	0.02	0.00%	-	0.00%	0.02
31 March, 2021	-0.04%	(14.34)	0.00%	0.04	0.00%	-	0.00%	0.04
Anjar Integrated Textile Park Private Limited								
31 March, 2022	0.00%	(0.28)	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
31 March, 2021	0.00%	(0.24)	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Welspun Anjar SEZ Private Limited								
31 March, 2022	5.89%	2,401.57	0.09%	5.18	0.00%	-	0.09%	5.18
31 March, 2021	6.40%	2,396.39	0.54%	29.96	0.00%	-	0.44%	29.96
Welspun Captive Power Generation Limited								
31 March, 2022	10.04%	4,094.35	2.91%	176.26	0.21%	(0.34)	2.98%	175.92
31 March, 2021	10.47%	3,918.43	7.27%	400.18	0.07%	0.90	5.84%	401.08
Anjar Terry Towels Limited**								
31 March, 2022	0.02%	9.16	-0.01%	(0.85)	0.00%	-	-0.01%	(0.85)
31 March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Easygo Textiles Private Limited***								
31 March, 2022	0.00%	1.04	-0.03%	(2.06)	0.00%	-	-0.03%	(2.06)
31 March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Name of Entity	Net assets / (liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Welspun Advance Materials (India) Limited								
31 March, 2022	1.93%	787.00	-0.10%	(5.81)	0.00%	-	-0.10%	(5.81)
31 March, 2021	1.92%	720.31	-0.17%	(9.18)	0.00%	-	-0.13%	(9.18)
Foreign								
Welspun Holdings Private Limited								
31 March, 2022	1.42%	580.53	-0.03%	(1.59)	-0.03%	0.04	-0.03%	(1.55)
31 March, 2021	1.56%	582.08	-0.04%	(2.14)	0.00%	-	-0.03%	(2.14)
Welspun Home Textiles UK Limited								
31 March, 2022	1.08%	440.19	0.00%	(0.01)	-2.47%	3.92	0.07%	3.91
31 March, 2021	1.17%	436.28	0.00%	(0.09)	-1.57%	(21.25)	-0.31%	(21.34)
Welspun Mauritius Enterprises Limited								
31 March, 2022	0.13%	52.68	-0.02%	(0.99)	0.00%	-	-0.02%	(0.99)
31 March, 2021	0.14%	53.67	0.02%	0.85	0.00%	-	0.01%	0.85
Novelty Home Textiles S A DE C V								
31 March, 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31 March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
CHT Holdings Limited*								
31 March, 2022	0.95%	388.41	1.63%	98.61	12.97%	(20.57)	1.32%	78.04
31 March, 2021	0.83%	310.38	0.48%	26.58	3.93%	53.20	1.16%	79.78
Welspun USA Inc.*								
31 March, 2022	4.28%	1,746.07	3.11%	188.46	-39.16%	62.12	4.24%	250.58
31 March, 2021	4.00%	1,495.50	3.63%	199.98	-3.73%	(50.48)	2.18%	149.50
Welspun Nexgen Inc.								
31 March, 2022	0.03%	12.92	-0.01%	(0.53)	-0.30%	0.47	0.00%	(0.06)
31 March, 2021	0.03%	12.98	-0.01%	(0.31)	-0.03%	(0.44)	-0.01%	(0.75)
Pure Sens Organics Myanmar Limited#								
31 March, 2022	0.00%	-	-0.01%	(0.41)	-0.13%	0.20	0.00%	(0.21)
31 March, 2021	-0.01%	(4.59)	-0.23%	(12.94)	-0.02%	(0.25)	-0.19%	(13.19)
Inter-company Elimination and Consolidation Adjustments								
31 March, 2022	-37.08%	(15,122.06)	7.25%	440.06	-2.75%	4.37	7.50%	444.43
31 March, 2021	-41.23%	(15,437.13)	-4.48%	(246.68)	-1.18%	(15.90)	-3.82%	(262.58)
Non-controlling Interest in all subsidiaries								
31 March, 2022	2.57%	1,045.68	0.91%	55.44	2.59%	(4.11)	0.87%	51.33
31 March, 2021	2.63%	985.46	2.02%	111.20	1.90%	25.70	1.99%	136.90
Total								
31 March, 2022	100.00%	40,762.51	100.00%	6,067.03	100.00%	(158.63)	100.00%	5,908.40
31 March, 2021	100.00%	37,432.27	100.00%	5,507.93	100.00%	1,354.79	100.00%	6,862.72

*Amounts after consolidation with their subsidiaries

** On September 25, 2021 Anjar Terry Towels Private Limited became the 100% Subsidiary Company and Name was changed to Anjar Terry Towels Limited (ATTL) on November 11, 2021

*** On October 27, 2021, Easygo Textiles Private Limited (ETPL) became the 100% Subsidiary Company.

On 7th December 2021, Pure Sense Organics Myanmar Limited. (PSOM) ceased to a subsidiary of Welspun India limited (WIL).

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Note 38 : Estimation uncertainty relating to the global health pandemic on COVID-19

The Group has adopted measures to curb the spread of infection of COVID-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group's operations, revenue and consequently profit during the year ended March 31, 2021 were impacted due to COVID-19. The Group has considered the possible effects that may result from outbreak of COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements , the Group has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.

Note 39:

The Company had made an offer for buy-back of fully paid-up equity shares of Re. 1 each of the Company, not exceeding 1,66,66,666 equity shares (representing approximately 1.66% of the total number of equity shares in the issued, subscribed and paid up equity capital) at a price of ₹ 120 per equity share, not exceeding ₹ 2,000 millions on a proportionate basis by way of tender offer in accordance with the provisions of Companies Act, 2013 and SEBI (Buy-Back of Securities) Regulations, 2018. The tendering period for the buyback offer opened on June 22, 2021 and closed on July 05, 2021. Total 1,66,66,666 equity shares were bought back at a price of ₹ 120 per equity share and total amount utilised in buy-back was ₹ 2,000 millions. The settlement of bids by the Clearing Corporation on the stock exchange was completed on July 14, 2021. Accordingly, the equity share capital was reduced by ₹ 16.67 millions and the premium on buy-back of ₹ 1983.33 millions was adjusted against Securities premium account. Consequently the company has transferred an amount of ₹ 16.67 millions being the nominal value of share purchased from Securities premium account to capital redemption reserve as per the requirement of section 69 of the Companies Act 2013.

Note 40 : Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

(iv) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian

Notes

To the Consolidated Financial Statements for the year ended March 31, 2022

Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

Note 41 : Other Statutory Information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has identified transactions with below struck off companies:

a) Pan Club Hotels Private Limited as vendor with whom transaction during the year amounts to ₹ Nil (2020-21: ₹ 0.22 million)

b) Medi innovate Private Limited as a vendor with whom transaction during the year amounts to ₹ Nil (2020-21: ₹ 0.74 million)

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Note 42 :

The figures for the previous year are re-arranged/ re-grouped, wherever necessary.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors

per Vikas Kumar Pansari
Partner
Membership No. 93649

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Sanjay Gupta
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 10, 2022

Place: Mumbai
Date: May 10, 2022

Notes

Corporate Information

Board of Directors

Balkrishan Goenka
Chairman

***Arun Todarwal**
Lead Independent Director

#K H Viswanathan
Lead Independent Director

Arvind Kumar Singhal
Independent Director

Pradeep Poddar
Independent Director

Anisha Motwani
Independent Director

Rajesh Mandawewala
Managing Director

Dipali Goenka
CEO & Joint Managing Director

Audit Committee

***Arun Todarwal**
#K H Viswanathan
Pradeep Poddar
Anisha Motwani

Nomination and Remuneration Committee

***Arun Todarwal**
#K H Viswanathan
Pradeep Poddar
Anisha Motwani

The Stakeholders' Relationship, Share Transfer and Investor Grievance Committee

***Arun Todarwal**
#K H Viswanathan
Pradeep Poddar
Arvind Kumar Singhal

ESG & CSR Committee

***Arun Todarwal**
#K H Viswanathan
Anisha Motwani
Dipali Goenka

Risk Management Committee

***Arun Todarwal**
#K H Viswanathan
Rajesh Mandawewala
Sanjay Gupta
Shreeram Phanse

Chief Financial Officer

Sanjay Gupta

Company Secretary

Shashikant Thorat

Auditors

S R B C & CO LLP

Corporate Office

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Kamala Mills Compound,
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Mumbai - 400 013, India
Tel: 022-66136000/2490 8000
Fax: 022-24908020
Email: Companysecretary_WIL@welspun.com
Website: http:/ www.welspunindia.com

Stock Exchanges where the Company's securities are listed

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

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 051

Works

Welspun City, Village Versamedi Tal. Anjar,
Dist. Kutch, Gujarat – 370 110, India
Tel: (02836) 661111
Fax: (02836) 279010

Survey No. 76, Village Morai, Vapi,
Dist. Valsad, Gujarat – 396 191, India
Tel: (0260) 2437437
Fax: (0260) 2437088

Bankers

Axis Bank Ltd.
Bank of Baroda
EXIM Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
State Bank of India
Union Bank of India
Yes Bank Ltd.

Registered Office

Welspun City, Village Versamedi, Tal. Anjar, Dist. Kutch,
Gujarat – 370 110, India
Tel: (02836) 661111
Fax: (02836) 279010

*Resigned w.e.f. July 01, 2022
#Appointed w.e.f. July 01, 2022

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Home Textiles

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WELSPUN GROUP
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HOME TEXTILES | PIPES & PLATES | INFRASTRUCTURE | FLOORING | WAREHOUSING

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