

WIL/SEC/2020

July 24, 2020

To

Bombay Stock Exchange Limited Department of Corporate Services, SP. J. Towers, Dalal Street, Mumbai – 400 001 (Scrip Code-514162)	National Stock Exchange of India Limited Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol: WELSPUNIND, Series BE)
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Re: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Unaudited financial results for the quarter ended June 30, 2020 for the financial year 2020-21, Limited review report and press release

Please find enclosed the unaudited financial results of the Company, on consolidated as well as standalone basis, for the quarter ended June 30, 2020 for the financial year 2020-21, as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today i.e. July 24, 2020.

Further, the Limited Review Reports of the Auditors of the Company on the unaudited financial results of the Company (both on consolidated and standalone basis) and the text of the press communication, which is being released simultaneously to the media, are also attached.

With reference to our letter dated June 30, 2020 please note the trading window for dealing in the securities of the Company by the Insiders, as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall re-open from **Monday, July 27, 2020**.

Please take the same on your record.

Thanking you,

Yours faithfully,
For Welspun India Limited



Shashikant Thorat
Company Secretary
FCS – 6505

Welspun India Limited

Welspun House, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.
T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020 / 2490 8021
E-mail : companysecretary_wil@welspun.com Website : www.welspunindia.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.
T : +91 2836 661 111 F : +91 2836 279 010

Works: Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat 396 191, India.
T : +91 260 2437437 F : +91 260 22437088

Corporate Identity Number: L17110GJ1985PLCO33271

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors of
Welspun India Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Welspun India Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Name of the Entity	Relationship
1	Welspun India Limited	Holding Company
2	Welspun Global Brands Limited	Subsidiary
3	Welspun Flooring Limited	Subsidiary
4	Welspun Captive Power Generation Limited	Subsidiary
5	Welspun USA Inc.	Subsidiary
6	Welspun Zucchi Textile Limited	Subsidiary
7	Besa Developers and Infrastructure Private Limited	Subsidiary
8	Anjar Integrated Textile Part Developers Private Limited	Subsidiary



SRBC & COLLP

Chartered Accountants

Welspun India Limited

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9	Welspun Anjar SEZ Limited	Subsidiary
10	Welspun Mauritius Enterprises Limited	Subsidiary
11	Novelty Home Textiles SA de CV	Subsidiary
12	Welspun Holdings Private Limited	Subsidiary
13	Welspun Home Textiles UK Limited	Subsidiary
14	CHT Holdings Limited	Subsidiary
15	Christy Home Textiles Limited	Subsidiary
16	Welspun UK Limited	Subsidiary
17	Christy 2004 Limited	Subsidiary
18	Christy Welspun GmbH	Subsidiary
19	Christy Lifestyle LLC	Subsidiary
20	Christy UK Limited	Subsidiary
21	ER Kingsley (Textiles) Limited	Subsidiary
22	Welspun Nexgen Inc.	Subsidiary
23	Welspun Innovative Products Limited (formerly known as Welspun Advanced Materials Limited)	Subsidiary
24	TILT Innovation Inc., USA	Subsidiary
25	Pure Sense Organics Myanmar Limited	Subsidiary
26	Welspun Advanced Materials (India) Limited	Subsidiary
27	TMG (Americas) LLC	Subsidiary (effective from April 20, 2020)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Vikas Kumar Pansari

Partner

Membership No.: 093649

UDIN: 20093649AAAABV9585

Place: Mumbai

Date: July 24, 2020



WELSPUN INDIA LIMITED

(Corporate Identity Number - L17110GJ1985PLC033271)

Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat -370110

Corp. Office : Welspun House, 6th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(Rs. In Lacs)

Sr. No.	Particulars (Refer Notes Below)	Consolidated			
		Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	Income				
	a. Revenue from Operations [Refer Note 4]	120,180	161,732	172,814	674,109
	b. Other Income [Refer Note 2]	1,424	4,714	815	9,509
	Total Income	121,604	166,446	173,629	683,618
2	Expenses				
	Cost of materials consumed	50,698	71,722	78,584	302,322
	Purchase of Stock-in-trade	5,440	5,350	7,439	36,117
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,503)	(2,598)	(305)	(8,810)
	Employee benefits expense	17,950	19,641	18,125	77,814
	Depreciation and amortisation expense	11,059	12,468	10,942	48,109
	Other Expenses	25,207	42,706	32,665	145,199
	Finance Costs	4,122	6,124	3,738	17,770
	Total Expenses	112,973	155,413	151,188	618,521
3	Profit before Exceptional items and tax (1 - 2)	8,631	11,033	22,441	65,097
4	Exceptional items - Reversal of liability on settlement of legal claims	-	-	-	4,342
5	Profit before Tax (3+4)	8,631	11,033	22,441	69,439
6	Income Tax Expense				
	Current Tax	3,212	3,897	5,922	16,191
	Deferred Tax	44	(1,923)	912	813
	Total Income Tax Expense	3,256	1,974	6,834	17,004
7	Net Profit for the period (5-6)	5,375	9,059	15,607	52,435
8	Other comprehensive income, net of income tax				
	A. Items that will not be reclassified to profit or loss in subsequent period	21	(134)	7	(151)
	B. Items that will be reclassified to profit or loss in subsequent period	4,947	(9,194)	92	(15,871)
	Total other comprehensive income, net of income tax	4,968	(9,328)	99	(16,022)
9	Total comprehensive income for the period (Including Non-controlling interests)(7+8)	10,343	(269)	15,706	36,413
10	Net Profit (Loss) attributable to:				
	- Owners	4,909	8,560	15,004	50,737
	- Non-controlling interests	466	499	603	1,698
11	Other comprehensive income attributable to:				
	- Owners	4,871	(9,162)	96	(15,718)
	- Non-controlling interests	97	(166)	3	(304)
12	Total comprehensive income attributable to:				
	- Owners	9,780	(602)	15,100	35,019
	- Non-controlling interests	563	333	606	1,394
13	Paid-up Equity Share Capital (Shares of Re. 1 each)	10,047	10,047	10,047	10,047
14	Other Equity				287,158
15	Earnings Per Share (of Re. 1 each) (Not annualised for quarters)				
	a) Basic	0.49	0.85	1.49	5.05
	b) Diluted	0.49	0.85	1.49	5.05

Notes :

- The above consolidated financial results for the quarter ended on June 30, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors at the meeting held on July 24, 2020. These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- Other expenses for the quarter ended June 30, 2020 and quarter ended June 30, 2019 includes exchange loss of Rs. 2,012 lacs and Rs. 517 lacs respectively. Other Income for the quarter ended March 31, 2020 and year ended March 31, 2020 includes exchange gain of Rs. 3,967 lacs and Rs. 3,934 lacs respectively.
- The Group has adopted measures to curb the spread of infection 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 current quarter 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 this financial results 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 this financial results, 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 results.



WELSPUN INDIA LIMITED

(Corporate Identity Number - L17110GJ1985PLC033271)

Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat -370110

Corp. Office : Welspun House, 6th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

- 4 Revenue from operations for the quarter ended June 30, 2019 includes incentive of Rs.4,160 lacs accrued under Merchandise Exports from India Scheme (MEIS). The Ministry of Textile, Government of India, had issued a Notification dated January 14, 2020, withdrawing the entitlement under MEIS with retrospective effect from March 7, 2019 on certain products exported by the Company and its subsidiary. The Group had reversed the above MEIS incentive accrual during the quarter ended December 31, 2019 and had discontinued accruing MEIS incentive after September 30, 2019. The figures for the quarter ended June 30, 2019 are not comparable to the extent explained above.
- 5 The Company's subsidiary viz. Welspun USA Inc had entered into an agreement to acquire TMG (Americas) LLC, USA in the previous year and upon fulfillment of conditions precedent the acquisition was completed during quarter ended June 30, 2020 against purchase consideration of Rs.6,834 lacs. The acquisition has been treated as an asset acquisition and accordingly, the purchase consideration has been primarily allocated over the property, plant and equipment acquired. The impact of the aforesaid acquisition has been given in the financial results for the quarter ended June 30, 2020.
- 6 The Consolidated Segment wise Revenue, Results, Assets and Liabilities :

Sr. No.	Particulars (Refer Notes Below)	Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	Segment Revenue				
	a) Home Textiles	118,455	158,451	171,784	666,333
	b) Flooring	2,536	4,205	1,039	8,723
	Total	120,991	162,656	172,823	675,056
	Less : Inter Segment Revenue	811	924	9	947
	Income from Operation	120,180	161,732	172,814	674,109
2	Segment Results				
	Profit before interest, depreciation, exceptional items and tax				
	a) Home Textiles	26,131	37,672	37,952	146,922
	b) Flooring	(2,729)	(5,965)	(859)	(14,227)
	Total segment profit before interest, depreciation, exceptional items and tax	23,402	31,707	37,093	132,695
	Add : Un-allocable income net of un-allocable expenses	410	(2,082)	28	(1,719)
	Profit before interest , depreciation , exceptional items and tax	23,812	29,625	37,121	130,976
3	Profit before tax				
	a) Home Textiles	13,071	21,672	23,330	89,754
	b) Flooring	(4,850)	(8,557)	(917)	(18,596)
	Total segment profit before tax	8,221	13,115	22,413	71,158
	Add : Un-allocable income net of un-allocable expenses	410	(2,082)	28	(1,719)
	Profit before Tax	8,631	11,033	22,441	69,439
4	Segment Assets				
	a) Home Textiles	655,170	675,359	676,657	675,359
	b) Flooring	115,945	108,250	92,125	108,250
	c) Unallocated	53,902	47,420	32,780	47,420
	Total Assets	825,017	831,029	801,562	831,029
5	Segment Liabilities				
	a) Home Textiles	382,643	408,293	396,668	408,293
	b) Flooring	90,116	82,080	68,857	82,080
	c) Unallocated	36,227	34,965	35,303	34,965
	Total Liabilities	508,986	525,338	500,828	525,338

7 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and unaudited regrouped figures up to the nine months period ended December 31, 2019.

8 The figures for the previous periods / year are re-arranged / regrouped, wherever necessary.

FOR AND ON BEHALF OF THE BOARD


 Rajesh Mandawewala
 (Managing Director)



DIN : 00007179

Mumbai
Date : July 24, 2020

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors of
Welspun India Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Welspun India Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Vikas Kumar Pansari

Partner

Membership No.: 093649

UDIN: 20093649AAAABW1659

Place: Mumbai

Date: July 24, 2020



WELSPUN INDIA LIMITED

(Corporate Identity Number - L17110GJ1985PLC033271)

Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat -370110

Corporate Office : Welspun House, 6th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

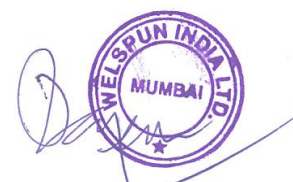
(Rs. In Lacs)

Sr. No.	Particulars (Refer Notes below)	Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	Income				
	Revenue from operations (Refer Note 4)	96,174	118,472	143,538	532,357
	Other Income	1,797	1,127	888	4,314
	Total Income	97,971	119,599	144,426	536,671
2	Expenses				
	Cost of materials consumed	40,166	60,851	72,268	272,394
	Purchase of Stock-in-trade	2,926	3,237	1,318	7,552
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	4,162	(7,636)	(4,625)	(14,962)
	Employee benefits expense	11,864	13,484	12,871	53,807
	Depreciation and amortisation expense	8,118	9,733	9,503	38,814
	Other expenses	20,352	30,943	27,772	112,644
	Finance costs	2,302	3,158	1,987	9,482
	Total Expenses	89,890	113,770	121,094	479,731
3	Profit before exceptional items and tax (1-2)	8,081	5,829	23,332	56,940
4	Exceptional Item-Reversal of liability on settlement of legal claims	-	-	-	4,316
5	Profit Before Tax (3+4)	8,081	5,829	23,332	61,256
6	Income Tax Expense				
	Current Tax	1,717	2,735	5,088	12,443
	Deferred Tax	889	(2,888)	2,763	1,325
	Total Tax Expense	2,606	(153)	7,851	13,768
7	Net Profit for the Period (5-6)	5,475	5,982	15,481	47,488
8	Other comprehensive income, net of income tax Items that will not be reclassified to profit or loss in subsequent periods	21	18	7	1
9	Total comprehensive income for the period (7+8)	5,496	6,000	15,488	47,489
10	Paid-up Equity Share Capital (Shares of Re.1 each)	10,047	10,047	10,047	10,047
11	Other Equity				270,655
12	Earnings Per Share (of Re.1 each) (Not annualised for quarters)				
	a) Basic	0.54	0.60	1.54	4.73
	b) Diluted	0.54	0.60	1.54	4.73

Notes :

- The above standalone financial results for the quarter ended on June 30, 2020 were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on July 24, 2020. These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The Company has adopted measures to curb the spread of infection 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 Company's operations, revenue and consequently profit during the current quarter 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 results 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 results, 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 results.
- The Company publishes this standalone financial result along with the consolidated financial results. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the statement of unaudited consolidated financial results.
- Revenue from operations for the quarter ended June 30, 2019 includes incentive of Rs. 4,160 lacs accrued under Merchandise Exports from India Scheme (MEIS). The Ministry of Textile, Government of India, had issued a Notification dated January 14, 2020, withdrawing the entitlement under MEIS with retrospective effect from March 7, 2019 on certain products exported by the Company and its subsidiary. The Company had reversed the above MEIS incentive accrual during the quarter ended December 31, 2019 and had discontinued accruing MEIS incentive after September 30, 2019. The figures for the quarter ended June 30, 2019 are not comparable to the extent explained above.
- The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and unaudited regrouped figures up to the nine months period ended December 31, 2019.
- The figures for the previous periods /year are re-arranged / regrouped, wherever necessary.

FOR AND ON BEHALF OF THE BOARD



Mumbai

Date : July 24, 2020

Rajesh Mandawewala
(Managing Director)

DIN 00007179

Resilience in challenging times

- ✓ 1st company in India to get BIS quality certification for the disposable coverall
- ✓ Spaces becomes one of the top online brands on Myntra in Home category
- ✓ Domestic E-Commerce business grew by 29% & global E-commerce business grew 100%+ YoY
- ✓ Spaces.com doubled its sales YoY and Christy.com witnessed record breaking sales
- ✓ Core business EBITDA Margin at 22.1%
- ✓ Core business Net Debt reduced by Rs. 3,485 mn

Mumbai, July 24, 2020: Welspun India Ltd. (WIL), part of the US\$ 2.7 billion Welspun Group, announced Q1FY21 results today.

Key Financial Highlights of the Quarter ended June 30th, 2020:

- **Total Income:**
 - Rs. 12,160 mn in Q1FY21 vs. Rs. 17,363 mn in Q1FY20; down by 30% YoY
- **EBITDA:**
 - Rs. 2,381 mn in Q1FY21 vs. Rs. 3,712 mn in Q1FY20; EBITDA Margin at 19.6%
 - Core Business EBITDA stood at Rs. 2,613 mn in Q1FY20; EBITDA Margin at 22.1%
- **PAT:**
 - Rs. 491 mn in Q1FY21 vs. Rs. 1,500 mn in Q1FY20; down by 67% YoY
 - TTM EPS stood at Rs 4.05 vs Rs. 2.32 in the same period last year
- **Net Debt:**
 - Total Net Debt was Rs. 26,529 mn vs. Rs. 29,618 mn (FY20); reduced by Rs 3,089 mn
 - Net Debt (excl. flooring) was Rs. 19,755 vs. Rs. 23,240 mn (FY20); reduced by Rs, 3,485 mn

Key Business updates:

As we had already updated during our Q4FY20 results, our plants were shut from last week of March to first half of April, due to government imposed lockdown on account of COVID. However we could swiftly restart our operations with all the safety protocols in place. We saw lower utilization of our capacities in April, but it improved in May and further picked up in June. This impacted the revenue and EBITDA of the current quarter, which are down by 30% and 36% respectively from the corresponding quarter of the previous year. However at present our plants are running close to full capacities.

Many countries in Europe and USA have started easing down on the restrictions, with majority of the stores back in operations. We are witnessing a sharp jump in enquiries and increased sales every passing month. So to say our June 2020 month sales has come close to the level of June 2019 sales. Order book looks strong for Q2FY21 and projections for rest of the year looks robust. Our newly launched “Martha Stewart” brand licensed products have seen great success in US market, both online & offline, despite COVID challenge.

As stated earlier, we have forayed into a new “Health & Hygiene” business vertical in shortest possible time, with focus on health and hygiene related products such as masks, coverall, medical gowns, disposable bed linen/towel, etc. for front line workers and consumers. We are the first company in India to be BIS certified for disposable coverall. Our products are under certification for CE and the US FDA Class 1 listing is already done for

supplying to global markets. We will very soon be launching our anti-viral range in exclusive partnership with Healthguard, Australia.

Today the Board has approved investment of Rs. 495 crore in Advanced Textile vertical through its wholly owned subsidiary namely Welspun Advanced Materials India Limited (WAMIL) spread over 2 years. It is a planned capex to augment our Spunlace, Wet wipes and bleached cotton capabilities. Given the current scenario and changing consumer behavior towards health and hygiene, there is high demand for PPE products as well as disposable solutions. Our current capacities are already fully utilized. We see huge potential with addressable market size estimated to be \$ 80 billion.

During the quarter, our domestic E-Commerce business grew by 29% YoY with just 45 days of activity while our global E-commerce business grew by 100%+ YoY. Spaces has also become one of the top online brands on Myntra in Home category. In FY21, we are targeting 100% growth in our domestic E-commerce business and around 150% growth in our international business from E-commerce. Our own brands like Spaces, Welspun, Christy and license brand Martha Stewart, along with our innovation capabilities, will act as key growth catalyst for this channel.

Spaces continues to be consistently the No. 1 brand in SIS format in bed and bath categories and 2nd most popular brand in Premium Category. We continue to see a great opportunity in “Welspun” as a mass brand. It is the 2nd most popular brand in “Mass Market” category and is currently present in 46 cities, 3014 outlets and 52 distributors.

In our Flooring business, the export market is looking promising. We have entered into a long term strategic arrangement with one of the largest US distributor for hard flooring. This has enabled us to secure 50% of our current capacity of hard flooring. As external situation keeps improving, we expect every passing quarter to be better than the previous one.

Capital Allocation Strategy:

It has been our endeavor to allocate capital efficiently in order to enhance stakeholder value. Hence over the last few years our net debt has reduced, even though we have added capacities in various businesses, including our investment in the flooring business.

Our strategy on capital allocation is to:

- Calibrate our capex based on the cash flow available; and keep it around the total depreciation charge
- Maintain a steady dividend distribution of at least 25% of standalone profit
- Continue to invest in our brands across geographies and channels
- Continued focus on reduction of Net Debt; we have already reduced net debt in our core business by Rs 1,000 crore over the last 2 years and would continue to allocate cash flows towards net debt reduction

Today any capital we are allocating, is after a comprehensive discussion and exercise which is supervised by the board. Any capital invested is with view to grow with a significantly higher margin than the current average margins.

Awards and Accolades:

- Home Textile Today honored Ms. Dipali Goenka (Jt. MD & CEO) as 2020 'Woman of Influence' for her leadership, accomplishments and strategic vision in home textile industry.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, "In a quarter marked by challenging conditions and uncertainties, we have demonstrated resilience in our performance. We are well equipped for the 'New Normal' and have resumed operations in record time while prioritizing the safety and well-being of our people.

We continue to accelerate our journey towards digitalization of all critical business functions and processes while focusing on our enablers' viz., Innovation, Branding, Talent and Sustainability to consolidate our leadership position."

Consolidated Financial Summary								(Rs. Million)
Particulars	Q1FY21	Q1FY20	YoY Change	Q4FY20	QoQ Change	FY20	FY19	YoY Change
Total Income	12,160	17,363	(30.0%)	16,645	(26.9%)	68,362	66,084	3.4%
EBITDA	2,381	3,712	(35.9%)	2,963	(19.6%)	13,098	11,467	14.2%
EBITDA Margin	19.6%	21.4%	(180 bps)	17.8%	178 bps	19.2%	17.4%	181 bps
Finance Cost	412	374	10.3%	612	(32.7%)	1,777	1,593	11.6%
Depreciation	1,106	1,094	1.1%	1,247	(11.3%)	4,811	4,358	10.4%
PBT	863	2,244	(61.5%)	1,103	(21.8%)	6,510	5,516	18.0%
Exceptional Items [^]	-	-	-	-	-	434	(2,647)	-
PAT after min. int	491	1,500	(67.3%)	856	(42.7%)	5,074	2,098	141.8%
Cash Profit*	1,648	2,746	(40.0%)	1,960	(15.9%)	9,702	8,977	8.1%
EPS (Rs.)	0.49	1.49	(67.3%)	0.85	(42.7%)	5.05	2.09	141.8%

- [^]FY20 Exceptional Item: 434 mn (Reversal of excess provision related to provenance)
- *Cash Profit = PBDT (before exceptional) less Current Tax
- Prior period figures have been restated wherever necessary

Segmental Details								(Rs. Million)
Particulars	Q1FY21	Q1FY20	YoY Change	Q4FY20	QoQ Change	FY20	FY19	YoY Change
Home Textile:								
Revenue	11,846	17,178	(31.0%)	15,845	(25.2%)	66,633	65,137	2.3%
EBITDA	2,613	3,795	(31.1%)	3,767	(30.6%)	14,692	11,278	30.3%
EBITDA Margin	22.1%	22.1%	(3 bps)	23.8%	(172 bps)	22.0%	17.3%	474 bps
Flooring:								
Revenue	254	104	144.1%	421	(39.7%)	872	131	564.4%
EBITDA	(273)	(86)	-	(597)	-	(1423)	(275)	-

- Prior period figures have been restated wherever necessary

Consolidated Balance Sheet Summary		(Rs. Million)	
Particulars		30 th Jun 2020	31 st Mar 2020
Net worth		30,698	29,721
Gross debt		32,457	34,421
- Short Term Loans		16,315	17,717
- Long Term Loans (excl. Welspun Flooring Debt)		9,368	10,326
Net Debt excluding Flooring Debt		19,755	23,240
- Welspun Flooring Debt		6,774	6,378
Net Debt		26,529	29,618
Net Fixed Assets (incl. CWIP)		38,347	38,105
Net Current Assets (excl. cash & cash equiv.)		19,781	21,828
Capital Employed		68,298	68,825
Net Debt/EBITDA*		2.25x	2.26x
Net Debt/Equity		0.86x	1.00x

- *EBITDA calculated on TTM basis

About Welspun India Ltd:

Welspun India Ltd (WIL), part of \$2.7 Bn Welspun Group, is a global leader in Home textiles. With a distribution network in more than 50 countries and world class manufacturing facilities in India, Welspun is strategic partners with top global retailers. WIL is driven by its differentiation strategy based on Branding, Innovation and Sustainability.

About Welspun Group:

A US\$ 2.7 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Warehousing, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

For further information please visit www.welspunindia.com

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