WELSPUN INDIA
HOME TEXTILES

WIL/SEC/2020 September 07, 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 ListingCompliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol: WELSPUNIND)

Dear Sir / Madam,

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

In compliance with Regulation 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 2019-20 along with the Notice of the 35th Annual General Meeting, dispatched to the members on September 07, 2020. The Annual General Meeting of the Company is scheduled to be held on Tuesday, September 29, 2020 at 04.00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members.

This is in compliance with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020 issued by Ministry of Corporate Affairs ("MCA Circulars") and other applicable provisions of the Companies Act, 2013 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("said SEBI Circular") issued by the Securities and Exchange Board of India and relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the aforesaid MCA Circulars and SEBI Circular, 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.

Please take the same on record.

Thanking you.

For **Welspun India Limited**

WELSPUN INDIA LTD.

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: L17110GJ1985PLC033271

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of Welspun India Limited will be held on Tuesday, September 29, 2020 via video-conference or other audio-visual means at 4 p.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, 2020 and the reports of the Board of Directors and the Auditors thereon.

2) To appoint a Director in place of Mr. Balkrishan Goenka (DIN 00270175), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3) 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), M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025), appointed as the Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee of the Board, to conduct the cost audit for the financial year ending March 31, 2021, be paid a remuneration of ₹ 300,000 (Rupees Three Lakh 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."

4) 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 net profits of the Company as computed under Section 198 of the Companies Act, 2013 for the financial year 2020-21 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.

By Order of the Board

Sd/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: June 29, 2020

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 massive outbreak 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 and Circular number SEBI / HO / CFD / CMD1 / CIR / P/2020/79 issued by the Securities and Exchange Board of India (SEBI), 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 Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this General Meeting. 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 3 and 4 of the Notice is annexed hereto.

4. 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.

5. 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").

6. 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.

7. 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 29, 2020. Members seeking to inspect such documents can send an email to CompanySecretary_WIL@welspun.com.

8. 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) ("Listing Regulations"), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 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 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, through VC or OAVM, 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.

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, 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) i.e. www.evoting.nsdl.com.

10. In compliance with the Circulars, the Annual Report 2019-20, 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).

11. 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 2019-20 in electronic mode. Members may provide their detail in the sheet annexed to this Notice.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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:-

18. The e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Tuesday, September 22, 2020 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.

19. 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.

20. 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.

21. 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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are given below:

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password 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 or Physical (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. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use 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 prompt you to change your password mandatorily.

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.

   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.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. 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 cssunilzore@gmail.com with a copy marked to evoting@nsdl.co.in.

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.: 1800-222-990 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 companysecretary_wil@welspun.com.

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

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

2. Only those Members/ shareholders, who will be present in the General Meeting, 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 General Meeting.

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

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 General Meeting shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at companysecretary_wil@welspun.com. The same will be replied by the company suitably.

22. In order to ensure better and timely communication between the Company and the shareholders and to ensure the receipt of dividend and/or any other consideration timely, fast and easily and more importantly, to avoid fraudulent encashment of warrants, the shareholders are requested to update their details by using the following procedure mentioned in the table below:

Updation	Procedure	Documents
Email Id and PAN	**Physical Holding:** You can directly upload details on the website of Link Intime India Private Limited - Registrar & Transfer Agent https://linkintime.co.in/EmailReg/Email_Register.html or send an email to rnt.helpdesk@linkintime.co.in. Alternatively, send an email to Company's email id companysecretary_wil@welspun.com	A signed request letter mentioning your folio no. and the email id / PAN (self- attested copy) that is to be registered
	Demat Holding: Update the email id / PAN through your Depository Participant	
	Additional Documents Required : **In case of Non-resident Shareholders:** Declaration of No Permanent Establishment, Tax Residency Certificate and Form10F) **In case of Mutual Fund registered with SEBI :-** Exemption Certificate u/s 10 (23D) issued by Income Tax Authority.	
Bank Mandate	**Physical Holding:** You can directly upload details on the website of Link Intime India Private Limited - Registrar & Transfer Agent https://linkintime.co.in/EmailReg/Email_Register.html or send an email to rnt.helpdesk@linkintime.co.in. Alternatively, send an email to Company's email id companysecretary_wil@welspun.com	A signed request letter mentioning your folio no., cancelled cheque and self-attested PAN copy

<table>
<tr><th>Updation</th><th>Procedure</th><th>Documents</th></tr>
<tr><td></td><td>Demat Holding:
Update the Bank mandate through your Depository Participant</td><td></td></tr>
<tr><td colspan="3">To ensure continuous compliance with the requirements of applicable law, we request you to please provide us with your alternative postal address in India, wherever applicable. This address can be utilized by the Company for the purposes of mailing certain documents/information that may be required in terms of applicable law, including without limitation, the Companies Act, 2013.</td></tr>
<tr><td>Postal Address in India, wherever applicable</td><td>Physical Holding:
You can send an email to Link Intime India Private Limited - Registrar & Transfer Agent at email id rnt.helpdesk@linkintime.co.in. Alternatively, send an email to Company's email id companysecretary_wil@welspun.com.</td><td>A signed request letter mentioning your postal address in India</td></tr>
<tr><td></td><td colspan="2">Demat Holding:
Update the postal address in India through your Depository Participant</td></tr>
</table>

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.

23. Mr. Sunil Zore of M/s. SPZ & Associates, Company Secretaries (e-mail to cssunilzore@gmail.com), has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

24. The Scrutinizer shall after the conclusion of voting at the general meeting, will 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, not later than three days of the conclusion of the General Meeting, 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.

25. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.welspunindia.com 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 shares of the Company are listed.

26. In terms of Section 152 of the Act, Mr. Balkrishan Goenka (DIN 00270175), Director, retires by rotation at the Meeting and being eligible has offered himself for re-appointment. A brief resume of Mr. Balkrishan Goenka and 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.

27. The Register of Members and Share Transfer Books of the Company remained closed from Thursday, September 17, 2020 to Friday, September 18, 2020 (both days inclusive).

By Order of the Board

Sd/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: June 29, 2020

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

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/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: June 29, 2020

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 NUMBER 2 - RE-APPOINTMENT OF MR. BALKRISHAN GOENKA

Mr. Goenka being one of the promoters of the Company is also the Chairman of Welspun Group. He is a prime architect of the Welspun Group.

For over 35 years, Mr. Goenka with his strong business acumen and risk-taking abilities is credited to have successfully steered the Welspun Group in many high growth sectors. He has a vision to make Welspun one of the most respected groups globally by creating world-class companies that consistently sets industry benchmarks.

Details of directorship, membership of the Committees of the Board of other companies and his shareholding in the Company are given in the annexure.

Except Mr. Goenka, being the appointee herein and his wife Ms. Dipali Goenka, CEO and Joint Managing Director of the Company, who is also member / beneficial owner in 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 ordinary resolution at item number 2 of the accompanying Notice for approval by the Members of the Company.

Members' approval is sought by way of an ordinary resolution proposed under item number 2 of the accompanying Notice.

ITEM NUMBER 3 - 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 2020-21 on a remuneration of ₹ 300,000 (Rupees Three Lakh 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. 3 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 NUMBER 4 – 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 @1% of the 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 4 of the accompanying Notice for payment of commission for the financial year 2020-21.

By Order of the Board

Sd/-
Shashikant Thorat
Company Secretary
FCS-6505

Place: Mumbai
Date: June 29, 2020

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

Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Balkrishan Goenka

Name	Balkrishan Goenka
Date of Birth	August 15, 1966
Date of Appointment	January 17, 1985
Qualifications	B.Com.
Nature of his expertise in specific functional areas	Mr. Goenka is the founder of Welspun Group. He is a commerce graduate. He was instrumental in conceiving the projects. His strategic advises through Board meetings have helped the Company immensely. The success of group is attributable to him to a great extent.
Disclosure of relationships with other Directors and Key Managerial Personnel	Spouse of Ms. Dipali Goenka
Names of other companies in which the person also holds the directorship	Welspun Corp Limited, Welspun Enterprises Limited, Welspun Specialty Solutions Limited, Welspun Steel Limited, Welspun Wasco Coatings Private Limited, Welspun Logistics Limited, Welspun Advanced Materials (India) Limited, Welspun Global Brands Limited, Adani Welspun Exploration Limited, Welspun One Logistics Parks Private Limited, Rank Marketing LLP, Welspun Multiventures LLP, The Associated Chambers of Commerce and industry of India, Welspun Middle East Pipe Coatings Company LLC, Welspun Middle East Pipe Company LLC, DBG Estate Private Limited
Names of companies and committees, of its Boards, in which the person holds membership	1) Welspun Corp Limited: Corporate Social Responsibility Committee – Member, Finance and Administration Committee – Member, International Trade Practices & Governance Committee – Chairman, Budget Committee – Chairman, Share Transfer & Investor Grievance & Stakeholders Committee – Member; (2) Welspun India Limited : Finance and Administration Committee – Chairman, Share Transfer & Investor Grievance & Stakeholders Committee – Chairman; Nomination and Remuneration Committee – Member; (3) Welspun Steel Limited : Finance Committee – Member, CSR Committee – Member; (4) Welspun Enterprises Limited : Budget Committee – Chairman; and (5) Welspun Specialty Solutions Limited – CSR Committee - Member.
No. of shares held in the Company	683,980 equity shares (He also hold 683,302,903 equity shares held as Trustee of Welspun Group Master Trust.)
No. of Board meetings attended	Refer Corporate Governance Report which forms part of the Directors' Report, 2019-20.

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

REPURPOSING FOR NEW NORMAL

Annual Report 2019-20

CONTENTS

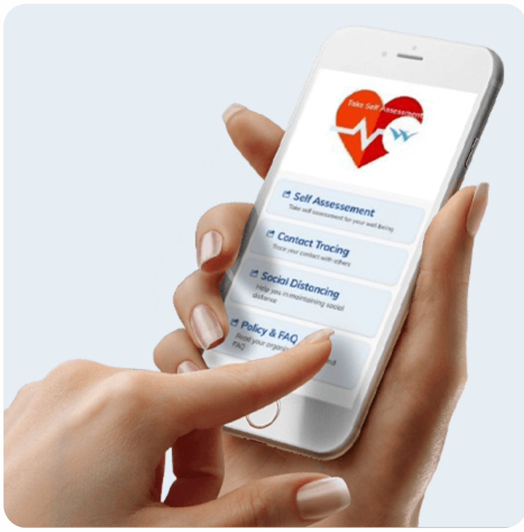
REPURPOSING
FOR NEW NORMAL

While the world is striving to combat COVID-19, we as a responsible organization have been standing in solidarity as one Welspun family, supporting the lives we could touch upon in these times of adversity. Unprecedented times like these define an organization's strength and demonstrates the values it stands for. Consequently Welspun India Limited has paved the way to repurpose the organizational ability and embrace the 'New Normal'.

As an organization having global presence, we have utilized this opportunity to re-invent ourselves and transform with the changing times.

We continue to accentuate our core values of leveraging technology, customer centricity, collaboration & inclusive growth, which are bedrock of our culture. Welspun India Limited has swiftly and safely restarted its operations post government imposed lockdown on account of its vertically integrated capabilities and introduction of 'Penta Protocol', a multi-layered security framework to ensure wellbeing and security of its people.

To successfully navigate the new normal, we have geared up to be a future ready organization by embracing digital, strong systems and processes.



To facilitate a congenial working environment for our employees across all locations, we have geared up to create a workplace, which is digitally enabled and where virtual collaboration is powered by technology.

Our focus is on ensuring health, safety and well-being of all our employees and service providers, by implementing Welspun Penta Protocols. The implementation of Welspun Penta Protocols has also been audited by a Big 4 firm.

Through Penta Protocol, the Company has laid down industry defining practices and Intertek Protek standards and procedures consisting of social distancing guidelines, workplace practices, thermal scanning, wearing of PPEs, sanitization and several other strict regulations to curb the spread of COVID-19. Welspun has introduced WelHeal App, which provides self-assessment of symptoms and creates general awareness pertaining to COVID-19. WelHeal also helps with contact tracing and social distancing alerts.

We also have 24x7 well-equipped medical centres at all our locations with all the necessary equipment, including isolation wards. In order to proactively adopt a healthy regime, we are providing immunity-boosting medicines and drinks, like Ayurvedic Kadha.

All these measures were widely appreciated by customers, government and local authorities.

PENTA PROTOCOLS

1.0 For COVID free business operations

2.0 Contact tracing in factory premises

3.0 Caring for employees with mild symptoms

4.0 Identify positive cases via Rapid Antigen tests

Welspun Penta Protocols™

1. Preventive measures in residential colonies
2. Commuting from home to work
3. Safety standards at work place
4. Common touch areas
5. Material Handling

SUSTAINING COMMUNITIES

We have been reaching out to our extended Welspun family to provide them with all the assistance they require during this hour of need.

- AI based Robot offering virtual consultation with specialist doctors anywhere in the world
- Periodic sanitization and fumigation of neighborhood and company premises
- Availability of Hand Sanitizers and Medical Masks
- Thermal Screening at all entry points
- Arrangement of Isolation Wards & Quarantine Homes
- Distributing immunity boosting medicines and drinks

Welspun also launched Project Saksham with an aim to connect with the families of employees residing in Bihar and Jharkhand to reassure them about the wellbeing of the workforce as well as build awareness amongst the local communities around COVID-19. Welspun reached out to one lakh individuals across 15 districts to distribute masks and relevant informatory material, and to educate them about the initiatives undertaken by the Company to ensure safety of its members.

DIGITAL WORKSPACE

We are constantly ensuring our employees' mental and physical wellbeing while they are engaging in constructive work from home. It has been our constant endeavor to help our employees to maintain work life balance by keeping them engaged and motivated and lifestyle products.

In the emerging 'New Normal' world, it has become critical to focus on Safety, Health and Hygiene. Being a global leader in Home textiles, we felt it was our responsibility to step up for the concern and care of nation and community. We have augmented our technical textiles capabilities to make available a new range of Health products ranging from masks, wipes, gowns, disposable sheet, disposable towels and lifestyle products.

Virtual Collaboration

Fun activities & engagements on a lighter note

Robust IT infrastructure to enable work from home

Digital Learning Webinars

Virtual Health & Wellness Programs

THRIVING TOGETHER
IN THE NEW NORMAL

Part of USD 2.7 billion Welspun Group, Welspun India Limited is a global leader in home textiles, supplying top global retailers. Our world class manufacturing facilities, located in India, are equipped to deliver high quality products, benchmarked to international standards.

#1
Ranking in "Top 15 Home Textile Supplier Giants to USA" by Home Textiles & Today Magazine

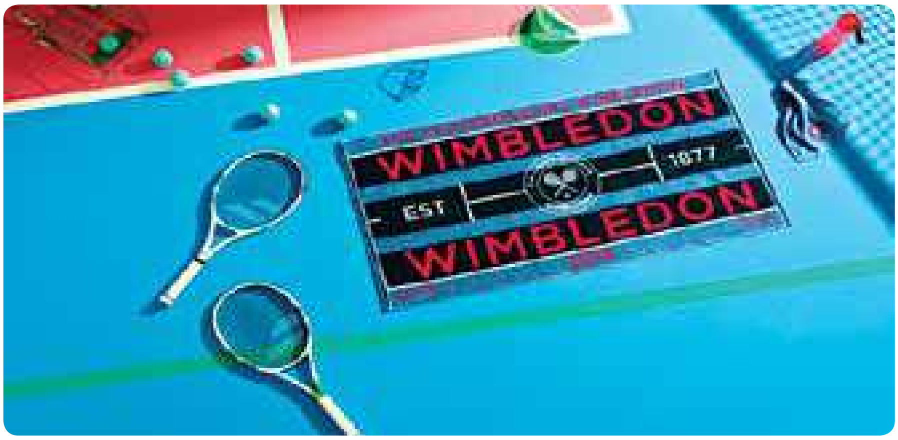
30 Patents
Highest in the industry, Thought leader in Home Textiles

>25%
Women in 20,000+ workforce

30%
Annual growth in domestic Branded business with brands 'Spaces' and 'Welspun'

Our competitive and state-of-the-art manufacturing base, coupled with a global delivery model, uniquely positions us for cross-selling across our continuously expanding customer base. Our distribution network spanning more than 50 countries, makes us the largest exporter of home textile products from India.


'Martha Stewart' Brand License



Steered by innovation leadership and strong consumer focus, we are the largest home textiles player globally, with presence in Bed, Bath and Flooring, providing differentiated end-to-end solutions in Home Textiles.

OUR PRODUCT PORTFOLIO

We manufacture a wide range of home textile products at our state-of-the-art facilities in Vapi and Anjar, located in Gujarat. Our environment-friendly vertically integrated plants are designed for farm-to-finish production across our diverse product range.

VISION

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

GROWTH

Our 20,000 employees are our most important assets through which we can achieve our mission. We are committed to providing our employees, ongoing training and lifestyle benefits. We are one team with a shared sense of purpose working towards a common goal.

We commit ourselves to continuous growth, so as to fulfill the aspirations of our Customers, Employees and Shareholders.

OUR COMPETITIVE STRENGTHS

driving our efforts to create higher value and more impactful solutions for our stakeholders are our core strengths, which we are constantly nurturing across the value chain of our business.

1
Diversified Brand and License portfolio

2
Vertically integrated presence & capabilities

3
Global distribution network with marquee clients

4
Exceptional track record of innovation

5
Strong focus on sustainability

6
Experienced Board & Management Team with proven track record

7
Widest Product range in the industry

8
Consistent strong financial performance

GLOBAL DISTRIBUTION NETWORK WITH MARQUEE CLIENTS

Map not to scale.
For illustrative purposes only.

DELIVERING QUALITY SOLUTIONS

With our products conforming to the highest quality standards set by the best of stores worldwide, we remain at the forefront of delivering quality offerings to our customers, going beyond their expectations to set new industry benchmarks.

OUR GROUNDBREAKING **MILESTONES**

1985

The journey in textiles as Welspun Winilon Silk Mills Private Limited a synthetic yarn business, began in India.

1991

Welspun Winilon Silk Mills Private Limited was renamed Welspun Polyester (India) Limited and listed on stock exchanges.

1993

Terry Towels plant was set up at Vapi in Gujarat, India.

1995

Welspun Polyester (India) Limited becomes Welspun India Limited that shaped the textile business to its current form.

2000

Welspun USA was incorporated as a wholly-owned subsidiary of Welspun India Limited

2005

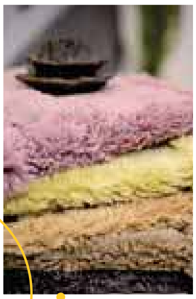
- The facility in Anjar, Gujarat was set up
- Entry into the bedsheets category

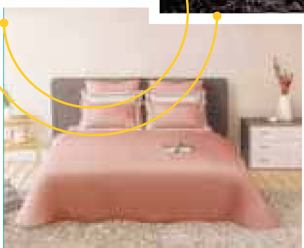
2006

Acquisition of Christy – 150 years old towel manufacturing company and the most prestigious towel brand in the UK.

2008

Entry into the rugs category





2012

Ranked as the No.1 Home Textile exporter to the US.

2014

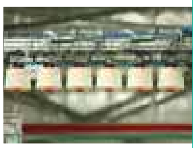
- Embarked upon capacity expansion and vertical integration
- Welspun Global Brands Limited recognised as a 'Certified Woman Business Enterprise'

2015

- Foray into the e-commerce segment with the launch of shopwelspun.com and shopwelspun.in
- SPUN brand was launched globally
- 'Hygro' branding campaign was launched in US

2016

India's largest spinning facility under one-roof at Anjar (Gujarat), India was commissioned.



2017

- Established industry defining, patented traceability solution - Wel-Trak™
- Forayed into flooring solutions and smart textiles
- Chosen as the No. 1 Home Textiles exporter to the US for the 5th consecutive year by Home & Textiles Today magazine

2018

- W2 unit (all women unit) was commissioned
- Ground-breaking ceremony of Welspun Flooring took place in Telangana
- FIFA license for World Cup towels
- Wel-Trak branded products reach customer shelves.

2019

- Launched value brand "Welspun"
- Welspun Flooring business commenced operations
- Launch of Wel-Trak2.0 with Blockchain for an industry 1st in Trust and Traceability

CHAIRMAN'S MESSAGE

> "Nations around the world are fighting through a health crisis that has crippled the world and brought economic activity to a standstill which will have lasting consequences.
>
> We remain resilent in these challenging times to support all our stakeholders.
>
> We continued to pursue our differentiation strategy based on branding, innovation and sustainability which has helped us through this volatile period."

My Dear Fellow Stakeholders,

As I present to you the Annual Report of Welspun India Limited, nations around the world are fighting through a health crisis that has crippled the world and economic activity across the globe has come to a standstill which will have lasting consequences. Amidst this challenging times, I am happy to share that Welspun India has sustained its performance. We remained resilient, and delivered double-digit growth in bottom line while maintaining steady top line growth. We continued to pursue our differentiation strategy based on branding, innovation and sustainability which helped us achieve this healthy number.

WELSPUN BED-N-BATH

Brand catapulted to the Top 2 position in the Home Textile value segment.

In the domestic market we moved aggressively to capture the emerging opportunities led by consumer-driven growth in economy and continue to invest in our brands, especially the value brand for the domestic market 'Welspun'. We roped in Mr. Amitabh Bachchan as the brand ambassador for our 'Welspun' brand. The campaign received such a positive response that it catapulted the brand to the Top 2 position in the Home Textile value segment. We have also licensed a few marquee brands in the overseas market which adds to offerings. We continue to penetrate deeper to reach out more effectively to the consumers via different channels.

We are confident that in domestic market we will be able to build a strong B2C brand in both value and premium segment as the initial response received in past couple of months from the consumers has been very encouraging.

I am happy to announce that in September 2019, we commissioned our new flooring plant in Hyderabad, Telangana with the capacity of 27 million square metres p.a. In the entire distribution model. We have about 50 distributors currently pan India and about 450 dealers. We believe the flooring business is going to be a game-changer in India with the kind of convenience and customisation which we are going to provide to customers and stakeholders such as contractors and distributors, and we believe flooring business is going to be our next growth engine. With Mr. Amitabh Bachchan as brand ambassador and some innovative campaigns, we are confident of capturing the customers' mind share.

FLOORING BUSINESS

Is going to be a game-changer in India with the kind of convenience and customisation which we are going to provide to customers and stakeholders such as contractors and distributors. Flooring business is going to be a game changer even in the Exports market.

Advanced Textiles, which is into making of disposable towels and wet wipes out of non-woven textiles launched a range at the Ardh Kumbh Mela in Allahabad earlier this year. Recently we also forayed into manufacturing of disinfectant wipes and surgical masks. The other applications of non-woven textiles that we are addressing is in automobiles and aviation industry. The business achieved annual revenues of ₹ 250 crores in FY20.

In order to diversify the concentration risk from sourcing products from one country, we are seeing momentum gain from the US retailers looking to India as the destination to source from. With tariffs risks hovering around US retailers, we see lots of opportunities for Carpet tiles, wall to wall carpets in the flooring business and bath rugs that are likely to benefit. The rugs business has already started gaining pace and saw 20% volume growth in this segment last year.

The emerging businesses cumulatively grew at 30% YoY (contributing 4% to the overall topline) and I am confident that these businesses will drive the overall growth of the Company in the coming years.

As a thought leader in the Home Textiles market, Welspun remains focussed on innovating products and trends aligned to the continuously evolving aspirations of an ever-widening consumer and customer base, worldwide. The Company has invested in BrainTrust, web scraping, Bazaarvoice and focused consumer researches for feedback from home enthusiasts and making data-driven decisions. With our research-led approach, we continued to strengthen our innovative product portfolio, which contributed a significant 41% of the total revenue of the Company, during the year. The innovation portfolio has been growing and our strategy to create that differentiation using innovation, particularly for "Hygrocotton" brand, continues to play well, and displaying growth rate. While the underlying market is growing at sub 3% in US, the "Hygrocotton" products are growing at 15% in the same market. Our leading innovation brand is now in the 16th year. Having understood the consumers' needs and winning their trust across the globe, the company also accomplished another milestone of achieving $ 1 bn of global sales (FOB) since its introduction. Our growing expanse of patented products (at last count, we had 30 global patents) endorses the Company's edge in innovation, which we remain committed to augmenting further in the coming years also.

And as you are all aware of, ecommerce is something that has been disrupting the retail landscape and omni-channel will be the only way forward. We have a digital brand called Welhome, that will continue to grow in pure play as well as in omni-channel. We have in place a well-established warehousing network spread across US, UK, Germany and India to feed the e-commerce business chain, and shall continue to streamline the systems and processes of our online supply channels.

Sustainability is one of the key enablers in shaping our future growth. We were recognized by ET Futurescape as one of the leaders in sustainability. I am very proud to say that we were the only textile company, that ranked in the top 100.

COVID-19 And Our Response

As you know, the world is currently going through a major crisis; a crisis unlike any other over the past 100 years. COVID–19 is not only disrupting our health and healthcare systems but also leaving a lot of collateral damage to an extent such that, even the Government, related public resources and all big and small corporates are under immense pressure both financially and otherwise.

As Welspun group, we partake our share of hardships. While we are uncertain how long these unprecedented and difficult times will last, we are fully geared up to meet these challenges. Along with the nation, we are also traversing the journey from 'Jan Hai to Jahan Hai' to 'Jan Bhi aur Jahan Bhi'.

At Welspun, it is our utmost priority to ensure safety & well-being of our customers, employees, associates and community at large. We started manufacturing face masks and PPEs in our Advanced textile plant and we distributed it to our brave warriors who are at the forefront of fighting the epidemic. We have adopted several measures across all our offices and plants to ensure that our commitment to our customers is not compromised. In order to curb the spread of COVID-19, we have issued stringent travel advisories to avoid any business-related travel within the country or in international markets. We have implemented 'Work from Home' for our employees for their safety and well-being. A robust IT infrastructure has been put in place for remote working to ensure business functions seamlessly from any location.

Extreme caution and highest standard of hygiene and safety is being practiced by our staff across all our locations. In order to create awareness and protect our employees, additional efforts have been implemented, as explained below:

- Thermal screening of all employees at entry of all offices and plants
- Following of social distancing norms i.e. minimum 6 ft distance to be followed.
- Minimize labor entry points across project by consolidating labor camps.
- Minimizing external visitors unless crucial
- Replacing biometric with RFID card attendance
- Compulsory hand sanitization for all at frequent intervals
- Daily periodic sanitization of offices, work-area, company transport, etc.
- Tie-ups with hospitals and medical centers
- Ensuring availability of medical staff round the clock
- Provision of hand sanitizers, N95 masks and medical equipment
- Multiple awareness drives for all employees
- Posters and banners educating on COVID-19 and hygiene
- Immunity boosting drinks and tablets

We feel that at this juncture, each one of us has a responsibility towards our society and nation at large and as Welspun Group, we are also trying to do our part.

Looking Ahead

After more than a decade, we saw that the longest economic expansion in U.S. history come to halt as the coronavirus pandemic has created disruptions not only in US but across the globe. Q1CY20 gross domestic product declined at an annualized rate of 4.8 percent, with a much deeper contraction expected in the second quarter. The US Government has announced a slew of relief measures, which directly puts money in the hands of the customer. The lockdown is gradually opening up again and things are expected to improve from Q3CY20. While many of our big-box retailers were open throughout, a few department stores, which were shut in March-April, have started operating again. We are optimistic that demand will quickly bounce back in the US. Similar is the case with many European countries. In India also, we expect the situation to improve once the lockdown is lifted.

In the current environment, preservation of cash remains key. Therefore, we will have a sharp focus on cost optimization and are working on eliminating any unnecessary cost. The company has strong deep relationships with customers and partners and a diversified business mix. We are prepared to weather the storm and take advantage of opportunities that are available.

My Sincere Gratitude

We are going through an unprecedented situation and I thank all our stakeholders who are standing by us through this difficult time. I express my sincere gratitude to our shareholders, bankers, customers, Board of Directors and our committed employees. These are challenging and uncertain times, but we feel confident that as a company and community, we can get through this together. I hope that you, your family and colleagues are well and are taking the necessary safety measures.

Stay safe, stay happy.

My best wishes to you and all your loved ones,

B. K. Goenka
Chairman
Welspun Group

MEETING CONSUMER DEMANDS AMIDST NEW NORMAL

At Welspun India, we are constantly serving the consumer requirements by revamping and renovating our businesses and brands. We walk the extra mile to offer the consumers with an extensive range of products even in times of crisis to suit their basic essential needs. To enhance the consumers' experience further, we also cater to new trends emerging in the current scenario.

Keeping in mind that our consumers are seeking out products that offer a safer and healthier environment, we have worked on offering product solutions with an added layer of health for both our brands Spaces & Welspun.

SPACES
BED • BATH • RUGS

With the mantra of thoughtful living at heart, we at Spaces believe in creating products to give an experience to our consumers. We ensure that we provide product solutions that offer added benefits, to enrich the lives of our consumers. We were the first in the country to launch the coordinated range of Bamboo Charcoal bed & bath linen that have naturally antimicrobial properties.

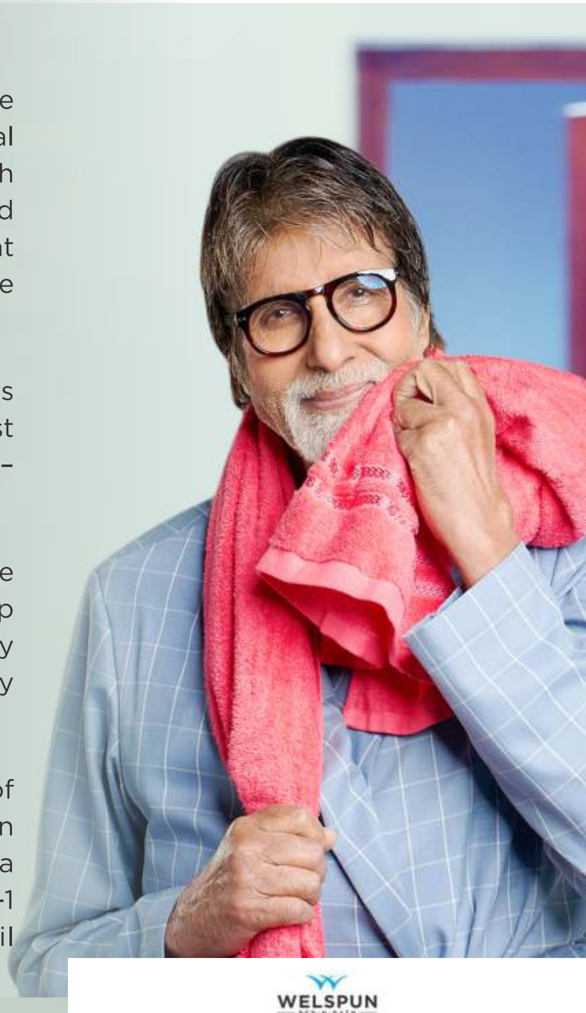
GOTS certified Organic Cotton bed & bath products were a beautiful additions to our bouquet of innovative products like temperature regulating Hygro, easy stain release linen, and the Indian art inspired Rangana.

On ground consumer events like ‘The Lil Flea’ and ‘Sunday Soul Sante’ and creating pop up stores in some of the high footfall malls have helped us promote our brand. This has also facilitated direct customer interaction to get their insights.

While we extensively promoted our product offerings, we also used digital medium to put out thoughtful communication like master class videos with Twinkle Khanna, Mother’s day campaign on unconditional love of a mother and importance of sleep and wellness in collaboration with Thrive Global.

We are among the top 3 brands in the bed and bath category, with a significant increase in brand awareness, consideration, and usage among our consumers.

WELSPUN
BED-N-BATH



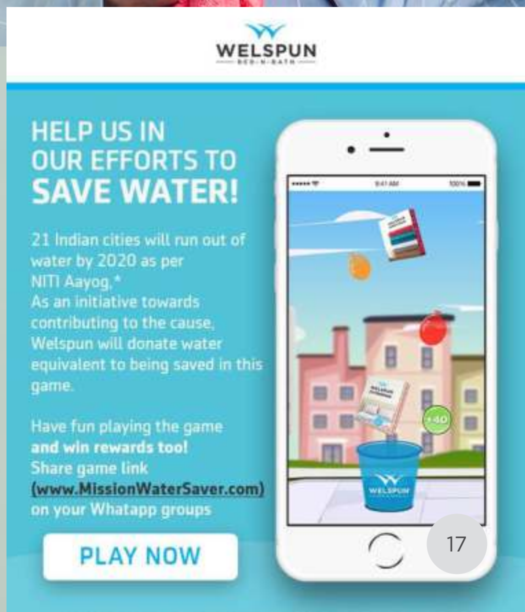
To achieve the ambition of 'Har Ghar Welspun' to drive extensive brand awareness, we have relied on mediums like TV & digital platforms. We embarked on our first campaign of the year which showed the significance of a good towel to make a good impression. Also promoting the 'Welspun Quik Dry Towels' that was aimed not only at consumers but also towards the trade community to build confidence & brand enthusiasm.

The campaign was aired on most of the popular news channels on TV followed up with a unique social message to boost consumer engagement during the monsoon season in Mumbai – The Welspun Quik Dry Movement.

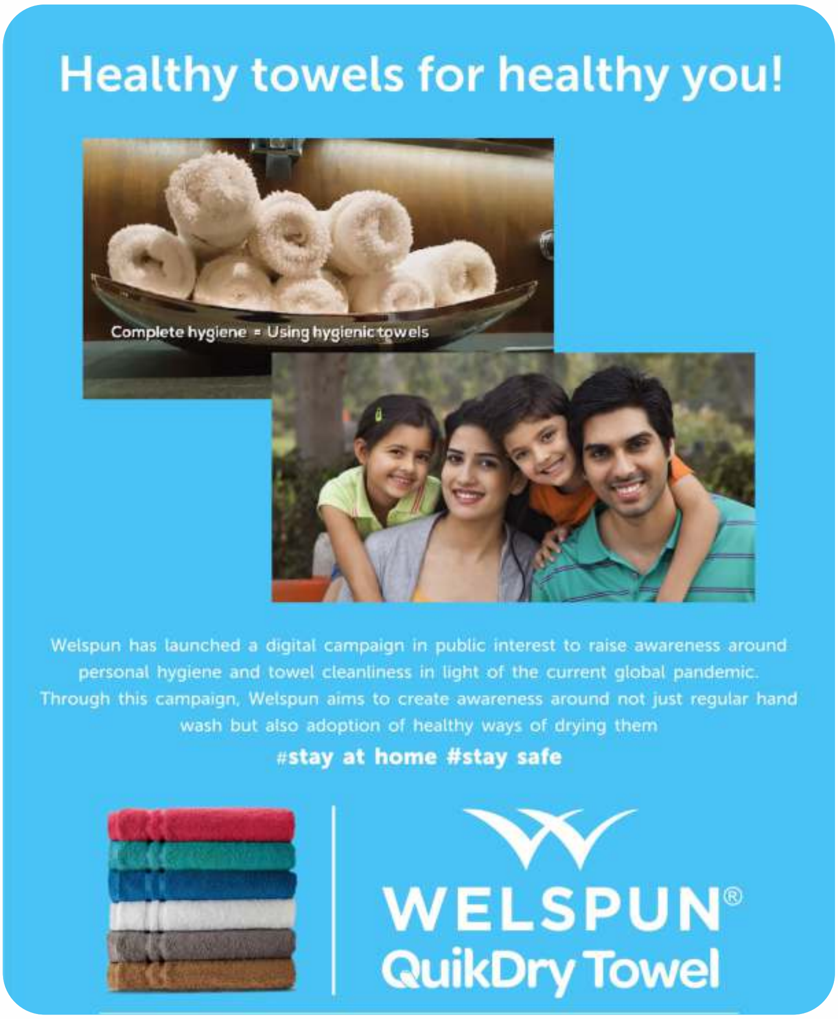
Based on the insight that falling ill after being drenched in the rain can be prevented by drying off in time, we set out to help those people who were stranded and drenched due to heavy showers by providing them with Welspun Quik Dry towels to dry off and umbrellas continue on their journey safe and dry.

The Digital Groundwater Innovation campaign, too, got a lot of PR and attention on digital due to its innovative format in creating awareness about falling groundwater levels in India while also promoting the water saving feature of Welspun 2-in-1 bed sheets. It was awarded the Bronze award in Retail Advertising at NEONS OOH CONFERENCE & AWARDS 2020.

Continuing on this water saving feature of Welspun 2-in-1 bed sheets, we also launched a mobile game which educates people on the importance of water saving as well as how Welspun products save water.



The highlight of the year was our high decibel festive campaign with the legend of Indian cinema – Mr. Amitabh Bachchan. With two ad commercials that brought to light the unique pain points of ordinary bed sheets and towels, as well as showcased the benefits that Welspun Quik Dry towels & Welspun 2-in-1 bed sheets offer, the campaign was hugely successful in getting the point across that consumers don't need to settle for less, rather 'Badal Dalo' to Welspun.



WELSPUN®
HEALTH

Safety, health and hygiene have become the 3 pillars of the 'new normal.' With the rising demand for both personal, industrial, and institutional sanitation solutions, WIL has ventured into the Health and Hygiene category by launching 'Welspun Health' under the brand 'Welspun.' This strategic pivot is aligned with the organization's aim to cater to consumers as well as front line workers' requirements and support the nation and the world in its fight against the unprecedented global pandemic.

With care for people at the core of its business philosophy, we stepped up and augmented the prowess of its vertically integrated technical textiles capabilities to manufacture high-quality personal protection equipment for the wellbeing of people.

Building on the company's existing integrated woven and non-woven capabilities, Welspun Health is all set to offer an array of innovative hygiene products for medical professionals, institutional use as well as personal care products ranging from masks, wipes, medical gowns, disposable linen, coveralls, hand sanitizing wipes, surface disinfectant wipes and other relevant lifestyle products.

We understand that consumer walk-ins to the offline retail stores may see a drop and thus, we are focusing on an omni channel strategy for marketing promotion, sales and logistics, wherein we will tie up with our e-commerce as well as offline retail partners to ensure safe and seamless delivery of merchandise to our consumers at their doorsteps.

WELSPUN FLOORING

UNIQUE SELLING PROPOSITION

- One day flooring: Installation can be completed within a day with our Flooring products, which is a market disruptive proposition.
- Company Installation:
  - Welspun Flooring's offering of company provided installation service with experts, makes it unique by taking away customers' effort to employ labor; and also making ours one of the safest & hygienic installations with professional & hygienic installation service with Low-Touch Installation SOPs in place by company professionals.
- One of the few Flooring companies providing Product warranty upto 5 years whereas there is no warranty given by companies in Vitrified Tiles, Ceramic Tiles etc.
- Low build up from Product Cost to Total Cost of Ownership for the customer with Click n Lock tiles as compared to conventional flooring such as Vitrified/ Ceramic Tiles etc.
- Made in India products.

FACILITY – KEY HIGHLIGHTS:

- Only manufacturer of Carpet Tiles in India.
- Only company to manufacture both hard & soft flooring under one roof
- Gold LEED certified (USGBC BD+C V4 Gold certification)
  - Leadership in Energy & Environmental Design
- Vertically integrated – Flooring solutions under one window: From Design to Manufacturing to Delivery to Installation
- In-house Yarn production
- Own MasterBatch production capability in place
- Plant installed annual production capacity: 11mn sq m
- Plant expandable annual capacity: ~40 mn sq. metres in next 2 years
  - Product wise production capacity
    - i) Click n Lock tiles: 3mn sq m installed capacity (9 mn sq m in 6 months & 18 mn sq m in 2 years)
    - ii) Carpet Tiles: 4mn sq m installed capacity (12 mn sq m in next 2 years)
    - iii) Wall to Wall Carpets: 4mn sq m installed capacity (12 mn sq m in next 2 years)

EXCITING DESIGN/ PRODUCT DEVELOPMENT CONCEPTS

- New age Design concepts pursued such as Kids collection, Café collection, Fusion collection (mix of Hard & Soft Flooring) etc. which are a stand out in terms of Flooring product collections in the market.
- Owing to current situation with COVID, multiple innovative Design collections such as Social Distancing Design theme (Spatium 6 collection), Work from Home themed collections are being chalked out.
- With own Design Lab & wide repository of 2000+ Designs and fast adding to the count with multiple exciting possibilities being made possible.
- Embracing evolving concepts of Anti-Viral, Anti-microbial products, coming up with our product offerings with Product Development being done in those directions.
- R&D efforts are also focused on coming up with Hard Flooring offering catering to Mass/lower price range category as well.

SPATIUM6 BY WELSPUN FLOORING

As we move towards a careful transition from the current lockdown phase to getting back to a workplace routine, there is no doubt that our office spaces call for a giant reset button. Designed for making workspace safe for work, Welspun Flooring has launched Spatium6. It is a first-of-its-kind flooring design solution for the 'new normal.'

Spatium6 is a radical design approach to workplace safety that adheres to the globally accepted norms of ensuring 6 feet distancing - an approach that begins ground-up viz. flooring-up. It is designed to provide ample cues via clear visual floor markers and layouts that make for a safer work environment. It enables easy demarcation of areas such as employee-free zones - may be antithetical but necessary, safe distance zones around workstations, and other areas, like meeting rooms, conference rooms, cafes, and common areas where space is leveraged to be optimally utilized. From bright unidirectional pathways, safe-distance work zones with arresting tile patterns, to colors that soothe the anxious mind; office-goers will find it easier to practice safe distancing at the workplace without having to be constantly reminded about it or even consciously think about it.

WELSPUN INDIA
ADVANCED TEXTILES

Advanced Textiles, an emerging business of Welspun India Limited, has strived to lead the way in product innovation with customer being at the core. It houses diverse range of products under its portfolio using three major technologies – Spunlace, Needlepunch and Thermobond. Each of them has in-house downstream conversion unit to manufacture value added products as per customer requirements. Application of products range from medical disposables, hygiene, cosmetic, coating substrate applications to various kinds of filtrations.

KEY HIGHLIGHTS

SPUNLACE
- Brand PuroKott launched
- Strategic partnership entered with customers such as P&G & J&J for FemCare products
- Wellcare became the preferred choice of various leading brands
- Started supplies for FemCare products

WET WIPES
- Started overseas supply
- Portfolio expanded to include small travel wet wipe packs and cosmetic face mask
- Strategic tie up with global brands

NEEDLEPUNCH
- Launched Turboelectric media for residential & commercial HVAC segment
- Successfully validated quilted product for Arc flash liner application
- Arc/Firefighting product's approved partners for Honeywell & Tara safe

Considering the current COVID situation, key focus areas for next year in the new normal world would be sustainability and hygiene led products with digital and automated manufacturing. Welspun's Advanced Textiles stood up for the cause and created the supporting ecosystem in the pandemic to manufacture and supply high-quality face masks and PPE products for doctors, medical staff, pharma companies, etc.

THOUGHTFUL **INNOVATIONS**

Welspun has become the launching partner in South Asia for 'Fashion for Good', Amsterdam, which is a collaborative innovation platform. This gives us the opportunity to engage with a large pool of innovators covering the entire spectrum of sustainable textile manufacturing.

During this year, Welspun Global Brand Limited (Retail Division) launched three innovative products:

- Desh ka Towel: Developed based on consumer research in India market, to offer affordable solution which is quick dry and highly absorbent.
- Reversible printed bed sheet, which is having distinctly different designs on both sides. Made by a patent pending innovative process.
- Bamboo Charcoal Infused stay fresh range of bed sheet and towel.

KEY HIGHLIGHTS

- Launched patent pending Athena range of fashion towel in USA market, apart from being unique in construction its high in performance as well. This year we also launched Bleach Safe towel from Vapi plant.
- Also implemented Eco Twist version of towel made from super low twisted yarns. Saved energy and weight loss during manufacturing apart from offering great hand feel to consumers.
- Continuing our commitment towards sustainability, we have successfully executed a sustainable towel made of recycled polyester blends for National Geographic. This range has been adopted by a few more retailers as well. In the year we have saved thousands of PET bottles going into landfill.
- Overall growth in revenue from sale of Innovative Products from 38% to 41% (these include patented and patent pending products).

Digital Journey: Implemented cloud based PLM system for design & product archiving, collaboration among teams for design & product development.

Welspun has been awarded the most innovative company Award for contribution towards Most Innovative Product Offerings at annual Li & Fung global vendor summit 2019.

REVERSIBLE BEDSHEETS

QUIK DRY TOWELS

MEETING CUSTOMER COMMITMENTS

Even with uncertainties, we are driven to be the most comprehensive strategic partner and solution provider for the retailers by keeping consumers at the core. Welspun India has the complete suite of products and services for home textiles with a distribution reach across the globe.

We are in the business of Helping Make Lives Better, 24x7. Through textiles for the home, we approach "betterment" from the perspectives of Wellness, Performance (Innovation), Sustainability, Style and Community.

Welspun has a strong legacy of Innovation with 30 unique patents such as Hyrgrocotton® and Wel-trak™. Our Wellness technology Hygrocotton® has been immensely popular, recently completing 15 years & over $ 1 Billion of FOB sales globally.

Welspun's innovation DNA is also integral to its processes through which it provides value added services to the customers; right from Market insights, Design, Product development to Integrated manufacturing, Global distribution, Omni-channel support and SCM analytics.

We actively listen to consumers through Welspun Braintrust that guides our decision-making. This helps us in creating exclusive, white-space-filling merchandising ideas at a wide variety of price-points, with our breadth of capabilities from design to execution. We retain our design authority with our WelSpotted zeitgeist publication.

On luxury front, our Egyptian product range runs from opening price point to premium supported by robust patented traceability system of Wel-trak™. This has seen strong traction with retailers globally and has also appealed to new generation of consumers who care about provenance.

Our Wellness range of home textiles have lifelong anti-microbial properties and odour prevention benefits that keep the linens fresh for a longer time. We continue to expand our sustainability offerings. Our solution-based basic bedding is also offered in full sequential sleep-systems. We have AAFA certified Egyptian, Organic, sustainable and odor prevention offerings that result in a better night's sleep.

Our brand spectrum continues to evolve with recent addition of Martha Stewart license.

Given the immense growth of Online and Omni-channel, we have invested in strong in-house capabilities from Assortment to Analytics. Our warehousing facilities in US and Europe also support e-commerce business for drop shipments.

At the backend we are investing in digital technologies and capabilities to improve SCM & plant efficiencies. We have a dedicated team of analysts who work closely with onshore replenishment teams to minimize the unpredictability in demand forecasting.

Hospitality Solutions

Welspun caters to some of the best known names in the hospitality industry with suite of innovative products focusing on guest satisfaction. We supply high-quality towels and home textiles to hotels, vacation rentals, spas/resorts, gyms and health clubs. We are in almost 1 million rooms in the U.S. and abroad.

Sequential sleep system and Guestroom in a box are few of our innovative offerings. Our products conform to the most stringent laundering standards and wash testing requirements globally. Our towels are quick to dry resulting in cost savings for our customers. Our special range of Hygrocotton® towels plump up after every wash creating a delightful experience for the end use hotel guest. We provide superior quality bed linen made from the best of cotton and confirming to the highest standards. Easy maintenance and beautifully designed throws, quilts and rugs by Welspun are used by major hotels and resorts all across the world.

In addition to hotel chains, we also work with Spas, Health clubs, Cruise liners, etc. We have dedicated teams in India, the USA and UK for servicing this industry.

We have partnered with Delos for Wellness concept and combining Welspun & Delos innovations with Stay well branded products. The Stay Well™ Weighted Blanket simulates a firm, cozy hug sensation, for a womb-like swaddling effect that helps us feel comforted and secure.

ENABLING PEOPLE TO GEAR UP FOR THE NEW NORMAL

The new normal has forced the organizations to re-align and re-think, not just their business strategy but also their talent management. When it comes to people, Welspun has always valued its talent and has constantly strived towards its development. However with the new socioeconomic environment, it is important for us to sharpen our focus further as an organization.

Welspun as an organization has already implemented the Penta Protocol as a response to the COVID crises at all plants. Despite the constraints, Welspun has been able to keep the teams connected virtually and engaged with the day to day tasks. In fact we believe that employees have contributed at the best of their effectiveness since the time of lockdown has been under implementation. With social distancing being the new norm and teams collaborating digitally, company intends to implement more technology tools to measure productivity and implement continuous reviews digitally. Welspun is evaluating few tools and the discussion with potential partners are in process. At Welspun, we believe our people need to remain motivated and productive with focus on their overall physical and mental well-being.

The key focus areas for us will be:

- Leadership Development – Building leaders who lead with compassion
- Upward feedback to build managerial effectiveness
- High Potential Development – Create a robust journey for identifying and developing a strong talent pipeline.
- Diversity – Driving further the agenda of gender and diversity, to build a culture of high EI.
- Digital Transformation

Technology is one of our core values, that we will be leveraging. Few of our Human Resources initiatives include:

- Employee engagement platform "MyBuddy" to stay connected with employees and listen to them through surveys and ChatBot has been enabled.
- Towards employees' wellbeing & engagement, virtually driving activities, for e.g. Global Town Hall, Festival celebrations, and Health based webinars by experts have been planned.
- Weekly workout sessions, employee birthdays and marriage anniversaries are also being celebrated digitally on real time basis by the Supervisors as staff at HO starts operating remotely.
- We are continuing virtual Summer Internship Program to ensure that newness of ideas and thoughts continue to flow into organization. In spite of constraints, at Welspun, we did not cancel Summer Internship Program. We have 21 students from best of the institutions interning with us virtually. These interns are not only involved in their business projects, but they have also taken upon themselves the task of creating an e-magazine that talks about their internship experience with us and also Reverse Mentoring Webinars for their team members.

As People Practice organization, our endeavor will continue to remain focused on building a culture of meritocracy, we are revamping our PMS modules to bring more objectivity. Learning culture will continue to remain our focus for the year ahead. We continue to make Welspun India Limited a Digital organization by up-skilling employees. Our efforts of creating culture of innovation, culture of collaboration and culture of inclusiveness will remain our focus for FY 20-21.

Inclusive Growth Towards **Nation Building**

The Welspun Group ensures a strong commitment towards all-round social progress, as well as sustainable development that balances the needs of the present with those of the future. We believe that a business can never be successful if the society around them fails. Therefore, it becomes our moral mission to identify and address the needs of our society.

We are committed to building a sustainable and progressive community. Our social mission is enshrined within the 3Es i.e. Education, Empowerment and Environment & Health. A number of projects encompassing the 3Es have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK). These projects either run independently powered by Welspun or through nurtured partnerships with the local government or non-governmental organizations (NGOs).

Our corporate values epitomize our vision to achieve inclusive growth for all. We continue to consistently deliver on the expectations and needs of our stakeholder fraternity across our operations. We seek to strengthen our initiatives through a focus on partnership, innovation and impact to create a sustainable value for the community at large.

The Welspun commitment to delivering impactful value goes beyond business, to impact every stakeholder, including the communities around which we work. With sustainable social progress embedded in every facet of the way we do business, we continue to work dedicatedly towards addressing the deep-rooted aspirations of the communities.

Education:

Project Wel-Accelerate -

The project aims at creating a revolution through the grass root levels by merging the previous three programs of Gyankunj + Para Teachers + Learning and having volunteers from the villages to promote education.

Success Story:

Digital Classroom - Anjar Municipality school No. 11

What often motivates us to do more & better at Welspun Foundation for Health & Knowledge is the progress of our beneficiaries. And when the testimony of this progress is laid bare by the beneficiaries themselves, our happiness knows no bounds. That's exactly how we felt recently when the principal of one of our beneficiary schools, Primary Municipal School No. 11 in Anjar, Kutch district of Gujarat, shared his views on the initiation of Project Gyankunj (our digital education initiative) in his school.

Welspun Foundation has installed two digital classrooms in this primary school. The Project includes a projector & an interactive board, software for different academic subjects like Math, Science, and Technology & Social Science along with technical training in each of these two classrooms. The subjects are systematically taught with the help of these tools and according to a well thought-out timetable so that each child can experience digital education supported by the Foundation. In the words of the school principal himself, each of these aids has transformed, for the better, the overall teaching-learning experience in both the classrooms. The students are now able to learn languages better as they can recite out loud the poetries they hear, understand the prose deeper through its dramatic illustrations, and observe fun science experiments making the subject easy to learn. In Social Science, they are able to get information about different places within no time through the map application!

"In brief, through the digital education initiative in these classrooms, both, learning & teaching has become very interesting", says Mr Inayat Ali Shekh, the School Principal. What's more, encouraged by the success of the two digital classrooms, school authorities have expressed a keen interest to transform all classrooms in the primary school through digitalization under project Gyankunj. Truly, Welspun Foundation couldn't have asked for more!

Outreach:

- 160+ schools reached.
- Digitalization of 317 classroom across government.
- 1,300+ Teachers Trained
- 65,000+ Students Impacted
- 40 Shiksha Saathi across 31 government primary schools

Empowerment:
Project Wel-Netrutva -

Wel-Netrutva

The project aims to create Women Entrepreneurs that inform and empower the communities of the villages towards improved health practices like menstrual management, malnutrition, anemia, RTI/STI and cervical/breast cancer.

Case Studies

A year ago, in January 2019 Saheli Sakhi Sangh was formed under the Wel-Netrutva program. The Sangh is a community-based group, formed by 14 women from 14 different villages of Anjar Block. The program creates Women Entrepreneurs who generate awareness on healthy menstrual management and sell sanitary pads to earn a source of income. After a year of hand holding and trainings, the Saheli Sakhi Sangh is moving towards a sustainable approach as they placed an order of 12000 sanitary pads using the profits earned from last year. The ladies are trained to procure, manage, account and sell the sanitary pads across Anjar Block.

Outreach:

- 450+ Women Entrepreneurs across 200 Villages.
- 95,000+ People Impacted.
- 33,000 Sanitary Packets Sold.

Welspun Super Sports Women Program:

To identify and support 25 female athletes at International, National, State and District level. The program will benchmark the performance of the sportswomen and provide support in the required areas.

Success Story:

After three years of hard work and determination, Manasi Joshi won Gold at the World Para Badminton Championships in Basel in the SL-3 category.

> Welspun's support came at a time when I needed it the most. Through the funds, I was able to buy a new pair of shoes and renew my climbing license which enabled me to win my first International medal at the Asian Youth Championships.
>
> – Shivani Charak

Outreach:

- 26 Athletes across India
- 11 Sports included
- 250+ medals won

- **Akankshita Center:**

An all women entrepreneur led manufacturing eco-system aimed at providing women with a sustainable means of livelihood, equitably engage with local and global markets.

Outreach:

- 75+ women reached.
- Orders woth Rs 9 lakh received and executed.

Environment & Health:

Mobile Health Van -

Providing medical/health service for the communities of the village. The mobile health van ensures to be accessible towards general medical services and references towards serious cases.

Outreach:

- Mobile Health Van across 17 villages.
- Plantation of more than 2 lakh saplings.

COVID INTERVENTIONS:

- Production of masks and its distribution, food packets distribution, check-up, awareness & counselling, social distancing, awareness through posters & leaflets.
- Awareness and Counseling inside plant, at hostel and colonies about Covid-19.
- Promotion and use of Arogya Setu App.
- Yoga, happiness and laughter workshops.
- Man power support to HR & IR departments for maintaining social distancing and management of operations of plant.
- Check-up & screening of staff and associates.
- Food kit and ration distribution at hostels.
- Stitching of Masks.
- Tackling issues of depression, anxiety, etc. & maintaining motivation of employees.

MANAGEMENT DISCUSSION AND ANALYSIS

"We maintain our focus on the domestic market and building a strong B2C presence, while continuing to grow our export business.

Our new initiatives such as flooring solutions and advanced textiles are contributing towards sustaining the growth momentum.

Branding, innovation and sustainability continue to be the cornerstones of our differentiation strategy."

Rajesh R Mandawewala
Managing Director

The Management Discussion and Analysis (MDA) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun India Limited ('Welspun' or 'WIL' or the 'Company'), and the notes thereto for the year ended March 31, 2020. This MDA covers Welspun's financial position and operational performance for the year ended March 31, 2020. Currency for this MDA is Indian Rupees unless otherwise indicated. The numbers for the year ending March 31, 2020 as well as for the previous year are on a consolidated basis and regrouped and reclassified wherever necessary.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other synonyms. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

WELSPUN INDIA LIMITED – BUSINESS OVERVIEW

Welspun India Limited ('Welspun' or 'WIL' or the 'Company'), part of the US$ 2.7 billion Welspun Group, is one of the largest home textile manufacturers in the world. The Company offers a wide spectrum of Home & Technical textile products and Flooring solutions. It has been ranked the No. 1 home textile supplier to the US for five times in the preceding six years. The Company has established itself as a thought leader within the home textile industry over the years and continue to focus on the enablers viz. Innovation, Branding and Sustainability to consolidate our leadership position.

"We are taking rapid strides in our B2C business through our own brands, licensed brands as well as ingredient brands.
We have launched value brand "Welspun" in the domestic market to complement our premium brand "Spaces".

Our domestic revenues will also be boosted by our flooring business under brand "Welspun"."

Dipali Goenka
CEO & Jt. MD

About 95% of Welspun India Limited 's revenue is derived from exports to various countries across the globe. The Company has a strong presence in key markets, such as USA and UK. Welspun India Limited has a dominant presence in the towel and bed linen market in US; and is present across every major store in UK via own brand and private label. The Company is continuously working on increasing its footprint in newer geographies including Continental Europe, Japan, Australia, the Middle East and particularly domestic market.

Around 20% of the Company's revenue is contributed by its own brands such as Christy, Welspun and Spaces as well as ingredient brands like Hygro, Wel-Trak and licensed brands like Martha, Wimbledon, Disney, Minions, Royal Ascot, Manchester City among others.

Welspun India Limited is not only a manufacturer but also a retailer and an FMCG player where it follows the ancillary model with capacities in Anjar and Vapi for the trims, packaging and yarn supplies.

With a distribution network in more than 50 countries, the Company is the largest exporter of home textile products from India. The Company is the trusted partner and preferred supplier to top Global Retail giants & Hospitality players and supplies from its world - class manufacturing facilities at Anjar and Vapi, both in Gujarat, India.

GLOBAL ECONOMIC OVERVIEW

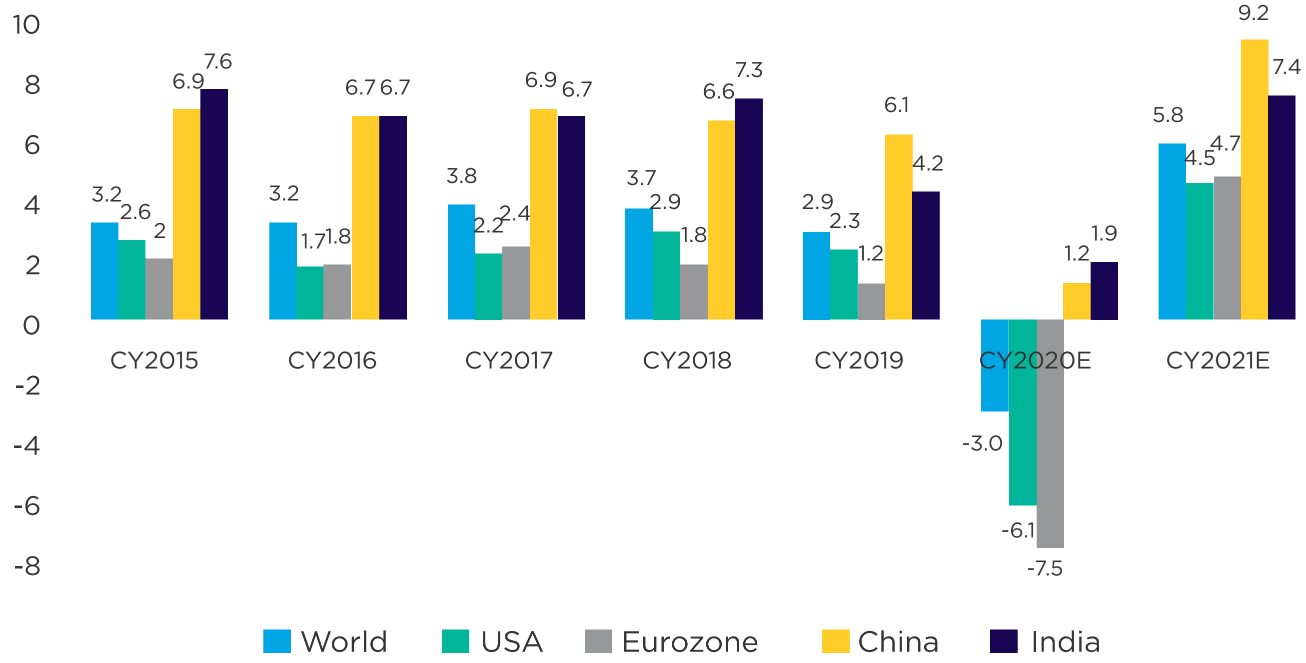
Global growth in CY2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors. Worsening macroeconomic stress related to tighter financial conditions, geopolitical tensions, and social unrest rounded out the difficult picture. Increasing trade barriers as well as trade uncertainty stemming from rising trade tensions, especially between US and China, also resulted in declining business confidence and further limited trade. Amidst a weak environment for global manufacturing & trade and challenges in the domestic financial sector, the Indian economy slowed down with GDP growth moderating to 5.0 percent in FY2020 as compared to 6.8 percent in FY2019.

Among the developed economies, growth momentum weakened considerably since mid-2018. For the United States of America, trade related policy uncertainty weighed on business confidence and investment, but employment and consumption continued to be robust, supported by cuts in the Federal Funds rate. In Europe, the economy grew at a modest rate, as the manufacturing sector was negatively affected by international trade tensions and the impact of Brexit remained uncertain.

Due to the impact of COVID-19, the outlook for CY2020 looks bleak for the global economy. According to IMF, the global economy is expected to plunge into the worst recession in 2020, far worse than the Global Financial Crisis. The cumulative loss to global GDP over 2020 and 2021 is estimated at around 9 trillion US dollars –

greater than the economies of Japan and Germany, combined. Within this downturn, the projections are replete with even sharper declines in output in various countries. India is among the handful of countries that is projected to cling on tenuously to positive growth.

Emerging Asia is projected to be the only region with a positive growth rate in 2020 (+1.0 percent), albeit more than 5 percentage points below its average in the previous decade. In China, indicators such as industrial production, retail sales, and fixed asset investment suggest that the contraction in economic activity. Several economies in the region are forecast to grow at modest rates, including India (+1.9 percent).



Statistics Source: IMF World Economic Outlook, April 2020
Source: IMF Report 2020, World Bank, RBI

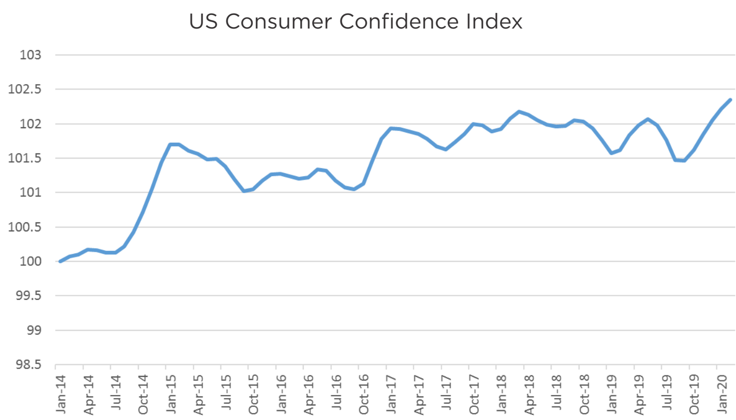
DEVELOPMENTS IN KEY MARKETS

USA Economic Review:
As the U.S. economy continues mid-way through its historic 11th year of uninterrupted growth, it remains in a good place and at a sustainable pace. During CY2019, retail sales increased 3.7 percent to $3.79 trillion. The CY2019 growth rate compared with 4.2 percent in CY2018. Online sales during CY2019 increased 12.9 percent to $777.3 billion.

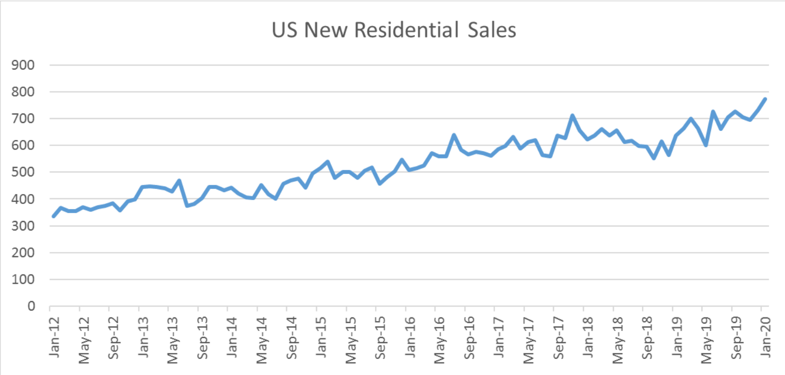
The resilient and confident consumer has provided staying power for U.S. economic growth, yet the business sector continues to weigh significant uncertainties. Corporate CEOs remain cautious given uncertainty over trade policy and the associated slowdown in global growth and U.S. manufacturing. Small business confidence has bounced around recently but remains elevated.

The coronavirus situation is very fluid along with being very complex. It has already taken a toll on human life, but it is still too soon to speculate on the full scope and persistence of the contagion. However, the longer it persists, the more likely it will impact retailers in their merchandise sourcing and delivery, and the key question is the potential effect on the important back-to-school and holiday seasons. There will be supply chain disruptions, setbacks for travel, tourism and transportation, and commodity demand and price effects.

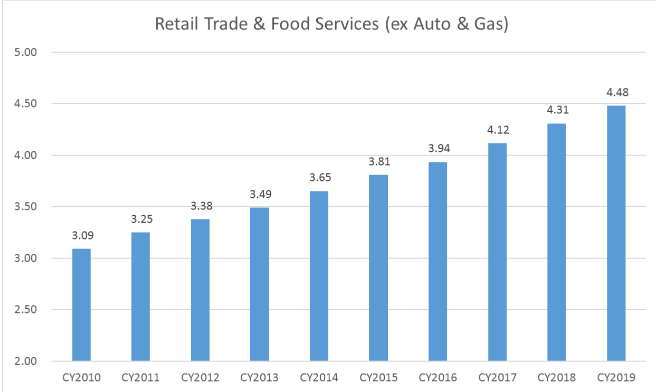
Source: NRF, Monthly Economic Review: March 2020



Source: Consumer Confidence Index (CCI) OECD 2020



Source: United States Census Bureau

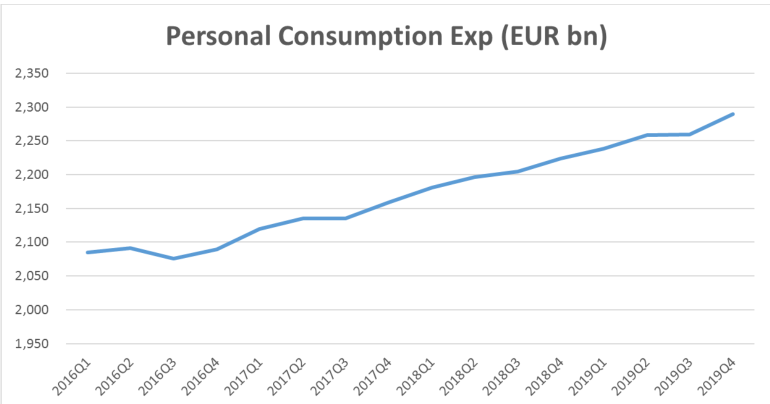


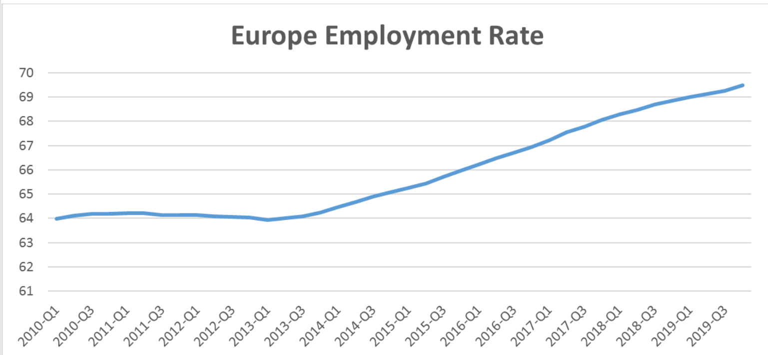
Source: United States Census Bureau

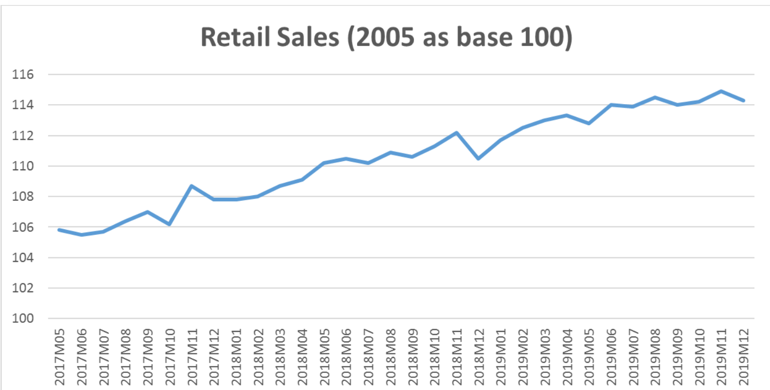
EUROPE

Real investment continued growing despite the moderation. Investment growth remained robust across all institutional sectors, as households, corporations and governments increased real investment expenditure. Uncertainty together with the deteriorating economic, political and regulatory environment in the European Union affected the growth. Low interest rates and a slowing economy provide the right backdrop for a more determined shift by governments from current to capital expenditures.

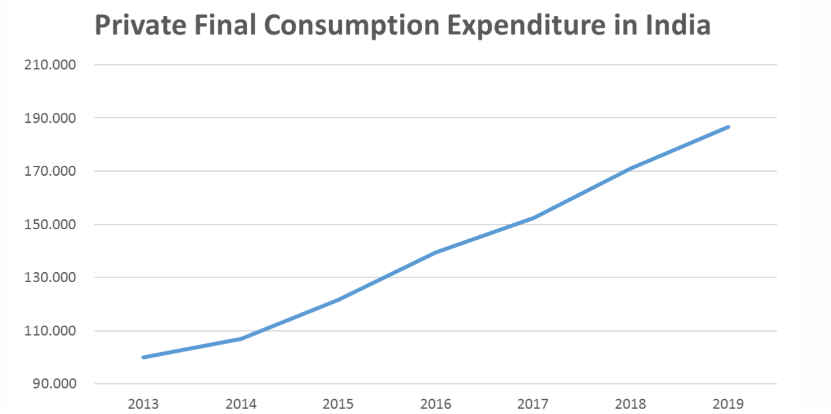
The strength of the economic expansion relies on domestic demand. Initially, the European economic recovery was largely due to strong net exports. As it gained momentum, employment and household disposable income rose and fueled household consumption. The economic expansion has seen solid employment gains and gradually tightening labour markets. The last six years of economic expansion have brought rates of unemployment down to their lowest levels since 1995 for most EU members (except for Italy, Spain and Greece), with employment rates well above pre-crisis levels in most EU economies.







Source: Eurostat



INDIA

Amidst a weak environment for global manufacturing, trade and demand, the Indian economy slowed down with GDP growth moderating to 4.2 levels.

The deceleration in GDP growth can be understood within the framework of a slowing cycle of growth with the financial sector acting as a drag on the real sector. To boost demand, 2019-20 has witnessed significant easing of monetary policy with the repo rate having been cut by RBI by 110 basis points. Having duly recognized the financial stresses built up in the economy, the government has taken significant steps this year towards speeding up the insolvency resolution process under Insolvency and Bankruptcy Code (IBC) and easing of credit, particularly for the stressed real estate and Non-Banking Financial Companies (NBFCs) sectors.

For 2021, however, the IMF projects sizable V-shaped recoveries: close to 9 percentage points for global GDP. India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4 per cent in 2021-22.

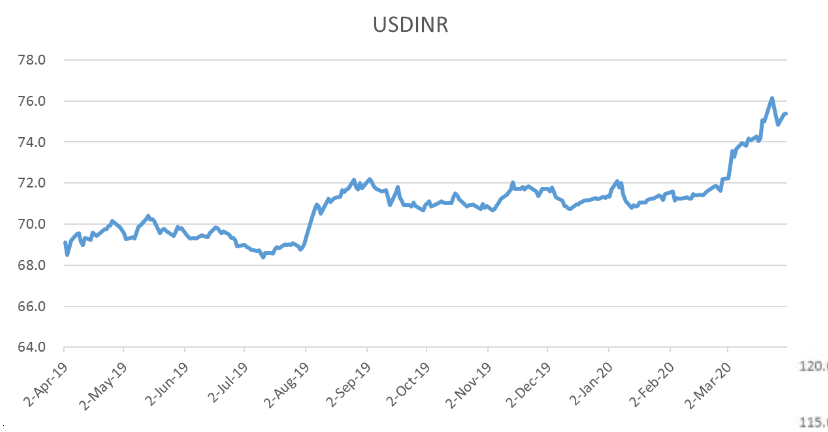
FOREIGN EXCHANGE

During FY20, India's currency saw depreciation vis-à-vis the US dollar by falling nearly 10% or more than 600 paise loss during the 2019-20 fiscal, mostly due to weakened sentiment in the wake of Covid-19 outbreak. Of this, more than 400 paise or 6% per cent loss come in the last quarter of the financial year for the rupee, as coronavirus outbreak rattled the financial markets globally.

Year gone was highly volatile as we had seen multiple issues weighed on Asian currencies and rupee. We had seen US China trade war, foreign fund outflows, weaker domestic economic data and Coronavirus outbreak altogether weighed on rupee.

The rupee in FY20 opened at 69.12 vis-à-vis the US dollar in April 2019. From that level till July 2019 the rupee remained range bound and then in August 2019 the rupee crossed 72+ level. It further depreciated in March 2020 to breach 76 levels and finally closed at 75.4 at FY20-end.

Below chart shows the fluctuation of USD INR during Fy20.



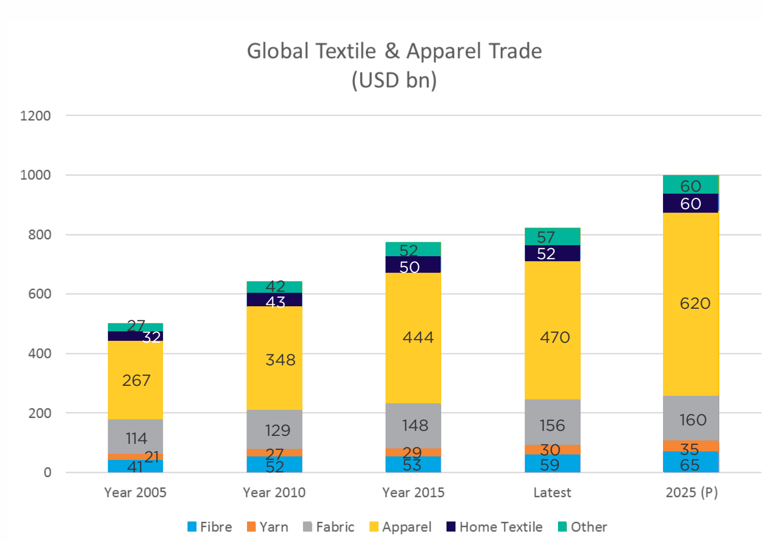
Source: RBI

Along with INR depreciation, FY2020 also saw depreciation of Chinese Yuan (CNY) and Pakistani Rupee (PKR). While CNY followed the similar trend that of INR, PKR witnessed major depreciation of more than 20% during the year. The PKR depreciation has helped Pakistan exporters in growing their business and becoming more competitive in the international market.

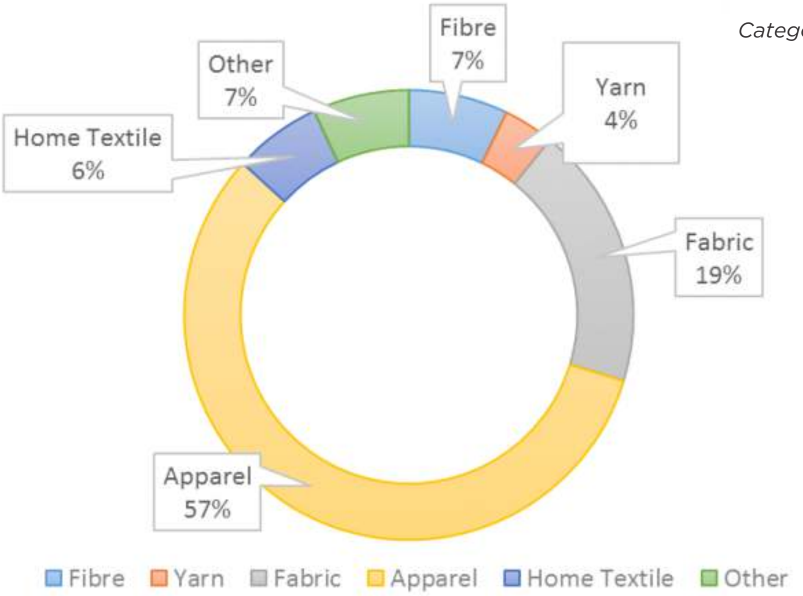
GLOBAL TEXTILE INDUSTRY AND TRADE

As per latest data, Global textile and apparel trade stood at US$ 823 billion which has grown at a CAGR of 4% since 2005. Apparel was the most traded T&A category across the globe with a share of 57% of the total T&A trade. Fabric was second to apparel and accounted for 19% of the total T&A trade.

The global trade of T&A is expected to grow from the current US$ 823 billion to US$ 1,000 billion in 2025, while growing at a promising rate of over 3% when compounded annually.
Global Apparel Market Size (US$ billion)



Category-Wise Share of Global T&A Trade

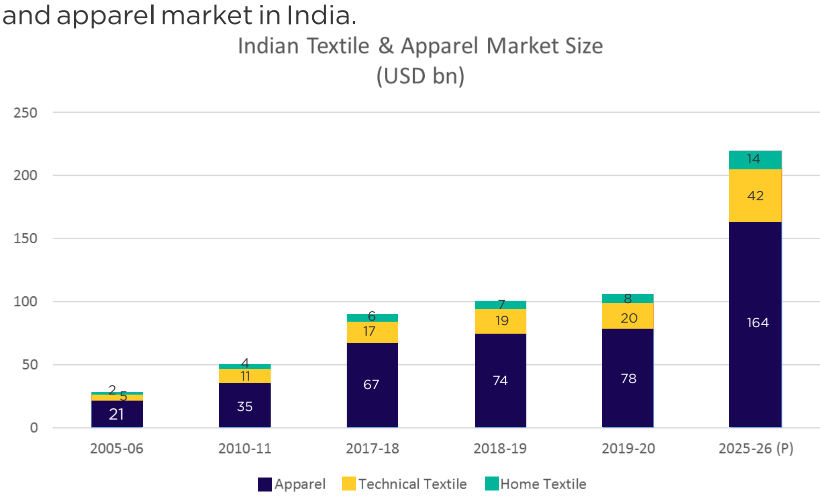


China has continued to be the largest T&A exporter. However, it's share in global T&A trade has fallen from 36% in 2017 to 35% in 2018. The major reason for the decline is the increasing attraction of China's domestic textile and apparel market. With China vacating space in the global market, it is a great opportunity for countries like India, Vietnam and Bangladesh to grow in segments previously dominated by it and cash in on the vacated share.

India had maintained the position of the second largest supplier of T&A globally in the past decade. However, Germany with exports worth US$ 39.7 billion has resulted in India becoming the third largest supplier with exports worth US$ 37 billion in 2018.

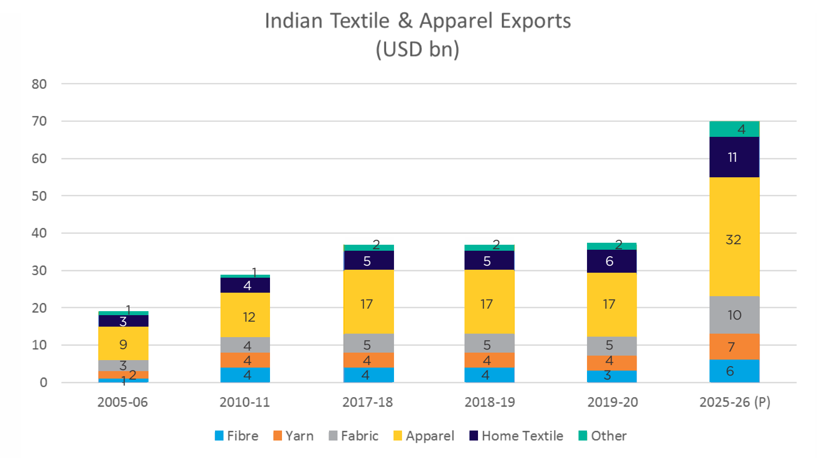
INDIAN TEXTILE INDUSTRY

India has traditionally been a major producer of textiles. The textiles and apparel industry contributes 2.3 per cent to India's GDP and accounts for 13 per cent of industrial production, and 12 per cent of the country's export earnings. It is the second-largest employer in the country providing employment to 45 million people at present, and this number is expected to rise to 55 million people by the end of 2020. Besides Population boom in the 20th century which led to an increased demand of textile and apparel in India, a rapid growth can also be seen in the disposable income of the middle and lower middle-class sections of the society which is expected to grow even further in the foreseeable future. In value terms, India's domestic textile and apparel market is worth US$ 106 billion in 2019-20 and is expected to grow at a CAGR of 12% to reach US$ 220 billion by 2025-26. Apparel demand at US$ 78 billion, dominated the domestic market with a share close to 74% of the total textile and apparel market in India.



Textile and apparel exports of India stood at US$ 37 billion in the financial year 2018-19. However, analyzing the initial trade trend of FY 2020, it seems that the exports in FY 2020 might reduce to US$ 36 billion. Being a promising sourcing destination for global buyers, India's T&A exports are expected to still reach US$ 70 billion by 2025-26, growing at a CAGR of 12%. The exports have grown at a 5% CAGR since the year 2005-06.

In a box: India's T&A exports reached US$ 37.0 billion in 2018-19. India's exports of T&A are expected to grow to US$ 70 billion by 2025-26.



HOME TEXTILE MARKET

Home textiles have been a major part of Global textile trade and it comes as no surprise. The ever-improving economic status of people supported by various modern financial innovations has enabled families to invest higher amounts into the home textiles segment.

The per capita expenditure follows a downturn trend as we move from west to east on the globe. This naturally creates a higher demand for textiles in the developed western countries. The disparity in the habitation of the home textiles manufacturers has also created a modern silk route between the eastern part of the world and the western.
The Top ten traded commodities accounted for almost 64% of the total Home textiles global trade. Cotton terry towels were single largest commodity with a massive market share of 14%. Moreover, out of the top 10 commodities, 4 commodities belong to the Carpets segment.

Global home textile industry is expected to increase to US$ 60 billion by 2025 from US$ 52 billion. In India, the home textile industry is expected to almost double from current levels of US$ 8 bn, by 2025-26.

INDIA COMPETITIVENESS IN COTTON HOME TEXTILE

With the adoption of modern technologies and better capacity building, India in recent years has emerged as a cost competitive base for manufacturing. Although the lending rates in India may be on a higher side, they are best in the region when compared to Bangladesh. Moreover, the water cost in India is among the lowest in the world and more than 200% cheaper than China.

India has strengthened its position as an alternative to China resulting from a favorable ease of doing business ranking, better compliance and political stability. The labor cost in India are highly competitive in the region and significantly lower than China.

Table 3 : Factor Cost Comparison of India with Competing Countries

Parameters	Unit	China	India	Bangladesh	Vietnam	Ethiopia
Labour Wages*	US$ / month	550 - 600	160 - 180	110 - 120	190 - 200	80 - 90
Power Cost	US$ / Kwh	0.15 - 0.16	0.10 - 0.12	0.09 - 0.12	0.08 - 0.10	0.03 - 0.04
Water Cost**	Usc / m3	55 - 60	16 - 20	20 - 22	50 - 80	30 - 40
Lending Rate	%	6% - 7%	11% - 12%	12% - 14%	7% - 8%	8.5% - 9%
EODB Ranking***	Rank	31 (91)	63 (132)	168 (129)	70 (99)	159 (127)

Source: Wazir Advisors

*Cost for semi-skilled labour; includes all benefits
**Water cost is based on the average tariff of the water supply companies of specific countries
***Ease of Doing Business World Bank Ranking
The values in bracket reflect the Rank in 2013

India's advantage of being one of the largest producers of cotton is expected to continue as India's cotton yield at present is 500 KG/HA which is much lower than the overall global average of around 600 KG/HA. With the average productivity of 2028 kg/ha, Australia is on the top. This indicates a huge future potential to grow in terms of cotton yield and production.

India is the world's largest producer of organic cotton producing over 50% of the world's total organic production.

World Cotton Balance Sheet 2019-20 (in Mn Metric Tonnes)						
Country	Opening Stock	Output	Import	Consumption	Exports	Ending Stock
World	17.5	26.7		22.9		21.2
US	1.1	4.3		0.6	3.3	1.5
India	2.0	6.6	0.4	4.5	0.7	3.9
China	7.8	5.9	1.6	7.4	-	7.9
Pakistan	0.5	1.3	0.7	2.0	-	0.6

Source: USDA Cotton Incorporated

Cotton Prices and Outlook

Cotton Association of India (CAI) in its April release reduced the cotton crop estimate for 2019-20 to 330 lakh bales against 354 lakh bales estimated by it earlier. The cotton crop finalised by the CAI for the last year i.e. for the crop year 2018-19 was 312.00 lakh bales. The Crop Committee of the Association has estimated total cotton supply till end of the cotton season i.e. upto September 30, 2020 at 377.00 lakh bales.

Demand for cotton has taken a hit locally even as exports have come to a standstill due to slowing business activity across the globe. The global consumption for cotton for this year has been revised sharply lower to 22.5 million tonne by research firm Cotton Outlook, on expectations of weak demand from China, India, Vietnam, US and Indonesia.

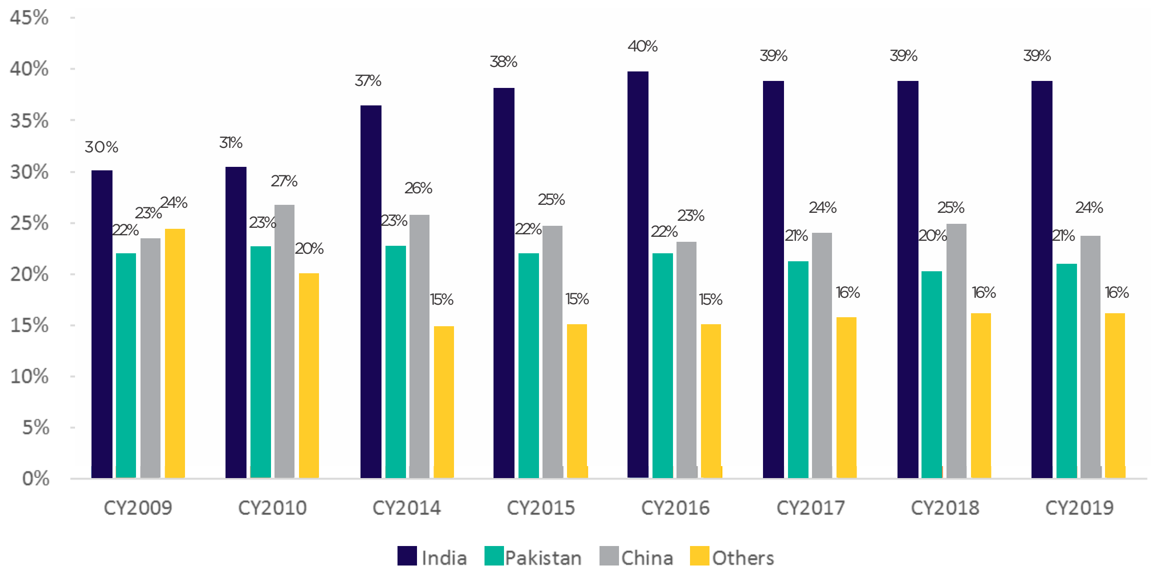
India's presence in key Global Home Textile Industry

India commands a significant share in the global cotton home textile market, thanks to its competitive edge in the form of abundant cotton availability and competitive costs.

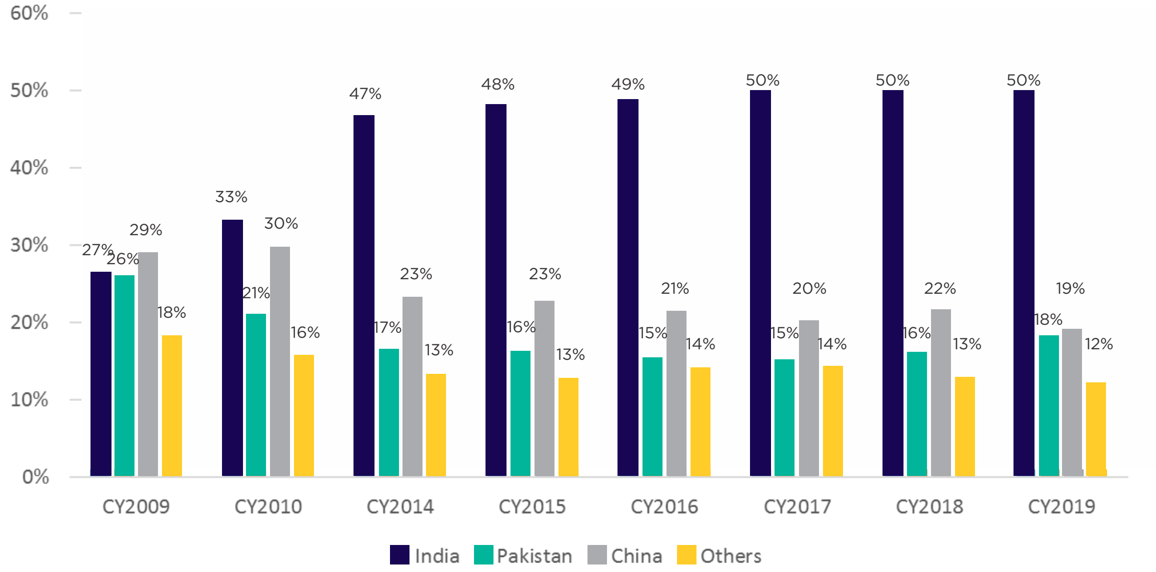
According to the Office of Textiles and Apparels (OTEXA) US, in CY2019, India supplied about 39% of the imports of cotton towels to the US, which has grown significantly from the levels of 30% in CY2009. Even in the cotton sheets segment, the Country supplied about 50% (CY2019) of the total import to the US, increasing from 27% (Cy2009).

Below graphs show the share of key countries in the US imports in cotton towels and sheets.

Towels

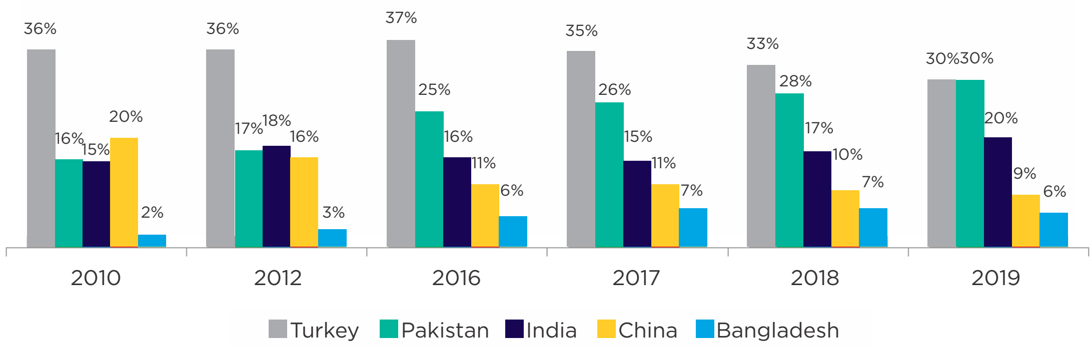


Sheets

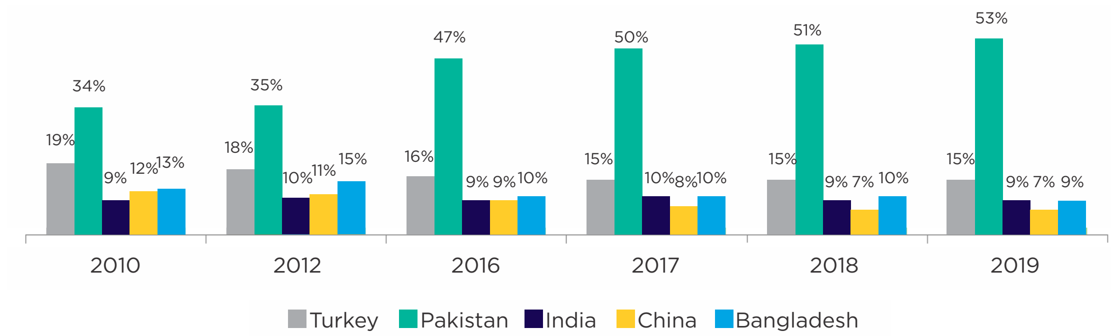


Similar to the US, Europe is an equally large market, but Indian players have low penetration due to duty disadvantage compared to countries like Pakistan, Turkey and Bangladesh which have preferential tariff rates granted by the European Union (EU). Indian exporters pay 9-10% duty on the home textile products exported to the EU, whereas some of the key competing countries have zero duty access to the market. However, this also poses a significant opportunity for Indian players. Any significant reduction in duties on Indian exports can open up a huge market for Indian players. While India is in discussion with the European Union for a Free Trade Agreement (FTA) which would reduce the duties, the timeline for conclusion of the agreement remains uncertain. Below chart shows the share of various supplier countries in Europe's terry towel and bed linen imports.

Towels



Sheets



RECENT TRENDS IN RETAIL MARKETS

E-commerce and Omni-channel

In 2010, eCommerce accounted for 7.2% of the total retail sales in the U.S. (Up, by the way, from one% in 2000). By the end of 2018, it had nearly doubled to 14.3% of total retail sales. eCommerce is on pace to account for almost 16% of total U.S. retail sales in 2019 which is more than double what it was at the beginning of the decade.

eCommerce's year-over-year growth rate in the U.S. never dipped below 12% through the course of the decade. The overall retail space's year-over-year growth rate was never above 5% meaning eCommerce's growth significantly outpaced retail growth as a whole.

The total eCommerce sales in the U.S. were $165.4 billion in 2010. As the retail market steadily grew and eCommerce's chunk of it grew at a far more significant pace total eCommerce sales in the U.S. rose to $517.4 billion by the end of 2018. That's 313% growth in revenue over the course of the decade.

Worldwide, eCommerce sales were $572 billion in 2010; they will hit $3.46 trillion in 2019, with China as the largest market. That's 504% growth in the decade.

Shopping holidays also became eCommerce tentpoles. On Black Friday 2010, U.S. shoppers spent $648 million online. On Black Friday 2019, U.S. shoppers spent $7.4 billion online. That's an increase of 1,042%. On Cyber Monday 2010, U.S. shoppers spent $1.028 billion the first billion dollar day in online shopping history. On Cyber Monday 2019, U.S. shoppers spent $9.4 billion, an 814% jump.

Singles Day in China had even more monumental growth over the decade. November 11, 2010 was the second Singles Day shopping holiday ever and saw $135 million in sales; on November 11, 2019, it did $38.3 billion. That's a greater than 28,000% increase.

Circular Economy & Recycling

Globally, the USD 1.3 trillion clothing industry employs more than 300 million people along the value chain; the production of cotton alone accounts for almost 7% of all employment in some low-income countries. Clothing represents more than 60% of the total textiles used and is expected to remain the largest application. In the last 15 years, clothing production has approximately doubled driven by a growing middle-class population across the globe and increased per capita sales in mature economies. The latter rise is mainly due to the 'fast fashion' phenomenon, with quicker turnaround of new styles, increased number of collections offered per year, and often lower prices.

In recent years, the industry and its customers have become increasingly aware of the negative environmental and societal impacts of the current system. Brands and retailers have started to address specific environmental or societal challenges within their supply chains, both individually and through industry-wide organisations and initiatives.

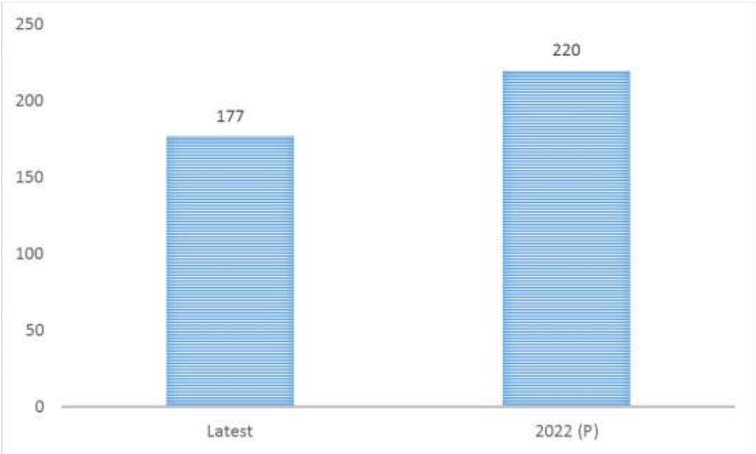
Source: Ellen MacArthur Foundation, A new textiles economy: Redesigning fashion's future, (2017, http://www.ellenmacarthurfoundation .org/publications)

TECHNICAL TEXTILE/ADVANCED TEXTILE MARKET

Technical textile is a sub-set of the much larger textile sector which is gaining prominence only recently with evolving technology providing the means to enhance the functionality of textile products. With improved functionalities, these products have found applications across end user industries such as defence, railways, automobiles, healthcare, etc. Technical textile products are increasingly being used across the globe owing to these advantages. Adoption of technical textile products has been higher for economically developed countries like USA, EU, Japan, South Korea, etc. while usage of these products in industrialised countries such as China and India is consistently increasing.

Ministry of Textiles, Government of India, has been actively working towards development of technical textiles in India. The Government has launched several programmes for supporting the sector with creation of manufacturing, testing and research infrastructure, besides providing capital and interest subsidies for setting up technical textile plants.

Global technical textiles market (USD Bn)



Technical textile global market is anticipated to grow from USD 177 billion in 2018 to reach USD 220 billion by 2022 with a CAGR of 5.9 per cent.

Some of the factors influencing the growth of the market are:

- Rising demand from new application areas
- Varying consumer preferences
- Useful physical properties of technical textiles
- Innovation and R&D
- Government regulations
- Climate change and global warming

Technical textile industry in India is import dependent. Many products like speciality fibres/yarns, medical implants, sanitary products, protective textiles, webbings for seat belts, etc. are mostly imported. However, technical textiles sector has registered impressive growth in the recent years.

FLOORING INDUSTRY:

The global flooring market size is estimated at $ 369 billion and is expected to expand at a CAGR of 5.9% from 2020 to 2027. The rising need for aesthetic interior materials in building structures is anticipated to fuel the product demand. The growth of construction sector, especially in the emerging economies is expected to further support the market growth.

Commercial application dominated the market in 2019 and is anticipated to continue leading over the forecast period. Rise in construction projects for office spaces, hospitals, healthcare facilities, educational institutes, and others across the globe is likely to support the demand in the forthcoming years. Rising demand for highly durable and cost-efficient product for use in high-traffic commercial and industrial sectors is projected to drive the growth. The development of new hassle-free installation techniques and related products is considerably driving the market for commercial flooring.

US Flooring Industry

In 2019 various issues up and down the supply and value chains restrained a market rife with innovation and design. According to Market Insights, for the year, US Flooring market – consumption of flooring at mill price fell 4.4% to $22.5 billion.

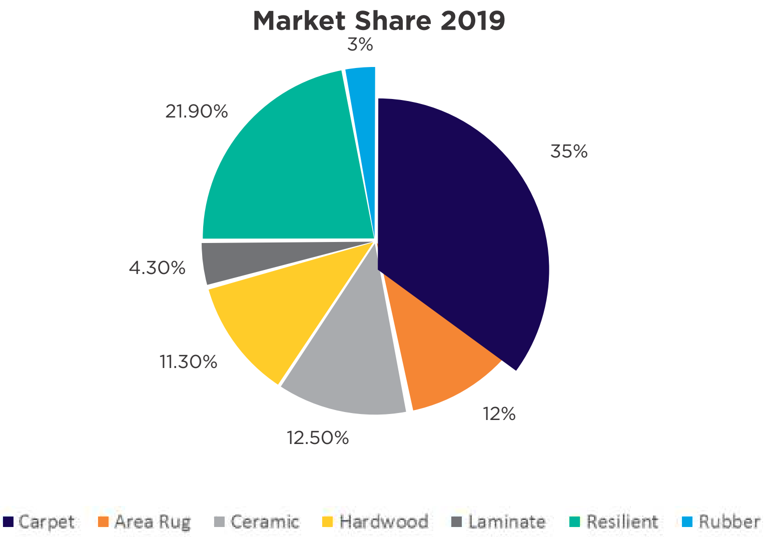
On the supply side tariffs imposed on flooring made in China in September 2018 sent ripples through the market, generating volatility both globally and domestically. Flooring imports from China surged that fall as US flooring business rushed to buy inventory. And there were other repercussion in the market as US buyers chose between absorbing tariff or to pass them on to the end customers. Others hunted for new manufacturing partnerships outside china looking for more stable pricing conditions. In late 2019, exemptions were made for click system LVT because it was determined that was nowhere near enough capacity outside China to serve US demand.

At the manufacturing level the surge in rigid LVT has created a dynamic innovative market. Several manufacturers have built facilities in the US. Among consumers a major factor last year was their unquenchable thirst for what everyone from vendors to retailers is increasingly simply calling waterproof flooring the catch-all for rigid LVT in every form.

The biggest flooring category in the US market is carpet, and it was down 5% last year and lost a little more market share. On the commercial side broadloom has shrunk to a minor position compared to carpet tile. On the residential side there's a very little carpet tile, and broadloom is losing share to hard surface most recently to rigid LVT.

Hardwood is another category under pressure down over 13% last year with SPC in the builder channel speeding up its share loss. And with the trend unlikely to abate anytime soon, the one silver lining may be the development of wood-topped rigid core products, which can be as waterproof as any rigid LVT.

Market share by Surface Type.



	2018		2019	
Product Category	**Market Size $ Mn**	**Market Share**	**Market Size $ Mn**	**Market Share**
Carpet	8,293	35.2%	7,857	34.9%
Resilient	4,753	20.2%	4,921	21.9%
Hardwood	2,933	12.5%	2,536	11.3%
Ceramic Floor Tile	2,970	12.6%	2,814	12.5%
Area Rugs	2,787	11.8%	2,704	12.0%
Laminate	1,124	4.8%	971	4.3%
Rubber	670	2.8%	683	3.0%
Total Market Size	**23,530**		**22,486**	

Carpets

Last year domestic carpet market fell by 5.3% to 7.9 billion, according to Market Insights, and it share of the flooring market fell slightly to 34.9%. While domestic production in the US market was further reduced by a drop in imports. While US carpet is sufficient to meet domestic consumption, some of the carpet is exported mostly to Canada, while specialty carpets are imported from Asian producers and some higher end goods from Europe.

Commercial market outperformed residential carpet last year, in part because of continued marketshare shift from broadloom to caret tile. Multifamily and builder business outpaced residential remodeling. Since the higher price points are on the remodeling side, this sort of imbalance generally pushes dollars down more than volume, but that wasn't the case last year.

The Multifamily market has been strong since the Great Recession. New construction has slowed but the market grew as much in the intervening years that the sheer volume of apartment turns – when tenants leave, carpet is often replaced - has kept residential dealers with plenty of work.

It's close to impossible to forecast what's going to happen next in the US and around the world, but one safe prediction is that it could finally put DIY carpet on the map.

Rugs

A year after the area rug market posted double-digit growth, ongoing threats from price erosion created by foreign competition and e-commerce sales saw the category take a 3% dip in 2019.

Historically most of what's been sold in the US has been imported – a mix of handmade and machine made – with India, Turkey, China and Egypt accounting for the bulk of what's sold, covering price points from entry level to the high end.

Digital channel has seen major uptick amid the coronavirus outbreak, which has seen people around the world sheltering in place, staying home from work and school. While sales initially slumped in the early days of shutdown, the numbers have begun to pick up, in some cases to record levels, as homeowners took the internet for home improvement projects.

And since area rugs can be easily shipped and don't require installation, it makes them desirable for consumers looking to spruce things up.

Resilient Flooring

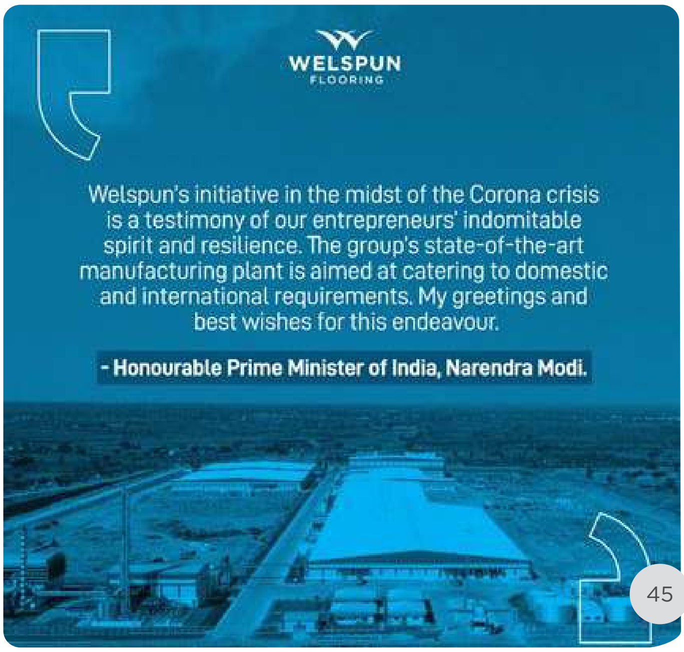
The resilient category is made up of a wide range of flowing types, including VCT, heterogeneous and homogenous sheet goods, rigid and flexible LVT, peel and stick tile, a variety of specliazed vinyl tiles and linoleum.

In 2019, the resilient category continued to grow, though at a lower trajectory, with gains of 3.5%, compared to 26.4% the previous year. However because of the market's response to the tariffs. Including importing huge volumes of inventory ahead of the tariffs being imposed and enacted. 2018 growth was heavily inflated, and 2019 growth was suppressed. Growth in 2018 and 2019 combined for this category was 31%, averaging to 15.5% per year.

In terms of 2019, it wasn't just high domestic inventory that helped revenue growth. It was also the string shift from WPC and flex LVT to SPC, which has by far the lowest average price points of the three. So there was a lot more growth in volume in dollars.

For decades the fastest growing category has been LVT, and since the invention of the rigid LVT Category by US Floors in 2013, the category has exploded. Black in 2013, LVT accounted for a third of the $2 billion resilient flooring category. Now the category is two and a half times bigger – clocking in at estimated $ 5 billion, according to Market Insights – and LVT makes up more than 70% of it.

Most of the rigid LVT is consumed in the US market is made overseas largely in China. A substantial volume of flexible LVT is also manufactures in several other Asian countries, as well as in Europe. And there is increasing SPC production in Asian neighbors of China, largely driven by tariff uncertainties. All of the big multiplayer domestic manufacturers including those that have started making product in the US get the bulk of their product from outside the US, sometimes from their own overseas operations and sometimes from contract manufacturing with the long standing partners in China.



Outlook

The momentum closing out 2019, by most continued into the first quarter of this year. Flooring sales were up in both residential and commercial market. Existing home sales were strong in January and strengthened in February, and new home sales also showed strong growth. The market faltered in March with the advent of pandemic. Although the course of the rest of the year is unclear, the March to June home-selling season which accounts for 40% of annual sales, according to National Association of Realtors, will likely be the slowest season since at least the 2007 recession.

While it is impossible to predict how this pandemic will play out and the way in which society will right itself and get the economy going again, including the timeline current conditions have consumers largely sheltering the place. It's a safe bet that this will lead to DIY market. And that includes flooring that can be delivered to homes and installed by homeowners.

This generally means products that click together for floating installations like laminate and rigit LVT.

India Flooring Industry

India flooring market is more than ₹ 300 billion with more than 90% consisting of vitrified and ceramic tiles. It has been anticipated that the Indian Market will grow at a CAGR of 12% to ₹ 477 billion levels due to rising number of residential units and commercial real estate spaces due to increased economic activity in the country.

The Indian floor covering industry has been passing through an exciting period, due to the influx of newer materials, new products, technology, and specialized machinery.

- In India, the growth trends of the floor covering industry have been similar to those of other segments in the construction industry. Increasing emphasis on quality and adherence to strict deadlines, while at the same time sticking to the budget, are factors that are driving the trends in the flooring industry.
- The customer needs quality, functionality, and long-term performance, all at competitive prices. Thus, floors that are easy to clean and maintain, and offer excellent wear resistance are in demand.
- The healthy growth rate maintained by industrialization and the buoyant urban infrastructure scenario are factors that may help the growth of the market.
- Similarly, the increase in metro rail projects and the subsequent demand for quality flooring at metro stations are the emerging applications for the market. One of the trends in the Indian market has been the fact that the commercial flooring segment has been keeping up to the pace of growth of the industrial flooring market.
- The growth of the market is expected to increase in the near future. There are several policy initiatives that have the potential to propel the growth of the Indian floor covering market.

India is emerging as a key global market for flooring products.

WELSPUN INDIA LIMITED PRODUCT PORTFOLIO

BATH
- Towels
- Bath Robes
- Bath Rugs

BEDDING
- Bed Sheets
- Tops of Beds
- Basic & Fashion Bedding

FLOORING
- Carpets Tiles
- Broadloom Carpets
- Area Rugs
- Artificial Grass
- Stone Polymer Composite (SPC)

TECHNICAL TEXTILES
- Non - woven Spunlace
- Wet Wipes
- Needle Punch

FY 2019-20: KEY HIGHLIGHTS

FY2020 was a year of new initiatives taken by the Company to be future ready which we have discussed in detailed in the earlier sections.

Company continue to build on the differentiation strategy based on branding, innovation and sustainability and increased focus on domestic market. During the FY2020 Company achieved significant growth in bottom line, despite withdrawal of Merchandise Export from India Scheme with retrospective effect which demonstrates the robustness of the business model.

Welspun has always been associated with Innovation and Sustainability which have always been the Company's forte and major driving forces. Company launched 'Bamboo Charcoal' innovation under 'Spaces' brand for which we got strong response from the consumers and 'Green Spunlace' under Advanced Textiles as part of sustainability initiatives. Company also launched Wellness campaign for which it received a positive feedback. It was also conferred with 'Most Innovative Award' for continuous product innovation by Li & Fung and 'Supplier award for trust' by ASDA. The Company was also got rated amongst Top 100 companies in India for Sustainability & CSR by 'ETFuturescape'.

'Badal Dalo' campaign which the company launched during the year for 'Welspun' brand with Mr. Amitabh Bachchan as brand ambassador was well received and as a result it catapulted to Top 2 position in value segment in Home Textile.

HygroCotton® - celebrated its 15th year on January 7, 2020. Having understood the consumers' needs and winning their trust across the globe, the company has also accomplished another milestone of achieving $ 1 billion of global sales (FOB) since its introduction. To mark this glorious occasion, the company hosted its celebration at the HEIMTEXTIL trade fair 2020.

Few awards to be worth mentioning are; Awarded 'Vendor of the year' for sustainability by Macy's and Awarded for 'Highest Global Exports' from TEXPROCIL for more than 10 years in a row.

The Company has settled the class action claims during the year which came to a closure now.

Welspun's strategy focus is on:

Consumer Centricity	Sustainability	Branding & Innovation	New Markets	New Channels	New Products

1. Consumer Centricity

As an organisation, WIL believe in understanding the customers' needs and live by the 'customer-first' philosophy. Customer centricity is the key to sustainable value creation, as it plays a critical role in designing and creating best-in-class home textile products. Whether we are in a business-to-business (B2B) or a business-to-consumer (B2C) company, an outward looking approach is critical that begin and end with our consumer. Welspun's forward looking approach operate as a 'strategic partner' to its B2B customers. Welspun created Welspotted with the purpose to catch trends and analysing data to be able to tell the partners about basket sizes and what would be in it, right down to the colour

2. Sustainability

Sustainability can easily be dubbed as the second pillar in the Welspun strategy. From a circular economy focus to gender parity and diversity have been on its agenda long enough to auger significant results today. Welspun India Limited has also successfully grown its "Spun" brand, which promotes sustainability and women empowerment.

During the year Welspun India Limited was recognized by ET Futurescape as one of the leaders in sustainability. And we were the only textile company which was ranked in the top 100, with the other FMCG and CPGs.

3. Branding & Innovation

With a brand portfolio of own brands, ingredient brands and licenses, the Company is putting continuous efforts towards establishing growing its B2C presence and create a brand pull.

'Hygrocotton' and 'Wel-Trak' have already marked tremendous success since their respective launches in the international market. 'Wel-Trak' solution has been increasingly accepted by retailers and end customers, which is visible from the fact that it now constitutes 3% of the total revenue of the Company.

Company has recently licensed Martha brand, which actually was present at one of the leading retailers. Martha Stewart is a renowned personality in United States of America with ~3 million followers. This has helped us finding doors opening into Tier-2 retailers where Welspun is not present as well as other Tier-2 discounters.

In September 2019, Good Housekeeping magazine ranked our Hygro towels, the best, softest and most fluffy towels available on the high street. Six of the top 11 towel brands are made by Welspun and happy to inform that they rank among the elite.

On the domestic market front, the Company launched its brand 'Welspun' to capture the value-conscious segment of the Indian customer base. This is in addition to the existing 'Spaces' brand catering to the premium market segment. A lot of work has been done on these two brands which has resulted in a phenomenal growth of >30% during the year. Spaces 'Bamboo Charcoal' innovation and wellness campaign got strong response. Rangana range continues to be one of the bestselling product lines, where we have seen almost three times turn in 45 days which is a kind of record in this category. During the festival season this category has grown at about 74% compared to the same period last year.

The brand 'Welspun' was launched with the first offering as 'Quik Dry Towel' with starting price of just ₹ 249. The association of Mr. Amitabh Bachchan for Welspun brand has catapulted Welspun brand the second rank in the entire of home textile brand which is in the mass segment. Within less than a year of commencement, we have reached that standing. Till date Spaces is present in around 2000+ Outlets across 350 Cities & Towns. And with our Welspun brand being present in around 2,500+ outlets across 50 cities, it is growing stronger by the day.

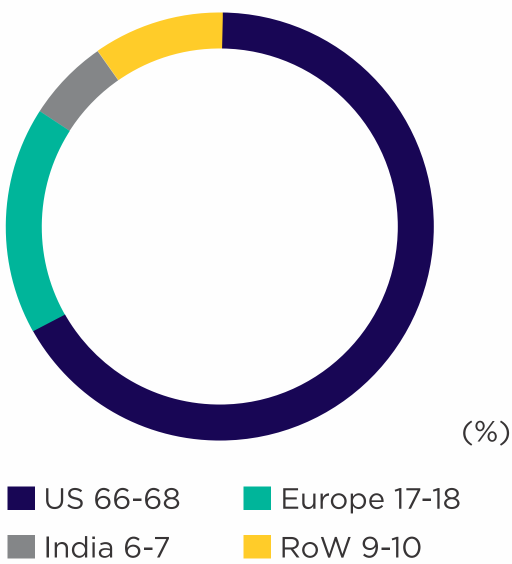
In the domestic market company continue to see traction and expect to gain momentum further in the coming years. The Company believes that the Indian market will be its next growth driver and has increased focus with its own brands as well as licenses, including Wimbledon, Minions, Disney, Manchester City and FCB.

As a result of these efforts, share of innovative products was 41% of total sales in FY20.

4. New Markets

The Company's major revenue share comes from the United States, which constitutes around 2/3rds of its sales. The sales composition is as mentioned in the chart:

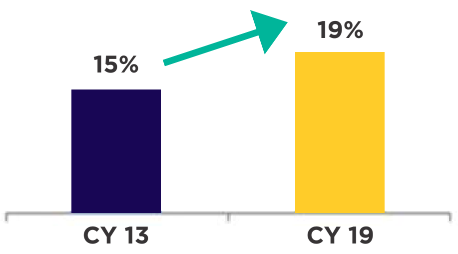
Existing Geographic Distribution Range



India has traditionally exported home textiles primarily to EU and USA, which constitute around 81% of India's home textiles exports among them. India has a dominating presence in USA which is why US has always been Company's major focus area.

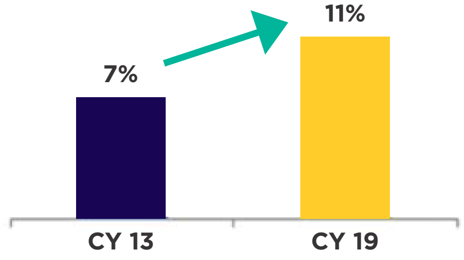
As a result the company has grown its market share in US towels market from 15% in CY13 to 19% in CY19 and in US sheets market from 7% in CY13 to 11% in CY19. This implies that every 5th towel and every 9th bed sheet sold in the US is made by Welspun. The Company is expected to continue to gain market share in the US Home Textile market and grow its US business in the long term.

Every 5th towel sold in US is made by Welspun



Welspun's Market Share in US Towels Market

Every 9th sheet sold in US is made by Welspun



Welspun's Market Share in US Sheets Market

After US, the next big market for the Company is Europe from where the Company gets 17-18% of its revenues. In spite of duty disadvantage, the Company is able to perform well and gain market share with its innovative products portfolio and its own brand 'Christy'.

The Company is eyeing expansion in international in markets such as Japan, China, New Zealand and South Africa to accelerate growth and achieve geographical diversification.

Currently, Indian domestic market is also the biggest focus area for the Company. Indian market is very fragmented and majorly catered by the unorganised sector. WIL is making inroads into the domestic market through a portfolio of different brands such as 'Welspun' and 'Spaces'

Apart from the existing home textiles portfolio, the Company has recently commissioned flooring solutions plant, which could provide tremendous growth opportunities in the domestic market as well as the export market.

Our association and campaign with Mr. Amitabh Bachchan has resulted a positive results in our home textile segment, we have also signed him for the flooring business and hopefully that will also provide an impetus to this business as well.

5. New Channels

Since E-commerce will become a reality, omni-channel will be also the way forward. Seeing the growth in this channel, we have expanded the team with a senior expert who has handled portfolio of around $150 million of e-commerce business. We have a digital brand called Welhome that will continue to grow in pure play as well as omni-channel.

Over the last few years, the Company has focused on creating an omni-channel presence by establishing its presence across alternate channels such as e-commerce, hospitality etc.

WIL continues to enhance its offering by providing an omni-channel support to the big-box retailers on Product Development, Warehousing, Pick and Pack, Drop-Ship and Analytics. WIL's warehouses in US, UK, Germany and India helped in quickly responding to the orders.

Apart from e-commerce, the Company is working on its hospitality channel as well. Welspun's hospitality division has formed strong bonds with many global hotel chains and are key suppliers of towels, robes, bed linen and filled products to groups such as Hilton, IHG, Marriott, Taj and many more. We expanded current core range to include filled products i.e. Pillows, Comforter and Mattress pads. Through flagship English brand "Christy" which will still have own high street stores countrywide is also now a new UK hospitality offering which is available via this established company, with products suitable for industrial laundering. This financial year we saw major business expansion in the Hospitality business in India as well as abroad by way of increased revenues and client additions.

WIL has partnered with Stay Well™ by being the exclusive supplier of home textiles to them. Stay Well infuses wellness into hotel rooms with features and programs to maximise the guest experience and minimise the impact that travel has on the human body.

6. New Products

WIL strives to add a new product to its portfolio every few years. In line with that, the Company has forayed into the flooring solutions with an aim to become a one-stop flooring solutions provider for domestic and international markets. The residential flooring market is dominated majorly by vitrified tiles, while the commercial & institutional space is dominated by imports of soft carpet flooring. Thus, the existing market provides ample opportunities for innovative flooring solutions and import substitution. In order to capture this opportunity, the Company has invested ₹ 11 billion to manufacture area rugs, carpet tiles and other innovative flooring solutions. The facility is located in the state of Telangana with a capacity of 27 million sq. metres p.a. and is already operational from September 2019. The Company has started to build its brand presence in the segment by showcasing its product portfolio in exhibitions like AceTech across India as well as Domotex, Germany. As part of the sales network, 50 distributors and around 450 dealers have been appointed so far pan-India.

WIL is also building its technical / advanced textiles offerings. These products are used in specialised applications in healthcare, fire departments, aerospace, defence and other utilities. These products include features such as fire retardants, stain resistants, anti-bacterials, and soil resistants. The year saw a major client win in this area for industrial filters and approval as a supplier by one of the world's largest players in wet-wipes.

Inclusive Growth

Welspun's social commitment includes sustainability and inclusive growth. A more detailed look at Welspun's sustainability initiatives is discussed in the Business Responsibility Report published separately and uploaded on the Company's website.

During FY 2019-20, the company redefined its Sustainability strategy and roadmap to keep abreast the dynamic stakeholders expectations as well maneuver its sustainability journey to be future ready. The roadmap was designed not only to enable sustainable manufacturing in our operations but also to incorporate it across the company's value chain. Encouraging sustainable products coupled with innovation; utilization of sustainable raw materials; circular economy; lesser GHG footprint; larger reach to communities; accident free workplaces formed the major aspects as a part of this exercise.

The Company believes that sustained economic growth needs an equally sustained ecosystem, thus it weaves sustainability seamlessly into its value chain including sourcing of raw materials, manufacturing processes, supply chain and waste management. It starts with the farm by using sustainable farming practices like educating and assisting cotton farmers in sustainable agronomic know-how, post-harvest handling and access to finance. In order to achieve sustainable sourcing, WIL procures BCI (Better Cotton Initiative) and Organic Cotton from certified external sources.

Responsible Production

Conserving natural resources is the utmost priority to WIL. Further, keeping the communities around WIL operations safe, healthy and driven by development forms an integral part of how the Company conducts business. Several measures like reduction of fresh water consumption in the textile manufacturing (which is known to be a high water consumption process), process modification and water heat recovery for energy conversation and aligning to Zero Discharge of Hazardous Chemicals (ZDHC) guidelines have been undertaken.

The company strives to utilize sustainable raw materials like organic cotton, BCI cotton, recycled PET and fabric made of pre consumer waste.

- 30 million liters of water recycled every day at our Anjar factory
- Zero freshwater consumption for manufacturing processes in the Anjar factory
- 10,161,351 KL of recycled water in FY 2019-20
- 24,000+ trees planted

Through our energy efficiency initiatives, we have saved 10,548 tonnes of CO_2e this year.

On the packaging and logistics part of the business, the Company is incorporating sustainable practices and optimization measures like sustainable packaging using recycled paper and materials from responsibly managed forests, efficient modes of logistics and transportation with reduced GHG (Green House Gas) emissions.

Waste Management

WIL's believes a circular economy has to be the underlying mechanism in a company's choice of raw materials as well how value is derived out of waste. In addition to this, the company has also seen social benefits in its own experience towards a circular economy, since it provides employment opportunities and boosts development.

In WIL's factories, every kind of waste is assessed to understand ways and means to either reduce, recycle or reuse/ upcycle the same. Horticulture and food waste is converted either to fuel or compost. PET bottles are sent for recycling. The company has also carried out successive trials on using sludge generated from the effluent treatment coal as fuel, which would further reduce the fuel consumption and reduce waste to landfill.

The Company creates products at local village centers with the objective of creating a global brand identity which is influenced by handicraft traditions of India and yet, contemporary at the same time.

This initiative develops products under the brand "SPUN" and makes use of pre-consumer waste from Company's factories and provides employment opportunities for women in handloom products.

- 170 tons of waste upcycled to make designer products.

OUTLOOK

During FY20, the Company saw positive momentum in volumes across geographies which is expected to continue in FY21. The Company maintains its focus on the domestic market and building a strong B2C presence. All the basic building blocks for significant share of B2C business are in place for the Company and its retail business is gathering momentum. WIL will continue to pursue our differentiation strategy based on branding, innovation and sustainability.

Apart from the commissioning of the flooring manufacturing plant during the year, the Company will focus on sweating its existing manufacturing capacities in towels, sheets and rugs.

KEY RISK FACTORS

Risk is integral to any business and WIL is no exception. The Company has evolved robust governance architecture to identify and assess potential risks, and formulate an appropriate mitigation strategy.

Rising Input Costs	The Company secures a significant part of its cotton requirement during the cotton season. WIL's backward integration provides 70% of its yarn and fabric requirements. The Company's **80 MW** captive power plant at Anjar reduces power costs and provides continous supply.
Labour Availibility	The Company is continuously providing its employees vocational training to improve their skill level. It is also focusing on improving labour retention and reducing attrition. WIL is actively employing more women to diversify its workforce. The Company has started skill developmet centres where it aims to train 100,000 people in five years.
Poor Economic Environment And Consumer Sentiment	The Company is trying to address this riks through geographic diversification into new markets, such as Europe, Australia and Japan as well as the domestic market.
Competition	Company's strategy of providing end-to-end solutions and innovative products, and maintaining strong relationship with clients helps in reducing competitive risks.
Currency Movements	Hedges significant portion of its export revenues expected for the following year.
Change in Indian Government Policies	The Company continuously monitors Govt policies and takes measures to minimize any adverse impact.

Trade Barriers	Geographic diversifaction to reduce impact of trade barrier imposed by any particular country.
Operational Risks	To ensure high operational efficiency, the internal control team effectively handles the internal processes in terms of technology absorption and capital efficiencies.
Concentration	The Company is continously pursuing opportunities in expanding market presence across new geographies in order to mitigate risk.

HUMAN RESOURCE

The Company recognises that human capital is its most important asset. WIL has 21,798 permanent employees on its payroll as on March 31, 2020. The Company has implemented several measures to ensure a positive work environment for all its employees.

The key HR initiatives comprise the following:

Women Empowerment

- **Computer Classes:** Keeping in view the empowerment of women, computer classes have been arranged for girls living in Gayatri Niwas.
- **English Speaking Classes:** In today's changing environment, as we all know, English language become a critical medium of communication, to associate with individuals. To facilitate acquiring fluency in the language, we have started English Speaking Course for Gayatri Niwas Girls.
- **Dance Classes:** With a view of recreation and good physical health, we arrange dance classes for the Gayatri Niwas girls.

Employee Engagement

- **'Run for Unity' (Marathon):** On the occasion of Gandhi Jayanti, we have organized Marathon Race. This is in line with our honourable Prime Minister Modi Ji's vision towards 'Swachh Bharat Abhiyan'. The 'Run for Unity' Marathon Race started from Rotary Circle, Adipur and culminated in Gandhi Market, Gandhidham.
- **Employee Connect:** As an HR Initiative, HCGA Team visits employee's house for greeting the couple & family on their wedding anniversaries. We believe, this is a gesture of sensitivity and human touch and it gets better with every feedback thereof. This initiative has helped in show casing our Organisation's genuine concerns towards it's employees.
- **ICE Contact:** We have come up with another initiative for employee security and it's focus is on tracing the employee's whereabouts in case of emergency. Under this initiative, we have made it mandatory for all employees to set up their emergency contact numbers on their phone so that any passers-by or stranger may reach out and establish a contact with the employee's family in case of any emergent condition. All employees have been covered under this initiative. This is a good initiative which showcases our organisation's genuine concern towards it's employees' safety & security.
- **Pravasan Yojna:** This initiative has been launched with the intention of extending a help in employees' travel. Under the initiative, an associate gets the facility of his travel ticket reimbursed once in every two years.
- **Merit Scholarship:** This initiative has been launched to recognise and encourage meritorious students. Under the scholarship, Associates' children are felicitated with cash prizes, who have scored 70 % and above marks in their 10th & 12th grade examinations. Thus, the bright students are felicitated by the Plant Head.
- **Matrutva Vandan Yojna:** This initiative has been launched with an intention of appreciating the Motherhood. Under the scheme, every expecting women is felicitated with a cash prize post the birth of child. Thus, every Mother get ₹ 5000/- and ₹ 7500/- the birth of Male and Female child respectively.

Talent Management

- To build capability and to engage with our key talent, we nominate 10 employees for Group Leadership Program (GLP) and 14 employees for Future Leadership Program (FLP).
- For the key talent at Middle Management levels, 'Achieving Your Leadership Potential (AYLP)'program was successfully conducted for the second batch comprising 19 employees.

Learning & Development

- Building digital learning and data Capabilities
  i. Self-directed learning using e-Learning platform has been well adopted to build employee capabilities. We successfully achieved 100% activation of 1400 learners on WeLearn, our digital learning platform.
  ii. Customized learning program in Digital Marketing was completed for Sales & Merchandizing team to build their capabilities sin the area of e-commerce.
  iii. A technology programs calendar with over 100 + programs on SAP covering each module, reporting tools and functionalities was launched across plants & head office
- For Associates in C&S, Skill Gap Analysis was carried out in partnership with Werner International and accordingly training plans have been initiated.
- To build role- based development programs, Functional Competencies for 700 unique roles have been created. This will help in training gap assessment at the employee level to build capabilities.
- For Associates in Cut & Sew area of TERRY TOWEL and RUGS plant, Skill Gap Analysis was carried out in partnership with Werner International. This helped in identifying training plans and work task process analysis.

Health, Safety & Wellness

- A 'Near Miss Award' has been started on the daily basis for Associates to ensure health & safety at all times.
- 'Champion Award' is being given to Associates on the monthly basis. The parameters, to win this award, has been associated with the employee's alertness towards the safety measures.
- With the focus on Health & Wellbeing, various schemes like 'De-Addiction Campaign', 'Identification of high BMI employees' , 'Health and Hygiene programs for female employee" namely "Sakhi" are run.
- First Aid training was provided to 256 employees through an external agency ('Indian Red Cross Society') and the attendees were felicitated with completion certificates.
- A Fire Fighting related training program was conducted at plats and thus 283 employees were trained on the basics of Fire Fighting measures.
- HealthifyMe is a health and metal wellness initiative aimed at promoting employee health and well-being. Through the app-based platform gamified health challenges were launched which were participated for around 800 employees.

Focus On Women Staff And Associates

- Zumba Classes: It is a step towards 'FIT WELSPUN MOVEMENT', in line with 'FIT INDIA MOVEMENT', launched by our Prime Minister. We have started Zumba Classes for Gayatri Niwas and for 'Staff @ Welpun' India.
- Sanitary Napkin Vending Machine: Women's health & hygiene is our first responsibility. Welspun, where more than 700 women employees work and more than 500 girls stay in our girls hostels, arrangements have been made to install sanitary pad vending machines, for the required usage.
- Medical Health Check-up: We organize health check-ups for Gayatri Niwas Girls on monthly basis. Also, separate awareness sessions on different critical diseases i.e Swine Flu, Dengue, Corona Virus etc. get organised.

Penta Protocol Initiation In The Wake Of COVID-19

To reduce the impact of COVID-19 outbreak conditions on our businesses, employees, associates, partners and customers, WIL developed an ‘Infectious Disease Preparedness and Response Plan’ which laid out protective actions against the virus”.

1. Regular fumigation of colonies, canteens, washroom and maintenance of high standard of hygiene and sanitation.
2. Restrict entry of outsiders including couriers, e-commerce or food delivery agents.
3. Fumigation of buses/other vehicles after each shift.
4. Sanitizers in each bus. To be used by passengers while on-boarding/de-boarding.
5. Compulsory use of face masks by drivers and all passengers.
6. All truck drivers will be medically screened.
7. Sanitization of material vehicle.
8. Thermal screening of all personnel during plant entry gates.
9. Everybody without exception will pass through the disinfectant tunnel.
10. Contact less access control.
11. Workstation and chairs sanitization regularly.
12. Periodic medical screening of canteen staff by the medical officer.

Cross functional audit on regular basis for ensuring social distancing and compliance.

Future Focus

With new normal, new ways of working are here to stay. Accordingly, we have geared up to create a workplace, which is digitally enabled & where virtual collaboration is powered by technology:

- Remote Working policy has been launched and accordingly staff at Head Office will be operating as per the roster post lockdown
- Digital employee engagement platform “MyBuddy” to stay connected with employees and listen to them through surveys and ChatBot has been enabled
- Focus towards employee mental wellbeing remains high due to emerging Covid scenario. A Engagement Calendar, covering digitally enabled activities, such as Global Town Hall, Festival celebrations and Health based webinars by experts have been planned
- Employee birthdays and marriage anniversaries will be celebrated digitally on real time basis by the Supervisors as staff at HO starts operating remotely
- Building Data and Digital capabilities high on priority as WIL focuses on adopting new normal, where real-time analytics, e-commerce and tech-enabled processes / automation are pillars of growth.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

COVID-19: Welspun Group Response

- Towards the end of Q4FY20, the operations of the Company were impacted due to shutdown of all plants and offices globally, following the lockdown imposed by government authorities to contain spread of COVID-19 pandemic.
- The Company has since then resumed operations in a phased manner and is operating in accordance with the health and safety guidelines, as issued by the respective government authorities.
- With Welspun's Penta Protocols™ and contact tracing app WelHeal, we are ensuring complete safety and security of our employees, adopting social distancing norms.
- Welspun stepped up and augmented the prowess of its vertically integrated woven and technical textiles capabilities to make high-quality personal protection equipment like masks, coveralls, etc. and hygiene products such as wipes, disposable linen, etc. under 'Welspun Health'. This strategic pivot is aligned with the organization's aim to cater to consumers as well as front line workers' requirements and support the nation and the world in its fight against this global pandemic.

Extreme caution and highest standard of hygiene and safety is being practiced by our staff across all our locations. In order to create awareness and protect our employees, additional efforts have been implemented, as explained below:

- Thermal screening of all employees at entry of all offices and plants
- Following of social distancing norms i.e. minimum 6 ft distance to be followed.
- Compulsory hand sanitization for all at frequent intervals
- Daily periodic sanitization of offices, work-area, company transport, etc.
- Tie-ups with hospitals and medical centers
- Ensuring availability of medical staff round the clock
- Provision of hand sanitizers, N95 masks and medical equipment
- Multiple awareness drives for all employees
- Posters and banners educating on COVID-19 and hygiene

DISCUSSION OF FINANCIAL PERFORMANCE – FY20

Fy20 saw total income growth of 3.4% and stood at ₹ 68,362 million vs. ₹ 66,084 million in FY19. The Company's EBITDA margin at 19.2% was higher 181 bps YoY, mainly Favorable Exchange Rate due to hedging. This was the sixth consecutive year where the Company generated Free Cash Flow. In FY20, the figure was ₹2,240 million as compared to FY19 figure of ₹ 773 million.

Herewith is the comparative analysis of Key Financial numbers of FY20 as compared to FY19 based on consolidated figures:

(₹ in million)

Particulars	FY 20	% of Total Income	FY 19	% of Total Income
Revenue from Operations (Net)	67,411	98.61%	65,266	98.76%
Other Income	951	1.39%	818	1.24%
Total Income	68,362	100.00%	66,084	100.00%
Cost of materials	32,963	48.22%	33,500	50.69%
Manufacturing Expenses	7,609	11.13%	7,919	11.98%
Employee Cost	7,781	11.38%	7,114	10.77%
Selling Administration and Other Expenses	6,911	10.11%	6,084	9.21%
EBIDTA	13,098	19.16%	11,467	17.35%
Finance Costs	1,777	2.60%	1,593	2.41%
Depreciation and Amortization Expense	4,811	7.04%	4,358	6.59%
Taxes	1,700	2.49%	608	0.92%
Profit before Exceptional items and tax	4,809	7.04%	4,909	7.43%
Exceptional Items	434	0.64%	-2,647	-4.01%
Minority's Share of Profit/ (Loss) in Certain Subsidiary Companies	170	0.25%	163	0.25%
Net Profit	5,074	7.42%	2,098	3.18%
EPS (Basic and Diluted)	5.05		2.09	

SALES VOLUME (MAjOR PRODUCTS):

The below table gives a snapshot of the sales volumes under each product category:

Particulars	Unit	Capacity	FY 2019-20	FY 2018-19
Sales Volume (Approx.)				
Terry Towels	MT	**80,000**	67,000	71,000
Bed Linen Products	000 Mts	**90,000**	67,000	74,000
Rugs & Carpets	000 Sq m	**10,000**	7,800	6,900

The Effective Utilization levels (based on average annual capacity) in FY20 across products was 84% in terry Towels, 74% in Bed Linen Products and 78% in Rugs & Carpets.

1. **REVENUE**

a. **Total Income**

For FY20, total income was ₹ 68,362 million vs. ₹ 66,084 million in FY19, 3.4% up.

b. **Other income**

Income from other sources was ₹ 951 million in FY20, as against ₹ 818 million in FY19.

2. **EXPENDITURE**

a. **Cost of Materials**

Consumption of raw materials stood at ₹ 32,963 million during the year. This accounts for 48% of total income for FY20. As a % of total income, this material cost has been lower by approximately 3% as compared to FY19 figure of 51% of total income due to the decrease in input costs, mainly due to the depreciation of the US dollar as many of the input costs are linked to the dollar.

b. **Manufacturing Expenses**

Manufacturing expense was at ₹ 7,609 million in FY20 as compared to ₹ 7,919 million in FY19. The manufacturing expense includes Power, Fuel and Water charges of ₹ 2,221 million, Dyes & Chemicals of ₹ 2,342 million and labour and job work charges of ₹ 604 million.

As a percent of total income, manufacturing expenses was at 11.13% in FY20 as compared to 11.98% in FY19.

c. **Employee Cost**

Employee cost stood at ₹ 7,781 million in FY20 as compared to ₹ 7,114 million in FY19. As a % of total income it was 11.38% in FY20 as compared to 10.77% last year.

d. **Selling, Administration and Other Expenses**

Selling Administration and Other Expenses was reported at ₹ 6,911 million in FY20 as compared to ₹ 6,084 million in FY19. The increase was primarily because of higher advertising and Sales promotion expenses during the year.

e. **Finance Costs**

Financial Expenses in FY20 was ₹ 1,777 million. The corresponding figure in FY19 was ₹ 1,593 million. The increase was on account of adoption of Ind AS 116 as well as the commissioning of the Flooring Plant

f. **Depreciation and amortisation expense**

Depreciation was reported at ₹ 4,811 million in FY20 end as compared to ₹ 4,358 million in FY19.

3. **PROFITABILITY**

a. **EBIDTA**

EBITDA in FY20 was reported at ₹ 13,098 million implying EBITDA margin of 19.2%, higher 181 bps mainly due to favorable exchange Rate.

b. Exceptional gain of ₹ 434 million during FY20 is on account of Reversal of excess provision related to provenance

c. **Profit After Tax**

Profit after Tax post minority interest stood at ₹ 5,074 million in FY20 as compared to ₹ 2,098 million in FY19. Net profit margin stood at 7.42% vs. 3.18% in 2019.

4. **EARNINGS PER SHARE (BASIC)**

Earnings per Share for the year ending March 31, 2020 (Basic) stood at ₹ 5.05 per share as compared to ₹ 2.09 per share at the end of March 31, 2019.

5. BALANCE SHEET

(₹ in million)

Particulars	As At 31.03.2020	As At 31.03.2019
A ASSETS		
1. Non-current Assets		
Property, Plant and Equipment	36,326	30,717
Capital work-in-progress	564	4,862
Goodwill on Consolidation	1,803	1,793
Other Intangible assets	477	548
Right-of-use assets	722	-
Intangible assets under development	16	27
Financial Assets		
- Investments	8	272
- Loans	2	2
- Other financial assets	1,232	455
Non-current tax assets	684	506
Deferred Tax Assets	1,162	599
Other non-current assets	421	1,335
Total Non-current Assets	**43,418**	**41,117**
2. CURRENT ASSETS		
Inventories	15,287	13,342
Financial Assets		
- Investments	2,436	997
- Trade receivables	10,862	10,768
- Cash & cash equivalents	2,051	1,544
- Bank balances other than cash and cash equivalents above	253	188
- Loans	5	5
- Other financial assets	3,224	5,643
Current Tax Assets	21	26
Other current assets	5,546	3,793
Total Current Assets	**39,685**	**36,306**
TOTAL ASSETS	**83,103**	**77,423**
B EQUITY AND LIABILITIES		
1. Equity		
Equity Share capital	1,005	1,005
Other Equity		
Reserves and surplus	29,725	26,235
Other reserves	-1,009	553
Equity attributable to owners of Welspun India Limited	29,721	27,793
Non-controlling Interests	848	710
Total Equity	**30,569**	**28,503**
Liabilities		
2. Non-current liabilities		
Financials Liabilities		
- Borrowings	14,070	15,537
- Lease liabilities	528	-
- Other financial liabilities	50	35
Non-current tax liabilities	1,526	1,331
Provisions	26	25
Deferred tax liabilities	1,927	2,008
Other non-current liabilities	939	1,049
Total Non-current liabilities	**19,066**	**19,985**

(₹ in million)

Particulars	As At 31.03.2020	As At 31.03.2019
3. Current liabilities		
Financials Liabilities		
- Borrowings	17,717	14,080
- Lease liabilities	260	-
- Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	179	35
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,799	7,007
- Other financial liabilities	4,933	4,479
Provisions	1	1,731
Employee benefit obligations	881	721
Current Tax Liabilities	43	61
Other Current Liabilities	655	821
Total current liabilities	**33,468**	**28,935**
Total liabilities	**52,534**	**48,920**
Total Equity and Liabilities	**83,103**	**77,423**

6. NETWORTH

Net worth of the Company stands at ₹ 29,721 million at March 31, 2020 as against ₹ 27,793 million at March 31, 2019.

Net sales to Net worth ratio is 2.30 times for the period ending March 31, 2020 as compared to 2.35 times in FY19-end.

Book Value of equity shares stands at ₹ 29.58 per equity share as at March 31, 2020, which was ₹ 27.66 per equity share in FY19.

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

a. Share Capital

The Issued, Subscribed and Paid-up Share Capital as at March 31, 2020 stands at ₹ 1,005 million.

b. Reserves and Surplus

i) Securities Premium account: The Securities Premium account stands at ₹ 3,238 million in FY20, which is same as the figure at the end of FY19.

ii) Capital Redemption Reserve: The balance as of March 31, 2020 amounted to ₹ 488 million, same as at the end of previous year

iii) Capital Reserve: The balance as of March 31, 2020 amounted to ₹ 1,475 million, same as at the end of the previous year.

iv) Foreign exchange translation reserve as at March 31, 2020 stands at ₹ (51) million against ₹ (175) million in the previous year.

v) Profit and Loss account: The balance in the Profit and Loss Account as on March 31, 2020 was ₹ 23,592 from ₹ 20,103 million as on March 31, 2019.

7. LOAN FUNDS

Gross Debt as on March 31, 2020 stands at ₹ 34,421 million as against ₹ 33,104 million at end-FY19. The Long term debt stands at ₹ 16,704 million as against ₹ 19,024 million at end-FY19.

Cash and cash equivalents of the Company in FY20 stands at ₹ 4,803 million as against ₹ 2,821 million in the previous year.

Net Debt as on March 31, 2020 stands at ₹ 29,618 million after reducing the cash and bank balance and liquid investment. At the end of FY19, the net debt was ₹ 30,283 million. Net Debt at FY20 end excluding flooring debt was at ₹ 23,304 million.

Net Debt to Equity stands at 1.00 times in FY20 (as compared to 1.09 times in FY19) while Net Debt / EBITDA stands at 2.26 times in FY20 (2.64 times in FY19).

8. FIXED ASSETS

Net block (including Capital Work in Progress) stood at ₹ 36,890 million vs. ₹ 35,579 million in FY19. This increase was mainly on account of capex for the flooring project.

9. INVENTORY

Inventory as on March 31, 2020 stood at ₹ 15,287 million as compared to ₹ 13,342 million in FY19-end. The inventory days were 83 days in FY20 as compared to 75 days in FY19. The Inventory turnover ratio stands at 4.4 times in FY20 as compared to 4.9 times FY19-end.

10. DEBTORS

Sundry Debtors on March 31, 2020 was at ₹ 10,862 million as compared to ₹ 10,768 million in FY19-end. Receivable days/debtor days is 59 days in FY20 as compared to 60 days at FY19. Debtors turnover ratio stands at 6.2 times in FY20 as compared to 6.2 times FY19-end.

11. CASH AND BANK BALANCES AND LIQUID INVESTMENT

Cash and Bank balances and liquid Investment was reported at ₹ 4,803 million as on March 31, 2020. At the end of FY19, the corresponding figure was ₹ 2,821 million.

For the fifth year in a row, the Company generated positive free cash flows after capex.

12. CURRENT LIABILITIES

- Trade payables stood at ₹ 8,979 million as of end-FY20 as compared to ₹ 7,041 million in FY19-end. Trade Payables are at 49 days of net sales in FY20, as compared to 39 days in FY19. The Payable turnover ratio stands at 7.5 times in FY20 as compared to 9.3 times FY19-end.

- Short Term Provisions stood at ₹ 1 million at the end of FY20 as compared to ₹ 1,730 million at end of FY19.

13. CASH CONVERSION CYCLE

Cash conversion cycle for FY20 was 93 days as against 95 days in the previous year.

14. DIVIDEND

The Company has announced the dividend distribution policy, where the payout will be 25% of the standalone PAT. At the end of FY20, the Company has paid the total dividend at ₹ 1.00 per share.

15. RETURN ON NET WORTH (RETURN ON EQUITY)

Return on Net Worth stood at 12.2% vs. 9.6% in 2019

KEY FINANCIAL INDICATORS: (₹ in million except ratios)

(₹ in million)

Particulars		As At 31.03.2020	As At 31.03.2019
Total Income	₹ Mn	68,362	66,084
EBITDA	₹ Mn	13,098	11,467
EBIT	₹ Mn	8,287	7,109
Net Profit after Tax	₹ Mn	5,074	2,098
Net Worth	₹ Mn	29,721	27,793
Net Debt	₹ Mn	29,618	30,283
Net Debt/Equity	Times	1.00	1.09
Net Debt/ EBITDA	Times	2.26	2.64
Net Sales/ Net Worth	Times	2.30	2.35
Interest Coverage Ratio	Times	4.66	4.46
Current Ratio	Times	1.19	1.25
Return on Capital Employed (ROCE)	%	12.3%	11.1%
Return on Equity (ROE)	%	12.2%	9.6%
Inventory Days	Days	83	75
Receivable Days	Days	59	60
Payable Days	Days	49	39
Net Operating Cycle	Days	93	95
(Inventory Days + Receivable Days - Payable Days)			
Book value per share		29.58	27.66

Note : The days outstanding are calculated on the basis of the Closing numbers
ROCE = EBIT (before exceptional) / Average Capital Employed
Capital Employed = Net worth + Gross Debt + Other long term liabilities
ROE = Total comprehensive income attributable to Owners / Average Net worth

CHANGES IN KEY FINANCIAL RATIOS

Ratios	31.03.2020	31.03.2019	Remarks / Response
Debtors Turnover	6.3	6.1	No Significant Change
Inventory Turnover	4.4	4.9	No Significant Change
Interest Coverage Ratio	4.66	4.46	No Significant Change
Current Ratio	1.19	1.25	No Significant Change
Debt Equity Ratio	1.00	1.09	No Significant Change
Operating Profit Margin (%)	19.2%	17.4%	Better Operating Efficiency has led to higher margins.
Net Profit Margin (%)	7.4%	3.2%	Higher profitability leading to higher margins
Return on Equity (ROE) %	12.2%	9.6%	Higher profitability leading to higher ROE

DIRECTORS' REPORT

To
The Members,
Welspun India Limited

Your Directors have pleasure in presenting the 35th Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. Financial Highlights

(₹ in million)

Particulars	Consolidated		Standalone	
	FY 19 - 20	FY 18 - 19	FY 19 - 20	FY 18 - 19
Revenue from Operations	67,411	65,266	53,236	53,953
Other Income	951	818	431	830
Total Revenue	68,362	66,084	53,667	54,783
EBITDA	13,098	11,467	10,523	8,779
EBITDA Margin (%)	19	17	20	16
Finance Cost	1,777	1,593	948	925
Depreciation and amortization	4,811	4,358	3,881	4,015
Profit before exceptional items and tax	6,510	5,516	5,694	3,839
Exceptional items	(434)	2,647	(432)	2,080
Profit before tax	6,944	2,869	6,126	1,758
Tax Expense	1,700	608	1,377	341
Profit for the year	5,244	2,262	4,749	1,418
Earnings per share (Basic & Diluted)	5.05	2.09	4.73	1.41

2. Performance and Outlook

During the year under review, your Company's total revenue on standalone basis decreased to ₹ 53,667 million, a minor decrease of 2.04% and on consolidated basis it increased to ₹ 68,362 million, a growth of 3.45% over the previous year. The EBITDA on standalone basis was ₹ 10,523 million i.e. 19.87% higher than last year and on consolidated basis was ₹ 13,098 million i.e. 14.22% higher than last year. EBITDA margin was higer due favourable exchange rate and currency hedging strategy. Profit before exceptional items and tax was ₹ 5,694 million i.e. 48.34% higher than last year on standalone basis and it was ₹ 6,510 million i.e. 18.01% higher than last year on consolidated basis. Exceptional item aggregating to ₹ 432 million for the year ended March 31, 2020, represents gains due to reversal of excess provision related to provenance issue. Profit after tax ("PAT") is ₹ 4,749 million i.e. 235% higher than last year on standalone basis and ₹ 5,244 million i.e. 131.84% higher than last year on consolidated basis. You may refer to 'Management Discussion & Analysis' ("MDA") Section of this Report for further details of your Company's performance.

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 Board will endeavor to achieve distribution of 25% of PAT for a financial year, on standalone basis, with equity shareholders (including by way of dividend and Dividend Distribution Tax thereon). 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.

https://www.welspunindia.com/uploads/investor_data/1)%20WIL-Dividend%20Distribution%20Policy.pdf

ii. Dividend for Financial Year 2019-20:

During the year, the Board declared interim dividend of ₹ 1 per equity share for the Financial Year ("FY") 2019-20 which resulted into cash outflow of ₹ 1,211.30 million (including DDT) i.e. 19.77% of standalone PAT.

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

(₹ in million)

Financial Year	Total Dividend (%)	Cash Outflow (including DDT)
2018-19	30%	363
2017-18	65%	787
2016-17	65%	786

4. Subsidiaries

During the year, Welspun Advanced Materials (India) Limited, incorporated in India, with an objective to explore undertaking advanced textile project on a greater scale with focused management.

During the year 2019-20, the Company has entered into joint venture with Sense Organics Import & Trading GmbH, Germany ("SOIT") and has acquired 51% of the share capital, at par, of Pure Sense Organics Myanmar Limited ("PSOML"), a Company incorporated under the Myanmar Companies Act 2018 on January 24, 2018, as a part of the Company's sustainable sourcing strategy. The Company has so far invested US$ 102,100 in share capital of PSOML with combination of equity and preference shares. PSOML being subsidiary of the Company, it is a related party of the Company. SOIT is not related to the Company.

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.

https://www.welspunindia.com/uploads/investor_data/Policy%20on%20Material%20Subsidiary-13.10.2015.pdf

5. Auditors and Auditors' Report

i. Statutory Auditors:

Your Company's Auditors, S R B C & CO LLP, who were appointed up to the conclusion of the 37th Annual General Meeting, have given their consent to continue to act as the Statutory Auditors of your Company for the remaining tenure. Members have at the 33rd Annual General Meeting ratified the appointment of the Auditors for the remaining tenure i.e. upto the 37th 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 are self-explanatory and therefore do not call for any comment.

ii. Cost Auditors:

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has reappointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of your Company for FY 2020-21 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 2019-20 is attached herewith as Annexure - 3 to this Report.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Uday Sohoni, Practicing Company Secretary, as the Secretarial Auditor of your Company for the FY 2019-20.

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	
1,486	335,020	6	450	6	450	1,480	334,570	450 shares transferred to IEPF-4 on 07.02.2020. During the year, multiple folio, of 647 no. of holders, were consolidated.

7. Listing with the Stock Exchanges

Your Company's equity shares are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Annual listing fees for the FY 2019-20 have been paid to NSE and BSE.

8. Finance

i. **Credit Rating:**

During the year, CARE Ratings Limited ('CARE') has reaffirmed your Company's long term credit rating of 'AA' and short term credit rating of 'A1+'. India Ratings & Research, a Fitch Group company, has reaffirmed your Company's long-term issuer rating of 'IND AA-/Stable' and short-term credit rating of '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 of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, marketing, brand building, general management and strategy. Except the nominee appointed by IDBI Bank and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Act. It is confirmed that, except for 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.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Balkrishan Goenka (holding Director Identification Number 00270175) 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 Regulations, 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. Ms. Anisha Motwani successfully qualified Online Proficiency Self Assessment Test for Independent Directors' Databank in May, 2020.

iii. Directors' Evaluation:

In compliance with the Act and 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.

iv. Familiarization program for Independent Director(s):

The familiarization 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 familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

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

https://www.welspunindia.com/uploads/investor_data/Familiarisation%20program.pdf

v. Committees of the Board of Directors:

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

vi. During the year, the Board did not appoint any independent director.

10. Loans, Guarantees and Investments:

Information of amounts of investments made, loans given, guarantees given and security provided by your Company as on March 31, 2020 is as given under:

(₹ in million)

Particulars	Amount
Investments	13,501.47
Loans / Receivables	95.00
Guarantees	15,462.65
Security	-
Total	**29,059.12**

Corporate guarantees of GBP 4.25 million and GBP 8.51 million were issued, to Bank of Baroda, UK and Barclay's Bank respectively, by the Company to secure repayment of working capital facilities availed by CHT Holdings Limited, a subsidiary of your Company.

Similarly, the Company has issued guarantee of ₹ 5 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. Additionally, the Company has issued guarantee of ₹ 615 million in favour of Citibank N.A. to secure repayment of working capital facilities.

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. Additionally, the Company has issued guarantee of ₹ 500 million in favour of HDFC Bank to secure working capital facilities availed by WFL.

Disclosures pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI Regulations, 2015 is given at Note No. 38 of the audited financial statements.

11. 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:

https://www.welspunindia.com/uploads/investor_data/2)%20WIL%20-%20RPT%20Policy%2002.02.2016.pdf

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 31(ii) to the Standalone financial statements forming part of this Report.

12. 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 2019-20 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	78.43	143%	472
Ms. Dipali Goenka CEO and Joint Managing Director	88.17	154%	531
Altaf Jiwani Chief Financial Officer	32.75	15%	197
Shashikant Thorat Company Secretary	4.98	13%	30

(b) The percentage increase in the median remuneration of employees in FY 2019-20 was 5.74%.

(c) Your Company had 21,798 permanent employees on its payrolls as on March 31, 2020.

(d) Average percentage increase in the salaries of employees other than the managerial personnel in FY 2019-20 was 19%. The managerial remuneration increased by 104.48% as a result of increase in Commission payable to Managing Directors and CEO & Joint Managing Director.

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

Altaf Jiwani, Chief Financial Officer, 52, 02.02.2015, 32.75, B.TECH, MMS, RPG Group, Permanent, 0, No; Amarsinh Dhanwade, Vice President, 43, 20.08.2018, 18.01, MBA, PGDM, L'Oreal, Permanent, 0, No; Amit Mittal, Senior Vice President – Global Sourcing, 44, 18.02.2019, 12.60, MBA, Indo Count Industries Limited, Permanent, 0, No; Ashok Kumar Joshi, Executive Director* & Business Head – Operations, 59, 02.07.2013, 26.71 B.TECH, Donear Industries Limited, Permanent, 0, No; Cherian Thomas, President – Advanced Textiles, 49, 02.12.2019, 16.00 B.E. (Mechanical), MBA, Frigoglass, Permanent, 0, No; Chintan Thaker, Senior Vice President – Corporate Affairs and Strategic Planning Cell, 43, 01.04.2003, 10.92, B.Sc., MBA (Marketing), Gujarat Infra Limited, Permanent, 0, No; Dinesh Jain, President – Finance & Accounts, 62, 12.06.2004, 10.88, FCA, Bhilwara Spinners Limited, Permanent, 0.05, No (Retired w.e.f. April 30, 2020); Dipali Goenka, CEO & Joint Managing Director, 51, 01.04.2013, 26.88, B.A. (Psychology),N.A., Contractual, 0.07, Yes; Laxmi Narain Kaushik, Director* & Business Head – Operations, 53, 16.07.2018, 14.99, M.Tech., Spentex Industries Limited, Permanent, 0, No (Resigned w.e.f. November 22, 2019); Milind Hardikar, Executive Director* – Advanced Textile, 59, 24.04.2012, 22.50, BE (Mech), MMS, Arvind Limited, Permanent, 0, No; Rahul Shandilya, President – Group IT, 49, 08.04.2019, 17.50, B.E., PGDM, Mahindra Group, Permanent, 0, No; Rajesh Mandawewala, Managing Director, 58, 01.12.1985, 17.14, CA, N.A., Contractual, 0, No; Rajesh Padmanbhan, Director*-HCGA, 58, 01.02.2016, 39.42, MBA (Finance/HR), Vedanta Group, Permanent, 0, No (Resigned w.e.f. April 20, 2020); Sanjay Kanungo, Senior Vice President –Vapi Operations, 52, 23.01.2017, 10.70, B.E. (Mechanical), Trident Limited, 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 ₹ 26.88 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 are given in the Corporate Governance Report forming part of this Report.

13. Extract of the Annual Return

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is annexed as Annexure -5 to this Report and is also available on website of the Company at weblink given below:

https://www.welspunindia.com/uploads/investor_data/Extract_of_Annual_Return.pdf

14. Business Responsibility Report (BRR)

SEBI vide Notification No. SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015 had mandated top 500 listed entities, based on market capitalization, to include BRR in the annual report. Since the Company is one of the top 500 listed entities, it is pleased to present its 4th BRR for the FY 2019-20 as per SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015 which is a part of this Annual Report.

15. 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 – 6 to this Report.

16. 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 as:
https://www.welspunindia.com/uploads/investor_data/CSR%20Policy(signed)-07.04.2016.pdf

The initiatives undertaken by your Company during FY 2019-20 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 – 7 to this Report.

17. 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, 2020, 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.

18. 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.

19. 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 Uday Sohoni, 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.

20. Management Discussion and Analysis Report

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.

21. Vigil Mechanism

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

22. Directors' Responsibility Statement

Pursuant to 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, 2020, 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 2019-20;
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.

23. Miscellaneous

During the year, there was no change in the general nature of business of your Company. No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. 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. There were no stock options outstanding during the FY 2019-20. 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 4 cases of sexual harassments were reported during the year under review and all 4 have been resolved. 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 .

24. Acknowledgements

Your Directors thank the government authorities, financial institutions, banks, customers, suppliers, members, employees and other business associates of your Company, who through their continued support and co-operation, have helped as 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

June 29, 2020
Mumbai

Annexure – 1

Welspun India Limited
Dividend Distribution Policy

(In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. REGULATORY FRAMEWORK

The Securities and 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 capitalization 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 capitalization 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 utilization 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 standalone basis, with equity shareholders (including by way dividend and Dividend Distribution Tax thereon).

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. 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. UTILIZATION 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 and Exchange Board of India or such other regulatory authority as may be authorized, 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 31, 2017
Place: Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

June 29, 2020
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
Name of the Subsidiary Company	**WGBL**	**#WUSA**	**WCPGL**	**#CHL**	**WUL**	**WFL**	**CLL**	**CWG**	**WASEZ**	**WHTUKL**	**WZTL**	**WIPL**
Reporting period year ended	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting currency and Exchange rate	INR NA	USD ₹ 75.57	INR NA	GBP ₹ 93.86	GBP ₹ 93.86	INR NA	USD ₹ 75.57	Euro ₹ 83.36	INR NA	GBP ₹ 93.86	INR NA	INR NA
Share Capital	235.29	10.21	295.38	474.55	478.12	3,214.38	-	9.18	0.51	1,048.62	55.00	2.60
Reserves & Surplus	2,110.30	1,335.78	3,221.96	(243.95)	97.61	(919.22)	(174.39)	(12.75)	2,365.91	(590.99)	54.96	(2.35)
Total Assets	18,124.88	11,044.63	4,076.31	2,191.15	1,169.96	11,473.29	(11.08)	1.67	2,875.52	747.77	111.15	0.27
Total Liabilities	15,781.89	9,698.64	604.24	1,960.55	594.23	9,178.13	163.31	5.24	681.99	290.14	1.19	0.02
Investments (excluding investments in subsidiaries)	2.60	-	45.27	-	-	-	-	-	172.89	-	-	-
Turnover	57,028.68	18,398.03	3,911.78	3,138.29	2,580.26	552.20	350.80	29.80	17.61	-	-	-
Profit / (Loss) before Taxation	558.89	84.19	752.41	57.26	104.50	(845.24)	(5.68)	(9.72)	37.13	(181.38)	4.14	(1.85)
Provision for Taxation	144.44	29.65	17.58	-	-	-	(0.09)	-	(9.63)	-	0.65	-
Profit / (Loss) after Taxation	414.45	54.55	734.83	57.26	104.50	(845.24)	(5.59)	(9.72)	46.76	(181.38)	3.49	(1.85)
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

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).

Sr. No.	13	14	15	16	17	18	19	20	21	22	23	24	25
Name of the Subsidiary Company	**CHT**	**NHT**	**WMEL**	**WHPL**	**ERK**	**BDI**	**AITP**	**PSOML**	**CL**	**CUL**	**WNEX**	**TILT**	**WAMIL**
Reporting period year ended	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting currency and Exchange rate	GBP ₹ 93.86	MXN ₹ 3.18	USD ₹ 75.57	GBP ₹ 93.86	GBP ₹ 93.86	INR NA	INR NA	MKK ₹ 0.05	GBP ₹ 93.86	GBP ₹ 93.86	USD ₹ 75.57	USD ₹ 75.57	IND NA
Share Capital	483.85	53.22	16.54	2.99	0.20	0.10	0.10	8.77	-	-	269.30	-	0.10
Reserves & Surplus	(29.85)	(53.22)	36.28	581.23	55.05	(14.47)	(0.31)	(8.36)	806.55	2.42	(255.56)	3.74	(0.61)
Total Assets	458.22	-	53.69	585.54	55.25	1.21	0.31	6.03	806.55	2.42	13.74	3.75	0.10
Total Liabilities	4.22	-	0.87	1.32	-	15.58	0.52	5.62	-	-	-	-	0.61
Investments(excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) before Taxation	(10.81)	-	(0.79)	(183.33)	-	0.06	(0.03)	(4.51)	-	-	(258.93)	-	(0.61)
Provision for Taxation	-	-	-	-	-	0.01	-	-	-	-	-	-	-
Profit / (Loss) after Taxation	(10.81)	-	(0.79)	(183.33)	-	0.05	(0.03)	(4.51)	-	-	(258.93)	-	(0.61)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.11	98.03	98.03	98.11	98.11	100.00	100.00	51.00	98.11	98.11	100.00	98.68	100.00

Reporting currency and Exchange rate is as on the last date of the relevant Financial year in case of foreign subsidiaries.

CHT = Christy Home Textiles Limited, NHT = Novelty Home Textiles S A DE C V, WMEL = Welspun Mauritius Enterprises Limited, WHPL = Welspun Holdings Private Limited, ERK = E. R. Kingsley (Textiles) Limited, BDI = Besa Developers and Infrastructure Private Limited, AITP = Anjar Integrated Textile Park Developers Private Limited, 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.

Notes:

Anjar Integrated Textile Park Developers 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

June 29, 2020
Mumbai

Shashikant Thorat
Company Secretary
FCS - 6505

Altaf Jiwani
Chief Financial Officer

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014; (No event occurred requiring compliance during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No event occurred requiring compliance during the audit period)

(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;

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and

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

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

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
(ii) Acts as prescribed under Direct Tax and Indirect Tax;
(iii) Acts prescribed under prevention and control of pollution;
(iv) Acts prescribed under environmental protection;
(v) Land Revenues Act of respective States;
(vi) Labour Welfare Act of respective States; and
(vii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda thereon were sent in compliance to the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I, further report that during the year under review:

(i) the Company declared and paid dividend of ₹ 0.30 per equity share having nominal value of ₹ 1/- each for the financial year ended on March 31, 2019.
(ii) the Company declared and paid interim dividend of ₹ 1 per equity share having nominal value of ₹ 1/- each for the financial year ended on March 31, 2020.

Sd/-
Uday Sohoni
Practising Company Secretary
FCS 9471, CP 10916
UDIN: F009471B000397100

June 29, 2020
Mumbai

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 2019-20.

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

June 29, 2020
Mumbai

Annexure – 5

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN :- L17110GJ1985PLC033271

ii. Registration Date : January 17, 1985

iii. Name of the Company : Welspun India Limited

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

v. Address of the Registered office and contact details: Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110
Contact: The Company Secretary, Tel.: +91 22 - 66136000;
Email: Companysecretary_WIL@welspun.com

vi. Whether listed company: Yes

vii. Name, address and contact details of Registrar and Transfer Agent:
Link Intime India Private Limited
Unit : Welspun India Limited
C 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai-400 083
Email – rnt.helpdesk@linkintime.co.in
Tel. No.: +91-22-49186270 Fax No. : +91-22–49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Manufacture of other textiles	139	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Anjar Integrated Textile Park Developers Private Limited Survey No. 675, Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110	U74120GJ2011PTC064912	Subsidiary	100.00	2(87)(ii)
2	Besa Developers and Infrastructure Private Limited Welspun House, 6th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	U45400MH2008PTC178773	Subsidiary	100.00	2(87)(ii)
3	Christy 2004 Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
4	Christy Home Textiles Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
5	Christy Lifestyle LLC (USA) 3901, Gantz Road, Grove City, OH 43123	-	Subsidiary	98.11	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
6	Christy UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
7	Christy Welspun GmbH (Germany) Obere Breite 14, 72336 Balingen	-	Subsidiary	98.11	2(87)(ii)
8	CHT Holdings Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
9	E. R. Kingsley (Textiles) Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
10	Novelty Home Textiles S.A. de C.V. (Mexico) Boulevard Zaragoza 1650, Colonia Salvacar, Ciudad Juarez, Chihuahua 32574	-	Subsidiary	98.03	2(87)(ii)
11	Pure Sense Organics Myanmar Limited (Myanmar) No (3) Ward, Yae Sin Street, Mahlaing Township, Meiktila District, , Mandalay Division, Myanmar	103048745	Subsidiary	51.00	2(87)(ii)
12	Welspun Group Master Trust Welspun House, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	-	Holding	67.59	2(46)
13	TILT Innovations Inc. (USA) Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	98.68	2(87)(ii)
14	Welspun Innovative Products Limited (Formerly Welspun Advanced Materials Limited) Survey No. 675, Welspun City, Anjar, Gujarat – 370110	U17309GJ2018PLC103955	Subsidiary	100.00	2(87)(ii)
15	Welspun Advanced Materials (India) Limited 6-3-609/147/A, Near Dayanand School, Anand Nagar, Khairatabad, Hyderabad, Telangana - 500004	U17309TG2019PLC137277	Subsidiary	100.00	2(87)(ii)
16	Welspun Anjar SEZ Limited Welspun City, P.O. Versamedi, Taluka Anjar, Gujarat – 370110	U22210GJ1995PLC027871	Subsidiary	100.00	2(87)(ii)
17	Welspun Captive Power Generation Limited Welspun City, Village Versamedi, Taluka Anjar, Gujarat – 370110	U40100GJ2010PLC060502	Subsidiary	77.00	2(87)(ii)
18	Welspun Flooring Limited Survey No. 76, Village Morai, Vapi Valsad, Gujarat – 396191	U17291TG2016PLC132327	Subsidiary	100.00	2(87)(ii)
19	Welspun Global Brands Limited Survey No. 675, Welspun City, Anjar, Gujarat – 370110	U71210GJ2004PLC045144	Subsidiary	98.03	2(87)(ii)
20	Welspun Holdings Private Limited (Cyprus) 10, Diomidous Avenue, Building Alphamega – Acropolis, 3rd Floor, Office 401, 2024 Nicosia, Cyprus	HE 177304	Subsidiary	98.11	2(87)(ii)
21	Welspun Home Textiles UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
22	Welspun Mauritius Enterprises Limited (Mauritius) Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	98.03	2(87)(ii)
23	Welspun Nexgen Inc. (USA) 251, Little Falls Drive, Wilmington, Delaware 19808	-	Subsidiary	100.00	2(87)(ii)
24	Welspun UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
25	Welspun USA, Inc. (USA) Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	98.68	2(87)(ii)
26	Welspun Zucchi Textiles Limited Welspun House, 6th Floor, Kamala Mills Compound, S B Marg, Lower Parel, Mumbai – 400013	U18101MH1997PLC107982	Subsidiary	100.00	2(87)(ii)

IV. SHARE HOLDING PATTERN (equity share capital break-up as percentage of Total Equity)

i. Category-wise Share Holding

Category of shareholders	no. of shares held at the beginning of the year				no. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	3,538,000	-	3,538,000	0.35%	3,444,010	-	3,444,010	0.34%	(0.01%)
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	684,502,933	-	684,502,933	68.13%	5,424,020	-	5,424,020	0.54%	(67.59%)
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any other (Trust)	-	-	-	-	683,302,903	-	683,302,903	68.01%	68.01%
Sub Total (A1)	**688,040,933**	**-**	**688,040,933**	**68.48%**	**692,170,933**	**-**	**692,170,933**	**68.89%**	**0.41%**
(2) Foreign									-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding Of Promoter And Promoter Group (A)= (A1)+(A2)	**688,040,933**	**-**	**688,040,933**	**68.48%**	**688,040,933**	**-**	**688,040,933**	**68.89%**	**0.41%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	98,930,586	112,100	99,042,686	9.86%	62,467,557	112,100	62,579,657	6.23%	(3.63)%
b) Banks / FI	800,368	2,500	802,868	0.08%	20,172,185	2,500	20,174,685	2.01%	1.93%
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternate Investment Funds	3,768,095	-	3,768,095	0.38%	3,768,105	-	3,768,105	0.38%	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investors	83,358,583	-	83,358,583	8.30%	52,029,545	-	52,029,545	5.18%	(3.12)%
i) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
j) Others (Specify) – UTI	-	140	140	0.00%	-	140	140	0.00%	(0.00)%
Sub-Total (B1)	**186,857,632**	**114,740**	**186,972,372**	**18.61%**	**138,437,392**	**114,740**	**138,552,132**	**13.79%**	**(4.82)%**

Category of shareholders	no. of shares held at the beginning of the year				no. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-institutions									
a) Bodies Corporate									
i. Indian	33,533,271	25,190	33,558,461	3.34%	46,800,000	25,190	46,825,190	4.66%	1.32%
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	52,877,382	3,875,200	56,752,582	5.65%	64,618,101	3,492,620	68,110,721	6.78%	1.13%
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	29,760,211	-	29,760,211	2.96%	46,819,003	-	46,819,003	4.60%	1.60%
c) NBFCs registered with RBI	308,840	-	308,840	0.03	57,500	-	57,500	0.01%	(0.02)%
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Any Other (Trust)									
i. Clearing member	1,023,690	-	1,023,690	0.10%	2,366,701	-	2,366,701	0.24%	0.14%
ii. Non Resident Indians	2,398,291	189,390	2,587,681	0.26%	2,974,619	183,610	3,158,229	0.31%	0.05%
iii. Unclaimed Shares Demat Suspense Account	335,020	-	335,020	0.03%	334,570	-	334,570	0.03%	-
iv. Hindu Undivided Family	3,521,079	-	3,521,079	0.35%	4,917,690	-	4,917,690	0.49%	0.14%
v. Directors / Relatives	2,500	-	2,500	0.00%	2,500	-	2,500	0.00%	0.00%
vi. Trust	1,235	-	1,235	0.00%	1,335	-	1,335	0.00%	0.00%
vii. IEPF	1,860,546	-	1,860,546	0.19	2,038,646	-	2,038,646	0.20%	0.01%
Sub-Total (B2)	**125,622,065**	**4,089,780**	**129,711,845**	**12.91%**	**170,300,665**	**3,701,420**	**174,002,085**	**17.32%**	**4.41%**
Total Public Shareholding (B)= (B1)+(B2)	**312,479,697**	**4,204,520**	**316,684,217**	**31.52%**	**308,738,057**	**3,816,160**	**312,554,217**	**31.11%**	**(0.41)%**
TOTAL (A)+(B)	**1,000,520,630**	**4,204,520**	**1,004,725,150**	**100.00%**	**1,000,908,990**	**3,816,160**	**1,004,725,150**	**100.00%**	**-**
C. Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**1,000,520,630**	**4,204,520**	**1,004,725,150**	**100.00%**	**1,000,908,990**	**3,816,160**	**1,004,725,150**	**100.00%**	**-**

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	no. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Prasert Multiventure Private Limited	679,078,913	67.59	-	-	-	-	(67.59)%
2	*Aryabhat Vyapar Private Limited	5,424,020	0.54	-	5,424,020	0.54	-	-
3	Radhika Goenka	2,008,600	0.20	-	2,008,600	0.20	-	-
4	Dipali Goenka	750,400	0.07	-	750,400	0.07	-	-
5	Balkrishan Goenka	490,660	0.05	-	490,660	0.05	-	-
7	Rajesh Mandawewala	1,030	0.00	-	1,030	0.00	-	-
8	B.K. Goenka (HUF)	193,320	0.02	-	193,320	0.02	-	-
9	Balkrishan Gopiram Goenka (Welspun Group Master Trust)	93,990	0.01	-	683,302,903	68.01	-	68.00%
	TOTAL	**688,040,933**	**68.48**	**-**	**692,170,933**	**68.89**	**-**	**0.41%**

* Pursuant to Scheme of Arrangement between Welspun Tradewel Limited and MGN Agro Properties Private Limited and Aryabhat Vyapar Private Limited and their respective shareholders and creditors, 5,424,020 shares stands transferred to Aryabhat Vyapar Private Limited w.e.f. July 30, 2019.

iii. Change in Promoter Group's Shareholding

Sr. no	Constituent of the Promoter group	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	688,040,933	68.48%	688,040,933	68.48%
	Increase / decrease in Promoter Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	Purchase of 4,130,000 equity shares of ₹ 1 each purchased by Welspun Group Master Trust			
2	At the end of the year	692,170,933	68.89%	692,170,933	68.89%

iv. Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders*	Shareholding at the beginning of the year		Changes in the Shareholding during the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total shares of the Company
1	DSP Blackrock Small Cap Fund	50,504,744	5.03%	(17,859,501)	(1.78%)	32,645,243	3.25%
2	L&T Mutual Fund Trustee Limited – L&T Emerging Business Fund	26,240,650	2.61%	(5,618,003)	(0.56%)	20,622,647	2.05%
3	Life Insurance Corporation of India	-	-	19,219,736	1.91%	19,219,736	1.91%
4	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	21,488,900	2.14%	(12,320,663)	(1.23%)	9,168,237	0.91%
5	Akash Bhanshali	-	-	8,550,424	0.85%	8,550,424	0.85%
6	Blue Diamond Properties Private Limited	-	-	8,157,509	0.81%	8,157,509	0.81%
7	Jhunjhunwala Rekha Rakesh	4,000,000	0.40%	2,000,000	0.20%	6,000,000	0.60%
8	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International equity Index Funds	7,110,584	0.71%	(1,498,362)	(0.15%)	5,612,222	0.56%
9	Vanguard Total International Stock Index Fund	5,630,064	0.56%	(143,179)	(0.01%)	5,486,885	0.55%
10	ICG Q Limited	5,000,000	0.50%	384,105	0.04%	5,384,105	0.54%

Note: 1) Top ten Shareholders of the Company as on March 31, 2020 has been considered for the above disclosure.
2) The Shares of the Company are traded on daily basis and hence, the date wise increase / decrease in shareholding is not indicated.

v. Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year.	
		no. of shares	% of total shares of the Company	no. of shares	% of total shares of the Company
Shareholding of Directors					
1.	**Balkrishan Goenka**				
	At the Beginning of Year	490,660	0.05	490,660	0.05
	At the end of year	490,660	0.05	490,660	0.05
2.	**Arun Todarwal**				
	At the Beginning of Year	2,500	0.00	2,500	0.00
	At the end of year	2,500	0.00	2,500	0.00

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	no. of shares	% of total shares of the Company
Shareholding of KMP					
4.	**Rajesh Mandawewala –Managing Director**				
	At the Beginning of Year	1,030	0.00	1,030	0.00
	At the end of year	1,030	0.00	1,030	0.00
5.	**Ms. Dipali Goenka – CEO & Joint Managing Director (including joint holding)**				
	At the Beginning of Year	750,400	0.07	750,400	0.07
	At the end of year	750,400	0.07	750,400	0.07
6.	**Shashikant Thorat – Company Secretary**				
	At the Beginning of Year	10	0.00	10	0.00
	At the end of year	10	0.00	10	0.00

Other Directors of the Company and Chief Financial Officer did not hold any share of the Company, any time during the year.

v. Indebtedness

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

₹ million

		Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	22,992.38	2,110.57	-	25,102.95
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	58.38	16.59	-	74.97
Total (I + ii + iii)		**23,050.76**	**2,127.16**	**-**	**25,177.92**
Change in indebtedness during the financial year					
•	Addition	2,447.68	-	-	2,447.68
•	(Reduction)	(4,872.35)	(61.47)	-	(4,933.82)
Net Change		**(2,424.67)**	**(61.47)**	**-**	**(2,486.14)**
indebtedness at the end of the financial year					
i.	Principal Amount	20,532.74	2,065.69	-	22,598.43
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	93.35	-	-	93.35
Total (i+ii+iii)		**20,626.09**	**2,065.69**	**-**	**22,691.78**

vi. Remuneration Of Directors And Key Managerial Personnel

A. Remuneration to Managing Directors (MD), Whole-time Director (WtD) and/or Manager

₹ million

Sr. no.	Particulars of Remuneration	Name of MD/WtD/Manager		Total Amount
		Rajesh Mandawewala	Ms. Dipali Goenka	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.00	26.88	43.88
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	0.14	-	0.14
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat equity	-	-	-
4	Commission			
	- As % of profit	61.29	61.29	122.58
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**78.43**	**88.17**	**166.60**
	Ceiling as per the Act	321.90	321.90	643.79

B. Remuneration to Other Directors

₹ in Million

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Arvind Kumar Singhal	Arun Todarwal	Pradeep Poddar	Ms. Anisha Motwani	IDBI Bank (Nominee Director)	
	• Fee for attending board / committee meetings and general meetings	0.45	2.20	1.64	0.50	0.19	4.98
		-	-		-	-	-
		-	-		-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	**0.45**	**2.20**	**1.64**	**0.50**	**0.19**	**4.98**
2.	Other Non Executive Directors	Balkrishan Goenka					
	• Fee for attending board / committee and general meetings	-					-
	• Commission	61.29					61.29
	• Others, please specify (Advisory Fees)	-					-
	Total (2)	**61.29**					**61.29**
	Total (b) = (1 + 2)						**66.27**

C. Total Managerial Remuneration

₹ in Million

Total Managerial Remuneration (A+B)	232.88
Overall Ceiling as per the Act	708.17

D. Remuneration To Key Managerial Personnel Other Than MD/manager/WTD

₹ in Million

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	32.75	4.98	37.73
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify			
5	Others, please specify	-	-	-
	Total	**32.75**	**4.98**	**37.73**

vii. Penalties / Punishment / Compounding Of Offences Under Companies Act, 2013: NIL

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

June 29, 2020
Mumbai

Annexure – 6

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. Through our continuous effort to improve energy efficiency in FY 2019-20, cumulatively, your Company has saved more than 9,786.72 MT of energy resources, 4,584,129 KHW of power, 100,435 KL of water and energy cost of Rs. 66.46 million. For more details on energy efficiency and saving, you may refer to the 'Caring for the Environment' Section in the BRR Report which is forming part of the Annual Report.

ii) the steps taken by the Company for utilizing alternate sources of energy: Refer to BRR.

iii) the capital investment on energy conservation equipments: Rs. 151.29 million

Technology Absorption

i) The efforts made towards technology absorption:

We are developing products across categories viz. Towels, Sheets, Rugs, Carpets, TOB and Utility Bedding. With holistic approach towards sustainability, Welspun is taking various initiatives in developing sustainable products which are having lower environmental footprints. Some examples of successful development & execution of sustainable products are as below: a) Supplied Goodrest range of Organic wrinkle resist sheeting products to renowned retailer in USA. b) Another large US based retailer has adopted a range of Towels made with blend Recycled polyester (polyester used in these towels has been derived from post consumed PET bottles). This will not only prevent PET bottles from going into landfill, but also will reduce environmental footprint during its use by consuming less power to dry. These products are made using GRS certified sources only. c) We have started commercial shipment of Sustainable backed coated rugs, which are environmental friendly. d) Welspun's brand SPACES has launched Organic bedsheet in Indian market, which are made using GOTS certified process. The polybag used in packing of these bedsheets is also biodegradable.

Other focus area of our innovation is to offer products keeping in mind health & wellness of consumers. In this direction quite a few unique products have been launched during this financial year.

In FY 2019-20, Welspun India Limited and its subsidiaries has 31 unique inventions. These inventions have been applied for patent protection in major markets like USA and Europe.

Your Company is acknowledged as leader in Home Textile Industry in terms of innovation, 38% of revenue is through innovative products.

ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

We have developed an innovative range of products to attract new business and customers and maintain leadership in market. Upgradation of products to new requirements has been possible because of 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 Product development and Innovation process. 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.

	₹ in Million
Capital	24.96
Recurring	267.23
Total	292.19
Total R&D expenditure as a percentage of total turnover	0.55

Foreign Exchange and Earnings Outgo:

Refer to Notes No. 43 and 46 of the audited financial statements for details.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

June 29, 2020
Mumbai

Annexure – 7

Corporate Social Responsibility (CSR)

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

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

   The Company is not only committed for doing Corporate Social Responsibility but it aims at creating Corporate Social Value. The CSR vision is enshrined in the 3E's i.e.:

   i) Education;
   ii) Empowerment of women; and
   iii) Environment & Health.

   These 3E's are implemented through:

   - The programs organized by Welspun Foundation for Health & Knowledge;
   - Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
   - Facilitating Government initiatives.

   The Company's CSR Policy is hosted on the website of the Company, a web-link of which is as given below:

   https://www.welspunindia.com/uploads/investor_data/CSR%20Policy(signed)-07.04.2016.pdf

2. The Composition of the CSR Committee:

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

3. Average net profit of the Company for last three financial years: ₹ 3,356.05 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 67.12 million.

5. Details of CSR spent during the financial year:
   a. Total amount to be spent for the financial year: ₹ 67.12 million
   b. Amount unspent, if any: NIL
   c. Manner in which the amount spent / committed during the financial year is detailed below:

(₹ Million)

Sr no.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (location)	Amount Outlay project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the date of reporting	Amount spent : Direct or through implementing agency
1.	Conducting mass marriage for poor	Empowerment of socially backward	Anjar, Gujarat	-	1.39	68.23	Through Welspun Foundation for Health and Knowledge
2	Providing essential infrastructure at Model Village		Vapi, Gujarat	-	2.27		
3	Expenditure on Model Village Garden Development		Dahej, Gujarat	-	0.88		
4	Expenditure on Model Village		Telangana, Hyderabad	-	13.95		Through other trusts
5	Providing Mobile Health Van and awareness programme	Promoting Healthcare	Vapi, Gujarat	-	2.65		Through other trust and hospitals
6	Donation to GAIMS Hospital Bhuj		Bhuj, Gujarat	-	0.60		
7	Development of Class rooms infrastructure	Promoting Education	Anjar, Gujarat	-	2.36		Through Welspun Foundation for Health and Knowledge

Sr no.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (location)	Amount Outlay project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the date of reporting	Amount spent : Direct or through implementing agency
8	Administrative support to School	Promoting Education	Anjar, Gujarat	-	1.35	68.23	Through Welspun Foundation for Health and Knowledge
9	Tree plantation	Environment Sustainability	Anjar, Kutch, Gujarat	-	5.77		
10	Promoting rural livelihood by imparting new techniques of farming in rural villages	Livelihood Enhancement Project	Gujarat / Maharashtra/ Hyderabad	-	34.63		
11	Training and development of women for women hygiene and awareness program	Enhancing Vocational Skill	Kutch, Gujarat	-	0.59		
			Total Direct Expenditure		**66.43**		
			Staff Salaries, staff welfare and other administrative expenses		**1.80**		
			Grand Total		**68.23**		

It is hereby confirmed by and on behalf of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Arun Todarwal
Chairman of CSR Committee
DIN: 00020916

Rajesh Mandawewala
Member of CSR Committee
DIN: 00007179

June 29, 2020
Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

June 29, 2020
Mumbai

Corporate Governance Report

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board believes that Corporate Governance is about sustainably maximizing 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 2019-20	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	6/7	No	9	3	4	1C, 1M	490,660
(02) Arun Todarwal	NE, I	7/7	Yes	8	3	2	4C, 6M	2,500
(03) Pradeep Poddar	NE, I	6/7	No	3	0	-	1C, 4M	-
(04) Arvind Kumar Singhal	NE, I	6/7	No	4	5	2	2M	-
(05) Ms. Anisha Motwani	NE, I	7/7	No	7	1	1	1C, 6M	-
(06) Shalil Awale*	NE, NI, L	3/7	No	1	-	-	-	-
(07) Rajesh Mandawewala	P, E	7/7	Yes	9	7	2	5M	1,030
(08) Ms. Dipali Goenka	P, E	5/7	No	7	4	14	-	750,400

* Resigned w.e.f. May 29, 2020

@ 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, L = Lenders, 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 Welspun Corp Limited Welspun Enterprises Limited Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)	Chairman, Non-Executive Chairman, Non-Executive Chairman, Executive Chairman, Non-Executive
2.	Arun Todarwal	Welspun India Limited Anuh Pharma Limited Hindustan Zinc Limited Sterlite Technologies Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
3.	Pradeep Poddar	Welspun India Limited Uflex Limited Polycab India Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
4.	Arvind Kumar Singhal	Welspun India Limited Greaves Cotton Limited Blue Star Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
5.	Ms. Anisha Motwani	Welspun India Limited Prataap Snacks Limited Abbott India Limited Somany Home Innovation Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
6.	Shalil Awale*	Welspun India Limited	Non-Executive, Nominee Director
7.	Rajesh Mandawewala	Welspun India Limited Welspun Corp Limited Welspun Enterprises Limited AYM Syntex Limited	Managing Director, Executive Director Non-Executive Director Non-Executive Director Chairman, Non-Executive Director
8.	Ms. Dipali Goenka	Welspun India Limited	CEO & Joint Managing Director, Executive Director

* Resigned w.e.f. May 29, 2020

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

Sr. No.	Name of Director	Area of Expertise					
		Finance & Accounts	Diversity	Global Business	General Management & Strategy	Board Service & Governance	Brand Building
1.	Balkrishan Goenka – Chairman	✓	✓	✓	✓	✓	✓
2	Arun Todarwal – Independent Director	✓	✓	-	✓	✓	-
3	Pradeep Poddar - Independent Director	✓	✓	✓	✓	✓	✓
4	Arvind Singhal – Independent Director	-	✓	✓	✓	✓	✓
5	Ms. Anisha Motwani – Independent Director	-	✓	✓	✓	✓	✓
6	Shalil Awale* – Nominee Director	-	✓	-	✓	✓	-
7	Rajesh Mandawewala – Managing Director	✓	✓	✓	✓	✓	✓
8	Ms. Dipali Goenka – CEO & Joint Managing Director	✓	✓	✓	✓	✓	✓

* Resigned w.e.f. May 29, 2020

d) During FY 2019-20, seven meetings of the Board of Directors were held on the following dates: May 23, 2019, May 24, 2019, July 30, 2019, August 30, 2019, October 22, 2019, February 12, 2020 and March 09, 2020.

e) In addition to the above, a meeting of the Independent Directors was held on March 09, 2020 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 2 (Two) Independent Directors and 1 (One) Executive Director. The Committee met 18 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	18/18
Rajesh Mandawewala	Member	7/18
Pradeep Poddar	Member	17/18

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 2 (Two) Independent Directors and 1 (One) Non-Executive Director. The Committee met 7 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	7/7
Balkrishan Goenka	Member	3/7
Pradeep Poddar	Member	7/7

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

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

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

Appointment of Directors

- While identifying persons who may be appointed as 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 Rs. 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	-	Rs. 17.00 Million	Rs. 25.00 Million@
2.	Performance Linked Incentives	-	-	Rs. 5.00 Million@*
3.	Commission	1% of the profit	1% of the profit	1% of the profit
4.	Service Contract/ Term of Approval	April 1, 2016 to March 31, 2021	April 1, 2017 to March 31, 2022	April 1, 2016 to March 31, 2021
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, 2019

* 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
Arun Todarwal@	Member	1/1
Balkrishan Goenka	Chairman	3/4
Rajesh Mandawewala	Member	4/4
Pradeep Poddar#	Member	3/3

@ Resigned w.e.f July 19, 2019 # Appointed w.e.f. July 30, 2019

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 26 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	4
2	Non-receipt of Dividend Warrants	4
3	Non-receipt of Rejected Demat Request Form	15
4	Non-receipt of Exchange Certificate	1
5	Non-receipt of Rep/Split/Consolidate/Duplicate	1
6	Others	1
	Total	**26**

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, 2020.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

Name of the Member	Chairman / Member	Whether Meeting Attended
Rajesh Mandawewala	Member	Yes
Ms. Dipali Goenka	Member	Yes
Arun Todarwal	Chairman	Yes

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 is formed to be effective from April 01, 2019. 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	2/2
Rajesh Mandawewala	Member	0/2
Altaf Jiwani – Chief Financial Officer	Member	2/2
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
32nd Annual General Meeting	Wednesday, September 20, 2017	12.00 noon	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110	• Appointment of Pradeep Poddar as an Independent Director • Ratification of remuneration payable to Cost Auditors. • Appointment of Rajesh Mandawewala as Managing Director for a period of 5 years w.e.f April 1, 2017
33rd Annual General Meeting	Tuesday, August 14, 2018	11.00 a.m.	Same as above	• Ratification of remuneration payable to Cost Auditors. • Alteration of Object Clause by insertion of sub-clauses 1A and 1B after the existing sub-clause 1 of Part A of Clause III of Memorandum of Association.
34th Annual General Meeting	Monday, August 12, 2019	10.30 a.m.	Same as above	• 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.

IX. DISCLOSURE

a. Related Party Transactions
For material related party transactions, refer Note 31(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.

https://www.welspunindia.com/uploads/investor_data/2)%20WIL%20%20RPT%20Policy%2002.02.2016.pdf

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.
https://www.welspunindia.com/uploads/investor_data/Code%20of%20Conduct.pdf

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 2019-20.

Dipali Goenka
CEO & Joint Managing Director

d. Whistleblower Policy and Vigil Mechanism
Refer point no. 21 of the Directors' Report.

e. Policy for determining 'material' subsidiaries
The Company's policy on determining material subsidiaries as required under SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is given below.

https://www.welspunindia.com/uploads/investor_data/Policy%20on%20Material%20Subsidiary-13.10.2015.pdf

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 familiarization 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 -
https://www.welspunindia.com/uploads/investor_data/Criteria%20of%20making%20payments%20to%20non%20executive%20directors.pdf

Further, for details regarding payments made to non-executive directors can be referred at Annexure – 5 of the Directors' Report under MGT-9 (Extracts of Annual Return) and the extracts of Annual Return is also hosted on the Company's website on -

https://www.welspunindia.com/uploads/investor_data/Extract_of_Annual_Return.pdf

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: 4
b No. of complaints disposed of during the financial year: 4
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.

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 ₹ 8,368 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
	₹ (Mn)	(MT)	OTC	Exchange	OTC	Exchange	
Cotton	8,368	61,756	-	-	-	-	-

   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 ₹ 30.85 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 https://www.welspunindia.com/investor-corner.php. 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 Tuesday, September 29, 2020 at 4.00 p.m. at 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:** Thursday, September 17, 2020 to Friday, September 18, 2020 (both days inclusive).

4. **Dividend payment date:** NA

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 2020-21 have been paid to NSE and BSE.

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

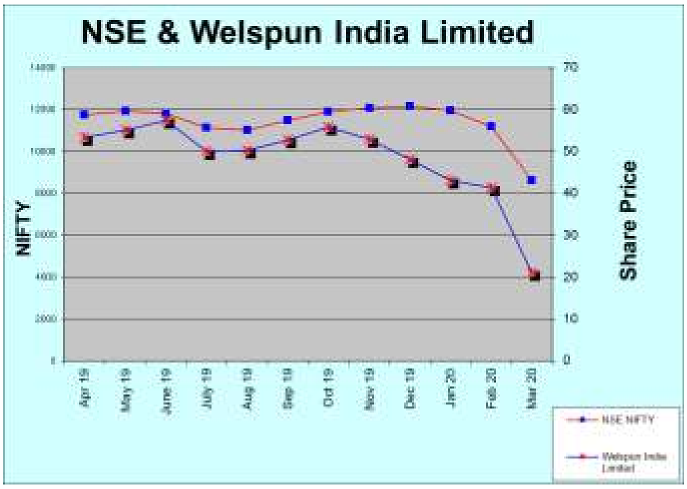
National Stock Exchange of India Limited	: WELSPUNIND; Series: EQ
Bombay Stock Exchange Limited	: 514162
ISIN No. (For dematerialized shares)	: INE192B01031

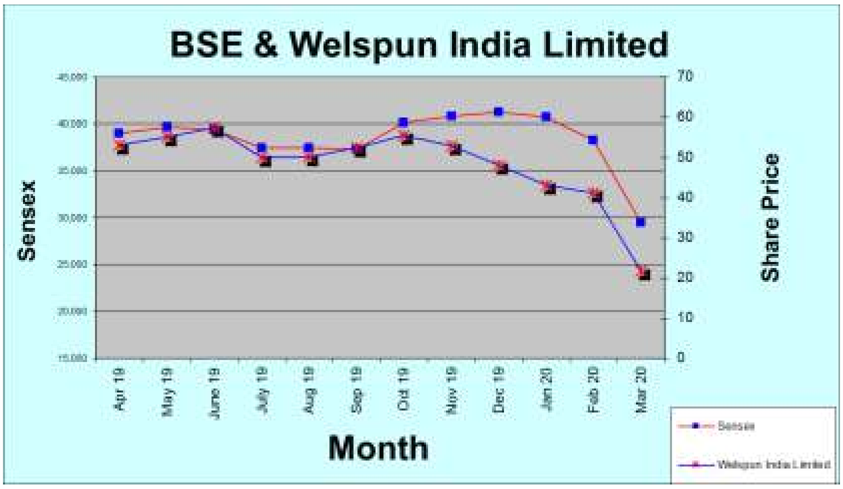
7. **Stock Market data of high and low price of equity shares on National Stock Exchange of India Limited and Bombay Stock Exchange Limited is under:**

	NSE		BSE	
Month	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**
Apr-2019	62.20	52.85	62.20	52.95
May-2019	59.00	51.05	58.80	51.05
Jun-2019	58.15	53.70	58.15	53.80
Jul-2019	59.10	47.55	58.95	48.00
Aug-2019	51.00	45.30	51.00	41.00
Sep-2019	57.90	49.25	57.80	49.30
Oct-2019	59.40	49.00	59.30	49.10
Nov-2019	58.25	51.30	58.20	51.70
Dec-2019	53.10	47.20	56.00	47.40
Jan-2020	52.85	42.50	52.75	42.55
Feb-2020	48.50	40.25	48.40	40.30
Mar-2020	43.20	18.45	43.05	18.30

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-2019	11,748.00	53.25	39,032.00	53.15
May-2019	11,923.00	55.10	39,714.00	55.10
Jun-2019	11,789.00	57.40	39,395.00	57.40
Jul-2019	11,118.00	50.00	37,481.00	50.00
Aug-2019	11,023.00	50.25	37,481.00	50.15
Sep-2019	11,474.00	52.65	37,333.00	52.45
Oct-2019	11,877.00	55.85	40,129.00	55.50
Nov-2019	12,056.00	52.80	40,794.00	52.85
Dec-2019	12,168.00	48.00	41,254.00	48.05
Jan-2020	11,962.00	43.05	40,723.00	43.15
Feb-2020	11,202.00	41.30	38,297.00	41.15
Mar-2020	8,598.00	21.06	29,468.00	21.80





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	51,599	69.60%	8,075,567	0.80%
501-1,000	10,611	14.31%	8,857,319	0.88%
1,001-2,000	5,572	7.52%	8,639,682	0.86%
2,001-3,000	2,125	2.87%	5,386,377	0.54%
3,001-4,000	906	1.22%	3,243,064	0.32%
4,001-5,000	827	1.12%	3,937,289	0.39%
5,001-10,000	1,162	1.57%	8,763,891	0.87%
10,001 and above	1,331	1.80%	957,821,961	95.33%
Total	**74,133**	**100.00%**	**1,004,725,150**	**100.00%**

12. De-materialization of shares and liquidity: As on March 31, 2020, 99.62% equity shares have been dematerialized 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.

Certificate of Practicing Company Secretary on Corporate Governance Report

To
The Members
WELSPUN INDIA LIMITED

I have examined the compliance of conditions of Corporate Governance by Welspun India Limited for the financial year ended March 31, 2020, 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.

I 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. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation provided to me by the Management, I 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, 2020.

I 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.

Uday Sohoni
Practicing Company Secretary
FCS 9471
CP 10916
UDIN: F009471B000560197

Date: June 02, 2020
Place: Mumbai

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

I 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 me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 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	Shalil Mukund Awale	06804536	29/09/2018
8	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. My 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.

Uday Sohoni
Practicing Company Secretary
FCS 9471
CP 10916
UDIN: F009471B000560331

Date: June 02, 2020
Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

VISION

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

Welspun India believes in the prerequisite of conducting business operations sustainably. We believe aligning our business sustainably raises the bar for everyone, thus creating a better future.

Our vision is to leverage our scale to create better products, strengthen communities and protect the environment. With determination and focus will create shared value for all.

During this financial year we redefined our sustainability strategy to include: the newly developed customer requirements; adaptation and mitigation of climate change impacts; innovation based on sustainability; sustainable raw materials; enhanced workforce management and greater community reach.

Our long-term track-record is the evidence of every effort made to embrace sustainability and integrate principles into our business operations and strategy. We fiercely are committed to working in- line with India's initiatives also incorporating principles treasured in the Business Responsibility Framework.

We believe collaboration is key to enabling a successful sustainability strategy and thus constantly engaging with stakeholders across the value chain to create sustainable solutions that will have a positive long-term impact.

What business responsibility means to us?

Empowering Our People

We empower our employees by providing opportunities to channel their creativity, abilities and skills towards achieving their professional and personal goals.

Customer Centric Innovation

We continuously strive to create cutting edge digital solutions through hyper-specialized approach and deep customer relationships, improve our service delivery, increase value for our customers and future-proof our solutions to meet evolving needs and expectations.

Promoting Environmental Sustainability

We are committed to conducting our business activities in an environmentally responsible manner and we focus on reducing our environmental footprint across the value chain.

Caring For Communities

We are focused on supporting innovative programs in education, livelihoods and inclusion through our CSR initiatives.

Being Transparent And Accountable

We have deployed systems, policies and governance mechanisms to ensure responsible business practices across our operations and value chain.

Connecting With Stakeholders

We have established management systems to drive our processes and build trust in order to engage efficiently with our stakeholders

Milestones Achieved

101,61,351 KL
of water recycled

10,548TCO$_2$e
Co$_2$ emissions saved through energy efficiency

13,029
Farmers impacted through sustainable farming

170 tons
Of textile waste upcycled to designer products

42%
Responsible raw materials

249
Employees with special abilities

75,000+
Students impacted

68.43 million
Spent on Community Social Initiatives

Ensuring Transparency, Enabling Governance

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

We believe in conducting all our business affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior in the organization. We are committed to operate and grow our business in a socially responsible way, ensuring the creation of long-term value for our stakeholders.

At Welspiun India Limited, strongly the spirit of corporate governance stretches beyond statutory acquiescence and we believe that the foundation of business growth can be strengthened only if all stakeholders are part of it.

Our Corporate Governance framework, involving the board of directors, committees of board and policy structure, is designed to ensure transparency and accountability at every level of the organization as per the Indian Companies Act, 2013.

With our corporate governance framework promoting the highest standards of ethical and responsible conduct of business, the management strives to enable growth, profitability, stability and sustainability across our businesses in an equitable manner and create value for all stakeholders

The Board of Directors
Overall accountability for business performance across economic, environmental, and social dimensions lies with the Board members. The Board also acts as a trustee and is responsible for protecting the rights of the Company, its members, and other stakeholders. Together, they formulate strategies, policies & goals, keeping in mind the vision, mission & values, integral to Welspun India's success. The Board of Directors meets every quarter to discuss applicable business responsibility issues and assess the business responsibility performance of the Company. Welspun India Limited publishes annually, the Business Responsibility Report which is available on its website. This is the fourth Business Responsibility Report for Welspun India Limited.

The Directors, through their participation in board meetings, provide direction to management from their relevant fields of knowledge and expertise. They are responsible for designing a long-term strategy and ensuring innovation and strong operational performance. The Board performs the following key functions:

- Reviews the business strategy and operational plans developed by management.
- Provides oversight on corporate governance practices
- Monitors and reviews management performance
- Reviews the risk management approach
- Discharges statutory or contractual responsibilities
- Oversees the reliability of external communications
- Monitors and reviews the Board Evaluation framework

Board comprises of eight members who bring significant experience and expertise in the field of finance, account, legal, general management, and business strategy. At present, the board has four independent Director and two female Director.

Committees of the Board

To ensure accountability and monitoring, the Board has constituted various committees. The Board's various committees comprise of members of the Board of Directors and are responsible for carrying out specific functions assigned by the Board. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken within the authority delegated. The Committees also make specific recommendations to the Board on various matters whenever required. The Board takes a final call on the recommendations of the Committees after considering all the relevant aspects. At Welspun India Limited, there are four committees:

- Audit Committee
- Nomination and Remuneration Committee
- The Stakeholders' Relationship, Share Transfer and Investor Grievance Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of the committee and its members are available on the website.

Ethical Business Conduct

Ethical conduct of business is at the core of our business and operations and it is ingrained in the policies and Code of Conduct adopted by the Company, implementation of which is ensured through well-established systems and processes across all its businesses.

We follow a zero-tolerance policy for disruptive behavior and are committed to the highest standard of ethical, moral and legal business conduct to ensure the protection of interests of all stakeholders of the Company in tandem with the healthy growth of the Company.

Code Of Conduct (CoC)

The Code of conduct describes the operational standards the Company follows. It also supports and lays down guidelines for the ethical approach towards governance and corporate responsibility.

All the Board members and senior management personnel affirm to the compliance requirements of the CoC each year.

Welspun India Limited's Code of Conduct is applicable to Welspun group companies and their subsidiaries. We ensure that our business partners, vendors and contractors, are aware of, understand and adhere to its standards. Furthermore, we have a clause incorporated in supplier agreements which informs them of our policy of zero tolerance towards any unethical practices. The policy code of conduct is available at the company website at link :

https://www.welspunindia.com/policy/code_conduct.pdf

Whistle Blower Policy

We have implemented a Whistle Blower Policy to encourage open communication and create a platform for stakeholders to make protected disclosures through a systematic process to the Chairman of the Audit Committee concerns about any malpractice like unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.

The stakeholder can report any legitimate concern through email. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism.

Risk Management

We acknowledge the risks that we are exposed to across all our business functions. To mitigate these risks, the Board has formulated a well-structured Enterprise Risk Management (ERM) framework. The key objective of the ERM framework is to identify the risks, assess them, and take precautionary actions in advance. ERM effectively governs and addresses financial, operational, business, regulatory, compliance and strategic risks. We also identify our environmental risks and opportunities, which are integrated into the ERM framework. We have a robust environment management system in place at all our facilities. All our company's facilities are ISO 14001 and OSHAS 18000 certified.

Grievance Redressal

In FY2019-20, 26 complaints were received from shareholders/ investors and all of these were replied/ resolved to with no complaints pending as on March 31, 2020. Also, there was no complaint reported by any Director or employee of the company under our vigil/ whistleblower mechanism. Complaints from external stakeholders like suppliers and contractors are raised directly to business teams and are addressed by them on a case by case basis.

Embedding Sustainability in our Products

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAIN ABILITY THROUGHOUT THEIR LIFE CYCLE

Welspun aspires to create long term value through embracing sustainability practices. By focusing on stakeholder preferences Welspun not only drive growth but also uncover new business opportunities for future needs. We ensure that we demonstrate responsible, ethical and transparent business practices while meeting the demand of our stakeholders and contribute positively to society.

We have constantly made efforts to integrate sustainability with its operations and we go beyond the financial goals and legal obligations to work towards a healthy environment. We have taken several initiatives such as water management, energy efficiency and emissions management which have benefitted our business and stakeholders and created a positive impact on the environment.

RESPONSIBLE SUPPLY CHAIN PRACTICES

We have been at the forefront of adopting smart and sustainable sourcing conducts in our supply chain. For the same, we have collaborated with suppliers with an aim to achieve synergetic benefits through lower transportation costs, lower inventory, faster working capital cycle, and recycling of packaging and better social as well environmental performance.

Responsible sourcing from certified vendors

To ensure effective implementation of the sustainable sourcing practices in our supply chain, our vendors are assessed on a regular basis on their social and environmental performances.

With an emphasis on technology through Data Analytics and Vendor Managed Inventory Support, our focus remains on enhancing product differentiation. Our integrated systems help us manage our supply chain and provide real-time information to customers, enhancing our pro-retail approach.

SUSTAINABLE RAW MATERIALS

Cotton forms the most significant raw material for the type of products we offer. As a part of our sustainability roadmap, it's our goal to source most of our raw materials only through sustainable sources. We source BCI as well as organic cotton due to their positive impacts on both social and environmental areas. We have also upcycled fabric waste, which would normally end up in landfills into designer products. These products also provide employment opportunities and promote arts and crafts of the local areas. We also use recycled PET in polyester based rugs. We also use fibres as well as fabric that uses textile waste

from production that promotes a circular economy. We constantly explore ways to introduce more sustainable raw materials into every product range that enables reusing waste that in turn enables lesser landfill waste as well using resources that have positive impact on the environment as well the society we live in. During FY 2019-20 we sourced 42% of cotton from sustainable sources which includes BCI and organic.

Responsible Farming

Conventional cotton farming on its own has a host of negative impacts on the environment as well social issues associated with it. Through our own association with cotton farmers, we believe we can bring about a change. We have a program of contract farming wherein we engage with farmers to grow BCI as well as organic cotton. This would help reduce the use of harmful pesticides and enable water conservation. Methods like alternate furrow irrigation and drip irrigation system were encouraged rather than water intensive techniques.

For improving the farm family household income of project farmers, silkworm farming was piloted as an alternate livelihood option that doubled farm family earning substantially. Multi-crop farming was promoted as a risk mitigation measure for farmers. Farmers were also supported by helping them in getting loans from banks and subsidies from the government. In collaboration with Wadhwani Artificial Intelligence (AI) we have implemented a mobile app based AI solution for early pest detection and the handling of the same to prevent crop losses. Welspun is also using Source Trace application for complete farm extension management solution, wherein the Farm Extension Staff capture data on real time basis of the farmer and his cotton farming related activities throughout the growing season. This would also help to provide farmers with supply chain linkages.

SUSTAINABLE PRODUCTION

At Welspun India Limited, it is our continuous endeavor to integrate the principles of sustainability into the various stages of product lifecycle, including procurement of sustainable raw material, manufacturing of product, transportation of raw materials and finished goods, and consumer use. With this approach we aim to reduce environmental impacts and lower our carbon footprint not only during production but also during the consumer use phase.

- The Life Cycle Assessment (LCA) was carried out of our products range, including towels, bedsheets, rugs and TOB, to help us identify additional opportunities to reduce environmental impact across the value chain. Based on the insights from assessment, we align product design and innovation towards reducing environmental impacts from cradle to grave.

- Organic Textile Standard (GOTS) and OEKO-TEX® Standard 100 ensure our textile products are manufactured in a responsible way, right from the harvesting of raw materials to manufacturing processes.

- Resource efficiency is integrated into our products and process design. It is a critical component in the way we use chemicals in operations. We have aligned our chemical procurement based on the requirements on ZDHC (Zero Discharge of Hazardous Chemicals).

- Under our water management strategy of reducing freshwater intake and making it more available for communities around us, both our factories undertake recycling and reusing of wastewater. We have set up a 30MLD Sewage Treatment plant at our Anjar factory which recycles sewage wastewater from the neighboring areas. This has led to zero intake of freshwater for manufacturing processes. Further we also have rainwater harvesting carried out for our factories, to enable more availability of freshwater to neighbor communities.

- Our energy management practices are targeted to improve energy efficiency through process and equipment modification, energy conservation and introducing new technology.

- Our waste management practices include recycling of textile waste, recycling of PET bottles as well as kitchen waste and horticulture waste.

SUSTAINABLE PACKAGING

With an aim to reduce waste to landfills, preserving resources and helping protect wildlife, Welspun is rapidly moving towards sustainable packaging by reducing PVC and using recycled and recyclable packaging material. We not only want to adapt to bio based and compostable packaging but also reduce packaging material significantly in the coming times.

Empowering Our Employees

BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES

Employees are the most valuable assets of the organization, healthier employees are more motivated and productive.

Welspun India by empowering employees, creates a measurable positive impacts on the organization and also creates a better working environment. Welspun provides its employees the tools and resources to improve their work experience, increase their work engagement and help build an inclusive culture.

Diversity And Equal Opportunity

Diversity and equal opportunity is about taking account of the differences between people and placing a positive value on those differences.

Welspun creates a conducive environment to engagement, alignment, innovation and high performance by employing people from different backgrounds and capacities. We are an equal opportunity employer and the same forms a part of our code of conduct, which ensures that no employee receives less favorable facilities or treatment on grounds of gender, marital status, disability, race, color, nationality, ethnic origin, religion and age.

Good Labour Practices

Welspun India Limited's board approved policies continue to guide the company's commitment to labor practices across its business operations.

Both our factories are SA800 certified and hence zero tolerance is shown towards child labour as well as bonded labour and forced labour.

The Company had no cases of child or forced labour in 2019-20. Welspun redressal procedure instituted at all units and locations ensures that all grievances related to labor practices, human rights are addressed and resolved in a fair manner.

The company also has an employee association that is recognized by the management at the Vapi factory. Employees under the worker/ associates category are a part of this association.

Affirmative action on prevention of sexual Harassment

Providing a safe and conducive workplace to all our employees is our utmost priority. We encourage a healthy work environment, and are committed to following the laws and regulations pertaining to the protection of employees. In this regard, we have adopted a Prevention of Sexual Harassment (PoSH)

Policy in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All our employees are trained and informed on the functioning of the Internal Complaint Committee where they can report any unwelcoming sexual advances, requests for sexual favours or other verbal or physical conduct of sexual nature.

Engaging With Employees

Welspun acknowledges that employee engagement is a key variable that enables organization to deliver superior performance and gain a competitive advantage. The employee engagement strategies reduce staff turnover, improve productivity and result in higher customer retention rates. This in turn keeps our employees motivated and committed to the achievement of our business objectives.

During the year, we have undertaken several employee engagement activities to connect with our employees better which include townhalls, celebration of festivals, appreciation awards and other celebratory days.

Employee Category	Total Number Of Employees	Percentage Of Total Workforce
Total Permanent Employees	21,798	69%
Permanent Women Employees	8,497	>25%
Casual / Temporary employees	9,701	31%
Employees with Special Abilities	249	1%

We understand that in a competitive market like India, retaining talent and grooming them for work is equally important.

We have developed several learning and development modules for our employees to help them acquire necessary skill sets for different roles.

The Welspun Learning and development team has rolled out an extensive Digital Learning platform - WeLearn. The plan engages technology and business requirements in terms of upskilling their respective employees. There are a medley of programs that have been scheduled in the form of Webinars, E books, as well as assignments on this platform. The content extends from leadership, self-development, productivity tools, digital transformation, new-age technologies like Blockchain, AI, Digital Twins etc.

Welspun Group Library - A drive of donating books was initiated, which received a response where 450+ books were collected and 200+ welspunites from all business and locations of Welspun operations donated the books for the library.

Several customized learning programs in Digital Marketing & Ecommerce were launched for Sales & Merchandizing team. Training plans were also formulated for different employee levels based on skill requirements. Functional competencies for 700 unique roles were created, which help in training gap assessment at employee level and create learning programs.

With a view to build leaders that steer different companies and functions under the Welspun Group, there is a leadership program to enable the One Welspun Culture, vision and growth. This year, the Group Leadership Program had second inning, that was directed towards skilling our internal leaders. Further, to develop and assign leadership roles for the next generation of leaders, there is a Future Leaders Program in place. Some of the unique factors of this program include : individualized learning tracks based on unique behavioral & cognitive needs; peer to peer learning ; blended learning approach with action learning project.

Category	Total training manhours for FY2019-20
Employee	18,621
Contractual Workforce	5,228

Occupational Health And Safety

We are conscious about the health and safety risks our workers are exposed to and are committed to maintain a zero harm workplace.

We adhere to the OHSAS 18001 certification at all our facilities to ensure our operations are conducted in line with international standards on health and safety. In addition to it, we are OEKO-TEX® Standard 100 certified and follow the REACH regulations that restrict the use of harmful substances in our manufacturing processes. We provide mandatory safety trainings to our employees, and contractors as well as other agencies visiting our facilities at regular intervals on HS aspects such as fire safety, emergency preparedness, office safety.

We endeavor to continually improve upon our OH&S management system by way of ensuring compliances to all legal requirements and adopt preventive strategies as well as appropriate actions to eliminate hazards and reduce OH&S risks.

Aspects	FY 2019-20	
	Welspun Employees	Contractual Labour
Near misses	66	21
Reportable injuries/LTI	5	0
Lost days	143	0
MTI	42	1
First aid cases	316	7
Man-hours worked	28,367,400	11,098,852

Stakeholder Engagement

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

We realize that as a large business we have several stakeholder groups each with distinct priorities and interests. Stakeholder engagement facilitates proper decision making, delivering commitments, strengthening relationships and succeeding in the business.

Welspun believes that effective stakeholder engagement helps translate stakeholder needs into organizational goals and creates the basis of effective strategy development catering to their concerns. The identified stakeholders include investors, employees, government and regulatory bodies, customers, suppliers and communities.

With the idea of building trust, managing risk, and improving productivity. Welspun adopts various processes for engaging with internal and external stakeholders. Post the engagement we endeavor to collect timely feedback from them.

Investors	Employees
Government and Regulatory Bodies	Customers
Suppliers	Communities

Key Stakeholder	Mode of Engagement & Activities	Aspects	Responses
Investors	Quarterly meetings Presentations, Investor calls	Economic value, Sustainable wealth creation, Risk management, Compliance and disclosures	Collaborating with investors through various business forums
Government and Regulators	Need basis Participation in industry level consultation groups Participation in forums	Compliance, Sustainable practices, Inclusive growth	Active collaboration and participation with regulatory agencies
Employees	Surveys, Workshops, Capacity building, appraisals newsletters, Town halls, Rewards	Professional growth, Diversity at the workplace, Leadership connect sessions, Workplace safety, Equal opportunities, Work-life balance	Committed to achieving the goal of 20% women in the workforce by 2020
Suppliers	Direct interactions, Supplier meets, Associations	Payment processing cycles, Business ethics, Transparency and Compliance	Payment processing and cloud based services
Communities & NGO's	Direct engagement with communities, dedicated CSR team, visits and camps, community needs assessments.	Infrastructure development Education & healthcare Environmental protection Employment opportunities	Actively engaged by WFHK across areas such as education, healthcare, sanitation etc.
Customers	Customers meets, Market weeks, Customer visits at factories and offices, Conference calls	Innovative products, sustainable production, ESG performance	Customer centricity has always been an important pillar of our business strategy

Preserving Human Rights

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Welspun India Limited is committed in upholding human rights and believes that all its employees, suppliers and stakeholders are entitled to social and economic dignity at workplace. It is our constant endeavour to establish a workplace as well as surroundings wherein people are treated with dignity and respect.

We implement our human rights commitment through our Code of Conduct. We ensure that the policy is communicated to all our employees through an orientation program as a part of their induction training. All our sites are SA8000 certified.

We do not deal with any supplier/contractor if it is in violation of local laws pertaining to human rights and we do not employ any person below the age of 18. Use of forced or compulsory labor is prohibited at all of our units and we discourage the same with our suppliers and contractors.

All the policies apply to Welspun India Limited and are extended to subsidiaries and business partners. Relevant policies are shared with our suppliers and vendors.

We have a human rights policy that is a part of the Code of conduct, which is applicable to all the entities of the Welspun Group and reflects strongly our values and respect for human rights not only in our operations but also across our value chain. We encourage our employees to raise any concern they may have and we have laid down procedures for addressing such concerns.

Restoring the Environment

BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

With the rapidly evolving business, Welspun India acknowledges the risk of climate change, its implications and the environmental impacts from its business operations.

Welspun India Limited strives to adopt a proactive approach to safeguard the environment and integrate it into the business philosophy.

All our facilities have robust environment management systems in place, which are ISO 14001 certified to ensure environment friendly operations. In addition, our facilities in Anjar and Vapi are OEKO-TEX® Standard 100 certified and are designed with an environmentally sensitive approach. Welspun India Limited has taken several initiatives in the areas of energy efficiency, water and waste management.

Managing our Energy Footprint

Energy costs make up a significant proportion of our operational costs. We recognize the uncertainty in regulations and at the same time we see immense potential in investing in energy efficiency/conservation projects at our manufacturing facilities.

Welspun India Limited believes that responsible and sustainable energy practices will not only benefit our business growth but will also help us improve our environmental performance and meet evolving stakeholder expectations.

Welspun India Limited is constantly taking measures such as exploring clean energy opportunities, bringing new technology, encouraging employees to save energy in offices, to minimize the energy consumption at Anjar and Vapi facilities. We also work on various energy saving initiatives in our processes that range from waste heat recovery, installation of energy efficient machines, to process modifications etc.

The total direct energy consumption was 3,054,341 GJ and indirect energy consumption was 2,738,973 GJ.

Welspun India Limited has implemented several energy efficiency initiatives, highlighting a few below:

- Installation of mechanical seal on pumps
- Optimized blower operation at ETP
- Renewable energy purchases are done at our factories in Anjar and Vapi.
- Installation of Turbo Compressor at our Anjar plant.
- 100 percent replacement of conventional lights with LED lights

Managing Emissions

We are aware that our processes significantly contribute to greenhouse gases and reducing the output of greenhouse emissions is one of the most critical responses to climate change.

Welspun India Limited is exploring ways to mitigate GHG emissions through process improvements and investment in low-carbon technologies.

Some of the initiatives adopted to minimize greenhouse gases across our value chain include energy efficiency, choosing logistics with a lesser carbon footprint, recycling waste, consuming sustainable sources of cotton, using raw materials that are recycled and avoiding waste to landfill.

Through our energy efficiency initiatives, we have saved 10548 tonnes of CO2e this year.

Type	Unit	GHG Emissions
Scope 1	TCO2e	305,789
Scope 2	TCO2e	587,308

Waste Management

We are continuously working on enabling our factories towards waste minimization and ultimately reach the target of zero waste to landfill. Across all our facilities, we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse.

Waste disposal is carried out through appropriate methods and directed to authorised channels of disposal as per the by-laws of respective State Pollution Boards.

In our endeavour to reduce our waste to landfill we have initiatives like recycling of wastepaper and PET bottles in our corporate office.

In our factory at Anjar, food as well as horticulture waste is converted to biogas which is used in canteens as fuel for cooking purposes. Waste cloth cuttings are upcycled to make designer products and also enable employment opportunities. 170 tons of waste was converted into new products this year. We have conducted successful trials to use the sludge from the effluent treatment plant as fuel to generate electricity. The sludge will be replacing fuel of around 3500 tonnes, and prevent the accumulation of waste in landfills.

At our Vapi factory, food waste from canteens is converted to manure for plants.

Water Management Stewardship

Textile processing is known to be water intensive, however we have always explored ways in which we can reduce our freshwater intake, from making products that consume less water; introducing new technologies and exploring process modifications. Our intent towards water management is water conservation and keeping our communities as a priority when it comes to freshwater availability.

In a city like Anjar situated in Kutch (desert) region of Gujarat that hardly receives rainfall, we installed a sewage treatment plant (STP) of 30 Million Liters per Day capacity.

The STP treats sewage generated from 3 municipalities (Gandhidham, Adipur and Anjar), recycles and reuses the water which has enabled zero use of freshwater for our factory processes. Hence this initiative has ensured more availability of fresh water to the neighboring communities.

Source Of Water Consumed	Unit	Quantity
Municipal Supply	KL	1,986,088
Rainwater	KL	553,089
Wastewater Generated	KL	6,913,894
Water Recycled	KL	10,161,351
Wastewater Discharged	KL	5,534,068

Responsible Advocacy

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

We believe that driving change and making efforts towards effective policy development fosters industrial growth. Welspun India Limited prefers to be a part of the policy development process and hence, actively participates in all forms, but has not been lobbying on any specific issue.

We engage with all major industry associations or bodies on areas of importance to business as well as society. Some of the broad areas which we advocate include Governance and administration; economic reforms; inclusive development policies, energy security; water; food security; and sustainable business practices.

- Welspun is an Alliance Member of the Well Living Lab, in collaboration with Delos and Mayo Clinic. It's one of the first labs exclusively committed to researching the real-world impact of the built environment on human health.
- Cotton Egypt Association (CEA), an agreement signed with Cotton Egyptian Covers, which is a joint marketing initiative to promote the logo that will help enhance the complete supply chain of the Egyptian Cotton starting from cultivation to the final product, which will also benefit the Egyptian farmer.

The Cotton Egypt Association has granted the Company the '**Gold Seal**' certification and the right to use Egyptian Cotton logo for five years until 2022.

Name of Association / Industry Body
Federation of Indian Chambers of Commerce and Industry (FICCI)
The Associated Chambers of Commerce of India (ASSOCHAM)
Indian Merchants Chamber
TEXPROCIL (The Cotton Textiles Export Promotion Council)
SRTEPC (The Synthetic & Rayon Textile Export Promotion Council)

Impacting Lives, Creating Sustainable Communities

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

We work closely with the underserved communities to improve the quality of life and catalyze change in the communities where we operate. For us sustainability means building a better future for people through how we act. Our community impact interventions are carried out through Welspun Foundation for Health and Knowledge (WFHK).

Local communities are one of the most important stakeholders for Welspun and we aim to create a stable and sustainable futures for them through a diverse range of social interventions. We have adopted a multi-pronged approach that transcends the core pillars of sustainable development and work towards a holistic development of the community by strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment. We have a corporate social responsibility (CSR) policy which is overseen by the CSR committee of the Board. In line with our CSR policy, we undertake activities that are aligned to schedule VII of Companies Act, 2013.

Social Impact Strategy

As part of our social impact strategy, WFHK engages with local stakeholders, through a consultative and collaborative approach to identify areas and design programmes that engage, empower and inspire future visionaries. All our initiatives, whether implemented directly by WFHK or in partnership with another agency, are focused towards catering to the direct needs of the intended beneficiaries.

We ensure that a high level of communication and trust exist between the community and company which is achieved through Local Stakeholder Engagement. In most of our project centers we have successfully managed to integrate with and develop mutually beneficial relationships with them by supporting innovative programmes in health, education, environment, as well as cultural and civic projects.

We take utmost care to integrate community investment considerations into decision-making and business practices and assist in creating capabilities for wealth generation and employment for tomorrow.

Project Management

We follow a rigorous approach towards designing and implementing our social impact projects. We have established systems and processes to ensure a smooth implementation. Prior to the commencement of projects, we carry out a baseline study to assess the needs of the communities. Quantified targets are set for all projects and are monitored every quarter as to enable supervision and maximum developmental impact. Wherever necessary, midcourse corrections are carried out.

External consultants are hired to carry out impact assessments of our corporate social responsibility projects.

Our quarterly review meetings with the management includes discussion on progress and outcomes of the CSR initiatives. During the meetings CSR spend target and programs and projects to be implemented during the financial year are discussed. During the second meeting, mid-year review of the ongoing activities is conducted and way forward is discussed.

Focus Areas And Interventions

Our philosophy is to create social value by focusing on education, empowerment and environment & health. We run a number of programs throughout the year towards a better tomorrow. Company's direct contribution to community development projects.

Education

Our flagship program Wel-Acelerate is designed and implemented with the objective to enhance the teaching & learning outcomes of teachers & students with the use of technology. Under this program, we aim to digitalize government schools and impact the lives of over 1 lakh children. So far, the program has been initiated in 4 districts and more than a thousand teachers have been trained. **Wel-Acelerate have impacted more than 75,000 students by creating a conducive learning environment through digitalization of 315 classrooms in 220 schools.**

A digital classroom under Wel-Accelerate

We are also conducting vocational training and skill training. The two training courses have seen participation from 82 and 107 students respectively. In our vocational training program, students from standard 9th to 12th are given training on plumbing, electrical, basic engineering, health hygiene & nutrition and agriculture. These training courses are intended to make students self-reliant in day to day life and act as stepping stones from academic to a stable career at a later stage in their field of interest. We also run a para teacher program where we have trained 40 para teachers from 35 government schools.

Vocational training for students

spun
threads with a soul

Bringing women empowerment, community upliftment and environmental conservation together.

The story behind: SPUN has a unique and exciting model where we create beautiful handcrafted products using age old weaving techniques from the textile waste generated in our bedding manufacturing plant. Each product of SPUN has a story to tell. We engage with women and artisans to uplift communities, giving them an independent income so that their kids can go to school and have a better livelihood for a lifetime sustainable future.

Impact: With 8 vocational centers in villages nearby to our manufacturing plant, we have positively impacted more than 8000 lives. Also, with the initiative we have converted 150 tons of waste into new products annually. thus preventing 150 tons of waste to go into landfills.

Way Forward: We plan to extend this model to a greater number of villages. Also, with our center in Hyderabad we plan to use waste from our Flooring plant and create another category of beautiful products while empowering women and livelihoods of the communities.


Students at Gurukul

Ved Vidyalaya is an initiative towards continuing India's ancient educational tradition where we have adopted a gurukul system-based learning program of the Yajurveda. The initiative aims to ensure that the ancient learnings of Veda are continued to be taught. The program has 48 students enrolled in it.

Women Empowerment

Our focus has been on enabling women to create alternative livelihoods and improve their earning capacities. Economic independence amongst women improves gender equality, advances their social status and increases civic participation.


Welspun Super Sport Women

We support potential sportswomen of our country coming from challenging background through our project, "**Welspun Super Sport Women**". Through this project we aim to support them in seeking path breaking career opportunities in sports. The program is currently financially supporting 26 sportswomen of 15 different sports background from 13 states. These sportswomen have made not just us, but the whole nation proud by bagging 149 Medals across International, National & State Level.

Another key project on women empowerment focuses on encouraging menstrual hygiene management among rural and urban communities by setting up sanitary pad making unit that can make 100% biodegradable napkins. The project informs the women about safe menstrual management and promotes the use of sanitary pads along with providing the women with opportunities to earn livelihood. The program has created 450+women entrepreneurs in 205 villages. The project has an outreach to more than 1, 00,000 women.

We have also diversified the livelihood program to include bangle making, dung cake making, charka units, tailoring units, vermicomposting and kitchen gardens. We are also sensitizing women on RTI-STD, Anemia, and Cervical & Breast Cancer apart from menstrual hygiene.

Inclusion and diversity are integral part of Welspun's culture. Currently, 23% of our workforce comprises women of the total workforce. Cut and Sew unit in Anjar is being solely run by 800 Welspun women employees. They manage one-third of the entire factory work including operations maintenance, transport and security.

MILESTONES

23%
of our total workforce are women

800
Welspun women employees solely run a unit in Anjar

1/3
of Anjar factory operations managed by Women

48
Women Entrepreneurs are developed in 20 villages

Planted 24,000+ trees

Environmental Conservation

Recognizing concerns over climate change, we strive to reduce our environmental footprint and mitigate our emissions through tree plantation. Over 24,000 saplings were planted in Anjar and our tree plantation activities are designed for multiple benefits to the natural environment and our rural communities. Residents are also encouraged to nurture saplings and plant them near their homes.

Sanitation block in village

About 5,500 sanitation blocks have been constructed to ensure cleanliness and prevent infections and diseases in the villages near Anjar and Vapi.

Ponds have always played a critical role in fulfilling the water needs of the rural community and maintaining the ecosystem. To ensure the same, we have come up with "**Sujalam Sufalam Jal Abhiyaan**" under which we deepen ponds before the monsoon. This increases the capacity of the ponds and helps in increase in ground water. We have worked upon ponds which has helped in recharging the water table and provide more resilience against water shortage.

Deepening of ponds under Sujalam Sufalam Jal Abhiyaan

Fodder distribution in Kutch

Livestock rearing have a significant impact in socio-economic development of rural households. However, due to lack of agriculture land and water scarcity in area like Kutch it is challenging to grow fodder for maintaining livestock. To help the communities in this regard, Welspun Foundation procures fodder that is then distributed to the cattle owners in 27 villages. The program has resulted in improved income for the cattle owners and better health of the livestock.

Health

While trying to create a positive impact in the quality of life of people, it is important to address the health aspect. To improve people's access to healthcare, we organize eye check up and medical camps in rural areas. More than 2000 people have taken the benefits of these camps.

To increase mobility and reach even remote areas, we have incorporated a mobile ambulance in our health care initiative. The mobile ambulance has helped in providing medical assistance to more than 16,000 people.

An eye checkup camp organized at village

Navchetna camp on children's nourishment

A nation's future depends on its children. But children would be able to reach their full potential and contribute in nation's development only if they had a healthy childhood. Our Navchetna initiative is focused towards children's health with a focus on eradicating malnourishment amongst children.

Model Villages: We aim to promote a modern vision for villages in India, where there are sustainable rural communities that can generate and maintain the resources necessary to improve their level of wellbeing and happiness without depleting economic, social & environmental values. A 'Model and Sustainable Village' is aimed to provide communities with employment, while creating ancillary livelihood opportunities leveraging technologies and green growth opportunities.

Under the initiative we have been able to create essential infrastructure across 4 villages thereby securing a healthier environment for over 10,000 people.

Interventions To Fight Covid-19

While the whole world has been impacted by Covid-19, We at Welspun have been trying to do our bit in supporting our employees and communities.

We undertook various interventions to extend a helping hand towards communities around and in assisting them to cope up with these difficult times.

The key interventions included:

- Production and distribution of masks
- Food packets distribution,
- Health checkup, awareness & counselling
- Awareness creation on social distancing through posters & leaflets

Our employees are our biggest resource and we took various measures to ensure their safety and wellbeing. We also received great support from our employees in keeping up the operations at plants running while they adapted quickly to the new safety norms and guidelines issued.

Some of our initiatives at Welspun to fight covid-19 are:

- Awareness and Counseling inside plant, hostel and colonies about Covid-19.
- Promotion and use of Arogya Setu App.
- Yoga, happiness and laughter workshops.
- Checkup and screening of staff and associates.
- Food kit and ration distribution at hostels.
- Tackling issues of depression, anxiety, and maintaining motivation of employees.

Opportunities For Specially Abled

Total 171 specially-abled associates (deaf and mute) work at our Anjar and Vapi facility in the Spinning department.

Once in a quarter, safety training is given to the associates by trainers using sign language.

Special trainings are conducted for them related to SWA (Swachh Welspun Abhiyaan), behavioral aspects and workplace management

Digital display boards are kept for various communication pertaining to organization announcements, instructions, rules/regulations, celebrations happening at plant etc.

BRR Index

Section A - General Information

Corporate Identity Number (CIN) of the Company	L17110GJ1985PLC033271
Name of the Company	Welspun India Limited (WIL)
Address of the Registered Office	Welspun City, Village Versamedi, Taluka Anjar, District, Kutch, Gujarat 370 110, India
Website	http://www.welspunindia.com/
E-mail ID	companysecretary_wil@welspun.com
Financial Year Reported	2019 - 2020
Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of other textiles NIC code: 139 – 1393, 1392, 1399
Key Products / Services	1. Towels 2. Bed sheets 3. Rugs 4. Top of Bed
Total number of locations where business activity is undertaken by the Company	
Number of International Locations	1. United States 2. United Kingdom 3. Germany
Number of National Locations	1. Mumbai, Maharashtra 2. Anjar, Gujarat 3. Vapi, Gujarat
Markets served by the Company-Local/State/ National/ International	We serve both the national and international market
Subsidiary companies and their BR initiatives	The subsidiary companies are kept aware of the BR initiatives of Welspun India Limited and follow the same vision, however based on the business requirements the BR initiatives are carried out separately by each entity.

Section B- Financial Details

Section B- Financial Details	(Millions)
Paid up Capital (INR)	1,004.73
Total Turnover (INR)	53,235.69
Total profit after taxes (INR)	4,748.92
Total Spending on Corporate Social Responsibility (CSR)	68.43

Section C – Other Details

1. Does the Company have any Subsidiary Company/ Companies?

1. Welspun Global Brands Limited
2. Welspun Captive Power Generation Limited
3. Welspun Zuchhi Textiles Limited
4. Anjar Integrated Textiles Park Developers Private Limited
5. Besa Developers and Infrastructure Private Limited
6. Welspun Anjar SEZ Limited
7. Welspun Flooring Limited
8. Welspun USA Inc., USA
9. Welspun Holdings Private Limited, Cyprus
10. Welspun Mauritius Enterprises Limited, Mauritius
11. Novelty Home Texiles SA de CV, Mexico
12. Welspun Home Textiles UK Limited, UK
13. CHT Holdings Limited, UK
14. Christy Home Textiles Limited, UK
15. Welspun UK Limited, UK
16. Christy 2004 Limited, UK
17. Christy Lifestyle LLC, USA
18. Christy Welspun GmbH, Germany
19. E.R. Kingsley (Textiles) Limited, UK
20. Christy UK Limited, UK
21. Welspun Nexgen Inc., USA
22. Welspun Advanced Materials (India) Limited
23. Welspun Innovative Products Limited
24. TILT Innovations Inc., USA
25. Pure Sense Organics Myanmar Limited, Myanmar

Section C – Other Details

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]**
The subsidiaries actively manage and carry out their own BR initiatives, which are in line with the policies of the Welspun Group and Welspun India Limited.	Currently, the suppliers/ vendors and distributors undergo assessments on their social performance (SA 8000) and quality checks. We have shared our relevant policies with all our suppliers and business partners and they are expected to ensure compliance.

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, is composed of nine principles of Business Responsibility.

1) Businesses should conduct and govern themselveswith Ethics, Transparency and Accountability.	2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	3) Businesses should promote the wellbeing of all employees.
4) Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	5) Businesses should respect and promote human rights.	6) Business should respect, protect, and make efforts to restore the environment.
7) Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	8) Businesses should support inclusive growth and equitable development.	9) Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Section D – BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director / Directors responsible for implementation of the BR policy / policies

- DIN Number	00007179
- Name	Mr. Rajesh Mandawewala
- Designation	Managing Director

b. Details of the BR Head

- DIN Number	00007179
- Name	Mr. Rajesh Mandawewala
- Designation	Managing Director
- Telephone Number	022 - 66136000
- Email-ID	companysecretary_WIL@welspun.com.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The policies are aligned to international as well national guidelines including the NVG guidelines. Certain policies are also in line with specific standards and certifications.								

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	All the policies related to the 9 principles for the NVG have been approved by the Board and signed by the member of the Board or a member of the APEX committee that monitors very closely the overall business performance of the company.								
5. Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link for the policy to be viewed online?	All policies are shared directly with respective stakeholders. Some of our policies are available at http://www. welspunindia.com/advance-textile.php#/ about us.php#We_at_Welspun								
7. Has the policy been formally communicated to all relevant internal and external stakeholders? All Relevant Stakeholders (Communicated through Website, meetings, emails, circulars etc.)	Y	Y	Y	Y	Y	Y	NA	Y	Y

8. Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10. Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The company has not understood the Principles	Not Applicable								
2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The company does not have financial or manpower resources available for the task									
4. It is planned to be done within next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

3. Governance Related to BRR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors meet every quarter to discuss applicable BR issues and assess the BR performance of the company.
2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR report is available on the Company's website at www.welspunindia.com
3. Month/year of last review by Governance Structure/ top management of performance of the business across the Principles and Core Elements of the Guidelines.	Sustainability parameters are reviewed by the Apex committee as well Board members on the monthly as well as quarterly basis. Governance structures related to Sustainability are reviewed on a yearly basis

Section E- Principle Wise Performance

Principle	Question	Reference (Chapter)	Details
Principle 1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.	Ensuring transparency, enabling governance	Our Code of conduct is applicable to business partners, contractors, vendors and we ensure they understand and adhere to our codes.
	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management?	Ensuring transparency, enabling governance	In FY 2019-20, 26 stakeholders complaints were received and all have been resolved with satisfaction.
Principle 2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Embedding sustainability in our products	Refer to sub section 'Sustainable Production' on pg.106
	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Embedding sustainability in our products	Refer to sub section 'Sustainable raw materials' on pg. 105
	Does the company have procedures in place for sustainable sourcing (including transportation)?If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Embedding sustainability in our products	Refer to sub section 'Responsible supply chain' on pg. 105
	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Impacting lives, creating sustainable communities	Refer to Page 118
	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%)	Embedding sustainability in our products	We use recycled PET in polyester based rugs. We also use fibres as well as fabric that uses textile waste from production that promotes a circular economy. We are also using recyclable packaging material.
Principle 3	Please indicate the Total number of employees.	Empowering employees	21,798 employees
	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Empowering employees	9,701 employees

	Please indicate the Number of permanent women employees.	Empowering employees	8,497 women employees
	Please indicate the Number of permanent employees with disabilities.	Empowering employees	249 employees
	Do you have an employee association that is recognized by management?	We believe in Freedom of association and right of employees to express their concerns. All our workmen category of the workforce are allowed to form employee associations.	
	What percentage of your permanent employees is members of this recognized employee association?		
	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	We show zero tolerance towards child labour, forced labour, involuntary labour as well as other human rights abuses and have policies to in place for the prevention of the same. We had a total of 4 cases related to sexual harassment and stand closed as on March 31, 2020.	
	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Empowering employees	100%
Principle 4	Has the Company mapped its internal and external stakeholders? Yes/No	We have initiated a comprehensive exercise for identifying all our stakeholders, understanding their needs and mapping the nature of respective engagements. This was part of our materiality assessment exercise. Currently, we consider customers, community, regulators and government entities, supply chain partners and the workforce as our key stakeholders.	
	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, we have identified disadvantaged, vulnerable & marginalised stakeholders which include, rural communities, individuals with disabilities and special needs, women and the youth.	
	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Impacting lives, creating sustainable communities.	We have carried out various initiatives for local artisans, farmers, specially-abled and to enable women empowerment. Refer to pages 118 to 121.
Principle 5	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers /Contractors/NGOs/Others?	The Policy extends to all the subsidiaries, suppliers, vendors. Refer to chapter on ‘ Preserving Human Rights' on pg.112.	
	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	We had received 26 complaints and all have been resolved.	

Principle 6	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?	Yes, our policies related to principle 6 extend to all the other stakeholders excluding Joint Venture concerns.
	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming,etc?	WIL has undertaken several initiatives in the areas of energy efficiency, emissions management and water management across locations to minimize its environmental impact. Refer to chapter 'Restoring the environment' on pg.113 and 114.
	Does the Company identify and assess potential environmental risks? Y/N	Yes, Environmental risk related to climate change, energy, waste & water management has been identified & necessary steps have been taken to mitigate them.
	Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?	No, we do not have any Clean Development Mechanism (CDM) projects
	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, we have taken several initiatives across our operations in areas related to energy efficiency, emissions management and water management. Refer to chapter 'Restoring the environment' on pages 113 and 114
	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes the emissions and waste generated were within permissible limits given by CPCB/SPCB.
	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year?	We haven't received any showcause / legal notice during the FY 2019-20.
Principle 7	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Yes, Refer to chapter 'Responsible Advocacy' on pg. 116
	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	Through our representation in the reported industry associations, we participate in relevant forums that are of interest to our industry and our stakeholders. All such engagements are done in line with our code of conduct.
Principle 8	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Our CSR activities are carried out through Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence Refer to chapter 'Impacting lives, creating sustainable communities' on pg. 117.

	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	Our social programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence.
	Have you done any impact assessment of your initiative?	WFHK has engaged an external consultant to carry out impact assessments of our corporate social responsibility projects.
	What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	CSR expenditure in FY 2019-20 INR 68.43 million Refer to chapter 'Impacting lives, creating sustainable communities' on pg. 117.
	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	All our initiatives, whether implemented directly by WFHK or in partnership with another agency, are meant to address the direct needs of the intended beneficiaries. Refer to chapter 'Impacting lives, creating sustainable communities' on pg. 117.
Principle 9	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No cases or complaints were filed or are pending as on end of FY 2019-20.
	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information).	Yes, certain requirements on the usage of product and specifications of the product are clearly mentioned depending on the customer base to which the product caters to. Also, customers are kept informed specifically on wash care and environmental credentials (eg. OEKO-TEX® Standard 100, GOTS, Organic Content Standard) as applicable specifically for products in our environmental portfolio.
	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year?	No cases or complaints were filed or are pending as on end of FY 2019-20.
	Did your company carry out any consumer survey/ consumer satisfaction trends?	We endeavour to raise customer satisfaction levels, provide consistent product delivery experience and provide timely redressal to customer complaints and concerns. Individual departments seek feedback depending on the specific products, the feedback we obtain is used to ensure that we deliver the best to our customers.

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Welspun India Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS 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 Ind AS 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, 2020, 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 in respect of incentive under Gujarat Textile policy (the ‘Policy’)</td></tr>
<tr><td>The Company is eligible to claim government grant in the form of reimbursement of State Goods and Service Tax (SGST) collected on end product sold / intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period under the policy.

During the current year the authorities have extended the eligibility period to claim reimbursement of SGST under the Policy, which has been factored by the management for computation of government grant.

As disclosed in note 2.23(vii) to the standalone financial statements, for measurement of such government grants, significant estimates and judgements are made by the management. The estimates, inputs and judgements used by the management includes:
• Future sales growth rate;
• Input tax credit utilization;
• SGST rates on the products;

Considering the above, this is determined as key audit matter.</td><td>We performed following 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 evaluated the forecast in respect of sales and purchase used by the management in computation of government grant with respect to reimbursement of SGST (‘computation’).
• We compared the forecast in respect to sales and purchase to the business plan and previous forecast to the actual results.
• We compared the inputs used in the computation of government grant to external data, including the modalities to claim the reimbursement of SGST under the Policy.
• We focused our analysis on management assumptions in respect of:
• Future sales growth rate;
• Input tax credit utilization; and
• SGST rates on the products.
• We evaluated the arithmetical accuracy of the computation of government grant.</td></tr>
<tr><td colspan="2">Impairment of Investments</td></tr>
<tr><td>The Company has Non-current investment in subsidiaries of Rs. 9044.79 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.</td><td>For sample selected, we performed following procedures, among others:
• We evaluated the 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 compared the inputs in the model to internal and external data.
• We focused our analysis on 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 re-calculated estimates using management models.
• We read and assessed the relevant disclosures made within the standalone Ind AS financial statements</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Measurement of Income Tax and Deferred tax	
The measurement of the 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 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 claim deduction under Chapter VIA of the Income Tax Act, 1961 (ACT). 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. The Company has generated credit of Minimum Alternate Tax (MAT) recorded as deferred tax assets. As at March 31, 2020, the Company has MAT credit of INR 455.05 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.	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 focused our analysis on management assumptions in respect of prices for sales and purchase of goods and services. • We involved tax experts to assist in evaluating the computation of deduction 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 evaluated the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset. We also 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 and Those Charged with Governance for the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS 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, 2020 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 Ind AS financial statements – Refer Note 32(a) to the standalone Ind AS financial statements;

ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership Number: 93649
UDIN: 20093649AAAABO5121

Place of Signature: Mumbai
Date: June 29,2020

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

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

(b) Fixed assets 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 immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest for the loan granted has been stipulated and the repayment was regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanation given to us, provisions of section 186 of the Companies Act 2013 in respect of in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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 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 provident fund, employees' state insurance, income-tax, duty of custom, goods and service 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.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there are no dues of service-tax, duty of customs and cess which have not been deposited on account of any dispute. The particulars of dues

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

of income-tax, sales-tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In million) **	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demand including penalty	491.51	AY 2005-06 to AY 2012-13	Income Tax Appellate Tribunal
		1,988.53	AY 2013-14 to AY 2018-19	CIT - (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax Including penalty and interest	16.95	2000-01, 2003-04, 2004-05	Jt. Comm. of Sales Tax (Appeals - 2), Vadodara
		4.00	2015-16	Jt. Comm. (Appeals), Rajkot.
Central Excise Act, 1944	Excise Duty	17.07	September 2005 to July 2006	Joint Secretary, Ministry of Finance, Department of Revenue
		429.11	April 2009 to February 2015	Comm. of Central Excise, Kutch
	CENVAT Credit	0.12	May-2010 to Nov 2010, FEB -2010 to NOV 2010	Superintendent, Central Excise Vapi.
		0.07	March 2011 to June 2011	Comm. Appeal Daman
	CENVAT including penalty	32.15	August 2005 to April 2010	Comm. of Central Excise, Daman
		24.77	FY 2008-2011, Dec 2010 - Oct 2011, August 2015 to March 2017	CESTAT, Ahmedabad
		0.21	August- 2015	Dy. Comm., GST and Central Excise Division-Vapi
Maharashtra Value Added Tax, 2002	VAT including interest and penalty	0.15	FY 2010-11	Deputy Commissioner (Sales Tax)

**Net of amount paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any loan from Government. Further, the Company has not issued any debenture.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) 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 fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(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 him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership Number: 93649
UDIN: 20093649AAAABO5121

Place of Signature: Mumbai
Date: June 29,2020

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 over financial reporting of Welspun India Limited ("the Company") as of March 31, 2020 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. 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 over financial reporting 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting 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 over financial reporting 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WELSPUN INDIA LIMITED

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikas Kumar Pansari
Partner
Membership Number: 93649
UDIN: 20093649AAAABO5121

Place of Signature: Mumbai
Date: June 29,2020

Balance Sheet
As at March 31, 2020

	Note	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,044.95	25,740.05
Capital work-in-progress	3	220.67	272.95
Intangible assets	4	419.89	508.58
Right-of-use assets	37	144.22	-
Intangible assets under development	4	16.34	13.58
Equity investment in subsidiaries	5	9,044.79	8,442.06
Financial assets			
- Investments	6 (a)	2,238.42	2,202.58
- Loans	6 (b)	0.67	0.06
- Other financial assets	6 (c)	885.74	329.93
Non-current tax assets	7	571.29	396.19
Other non-current assets	8	181.27	295.21
Total non-current assets		**36,768.25**	**38,201.19**
Current assets			
Inventories	9	10,564.19	8,924.65
Financial assets			
- Investments	6 (a)	2,218.26	146.06
- Trade receivables	6 (d)	7,542.50	8,459.22
- Cash and cash equivalents	6 (e)	612.40	725.19
- Bank balances other than cash and cash equivalents above	6 (f)	184.31	99.53
- Loans	6 (b)	97.83	1.46
- Other financial assets	6 (c)	2,697.23	4,253.62
Other current assets	8	1,527.27	1,827.91
Total current assets		**25,443.99**	**24,437.64**
Total assets		**62,212.24**	**62,638.83**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 (a)	1,004.73	1,004.73
Other equity			
- Reserves and surplus	10 (b)	27,066.55	23,886.60
- Other reserves	10 (c)	(1.00)	4.57
Total equity		**28,070.28**	**24,895.90**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	7,666.77	12,500.50
- Lease liabilities	37	104.26	-
- Other financial liabilities	11 (b)	33.75	34.23
Non-current tax liabilities	12	1,517.35	1,323.85
Deferred tax liabilities (Net)	15	1,947.15	1,811.61
Other non-current liabilities	16	676.16	830.37
Total non-current liabilities		**11,945.44**	**16,500.56**
Current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	12,362.72	9,994.89
- Lease liabilities	37	44.72	-
- Trade payables	11 (c)		
(a) Total outstanding dues of micro enterprises and small enterprises		84.43	34.67
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,740.97	5,586.40
- Other financial liabilities	11 (b)	3,019.51	3,171.56
Provisions	13	-	1,555.99
Employee benefit obligations	14	702.58	619.93
Other current liabilities	16	241.59	278.93
Total current liabilities		**22,196.52**	**21,242.37**
Total liabilities		**34,141.96**	**37,742.93**
Total equity and liabilities		**62,212.24**	**62,638.83**
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

Place: Mumbai
Date: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Statement of Profit and Loss

For the year ended March 31, 2020

	Note	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Income			
Revenue from operations	17	53,235.69	53,952.64
Other Income	18	431.40	830.40
Total income		**53,667.09**	**54,783.04**
Expenses			
Cost of materials consumed	19	27,239.35	27,621.82
Purchases of stock-in-trade		755.16	679.00
Changes in inventory of finished goods, work-in-progress and stock-in-trade	20	(1,496.20)	684.96
Employee benefits expense	21	5,380.73	4,870.26
Depreciation and amortization expense	22	3,881.40	4,015.44
Other expenses	23	11,264.36	12,148.06
Finance costs	24	948.18	924.99
Total expenses		**47,972.98**	**50,944.53**
Profit before exceptional items and tax		**5,694.11**	**3,838.51**
Exceptional Items-(Income)/ Expense	25	(431.60)	2,080.24
Profit before tax		**6,125.71**	**1,758.27**
Income tax expense	26		
- Current Tax		1,244.29	358.04
- Deferred Tax		132.50	(17.42)
Total Income Tax Expense		**1,376.79**	**340.62**
Profit for the year		**4,748.92**	**1,417.65**
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)	(5.57)	(6.88)
Remeasurement of post employment benefit obligation Gain/(Loss)	21	8.70	(28.00)
Income tax effect	26	(3.04)	9.78
Other comprehensive income/(loss) for the year, net of tax		**0.09**	**(25.10)**
Total Comprehensive Income for the year		**4,749.01**	**1,392.55**
Earnings Per Share (Rs.) [Nominal value per share : Re. 1 (March 31, 2019 : Re. 1)]	35		
- Basic		4.73	1.41
- Diluted		4.73	1.41
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

Place: Mumbai
Date: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Statement of Changes in Equity

For the year ended March 31, 2020

A. Equity Share Capital

(Rs. million)

Equity shares of Re. 1 each issued, subscribed and fully paid	No. of shares	Amount
At April 1, 2018	1,004,725,150	1,004.73
At March 31, 2019	1,004,725,150	1,004.73
At March 31, 2020	**1,004,725,150**	**1,004.73**

B. Other Equity

(Rs. million)

Particulars	Notes	Reserves and Surplus						Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2018		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,371.90**	**23,274.51**	**11.45**	**23,285.96**
Add:									
Profit for the year		-	-	-	-	1,417.65	1,417.65	-	1,417.65
Other Comprehensive Income	10 (b), 10 (c)	-	-	-	-	(18.22)	(18.22)	(6.88)	(25.10)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**1,399.43**	**1,399.43**	**(6.88)**	**1,392.55**
Transactions with owners in their capacity as owners									
Less:									
Dividends paid	29 (b)	-	-	-	-	653.07	653.07	-	653.07
Dividend distribution tax paid	29 (b)	-	-	-	-	134.27	134.27	-	134.27
Balance as at March 31, 2019		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,983.99**	**23,886.60**	**4.57**	**23,891.17**

(Rs. million)

Particulars	Notes	Reserves and Surplus						Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2019		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,983.99**	**23,886.60**	**4.57**	**23,891.17**
Add:									
Profit for the year		-	-	-	-	4,748.92	4,748.92	-	4,748.92
Other Comprehensive Income	10 (b), 10 (c)	-	-	-	-	5.66	5.66	(5.57)	0.09
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**4,754.58**	**4,754.58**	**(5.57)**	**4,749.01**
Transactions with owners in their capacity as owners									
Add:									
Merger effect	10 (b)	-	0.05	-	-	-	0.05	-	0.05
Less:									
Dividends paid	29 (b)	-	-	-	-	1,306.15	1,306.15	-	1,306.15
Dividend distribution tax paid	29 (b)	-	-	-	-	268.53	268.53	-	268.53
Balance as at March 31, 2020		**478.38**	**1,474.77**	**3,238.12**	**711.39**	**21,163.89**	**27,066.55**	**(1.00)**	**27,065.55**

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
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Managing Director
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Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Place: Mumbai
Date: June 29, 2020

Statement of Cash Flows
For the year ended March 31, 2020

	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	6,125.71	1,758.27
Adjustments for :		
Depreciation and amortisation expenses	3,881.40	4,015.44
Amortisation/ receipts of government grants	(1,794.50)	(1,653.15)
Unrealised foreign exchange differences	(34.90)	(0.79)
Profit on disposal of property, plant and equipment	(32.27)	(11.57)
Impairment of investment in subsidiary / Changes in fair value of financial assets at fair value through profit or loss	308.57	137.20
Unwinding of discount on security deposits	(5.14)	(3.00)
Gain on sale of investments (net)	-	(238.28)
Liabilities/ provisions written back	(432.21)	(15.89)
Provision for doubtful debts/ advances	65.15	18.71
Corporate guarantee commission	(34.39)	-
Interest income classified as investing cash flows	(122.38)	(289.34)
Finance expenses	948.18	924.99
	2,747.51	**2,884.32**
Operating Profit Before Working Capital Changes	**8,873.22**	**4,642.59**
Adjustments for changes in working capital :		
(Increase) / decrease in trade receivables	913.08	(1,127.77)
Increase in trade payables	207.51	457.69
Increase / (decrease) in provisions	(1,168.73)	1,322.44
Increase / (decrease) in employee benefit obligations	91.35	(59.73)
Increase/ (decrease) in other current liabilities	(37.34)	(88.39)
Increase/ (decrease) in other non current liabilities	(154.21)	(30.59)
(Increase)/ decrease in inventories	(1,639.54)	340.11
Decrease in other financial assets	1,415.86	356.06
(Increase)/ decrease in other non-current assets	(54.02)	73.57
Decrease in other current assets	300.64	1,003.50
	(125.40)	**2,246.89**
Cash Flow Generated from Operations	8,747.82	6,889.48
Income tax paid	**(1,225.90)**	**(743.67)**
Net Cash Inflow from Operating Activities	**7,521.92**	**6,145.81**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(1,020.35)	(2,133.54)
Sale of property, plant and equipment	65.32	65.39
Receipt of Government grants	1,673.54	1,226.19
Realisation/ (investment) in fixed deposit and margin money (net)	(35.41)	(14.45)
Repayment from employees	(96.98)	1.27
Advance to related parties	(62.81)	-
Sales/ (Purchase) of Current Investment (Net)	(2,073.70)	48.04
Equity investment in subsidiaries	(872.03)	(1,639.78)
Interest received	38.31	222.30
Net Cash used in Investing Activities	**(2,384.11)**	**(2,224.58)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings - Non Current	(4,872.35)	(3,998.08)
Proceeds from borrowings - Current (net)	2,301.22	1,890.46
Payment of lease liabilities	(57.64)	-
Receipt of interest subsidy	422.43	512.00
Dividend paid	(1,306.15)	(653.07)
Tax on dividend paid	(268.53)	(134.27)

Statement of Cash Flows
For the year ended March 31, 2020

	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
Finance cost paid	(1,469.78)	(1,682.37)
Net Cash used in Financing Activities	**(5,250.80)**	**(4,065.33)**
Net increase/ (decrease) in Cash and Cash Equivalents (A + B + C)	**(112.99)**	**(144.10)**
Cash and Cash Equivalents at the beginning of the year	725.19	869.29
Add : Cash and Cash Equivalents on Merger with Prasert Multiventures Private Limited	0.20	-
Cash and Cash Equivalents at the end of the year	612.40	725.19
Net decrease in Cash and Cash Equivalents	**(112.99)**	**(144.10)**
Cash and cash equivalents comprise of:		
Cash on Hand	0.35	0.06
Bank balances		
- In current accounts	606.34	719.68
Fixed deposits with Banks with original maturity period of less than three months	5.71	5.45
Total	**612.40**	**725.19**

Change in Liability arising from financing activities

(Rs. million)

	April 1, 2019	Cash flow	Foreign exchange movement	March 31, 2020
Borrowing-Non Current [Refer Note 11 (a)]	15,108.06	(4,872.35)	-	10,235.71
Borrowing-Current [Refer Note 11 (a)]	9,994.89	2,301.22	66.61	12,362.72
	25,102.95	**(2,571.13)**	**66.61**	**22,598.43**

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

Place: Mumbai
Date: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Notes
To The Financial Statements For The Year Ended March 31, 2020

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 June 29, 2020.

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, except as disclosed in Note 2.22.

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

Notes
To The Financial Statements For The Year Ended March 31, 2020

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 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.

Export Incentives

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme and other eligible 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

Notes

To The Financial Statements For The Year Ended March 31, 2020

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 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.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence.

Notes
To The Financial Statements For The Year Ended March 31, 2020

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. 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

Notes
To The Financial Statements For The Year Ended March 31, 2020

is included in revenue in the statement of profit or loss due to its operating nature

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.

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

Notes
To The Financial Statements For The Year Ended March 31, 2020

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 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 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;

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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.

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.

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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

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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 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

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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 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 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,

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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.

2.17 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.

2.18 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.

2.19 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 35)

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.

2.20 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.

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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.

2.21 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.

2.22 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the Company has adopted Ind AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at Rs. 200.10 million as at April 1, 2019. Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending March 31, 2020. Due to application of Ind AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by Rs. 62.40 million and Rs. 19.11 million respectively and other expenses have decreased by Rs. 76.75 million. Total expenses(net) have increased by Rs. 4.77 million. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 37.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. Refer to Note 2.7 Leases for the accounting policy.

The Standard provides specific transition requirements and practical expedients which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at April 1, 2019 and right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Company also applied the available practical expedients wherein it:

a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics

b) Relied on its assessment of whether leases are onerous immediately before the date of initial application

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c) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

d) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount (Rs. million)
Operating lease commitments as at March 31, 2019	13.30
Incremental borrowing rate as at April 1, 2019	10%
Discounted operating lease commitments as at April 1, 2019	12.10
Add: Lease payments not included in operating lease commitments as at March 31, 2019 but presented as lease liabilities as per Ind AS 116	188.00
Lease Liabilities as at April 1, 2019	200.10

Ind AS 12 - Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain 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 Parent Company. The taxation authorities may challenge those tax deductions. The Company determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities.

The Appendix did not have an impact on the financial statements of the Company.

The MCA has also carried out amendments to the following other accounting standards. The effect on adoption of following mentioned amendments were insignificant on the financial statements. The Company and its associates have not early adopted any standards or amendments that have been issued but are not yet effective.

i) Ind AS 109: Prepayment Features with Negative Compensation

ii) Ind AS 19: Plan Amendment, Curtailment or Settlement

iii) Ind AS 103 Business Combinations

iv) Ind AS 12 Income Taxes

v) Ind AS 23 Borrowing Costs

vi) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

vii) Ind AS 111 Joint Arrangements

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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 26)

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 15).

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 32).

iii) 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 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).

iv) 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.

v) Impairment for equity Investments in Subsidiaries

To test the impairment of equity investment in one 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.

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vi) 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 21 for the details of the assumptions used in estimating the defined benefit obligation.

vii) 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 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.

viii) 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 27.

ix) 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.

x) 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

Notes
To The Financial Statements For The Year Ended March 31, 2020

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.

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.

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.

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To The Financial Statements For The Year Ended March 31, 2020

Note 3 - Property, Plant and Equipment

(Rs. million)

	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, 2018										
Opening gross carrying amount	462.59	7,848.99	30,599.39	66.34	176.87	326.71	15.14	224.91	39,720.93	517.35
Additions	-	313.27	1,855.72	9.31	24.71	20.39	-	13.63	2,237.03	1,961.53
Disposals	-	(0.98)	(159.74)	(1.17)	(0.77)	(0.10)	-	(0.52)	(163.28)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	(2,205.93)
At March 31, 2019 (A)	**462.59**	**8,161.28**	**32,295.37**	**74.48**	**200.81**	**347.00**	**15.14**	**238.01**	**41,794.68**	**272.95**
Depreciation										
At April 1, 2018	-	625.05	11,311.26	26.83	73.55	102.28	12.70	75.00	12,226.67	-
Depreciation charge during the year	-	254.67	3,526.62	13.28	33.25	32.41	-	59.64	3,919.87	-
Disposals	-	(0.01)	(89.82)	(1.04)	(0.62)	(0.01)	-	(0.41)	(91.91)	-
At March 31, 2019 (B)	**-**	**879.71**	**14,748.06**	**39.07**	**106.18**	**134.68**	**12.70**	**134.23**	**16,054.63**	**-**
Net book value at March 31, 2019 (A-B)	**462.59**	**7,281.57**	**17,547.31**	**35.41**	**94.63**	**212.32**	**2.44**	**103.78**	**25,740.05**	**272.95**
Cost or valuation										
At April 1, 2019										
Opening gross carrying amount	462.59	8,161.28	32,295.37	74.48	200.81	347.00	15.14	238.01	41,794.68	272.95
Additions	4.59	192.20	795.61	1.36	17.40	8.08	-	6.25	1,025.49	1,422.25
Disposals	(3.19)	-	(236.87)	(5.50)	(1.18)	(0.84)	-	(4.28)	(251.86)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	(1,474.53)
At March 31, 2020 (A)	**463.99**	**8,353.48**	**32,854.11**	**70.34**	**217.03**	**354.24**	**15.14**	**239.98**	**42,568.31**	**220.67**
Depreciation										
At April 1, 2019	-	879.71	14,748.06	39.07	106.18	134.68	12.70	134.23	16,054.63	-
Depreciation charge during the year	-	259.97	3,293.73	11.71	32.68	30.96	-	55.87	3,684.92	-
Disposals	-	-	(206.40)	(4.31)	(1.05)	(0.56)	-	(3.87)	(216.19)	-
At March 31, 2020 (B)	**-**	**1,139.68**	**17,835.39**	**46.47**	**137.81**	**165.08**	**12.70**	**186.23**	**19,523.36**	**-**
Net book value at March 31, 2020 (A-B)	**463.99**	**7,213.80**	**15,018.72**	**23.87**	**79.22**	**189.16**	**2.44**	**53.75**	**23,044.95**	**220.67**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Notes :

(i) 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.

(ii) Contractual obligations - Refer to note 33 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Additions to fixed assets during the year include capital expenditure of Rs. 24.96 million (Previous Year : Rs. 32.75 million) incurred on in-house Research and Development activities [Refer Note 40]

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

(Rs. million)

Particulars	March 31, 2020		March 31, 2019	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	1.21	29.04	1.21	29.04
Accumulated depreciation	0.36	27.59	0.34	27.59
Net book value	0.85	1.45	0.87	1.45
Depreciation for the year	0.02	-	0.02	-

Note 4 - Intangible assets

(Rs. million)

	Computer Software	Intangible assets under development
Cost or valuation		
At April 1, 2018		
Opening gross carrying amount	359.10	181.97
Additions	336.23	118.26
Transfers/Capitalised	-	(286.65)
At March 31, 2019 (A)	**695.33**	**13.58**
Amortisation		
At April 1, 2018		
Opening accumulated amortisation	91.18	-
Amortisation charge during the year	95.57	-
At March 31, 2019 (B)	**186.75**	**-**
Net book value at March 31, 2019 (A-B)	508.58	13.58
Cost or valuation		
At April 1, 2019		
Opening gross carrying amount	695.33	13.58
Additions	45.42	16.34
Disposals	(0.15)	-
Transfers/Capitalised	-	(13.58)
At March 31, 2020 (A)	**740.60**	**16.34**
Amortisation		
At April 1, 2019		
Opening accumulated amortisation	186.75	-
Amortisation charge during the year	134.08	-
Disposals	(0.12)	
At March 31, 2020 (B)	**320.71**	**-**
Net book value at March 31, 2020 (A-B)	**419.89**	**16.34**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 5 : Non-current equity investment in subsidiaries

		As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Unquoted			
10,000	(March 31, 2019 : 10,000) Equity Shares of Rs.10 each fully paid up of BESA Developers and Infrastructure Private Limited	0.10	0.10
10,000	(March 31, 2019 : 10,000) Equity Shares of Rs.10 each fully paid up of Anjar Integrated Textile Park Developers Private Limited	0.10	0.10
50,700	(March 31, 2019 : 50,700) Equity Shares of Rs.10 each fully paid up of Welspun Anjar SEZ Limited	2,200.00	2,200.00
23,065,503	(March 31, 2019 : 23,065,503) Equity Shares of Rs.10 each fully paid up of Welspun Global Brands Limited	1,281.34	1,281.34
22,744,215	(March 31, 2019 : 22,744,215) Equity Shares of Rs.10 each fully paid up of Welspun Captive Power Generation Limited	509.25	509.25
742	(March 31, 2019: 742) Equity Shares of USD 100 each fully paid up of Welspun USA Inc.	182.51	182.51
1,500	(March 31, 2019 : 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, 2019 : 5,500,000) Equity Shares of Rs.10 each fully paid up of Welspun Zucchi Textiles Limited	92.13	92.13
65,000,000	(March 31, 2019 : 65,000,000) Equity Shares of Rs.10 each fully paid up of Welspun Flooring Limited	650.00	650.00
4,250	(March 31, 2019 : 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, 2019: 100,000) Equity Shares of Rs.10 each fully paid up of Welspun Innovative Products Limited (formerly Welspun Advanced Materials Limited)	2.60	0.10
10,000	(March 31, 2019: Nil) Equity Shares of Rs.10 each fully paid up of Welspun Advanced Materials (India) Limited	0.10	-
,261	(March 31, 2019 : Nil) 261 Equity Shares of USD 100 each fully paid up of Pure Sense Organics Myanmar Limited	1.81	-
		4,949.67	**5,214.56**
Equity Component of investment in preference shares of subsidiaries			
	Welspun Anjar SEZ Limited	232.45	232.45
	Welspun Global Brands Limited	1,000.46	1,000.46
	Welspun Captive Power Generation Limited	292.41	292.41
	Welspun Flooring Limited	1,850.00	1,702.18
	Pure Sense Organics Myanmar Limited	5.42	-
		3,380.74	**3,227.50**
Equity Component of investment in debentures of subsidiaries			
	Welspun Flooring Limited	714.38	-
Total		**9,044.79**	**8,442.06**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 6 : Financial assets
6 (a) : Non-current investment

			As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Investment in equity shares (fully paid up)				
Quoted - Equity investment at FVOCI				
283,500	(March 31, 2019 : 283,500) Equity Shares of Rs. 10 each of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)		**4.59**	10.16
80	(March 31, 2019 : 80) Equity Shares of Re. 1 each of Khaitan Chemicals and Fertilizers Limited		*	*
Total (equity instruments)		**(A)**	**4.59**	**10.16**
Investment in preference shares (fully paid)				
Unquoted - Preference shares at amortised cost				
13,464,800	(March 31, 2019 : 13,464,800) 0% Redeemable Cumulative Preference Shares of Rs.10 each of Welspun Global Brands Limited		**123.68**	113.66
1,389,575	(March 31, 2019 : 1,389,575) 0% Redeemable Preference Shares of Rs.10 each of Welspun Global Brands Limited		**868.51**	799.34
Unquoted - Preference shares at FVPL				
1,000,000	(March 31, 2019 : 1,000,000) 1% Redeemable Cumulative Preference Shares of Rs.10 each of Welspun Global Brands Limited		**5.82**	5.47
75,818,663	(March 31, 2019 : 75,818,663) 10% Non-cumulative Redeemable Preference Shares of Rs.10 each of Welspun Captive Power Generation Limited		**733.61**	762.40
71,042,000	(March 31, 2019 : 71,042,000) 7% Non-cumulative Non-convertible Redeemable Preference Shares of Rs. 10 each of Welspun Anjar SEZ Limited		**501.89**	510.95
Total (preference shares)		**(B)**	**2,233.51**	**2,191.82**
Debenture application pending allotment				
Others - FVPL		**(C)**	**0.32**	**0.60**
Total		**(A+B+C)**	**2,238.42**	**2,202.58**
	Aggregate amount of quoted investments and market value thereof		**4.59**	10.16
	Aggregate amount of unquoted investments		**2,233.83**	2,192.42

* Amount is below the rounding norms adopted by the Company

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To The Financial Statements For The Year Ended March 31, 2020

6 (a) : Current investments

		As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Investment in bonds at FVPL (unquoted)			
100	(March 31, 2019: 100) 9.05% Infrastructure Leasing & Financial Services Limited (Series I) 27/06/2023 Bonds of Face Value of Rs.10,00,000 each	-	-
13,000	(March 31, 2019 : 13,000) 9.10% Dewan Housing Finance Corporation Limited 04/06/2028 Bonds of Face Value of Rs.1,000 each	-	11.81
4,000	(March 31, 2019 : 4,000) 8.90% Dewan Housing Finance Corporation Limited 04/06/2028 Bonds of Face Value of Rs.1,000 each	-	3.64
80	(March 31, 2019 : 80) 8.91% Nagpur Seoni Express Way Limited 01/02/2027 Bonds of Face Value of Rs.1,00,000 each	7.80	7.70
-	(March 31, 2019 : 7,000) 9.00% Muthoot Finance Limited 19/04/2023 Bonds of Face Value of Rs.1,000 each	-	6.61
-	(March 31, 2019 : 4,130) 8.70% Indiabulls Housing Finance Limited 26/09/2019 Bonds of Face Value of Rs. 1,000 each	-	4.12
58	(March 31, 2019 : 58) 9.10% Reliance General Insurance Company Limited 17/08/2026 Bonds of Face Value of Rs. 1,000,000 each	28.40	56.70
Investment in mutual funds at FVPL (unquoted)			
4,641,707	(March 31, 2019 : Nil) ICICI Prudential Overnight Fund Direct Plan-Growth	500.14	-
91,705	(March 31, 2019 : Nil) HDFC Liquid Fund-Direct Plan-Growth Option	358.25	-
172,743	(March 31, 2019 : Nil) HDFC Overnight Fund-Direct Plan-Growth Option	512.89	-
156,950	(March 31, 2019 : Nil) SBI Overnight Fund Direct Growth	510.67	-
96,528	(March 31, 2019 : Nil) SBI Liquid Fund Direct Growth	300.11	-
-	(March 31, 2019 : 5,000,000) Reliance Nivesh Lakshya Fund-Direct Growth Plan	-	55.48
Total		**2,218.26**	**146.06**
	Aggregate amount of quoted investments and market value thereof	36.20	90.58
	Aggregate amount of unquoted investments	2,182.06	55.48

Notes
To The Financial Statements For The Year Ended March 31, 2020

6 (b) : Non-current loans

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Unsecured		
Considered doubtful		
Loans to related parties	15.56	15.56
Less : Allowance for Doubtful Loans	15.56	15.56
	-	-
Loan to employees	0.67	0.06
Total	**0.67**	**0.06**

6 (b) : Current loans

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Loans to related parties (unsecured)	95.00	-
Loan to employees	2.83	1.46
Total	**97.83**	**1.46**

6 (c) : Other non-current financial assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security Deposits to Related Parties	50.69	26.60
Security Deposits to Others	122.06	159.12
Advances Recoverable in Cash		
- Considered Good	-	-
- Considered Doubtful	43.50	43.50
	43.50	**43.50**
Less : Allowance for Doubtful Advances	43.50	43.50
	-	-
Government Grants Receivable	610.23	-
Fixed deposits with Banks with maturity period more than twelve months	45.40	88.70
Margin Money Deposit Accounts	2.01	2.01
Interest Accrued on Fixed Deposits	21.64	19.79
Guarantee Commission Receivable from Related Parties	33.71	33.71
Total	**885.74**	**329.93**

Notes
To The Financial Statements For The Year Ended March 31, 2020

6 (c) : Other current financial assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security Deposits to Related Parties	10.18	7.80
Security Deposits to Others	1.40	2.93
Advances to Related Parties	84.78	21.97
Government Grants Receivable	1,515.04	2,991.33
Technology Upgradation Fund Credit Receivable	916.22	792.75
Interest Receivable under Subvention Scheme	5.32	11.24
Mark-to-Market gain (Net) on Forward/ Swap Contracts	150.52	-
Interest Accrued on loan given to related parties	0.38	-
Interest Accrued on Bonds/ Certificate of Deposits	0.12	5.44
Interest Accrued on Fixed Deposits	13.24	5.27
Insurance Claim Receivable	0.03	414.89
Total	**2,697.23**	**4,253.62**

6 (d) : Trade receivables

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Receivables from related parties [Refer Note 31 (ii)]	7,292.35	8,303.99
Receivables from others	259.71	161.15
Less : Impairment allowance	(9.56)	(5.92)
Total receivables	7,542.50	8,459.22
Current portion	7,542.50	8,459.22
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	7,542.50	8,459.22
Trade receivables which has significant increase in credit risk	-	-
Trade receivables-credit impaired	9.56	5.92
Total	**7,552.06**	**8,465.14**
Impairment allowance	9.56	5.92
Total trade receivables	**7,542.50**	**8,459.22**

Notes
To The Financial Statements For The Year Ended March 31, 2020

6 (e) : Cash and cash equivalents

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Balances with banks		
- In current accounts	606.34	719.68
Fixed deposits with Banks with original maturity period of less than three months	5.71	5.45
Cash on Hand	0.35	0.06
Total	**612.40**	**725.19**

6 (f) : Bank balances other than cash and cash equivalents

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Other Bank balances		
- Fixed deposits	157.23	78.52
- Unpaid dividend account [Refer note (a) below]	27.08	21.01
Total	**184.31**	**99.53**

Notes:

(a) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Note 7 : Non-current tax assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Non-current tax assets	571.29	396.19
	571.29	**396.19**

Note 8 : Other non-current assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Capital Advances to Related Parties	19.00	75.00
Capital Advances to Others	160.08	216.04
- Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	2.19	2.19
- Considered Doubtful	7.72	7.72
	9.91	**9.91**
Less : Provision for Doubtful Balances	7.72	7.72
	2.19	**2.19**
Statusholder Incentive Scrips in Hand	-	1.98
Total	**181.27**	**295.21**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 8 : Other current assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	889.05	1,307.06
- Considered Doubtful	-	12.50
	889.05	**1,319.56**
Less : Provision for Doubtful Balances	-	12.50
	889.05	**1,307.06**
Prepaid Expenses	95.01	91.28
Advance to Vendors	535.45	425.11
Advance to Employees	7.76	4.46
Total	**1,527.27**	**1,827.91**

Note 9 : Inventories (at lower of cost or net realisable value)

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Raw Materials (Includes in transit Rs. 235.12 million; March 31, 2019 : Rs. 94.22 million)	4,735.04	4,635.93
Work-in-Progress	3,150.07	2,768.33
Finished Goods	2,033.91	919.45
Packing Materials	180.83	175.60
Stores, Spares, Dyes and Chemicals	464.34	425.34
Total	**10,564.19**	**8,924.65**

Note 10 : Equity share capital and other equity
10 (a) : Equity share capital

(i) Authorised equity share capital

	Number of Shares	Amount (Rs. million)
As at April 1, 2018	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2019	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2020	**1,555,000,000**	**1,555.00**
Equity Shares of Re. 1 each (March 31, 2019 : Re. 1 each)		

(ii) Issued equity share capital

	Number of Shares	Amount (Rs. million)"
As at April 1, 2018	**1,004,725,150**	**1,004.73**
As at March 31, 2019	**1,004,725,150**	**1,004.73**
As at March 31, 2020	**1,004,725,150**	**1,004.73**
Equity Shares of Re. 1 each (March 31, 2019 : Re. 1 each fully paid up)		

Notes
To The Financial Statements For The Year Ended March 31, 2020

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Equity Shares :				
Prasert Multiventure Private Limited (PMPL)	-	-	679,078,913	679.08
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	683,302,903	683.30	-	-
	683,302,903	**683.30**	**679,078,913**	**679.08**

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

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Prasert Multiventure Private Limited	-	-	679,078,913	67.59
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	683,302,903	68.01	-	-

(v) 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, 2019 : 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.

Note 10 (b) : Reserves and surplus

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Capital Redemption Reserve		
Balance as at the beginning of the year	478.38	478.38
Add : Additions during the year	-	-
Balance as at the end of the year	478.38	478.38
Capital Reserve		
Balance as at the beginning of the year	1,474.72	1,474.72
Add : Additions during the year	0.05	-
Balance as at the end of the year	1,474.77	1,474.72
Securities Premium		
Balance as at the beginning of the year	3,238.12	3,238.12
Add : Additions during the year	-	-
Balance as at the end of the year	3,238.12	3,238.12
General Reserve		
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
Retained earnings		
Balance as at the beginning of the year	17,983.99	17,371.90
Add : Profit for the year	4,748.92	1,417.65
	22,732.91	**18,789.55**

Notes
To The Financial Statements For The Year Ended March 31, 2020

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Less: Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(5.66)	18.22
Dividends		
Interim dividend on Equity Shares for the year	1,004.73	-
Dividend distribution tax on Interim dividend on Equity Shares	206.56	-
Final dividend on Equity Shares	301.42	653.07
Dividend distribution tax on Final dividend on Equity Shares	61.97	134.27
Balance as at the end of the year	21,163.89	17,983.99
Total	**27,066.55**	**23,886.60**

Note 10 (c) : Other Reserve

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
FVOCI - Equity investments		
Balance as at the beginning of the year	4.57	11.45
Add : Change in fair value of FVOCI equity instrument (Refer Note (e) below)	(5.57)	(6.88)
Balance as at the end of the year	**(1.00)**	**4.57**

Note: 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 Rs. 1,426.59 million related to Gujarat high court approved composite scheme of arrangement between group companies. Balance Rs. 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide it's order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL") with Welspun India Limited ("WIL"). The amalgamation of PMPL with WIL is accounted as combination of entities, and not a "business combination", with effective date of May 21, 2019 (date on which the order was filed with the Ministry of Corporate Affairs). The said accounting has no significant impact on these financial results.

(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) 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, 2020

Note 11 : Financial liabilities
11 (a) : Non-current borrowings

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2020		As at March 31, 2019	
				Coupon/ Interest Rate* (%)	Amount (Rs. million)	Coupon/ Interest Rate* (%)	Amount (Rs. million)
1	**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 April 2019.	Repayable in 30 quarterly instalments commencing from January 2012.	-	-	11.15	35.84
(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 September 2021.	Repayable in 28 quarterly instalments commencing from December 2014	-	-	10.30	1,792.24
(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 October 2021.	Repayable in 28 quarterly instalments commencing from January 2015	-	-	9.92	589.05
(d)	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. FCNR (B) Dollar loan amounting to Rs. 239.77 million as on March 31, 2015 has been converted into Rupee loan during the previous year.	Last instalment due in March 2021.	Rupee term loan repayable in 28 quarterly instalments commencing from June 2014. FCNR Dollar loan was repayable in 28 quarterly instalments commencing from March 2015	-	-	9.63	100.93
(e)	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 March 2023.	Repayable in 30 quarterly instalments commencing from January 2016.	9.31	5,370.55	9.68	6,263.64
(f)	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	8.82	2,668.06	10.39	3,010.82
(g)	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 30 quarterly instalments commencing from February 2018	9.20	679.63	9.88	805.85

Notes
To The Financial Statements For The Year Ended March 31, 2020

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2020		As at March 31, 2019	
				Coupon/ Interest Rate* (%)	Amount (Rs. million)	Coupon/ Interest Rate* (%)	Amount (Rs. million)
(h)	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 26 quarterly instalments commencing from March 2018	9.07	1,553.82	9.86	2,428.52
(i)	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 2022.	Repayable in 16 quarterly instalments commencing from September 2018	9.35	57.00	9.32	139.55
	Total Non-current borrowings				**10,329.06**		**15,166.44**
	Less : Current maturities of long-term debt [included in Note 11 (b)]				2,568.94		2,607.56
	Less : Interest accrued but not due [included in Note 11 (b)]				93.35		58.38
	Non-current borrowings (as per balance sheet)				**7,666.77**		**12,500.50**

* The rate of interest on the Non-current borrowings in the table above are in the range of 8.75% to 9.70% (March 31, 2019 : 9.32% to 11.15%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 11 (a) : Current borrowings

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Secured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	10,297.03	7,884.32
Unsecured :		
Measured at amortised cost		
- Supplier financing [Refer Note (ii) below]	2,065.69	2,127.16
Total current borrowings	**12,362.72**	**10,011.48**
Less : Interest accrued but not due [included in Note 11 (b)]	-	16.59
Total	**12,362.72**	**9,994.89**

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 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.

Note 11 (b) : Other non-current financial liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security deposits	0.04	0.52
Financial guarantee obligation	33.71	33.71
Total	**33.75**	**34.23**

Note 11 (b) : Other current financial liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note below and Note 11(a)]	2,568.94	2,607.56
Interest Accrued but not due on Borrowings	93.35	74.97
Security Deposits	170.45	138.87
Creditors for Capital Purchases	144.67	289.70
Derivatives not designated as hedges		
- Foreign exchange forward cover	-	0.80
Book Overdraft	-	7.36
Unpaid dividends	27.08	21.01
Other Payables	15.02	31.29
Total	**3,019.51**	**3,171.56**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 11 (c) : Trade payables

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 39]	84.43	34.67
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Others	5,740.97	5,586.40
Total	**5,825.40**	**5,621.07**

Note 12 : Non-current tax liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Taxation	1,517.35	1,323.85
Total	**1,517.35**	**1,323.85**

Note 13 : Current provisions

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Provision for exceptional items (Refer Note below)	-	1,555.99
Total	**-**	**1,555.99**

Particulars	**Provision for exceptional items**
As at April 1, 2018	233.55
Charged/ (credited) to profit or loss	2,080.24
Provisions utilised/adjusted during the year	757.80
As at March 31, 2019	**1,555.99**
Charged/ (credited) to profit or loss	(431.60)
Provisions utilised/adjusted during the year	1,124.39
As at March 31, 2020	**-**

Note : The opening provision which was fully utilised during the year was towards return of goods by the customers, refund to the customers, cost of rework, inventory write-down, legal fees and other related expenses relating to the traceability issue. Refer Note 25 “Exceptional Items-(Income)/ Expense”.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 14 : Current employee benefit obligations

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Provision for Compensated Absences (Refer Note 21)	203.06	174.43
Provision for Gratuity (Refer Note 21)	96.57	22.84
Employee Benefits Payable**	402.95	422.66
Total	**702.58**	**619.93**

** Includes salary, wages, bonus, leave travel allowance and director commission

Note 15 : Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to:

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Deferred Tax Liabilities arising on account :		
- Property, plant, equipment and Intangible Assets	2,481.34	3,215.23
- Government Grants	100.84	114.54
Deferred Tax Asset arising on account of :		
- Minimum Alternate Tax Credit Entitlement	455.05	973.14
- Provision for Doubtful Debts/ Advances	19.21	29.77
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	81.37	91.61
- Provision for Employee Benefits	72.37	72.13
- Expenses inadmissible under Section 40(a) of the Income Tax Act, 1961	7.03	18.41
- Expenses allowed on payment basis (including provision for exceptional items)	-	326.23
- Others	-	6.87
Total	**1,947.15**	**1,811.61**

The Company has tax loss (Long Term Capital Loss) of Rs. 411.62 million (March 31, 2019 : Rs. 431.85 million) which are available for offsetting up to next year 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 gains.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Movement in deferred tax liabilities/(assets)

Particulars	Property, plant and equipment	Defined Benefit Obligation	Government grants	MAT Credit entitlement	Provisions*	Expenses allowed on payment basis	Other items	Total
April 1, 2018	**3,137.57**	**(9.71)**	**(62.10)**	**(1,087.36)**	**(106.42)**	**-**	**(33.17)**	**1,838.81**
(Charged) / Credited :								
Statement of Profit and Loss	(77.66)	52.64	(176.64)	(114.22)	14.96	326.23	(7.89)	17.42
Other Comprehensive Income	-	9.78	-	-	-		-	9.78
March 31, 2019	**3,215.23**	**(72.13)**	**114.54**	**(973.14)**	**(121.38)**	**(326.23)**	**(25.28)**	**1,811.61**
(Charged) / Credited :								
Statement of Profit and Loss	733.89	3.28	13.70	(518.09)	(20.80)	(326.23)	(18.25)	(132.50)
Other Comprehensive Income	-	(3.04)	-	-	-	-	-	(3.04)
March 31, 2020	**2,481.34**	**(72.37)**	**100.84**	**(455.05)**	**(100.58)**	**-**	**(7.03)**	**1,947.15**

* Provisions includes provision for doubtful debts/advances and provision for unpaid statutory dues under section 43B of the Income Tax Act, 1961

Note 16 : Other non-current liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Deferred Income (Refer Note below)	676.16	830.37
Total	**676.16**	**830.37**

Note 16 : Other current liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Advances from Customers	19.85	36.62
Statutory dues	88.18	86.97
Deferred Income (Refer Note below)	133.56	155.34
Total	**241.59**	**278.93**

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.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 17 : Revenue from operations

	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
(a) Sale of Products		
Finished Goods	49,936.50	50,378.69
Traded Goods	777.39	702.86
Sub Total	**50,713.89**	**51,081.55**
(b) Other operating income		
Sale of Scrap	499.53	620.09
Job Work and Processing Charges	0.58	0.39
Government Grant :		
VAT/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	1,796.05	1,732.45
Export Benefits [Refer Note (ii) below]	225.64	518.16
Sub Total	**2,521.80**	**2,871.09**
Total	**53,235.69**	**53,952.64**

(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, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
India	51,214.00	51,436.05
Outside India	-	265.98
Total revenue from contracts with customers	**51,214.00**	**51,702.03**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Trade receivables*	7,542.50	8,459.22
Contract liabilities (advances from customers)	19.85	36.62

* Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Notes
To The Financial Statements For The Year Ended March 31, 2020

3) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Revenue as per contracted price	51,217.28	51,724.39
Less: Rebates, discounts, chargebacks, markdowns, etc.	3.28	22.36
Revenue from contracts with customers	**51,214.00**	**51,702.03**

4) Reconciliation of revenue from operations with revenue from contracts with customers

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Revenue from operations	53,235.69	53,952.64
Less: VAT/State Goods and Service Tax Incentive	1,796.05	1,732.45
Export Benefits	225.64	518.16
Revenue from contracts with customers	**51,214.00**	**51,702.03**

Note 18 : Other income

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	13.15	16.93
On Loans given to related parties and others	0.42	4.09
On Preference shares	79.19	72.87
Interest income from financial assets measured at fair value through profit or loss		
On Bonds	3.22	101.39
Interest income on Others	26.40	94.06
Unwinding of discount on security deposits	5.14	3.00
Rent	20.79	22.28
Insurance Claim	-	0.35
Liabilities Written Back as no Longer Required	0.61	15.89
Profit on Redemption/ Sale of Units in Mutual Funds	-	18.77
Profit on Sale of Shares	-	253.62
Profit on Sale of Fixed Assets	32.27	11.57
Profit on Cancellation of Forward/ Swap Contracts	2.72	-
Exchange Gain (Net)	16.28	12.85
Service Charges	22.09	8.30
Commission on Corporate Guarantees Issued	34.39	24.92
Miscellaneous	174.73	169.51
Total	**431.40**	**830.40**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 19 : Cost of materials consumed

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Raw material consumed		
Opening inventory	4,635.93	4,092.37
Add: Purchases (net)	24,723.35	25,576.35
Less : Inventory at the end of the year	4,735.04	4,635.93
	24,624.24	**25,032.79**
Packing material consumed		
Opening inventory	175.60	218.99
Add : Purchases (net)	2,620.34	2,545.64
Less : Inventory at the end of the year	180.83	175.60
	2,615.11	**2,589.03**
Total	**27,239.35**	**27,621.82**

Note 20 : Changes in inventory of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods	2,033.91	919.45
Work-in-Progress	3,150.07	2,768.33
Total A	**5,183.98**	**3,687.78**
Less : Stock at the beginning of the year :		
Finished Goods	919.45	804.78
Work-in-Progress	2,768.33	3,567.96
Total B	**3,687.78**	**4,372.74**
(Increase) / decrease in Stocks (A-B)	**(1,496.20)**	**684.96**

Note 21 : Employee benefits expense

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Salaries, Wages, Allowances and Other Benefits	4,419.34	4,161.76
Gratuity and ex-gratia	188.11	152.70
Contribution to Provident and Other Funds	381.63	314.78
Managerial Remuneration	227.89	82.26
Staff and Labour Welfare	163.76	158.76
Total	**5,380.73**	**4,870.26**

Notes
To The Financial Statements For The Year Ended March 31, 2020

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:	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
- Employers' Contribution to Provident Fund*	185.15	122.92
- Employers' Contribution to Employees' State Insurance *	37.13	44.59
Employers' Contribution to Employees' Pension Scheme*	157.00	145.20
- Employers' Contribution to Superannuation Scheme*	2.35	2.07
	381.63	**314.78**

* Included in Contribution to Provident and Other Funds

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

	As At March 31, 2020	As At March 31, 2019
	% p.a.	% p.a.
Discount Rate	6.86	7.77
Salary Escalation Rate @	6.50% p.a. for the next 5 years,5.00% p.a. thereafter, starting from the 6th year	7.00% p.a. for the next 2 years, 6.00% for the next 3 years & 5.00% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	For service 0 years and below 32.00% p.a. For service 1 years to 2 years 9.00% p.a. For service 3 years to 4 years 5.00% p.a. For service 5 years and above 3.00% p.a.	For service 0 years and below 35%, for service 1-2 years 10%, for service 3-4 years 6% and 4% thereafter
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

Notes
To The Financial Statements For The Year Ended March 31, 2020

b. Change in the Present Value of Obligation

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Present Value of Obligation	426.78	340.38
Current Service Cost	80.65	76.88
Interest Cost	33.16	26.82
Total amount recognised in profit or loss	**113.81**	**103.70**
Remeasurements		
(Gain)/Loss from change in demographic assumptions	(13.84)	(11.30)
(Gain)/Loss from change in financial assumptions	46.40	4.33
Experience (Gains)/Losses	(39.83)	29.72
Total amount recognised in other comprehensive income	**(7.27)**	**22.75**
Benefit/ Exgratia paid	(29.18)	(40.05)
Closing Present Value of Obligation	**504.14**	**426.78**

c. Change in Fair Value of Plan Assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Fair Value of Plan Assets	403.94	347.83
Interest Income	31.39	27.41
Total amount recognised in profit or loss	**31.39**	**27.41**
Remeasurements		
Return on Plan Assets, Excluding Interest Income	1.43	(5.25)
Total amount recognised in other comprehensive income	**1.43**	**(5.25)**
Contributions	-	74.00
Benefits paid	(29.18)	(40.05)
Closing Fair Value of Plan Assets	**407.58**	**403.94**

d. Balance Sheet Reconciliation

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Net (Liability)/ Asset	(22.84)	7.45
Expenses Recognized in Statement of Profit or Loss	(82.43)	(76.29)
Expenses Recognized in OCI	8.70	(28.00)
Employer's Contribution	-	74.00
Net (Liability)/ Asset Recognised in the Balance Sheet	(96.57)	(22.84)

e. Amount recognised in the Balance sheet

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Present value of Obligation	(504.14)	(426.78)
Fair Value of Plan Assets	407.58	403.94
Funded Status ((Surplus/ (Deficit))	(96.57)	(22.84)
Net (Liability)/ Asset Recognised in the Balance Sheet	(96.57)	(22.84)

Notes
To The Financial Statements For The Year Ended March 31, 2020

f. Expenses Recognised in the Statement of Profit and Loss

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Current Service Cost	80.65	76.88
Interest Cost	33.16	26.82
Interest Income	(31.39)	(27.41)
Total Expenses recognized in the statement of profit and loss*	**82.42**	**76.29**

* Included in Employee Benefits Expense

g. Expenses recognized in the Other Comprehensive Income

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	(7.27)	22.75
Return on Plan Assets, Excluding amounts included in Interest Income	(1.43)	5.25
Net (Income)/Expenses for the Period Recognized in OCI	(8.70)	28.00

h. Sensitivity Analysis

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Projected Benefit Obligation on Current Assumptions	504.14	426.78
Delta Effect of +1% Change in Rate of Discounting	(49.71)	(36.60)
Delta Effect of -1% Change in Rate of Discounting	59.83	43.25
Delta Effect of +1% Change in Rate of Salary Increase	60.05	43.79
Delta Effect of -1% Change in Rate of Salary Increase	(50.72)	(37.61)
Delta Effect of +1% Change in Rate of Employee Turnover	10.16	11.20
Delta Effect of -1% Change in Rate of Employee Turnover	(11.88)	(12.93)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability/asset 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:

	As at March 31, 2020		As at March 31, 2019	
	Amount (Rs. million)	%	Amount (Rs. million)	%
Insurer Managed funds	407.58	100.00	403.94	100.00

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To The Financial Statements For The Year Ended March 31, 2020

j. Defined benefit liability and employer contributions

The Company monitors funding levels on an annual basis and the current agreed contribution rate is 12% of the basic salaries. 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, 2021 are Rs. 187.29 million.

The weighted average duration of the defined benefit obligation is 13 years (March 31, 2019 -11 years). The expected maturity analysis of undiscounted gratuity is as follows:

(Rs. 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, 2020						
Defined benefit obligation (gratuity)	31.75	27.51	112.17	152.64	1,004.18	1,328.25
Total	**31.75**	**27.51**	**112.17**	**152.64**	**1,004.18**	**1,328.25**
March 31, 2019						
Defined benefit obligation (gratuity)	30.06	29.90	93.88	178.06	805.91	1,137.81
Total	**30.06**	**29.90**	**93.88**	**178.06**	**805.91**	**1,137.81**

III Other Employee Benefit

The liability for compensated absences as at year end is Rs. 203.06 million (March 31, 2019 : Rs. 174.43 million).

Note 22 : Depreciation and amortization expense

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Depreciation of property, plant and equipment	3,684.92	3,919.87
Amortisation of intangible assets	134.08	95.57
Depreciation of Right-of-use assets	62.40	-
Total depreciation and amortization expense	**3,881.40**	**4,015.44**

Notes

To The Financial Statements For The Year Ended March 31, 2020

Note 23 : Other Expenses

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Stores and Spares Consumed	851.01	1,009.45
Dyes and Chemicals Consumed	2,342.22	2,422.81
Contract Labour Charges	556.87	534.33
Job Work Expenses	603.61	1,282.87
Power, Fuel and Water Charges	4,740.02	4,947.63
Repairs and Maintenance:		
Plant and Machinery	174.70	148.69
Factory Building	46.28	43.55
Others	264.94	211.23
Brokerage and Commission	0.26	1.22
Freight, Forwarding and Coolie Charges	154.38	135.57
Directors' Sitting Fees	4.99	3.42
Rent (Refer Note 37)	13.96	84.97
Rates and Taxes	15.23	20.28
Printing and Stationery	15.16	13.83
Travelling and Conveyance	192.58	186.80
Legal and Professional Charges	327.53	395.85
Security Expenses	43.13	38.79
Insurance	285.04	93.89
Communication	14.45	23.73
Postage and Courier	9.22	8.28
Provision for Doubtful Debts	3.64	-
Provision for Doubtful Advances	-	18.71
Provision for impairment	269.30	-
Advances written off	61.51	-
Net loss on financial assets measured at fair value through profit or loss	39.27	171.31
Loss on Cancellation of Forward/ Swap Contracts	-	19.86
Design and Development Expenses	29.43	29.22
Advertising and Sales Promotion	35.34	86.26
Donations	1.62	2.07
Corporate Social Responsibility Expenses [Refer Note 23 (b) below]	68.43	113.71
Payments to auditors [Refer Note 23 (a) below]	8.16	9.14
Miscellaneous	92.08	90.59
Total Other Expenses	**11,264.36**	**12,148.06**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 23 (a) : Details of Payments to auditors

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Payments to auditors		
As auditor:		
Audit fee	6.60	6.83
Tax audit fee	0.60	0.43
Certification fees	0.65	1.20
Re-imbursement of expenses	0.31	0.68
Total payments to auditors	**8.16**	**9.14**

Note 23 (b) : Details of CSR expenditure

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
(i) Gross amount required to be spent by the Company during the year	67.12	110.87
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	68.43	113.71

Note 24 : Finance costs

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Interest and finance charges on financial liabilities not at fair value through profit or loss	246.25	190.55
(net of interest subsidy of Rs. 985.20 million, Previous Year : Rs. 1,550.26 million)		
- Short term borrowings	490.74	526.30
- Interest to Others	15.66	10.34
- Interest on lease liabilities	19.11	-
Discounting and Bank Charges	176.42	197.80
	948.18	**924.99**

Note 25 : Exceptional Items-(Income)/ Expense

The Company received final approval from trial court dated October 28, 2019 for its settlement agreement which was intended to resolve all pending legal claims in the United States concerning past marketing and labeling of the Company's premium cotton home textile products. Accordingly, the management based on expert advice has reversed the unutilized provision aggregating Rs. 431.60 million during the year.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 26 : 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.

a) Statement of Profit and Loss

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Income tax expense		
Current Tax		
Current Tax on profits for the year.	1,244.29	358.04
Total current tax expense	**1,244.29**	**358.04**
Deferred Tax		
Relating to originating and reversal of temporary differences	132.50	(17.42)
Total deferred tax expense/(credit)	**132.50**	**(17.42)**
Income tax expense	**1,376.79**	**340.62**

b) Other Comprehensive Income (OCI)

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Net loss/(gain) on remeasurement of defined benefit plans	(3.04)	9.78

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Profit for the year before income tax expense	6,125.71	1,758.27
Tax at the Indian tax rate @ 34.94%	2,140.32	614.34
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Impact on account of change in tax rate	(984.37)	-
Corporate social responsibility expenditure	11.96	19.87
Deduction under section 80 IA and 80 JJAA	(89.36)	(182.12)
Provision pertaining to earlier years relating to uncertain tax positions	193.50	-
Research and Development Expenditure	(22.93)	(46.31)
Impairment of investments	80.15	-
Other Items	47.52	(65.16)
Income tax expense	**1,376.79**	**340.62**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note 27 : Fair value measurements

Financial instruments by category

(Rs. million)

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	4.59	-	-	10.16	-
- Preference shares	1,241.32	-	992.19	1,278.82	-	913.00
- Bonds and debentures	36.20	-	-	90.58	-	-
- Mutual funds	2,182.06	-	-	55.48	-	-
- Others	0.32	-	-	0.60	-	-
Trade receivables	-	-	7,542.50	-	-	8,459.22
Loans	-	-	98.50	-	-	1.52
Cash and cash equivalents	-	-	612.40	-	-	725.19
Bank balance other than Cash and cash equivalents	-	-	184.31	-	-	99.53
Mark-to-Market gain (Net) on Forward/ Swap Contracts	150.52	-	-	-	-	-
Security deposits	-	-	184.33	-	-	196.45
Fixed deposit with bank	-	-	47.41	-	-	90.71
Interest accrued on fixed deposit, bonds and certificates	-	-	35.00	-	-	30.50
Government Grant & TUF	-	-	3,041.49	-	-	3,784.08
Interest Receivable under Subvention Scheme	-	-	5.32			11.24
Others financial assets	-	-	118.90	-	-	470.57
Total financial assets	**3,610.42**	**4.59**	**12,862.35**	**1,425.48**	**10.16**	**14,782.01**
Financial liabilities						
Borrowings and interest accrued thereon	-	-	22,691.78	-	-	25,177.92
Trade payables	-	-	5,825.40	-	-	5,621.07
Security Deposits	-	-	170.49	-	-	139.39
Creditors for Capital Purchases	-	-	144.67	-	-	289.70
Other financial liabilities	-	-	224.79	0.80	-	93.36
Total financial liabilities	**-**	**-**	**29,057.13**	**0.80**	**-**	**31,321.44**

Notes
To The Financial Statements For The Year Ended March 31, 2020

(i) Fair value of Financial assets and liabilities measured at amortised cost

(Rs. million)

	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
- Preference Shares	992.19	952.26	913.00	857.45
Loans	98.50	98.50	1.52	1.52
Security deposits	184.33	184.33	196.45	196.45
Fixed deposits with Banks with maturity period more than twelve months	47.41	47.41	90.71	90.71
Interest Accrued on Deposits	35.00	35.00	30.50	30.50
Government Grant ,TUF & Incentive	3,046.81	3,046.81	3,795.32	3,795.32
Others	8,458.11	8,458.11	9,754.51	9,754.51
Total	**12,862.35**	**12,822.42**	**14,782.01**	**14,726.46**
Financial liabilities				
Borrowings	22,691.78	22,691.78	25,177.92	25,177.92
Security deposits more than 12 months	0.04	0.04	0.52	0.52
Others	6,365.31	6,365.31	6,143.00	6,143.00
Total	**29,057.13**	**29,057.13**	**31,321.44**	**31,321.44**

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

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To The Financial Statements For The Year Ended March 31, 2020

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.

(Rs. million)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets :					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	1,241.32	1,241.32
Investment-Others	6 (a)	-	0.32	-	0.32
Bonds and Government Securities	6 (a)	-	-	36.20	36.20
Mutual funds	6 (a)	-	2,182.06	-	2,182.06
Mark-to-Market gain (Net) on Forward/ Swap Contracts		-	150.52	-	150.52
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	4.59	-	-	4.59
Total financial assets		**4.59**	**2,332.90**	**1,277.52**	**3,615.01**

(Rs. million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	6 (a)	-	-	952.26	952.26
Loans	6 (b)	-	-	98.50	98.50
Security deposits for more than 12 months	6 (c)	-	-	184.33	184.33
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	47.41	47.41
Interest Accrued on Deposits	6 (c)	-	-	35.00	35.00
Government Grant ,TUF & Incentive	6 (c)	-	-	3,046.81	3,046.81
Others		-	-	8,458.11	8,458.11
Total financial assets		**-**	**-**	**12,822.42**	**12,822.42**
Financial Liabilities					
Borrowings	11 (a)	-	-	22,691.78	22,691.78
Security deposits for more than 12 months	11 (b)	-	-	0.04	0.04
Others		-	-	6,365.31	6,365.31
Total financial liabilities		**-**	**-**	**29,057.13**	**29,057.13**

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To The Financial Statements For The Year Ended March 31, 2020

(Rs. million)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	1,278.82	1,278.82
Investment-Others	6 (a)	-	0.60	-	0.60
Bonds and Government Securities	6 (a)	-	-	90.58	90.58
Mutual funds	6 (a)	-	55.48	-	55.48
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	10.16	-	-	10.16
Total financial assets		**10.16**	**56.08**	**1,369.40**	**1,435.64**
Financial liabilities					
Foreign exchange forward cover at FVPL		-	0.80	-	0.80
Total financial liabilities		**-**	**0.80**	**-**	**0.80**

(Rs. million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Preference shares	6 (a)	-	-	857.45	857.45
Loans	6 (b)	-	-	1.52	1.52
Security deposits for more than 12 months	6 (c)	-	-	196.45	196.45
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	90.71	90.71
Interest Accrued on Deposits	6 (c)	-	-	30.50	30.50
Government Grant ,TUF & Incentive		-	-	3,795.32	3,795.32
Others		-	-	9,754.51	9,754.51
Total financial assets		**-**	**-**	**14,726.46**	**14,726.46**
Financial Liabilities					
Borrowings	11 (a)	-	-	25,177.92	25,177.92
Security deposits for more than 12 months	11 (b)	-	-	0.52	0.52
Others				6,143.00	6,143.00
Total financial liabilities		**-**	**-**	**31,321.44**	**31,321.44**

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.

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, 2020 and March 31, 2019:

(Rs. million)

Particulars	Preference shares
As at April 1, 2018	**1,255.70**
Acquisitions	61.41
Gains/losses recognised in profit or loss	(38.29)
As at March 31, 2019	**1,278.82**
Acquisitions	-
Gains/losses recognised in profit or loss	(37.50)
As at March 31, 2020	**1,241.32**

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To The Financial Statements For The Year Ended March 31, 2020

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 (Rs. million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	
Preference Shares	1,241.32	1,278.82	Discount Rate	9% to 10%	9% to 10%	**March 31, 2020** : Increase in discount factor by 50 basis points (bps) would decrease fair value by Rs. 46.42 million and decrease in discount rate by 50 bps would increase fair value by Rs. 48.76 million. **March 31, 2019 :** Increase in discount factor by 50 basis points (bps) would decrease fair value by Rs. 45.96 million and decrease in discount rate by 50 bps would increase fair value by Rs. 48.38 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 at least once every three months, in line with the Company's quarterly reporting periods.

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.

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Note 28 : 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 forwarding-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.

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To The Financial Statements For The Year Ended March 31, 2020

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.

Concentrations 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 from the top ten customers.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from top 10 Customers	97.88%	97.81%

Expected credit loss for trade receivables as at March 31, 2020 is Rs. 9.56 million (March 31, 2019: Rs.5.92 million)

During the year and previous years, the Company made no write-offs of trade receivables.

As at March 31, 2020 (Rs. million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	7,444.08	48.12	59.86	7,552.06
Expected loss rate	-	-	15.97%	0.13%
Allowance for doubtful debts	-	-	9.56	9.56
Carrying amount of trade receivables (net of impairment)	7,444.08	48.12	50.31	7,542.50

As at March 31, 2019 (Rs. million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	7,701.56	384.66	378.92	8,465.14
Expected loss rate	-	-	1.56%	0.07%
Allowance for doubtful debts	-	-	5.92	5.92
Carrying amount of trade receivables (net of impairment)	7,701.56	384.66	373.00	8,459.21

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

Notes
To The Financial Statements For The Year Ended March 31, 2020

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:

(Rs. million)

As at	March 31, 2020	March 31, 2019
Floating rate		
Expiring within one year (packing credit, bank overdraft and other facilities)	4,537.28	2,055.11
	4,537.28	**2,055.11**

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, 2020

(Rs. 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	7,858.29	6,126.54	1,040.17	2,732.73	4,934.02	-	22,691.75
Trade payables	5,825.41	-	-	-	-	-	5,825.41
Other financial liabilities	80.91	101.37	59.67	88.22	27.08	-	357.25
Financial Guarantee Obligation	9,219.91	-	-	-	-	-	9,219.91
Lease Liabilities	17.00	15.00	29.00	51.00	54.00	41.00	207.00
Total non-derivative liabilities	**23,001.52**	**6,242.91**	**1,128.84**	**2,871.95**	**5,015.10**	**41.00**	**38,301.32**

Notes
To The Financial Statements For The Year Ended March 31, 2020

As at March 31, 2019

(Rs. 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	10,378.20	697.20	1,527.05	3,309.60	8,595.68	595.22	25,102.95
Trade payables	3,357.66	727.02	1,536.39	-	-	-	5,621.07
Other financial liabilities	429.19	4.87	148.60	14.76	-	-	597.42
Financial Guarantee Obligation	5,271.29	-	-	-	-	-	5,271.29
Total non-derivative liabilities	**19,436.34**	**1,429.09**	**3,212.04**	**3,324.36**	**8,595.68**	**595.22**	**36,592.73**
Derivatives (net settled)							
Foreign exchange forward contracts	0.80	-	-	-	-	-	0.80
Total derivative liabilities	**0.80**	**-**	**-**	**-**	**-**	**-**	**0.80**

(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:

(Rs. million)

Foreign Currency	March 31, 2020			March 31, 2019		
	USD	EUR	Others*	USD	EUR	Others*
Financial Assets						
Trade Receivable	-	-				
Other Receivables	-	-	19.41	186.23	-	11.90
Net exposure to foreign currency risk (assets)	**-**	**-**	**19.41**	**186.23**	**-**	**11.90**
Financial liabilities						
Borrowing	2,042.96	-	-	150.96	-	-
Trade payables and provisions	820.40	68.46	14.75	2,227.28	62.48	11.13
Other financial liabilities	-	-		-	-	-
Foreign exchange forward contracts	(2,638.93)	(28.80)	-	(25.27)	-	-
Net exposure to foreign currency risk (liabilities)	**224.42**	**39.66**	**14.75**	**2,352.98**	**62.48**	**11.13**
Net open exposures (assets-liabilities) - assets /(liabilities)	**(224.42)**	**(39.66)**	**4.66**	**(2,166.74)**	**(62.48)**	**0.77**

* Others consists of JPY, CHF,HKD,AED & GBP

Amount of financial hedge, as mentioned above do not include outstanding forward contracts of Rs 1,846.97 Million (March 31, 2019: Nil) that are towards firm commitment / highly probable forecast transactions to purchase where corresponding exposure is yet to be recorded in the books.

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To The Financial Statements For The Year Ended March 31, 2020

(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.

(Rs. million)

	Impact on profit before tax	
	March 31, 2020	**March 31, 2019**
USD sensitivity		
USD - INR - Increase by 5 % (March 31, 2019 - 5%)*	(11.22)	(108.34)
USD - INR - Decrease by 5 % (March 31, 2019 - 5%)*	11.22	108.34
EURO sensitivity		
EURO - INR - Increase by 4 % (March 31, 2019 - 4%)*	(1.59)	(2.50)
EURO - INR - Decrease by 4 % (March 31, 2019 - 4%)*	1.59	2.50
(EURO sensitivity also calculated for EURO/USD forward contracts outstanding as on March 31, 2020)		

* 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:

(Rs. million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	12,362.72	9,994.89
Floating rate borrowings	10,235.70	15,108.06
Total borrowings	**22,598.42**	**25,102.95**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	March 31, 2020			March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	9.16%	10,235.70	45%	9.94%	15,108.06	60%

Notes
To The Financial Statements For The Year Ended March 31, 2020

(b) Sensitivity

Profit or (loss) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase by 25 basis points (March 31, 2019 - 25 basis points)*	(25.59)	(37.77)
Decrease by 25 basis points (March 31, 2019 - 25 basis points)*	25.59	37.77

(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.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase in price 0.75% (March 31, 2019- 0.75%)	16.64	1.10
Decrease in price 0.75% (March 31, 2019 - 0.75%)	(16.64)	(1.10)

* Holding all other variables constant

Note 29 - 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 30.

The Company'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 Company:

	March 31, 2020	March 31, 2019
Non-current borrowings	7,666.77	12,500.50
Current maturities of long term debt	2,568.94	2,607.56
Current borrowings	12,362.72	9,994.89
Less: cash and cash equivalent	612.40	725.19
Net debt	**21,986.03**	**24,377.76**
Total equity	**28,070.28**	**24,895.90**
Gearing ratio	0.78	0.98

(i) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the approved range for gearing ratio is 2 times to 2.57 times, and
- the Debt Service Coverge Ratio (DSCR) must be atleast 1.25 times.

The Company has complied with these covenants throughout the reporting period. As at March 31, 2020, the DSCR ratio was 3.11 times (March 31, 2019 : 1.90 times) (For the purpose of calculating DSCR, finance cost is considered net of government grant and it is assumed that short term debt will be rolled over and hence not considered)

(b) Dividend

	March 31, 2020	March 31, 2019
Equity Share		
Final dividend for the year ended March 31, 2019 of Rs. 0.30 (March 31, 2018 of Rs. 0.65) per fully paid share (Dividend distribution tax for the year ended March 31, 2019 : Rs. 61.97 million, March 31, 2018 : Rs. 134.27 million)	301.42	653.07
Interim dividend for the year ended March 31, 2020 of Rs. 1 (March 31, 2019 of Nil) per fully paid share. (Dividend distribution tax for the year ended March 31, 2020 : Rs. 206.56 million, March 31, 2019 : Nil)	1,004.73	-
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 Rs. Nil per fully paid equity share (March 31, 2019 of Rs. 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	301.42

Note 30 : Estimation uncertainty relating to the global health pandemic on COVID-19

On 11 March 2020, the World Health Organization characterized the outbreak of the new coronavirus ("COVID-19") as a pandemic. This outbreak of COVID-19 is causing significant disturbance and slowdown of economic activities globally and in India. The operations of the Company were impacted, due to shutdown of plants and offices following lockdown as per directives from the respective Governments. The Company has resumed operations in a phased manner as per directives from the Government. 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.

Notes
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The Management has prepared future cash flow projections, assessed the recoverability of the Company's assets including annual impairment assessment of its cash generating units, using various internal and external information available as on the date of approval of these financial statements, and the Company expects to recover the carrying amount of these assets. Further, the Company has made detailed assessment of its liquidity position for next one year and concluded that the Company has adequate liquidity to meet its obligations including financial support to its subsidiaries to the extent required. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

31. Related Party Disclosures

(i) Relationships

(a)	Enterprises where control exists	
	Holding company	Prasert Multiventure Private Limited (till May 20, 2019)
		Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)
	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) [Formerly known as Welspun Advanced Material Limited (WAML)]
		Tilt Innovation Inc., USA (TII) (Held through WUSA)
		Pure Sense Organics Myanmar Limited (PSOM) (with effect from July 22, 2019)
		Welspun Advanced Materials (India) Limited (WAMIL) (with effect from December 3, 2019)

Notes
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		Name	Nature of relationship
(b)	Key Management Personnel	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
		Padma Betai	Independent Director (till September 29, 2018)
		Ramgopal Sharma	Independent Director (till October 22, 2018)
		Shalil Awale	Independent Director
		Altaf Jiwani	Chief Financial Officer
		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 31(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, 2020

31 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Holding company		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						Rs Million
	PMPL	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL (foremerly WAML)	PSOML	WAMIL	WZTL	Welspun Corp Limited	Welspun Steel Limited	Technopak Advisors Private 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	-	-	-	-	-	-	-	-	-	-	-	120.80	-	-	-	-	-	-	-	-	-	31.50	-	152.30
	-	-	-	-	-	-	-	-	-	-	-	(312.00)	-	-	-	-	-	(0.02)	-	-	-	-	-	(312.02)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	25.80	-	-	-	-	-	-	-	-	-	10.18	-	35.98
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.80)	-	(7.80)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	310.00	-	505.00	-	-	-	-	-	-	-	-	-	-	-	-	815.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	310.00	-	505.00	-	-	-	-	-	-	-	-	-	-	-	-	815.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.00	56.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ MEIS Licenses *	-	-	-	111.32	-	-	-	-	2,774.79	-	-	-	-	-	-	-	-	10.79	481.63	-	1.12	-	-	3,379.65
	-	-	-	(5.85)	-	-	-	-	(3,052.72)	-	-	-	-	-	-	-	-	(122.86)	(397.04)	-	(447.77)	-	-	(4,026.24)
Purchase of Services/ Expenses incurred	-	-	-	1,062.45	-	-	-	-	-	-	0.69	-	-	-	-	-	28.18	17.23	8.71	-	-	20.36	-	1,137.62
	-	-	-	(69.82)	-	-	-	-	-	-	(0.69)	-	-	-	-	-	(39.93)	(16.69)	(8.76)	(0.29)	-	(15.60)	-	(151.78)
Sale of Goods/ DEPB Licenses *	-	-	-	52,892.52	-	-	-	-	111.74	-	-	24.47	-	-	-	-	-	44.97	22.14	-	0.02	-	-	53,095.86
	-	-	-	(53,397.68)	-	-	(265.98)	-	(53.64)	-	-	(6.44)	-	-	-	-	-	(102.81)	(23.69)	-	(0.16)	-	-	(53,850.40)
Sale of Services/ Expenses incurred	-	0.94	-	45.68	-	-	-	-	0.36	-	-	23.01	-	-	-	-	-	7.87	0.36	-	14.67	-	-	92.89
	(1.04)	-	-	(8.43)	-	-	-	-	(0.03)	-	-	(10.33)	-	-	-	-	-	(10.10)	(0.41)	-	-	-	-	(30.34)
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-	-	43.40	-	-	-	-	-	43.44
		-	-	-	-	-	-	-	(35.39)	-	-	(11.20)	-	-	-	-	-	-	-	-	-	-	-	(46.59)
Purchase of Fixed Assets / Capital Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73	-	-	-	-	-	0.73
		-	-	(0.13)	-	-	-	-	(1.47)	-	-	-	-	-	-	-	-	(10.09)	-	-	-	-	-	(11.69)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	0.42	-	-	-	-	-	-	-	-	-	-	-	0.42
		-	-	-	-	-	-	-	-	-	-	(4.09)	-	-	-	-	-	-	-	-	-	-	-	(4.09)
Interest Expenses	-	-	-	-	-	-	-	-	0.06	-	11.48	-	-	-	-	-	-	-	-	-	-	-	-	11.54
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims, Discount and Rebate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(10.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.05)
Remuneration and Commission+++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	-	203.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203.75
	(441.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441.40)
Interim Equity Dividend Paid ++	-	679.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	679.17
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes
To The Financial Statements For The Year Ended March 31, 2020

31 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Holding company		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							Rs Million
	PMPL	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL (formerly WAML)	PSOML	WAMIL	WZTL	Welspun Corp Limited	Welspun Steel Limited	Technopak Advisors Private Limited	AYM Syntex Limited	Welspun Realty Private Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Investment Made during the year	-	-	-	-	-	-	-	-	-	-	-	862.20	-	2.50	7.23	0.10	-	-	-	-	-	-	-	872.03
	-	-	-	-	-	-	(35.63)	-	-	-	(77.70)	(1,576.78)	-	(0.10)	-	-	-	-	-	-	-	-	-	(1,690.21)
Purchase of shares of subsidiaries	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(383.77)	-	-	-	-	-	(383.77)
Sale of shares of subsidiaries	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(384.19)	-	-	-	-	-	(384.19)
Provision for impairment	-	-	-	-	-	-	-	-	-	-	-	-	269.30	-	-	-	-	-	-	-	-	-	-	269.30
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Given	-	-	-	1,265.00	-	-	-	-	-	-	-	500.00	-	-	-	-	-	-	-	-	-	-	-	1,765.00
	-	-	-	(530.00)	-	-	-	-	-	-	-	(5,100.00)	-	-	-	-	-	-	-	-	-	-	-	(5,630.00)
Commission on Corporate Guarantee Given @	-	-	-	-	-	8.97	-	-	1.14	-	-	24.28	-	-	-	-	-	-	-	-	-	-	-	34.39
	-	-	-	-	-	(9.87)	-	-	(7.04)	-	-	(8.01)	-	-	-	-	-	-	-	-	-	-	-	(24.92)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																								
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	0.07	-	-	-	-	-	-	-	10.00	2.40	-	-	-	-	-	12.47
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.00)	(2.40)	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	-	-	15.56	63.66	-	19.41	-	-	-	0.50	-	119.66	-	-	-	-	-	0.02	-	-	13.42	60.15	19.00	311.38
	(1.04)	-	(15.56)	(0.43)	-	(11.90)	-	-	-	(0.50)	-	(8.01)	-	-	-	-	-	(0.02)	-	-	-	(33.68)	(75.00)	(146.14)
Provision for diminution in value of Loans/ Advances	-	-	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	-	-	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	-	7,227.93	-	-	-	-	-	-	-	43.68	-	-	-	-	-	20.74	-	-	-	-	-	7,292.35
	-	-	-	(8,087.56)	-	-	(186.23)	-	-	-	-	(14.09)	-	-	-	-	-	(0.45)	(15.66)	-	-	-	-	(8,303.99)
Trade and other payables	-	-	-	-	10.57	-	13.40	-	310.17	-	1.18	-	-	-	-	-	14.46	1.71	42.00	-	1.26	-	-	394.75
	-	-	-	(54.41)	(10.03)	-	(12.24)	-	(613.30)	-	(0.55)	-	-	-	-	-	(14.46)	(3.99)	(73.73)	-	(0.15)	-	-	(782.86)
Investments	-	-	0.10	3,279.80	-	-	182.51	111.52	1,535.26	0.10	2,934.34	3,214.38	269.30	2.60	7.23	0.10	92.13	-	-	-	4.59	-	-	11,633.96
	-	-	(0.10)	(3,200.27)	-	-	(182.51)	(111.52)	(1,564.05)	(0.10)	(2,943.40)	(2,352.18)	(269.30)	(0.10)	-	-	(92.13)	-	-	-	(10.16)	-	-	(10,725.82)
Provision for impairment	-	-	-	-	-	-	-	81.79	-	-	-	-	269.30	-	-	-	-	-	-	-	-	-	-	351.09
	-	-	-	-	-	-	-	(81.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81.79)
Corporate Guarantee Given	-	-	-	5,615.00	-	1,197.65	-	-	-	-	-	8,650.00	-	-	-	-	-	-	-	-	-	-	-	15,462.65
	-	-	-	(5,400.00)	-	(1,150.31)	-	-	(2,200.00)	-	-	(11,150.00)	-	-	-	-	-	-	-	-	-	-	-	(19,900.31)
Other Commitments	-	-	-	-	-	-	-	-	8,516.15	-	-	965.00	-	-	32.28	2.50	-	-	-	-	-	-	-	9,515.93
	-	-	-	-	-	-	-	-	(8,541.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,541.23)

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.
*** Merged with Aryabhat Vyapar Private Limited
@ Amount is exclusive of taxes
+ Dividend paid of Financial Year 2018-19
++ Dividend paid of Financial Year 2019-20
+++ 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, 2020

31 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Rs 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	Rs Million
	Balance Brought Forward	Welspun Tradewel Limited***	Welspun Foundation for Health and Knowldege	Welspun Enterprises Limited	Welspun Speciality Solutions Limited (Formerly RMG Alloy Steel Ltd)	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Ramgopal Sharma	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Shashikant Thorat	Radhika Goenka	TOTAL
Transactions during the year																				
Loans, Advances and Deposits given	152.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	152.30
	(312.02)	-	-	-	-	-	(0.70)	-	-	-	-	-	-	-	-	-	-	-	-	(312.72)
Repayment of Loans, Advances and Deposits given	35.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35.98
	(7.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.80)
Loan Advance & Deposits Received	815.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	815.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Loans, Advances and Deposits received	815.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	815.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits Written off	56.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods/ FPS Licenses	3,379.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,379.65
	(4,026.24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,026.24)
Purchase of Services/ Expenses incurred	1,137.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,137.62
	(151.78)	-	-	(0.41)	-	-	(0.08)	-	-	-	-	-	-	-	-	-	-	-	-	(152.27)
Sale of Goods/ DEPB Licenses *	53,095.86	-	-	-	0.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,096.41
	(53,850.40)	-	-	-	(0.76)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(53,851.16)
Sale of Services/ Expenses incurred	92.89	-	-	-	0.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93.69
	(30.34)	-	-	(0.09)	(0.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30.46)
Sale of Fixed Assets	43.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43.44
	(46.59)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.59)
Purchase of Fixed Assets / Capital Goods	0.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73
	(11.69)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.69)
Interest Income	0.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.42
	(4.09)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.09)
Interest Expenses	11.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.54
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims, Discount and Rebate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(10.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.05)
Remuneration and Commission+++	-	-	-	-	-	-	-	-	61.29	78.43	88.17	-	-	-	-	-	32.75	4.98	-	265.62
	-	-	-	-	-	-	-	-	(15.23)	(32.29)	(34.73)	-	-	-	-	-	(28.50)	(4.39)	-	(115.14)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	2.20	0.45	-	1.64	0.50	-	-	-	4.79
	-	-	-	-	-	-	-	-	-	-	-	(1.20)	(0.29)	(0.40)	(1.11)	(0.14)	-	-	-	(3.14)
Equity Dividend Paid +	203.75	1.63		-	-	-	-	-	0.21	#	0.23	-	-	-	-	-	-	-	0.60	206.42
	(441.40)	(3.53)	-	-	-	-	-	-	(0.51)	(#)	(0.49)	-	-	-	-	-	-	-	(1.31)	(447.24)
Interim Equity Dividend Paid ++	679.17	-	-	-	-	5.42	-	-	0.68	#	0.75	-	-	-	-	-	-	-	2.01	688.03
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	67.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67.55
	-	-	(112.50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(112.50)
Investment Made during the year	872.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	872.03
	(1,690.21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,690.21)

Notes
To The Financial Statements For The Year Ended March 31, 2020

31 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Rs 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	Rs Million
	Balance Brought Forward	Welspun Tradewel Limited***	Welspun Foundation for Health and Knowledge	Welspun Enterprises Limited	Welspun Speciality Solutions Limited (Formerly RMG Alloy Steel Ltd)	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Ramgopal Sharma	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Shashikant Thorat	Radhika Goenka	TOTAL
Purchase of shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(383.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(383.77)
Sale of shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(384.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(384.19)
Provision for diminution in value in investment	269.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	269.30
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Given	1,765.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,765.00
	(5,630.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,630.00)
Commission on Corporate Guarantee Given @	34.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34.39
	(24.92)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24.92)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(74.00)	-	-	-	-	-	-	-	-	-	-	-	(74.00)
Closing Balance																				
Loans, Advances and Deposits received	12.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.47
	(12.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	311.38	-	-	-	0.80	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-	312.88
	(146.14)	-	-	(0.09)	-	-	(0.70)	-	-	-	-	-	-	-	-	-	-	-	-	(146.93)
Provision for diminution in value of Loans/ Advances	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	7,292.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,292.35
	(8,303.99)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,303.99)
Trade and other payables	394.75	-	-	-	0.02	-	-	-	61.29	61.29	61.29	-	-	-	-	-	-	-	-	578.64
	(782.86)	-	-	-	-	-	-	-	(15.23)	(15.23)	(15.23)	-	-	-	-	-	-	-	-	(828.55)
Investments	11,633.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,633.96
	(10,725.82)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,725.82)
Provision for impairment	351.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	351.09
	(81.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81.79)
Corporate Guarantee Given	15,462.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,462.65
	(19,900.31)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,900.31)
Other Commitments	9,515.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,515.93
	(8,541.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,541.23)

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.
*** Merged with Aryabhat Vyapar Private Limited
@ Amount is exclusive of taxes
+ Dividend paid of Financial Year 2018-19
++ Dividend paid of Financial Year 2019-20
+++ 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, 2020

32 Contingent Liabilities

(a) Description on matters considered as contingent liabilities:

Description	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Excise, Customs and Service Tax Matters	23.39	38.96
Income Tax Matters	74.06	46.04
Stamp Duty Matter	4.46	4.46
Sales Tax	16.95	15.67
Claims against Company not acknowledged as debts	2.74	2.74
Corporate Guarantees (Refer Note 33)	9,219.91	5,271.29

(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.

(b) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

33 Capital and Other Commitments

(a) Capital Commitments

Description	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	44.27	379.73

(b) Other Commitments

Description	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Commitment for purchase of power and steam from Welspun Captive Power Generation Limited over the next three years.	8,516.15	8,541.23
Commitment for loan to Welspun Flooring Limited for project expansion with interest @ 6% p. a. repayable on demand.	965.00	-
Commitment for loan to Welspun Advanced Materials (India) Limited for discharging debts and liabilities over the next one year with interest @ 6% p. a.	2.50	-
Commitment for loan to or investment in Pure Sense Organics Myanmar Limited.	32.28	-

34 The Company has issued corporate guarantees aggregating Rs. 15,462.65 million as at the year end March 31, 2020 (March 31, 2019: Rs. 19,900.31 million) on behalf of Welspun Global Brands Limited (WGBL), CHT Holdings Limited (CHTHL) and Welspun Flooring Limited (WEFL). Liability outstanding in the books of above-mentioned companies for which corporate guarantees have been issued aggregates Rs. 9,219.91 million as at March 31, 2020 (March 31, 2019: Rs. 5,271.29 million)

Notes
To The Financial Statements For The Year Ended March 31, 2020

35 Earnings per Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit after Tax (A) (Rs. million)	4,748.92	1,417.65
Weighted average number of equity shares outstanding during the year (B)	1,004,725,150	1,004,725,150
Number of Shares for Diluted Earnings Per Share (C)	1,004,725,150	1,004,725,150
Basic earnings per share (A)/(B)	4.73	1.41
Diluted earnings per share (A)/(C)	4.73	1.41
Nominal value of an equity share (Rs.)	1.00	1.00

36 Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2020 and March 31, 2019 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2020 and March 31, 2019.

37 Leases

Company as lessee

The Company has lease contracts for various items of property, plant and machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease term of 13 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 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.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Rs. million)

Particulars	Right to use assets			
	Commercial Property	Plant and Machinery	Other Equipments	Total
As at April 1, 2019	90.94	62.71	46.45	200.10
Additions	12.79	-	15.10	27.89
Lease modifications / adjustments	(1.11)	(20.26)	-	(21.37)
Depreciation expense	(43.00)	(3.40)	(16.00)	(62.40)
As at March 31, 2020	**59.62**	**39.05**	**45.55**	**144.22**

Notes
To The Financial Statements For The Year Ended March 31, 2020

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities (Rs. million)

Particulars	Total
As at April 1, 2019	**200.10**
Additions	27.89
Lease modifications/ adjustments	(21.37)
Accretion of interest	19.11
Payments	(76.75)
As at March 31, 2020	**148.98**
Current lease liabilities	44.72
Non-Current lease liabilities	104.26

The maturity analysis of lease liabilities are disclosed in Note 28.
The effective interest rate for lease liabilities is 10%
The following are the amounts recognised in statement of profit and loss:

(Rs. million)

Particulars	Total
Depreciation expense of right-of-use assets	62.40
Interest expense on lease liabilities	19.11
Expense relating to short-term leases and low value assets (included in other expenses)	21.46
Total amount recognised in profit or loss	**102.97**

The Company had total cash outflows for leases of Rs. 98.20 million in March 31, 2020. 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.

38 Disclosure pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI listing Regulations, 2015.

(Rs. million)

		Balance as at March 31, 2020	Maximum amount outstanding during the year ended March 31, 2020	Balance as at March 31, 2019	Maximum amount outstanding during the year ended March 31, 2019
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	95.00	95.00	-**	312.00
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, 2020	-	-	-	-

* Provision for doubtful loans and advance of Rs. 15.56 million (March 31, 2019: Rs. 15.56 million) has been made.

Notes
To The Financial Statements For The Year Ended March 31, 2020

39 Disclosure for Micro and Small Enterprises:

(Rs. million)

Particulars		As at March 31, 2020	As at March 31, 2019
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	82.00	33.81
	-Interest	0.22	0.03
ii)	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	199.68	141.73
	-Interest	-	1.15
iii)	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	2.30	0.83
iv)	The amount of interest accrued and remaining unpaid at the end of year	2.43	0.86

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.

40 Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

(Rs. million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Material Consumption	143.37	157.36
Employee benefits expenses	78.81	73.24
Others	45.05	67.57
Total	**267.23**	**298.17**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

(Rs. million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Plant and Machinery	24.96	32.75
Total	**24.96**	**32.75**

41 As per Ind AS 108 - “Operating Segment”, segment information has been provided under the Notes to Consolidated Financial Statements.

Notes
To The Financial Statements For The Year Ended March 31, 2020

Note - 42 : CIF Value of Imports

Particulars	Year ended March 31, 2020 Rs. million	Year ended March 31, 2019 Rs. million
Raw Materials	4,540.18	4,931.72
Stores & Spares and Dyes & Chemicals	564.82	356.53
Capital Goods	141.87	476.26
Packing Material	27.54	20.74
Total	**5,274.41**	**5,785.25**

Note - 43 : Expenditure in Foreign Currency (net, on accrual basis)

Particulars	Year ended March 31, 2020 Rs. million	Year ended March 31, 2019 Rs. million
Travelling and conveyance	16.03	3.40
Repairs and Maintenance	30.58	17.83
Legal and Professional Charges	59.73	68.86
Membership and Subscription	13.40	1.43
Advertisement and Sales Promotion	8.68	35.34
Claims, Discounts and Rebate	-	22.36
Exceptional Items	-	2,080.24
Others	13.59	6.49
Total	**142.01**	**2,235.95**

Note - 44 : Details of Consumption and Purchases

(a) Details of Raw Materials and Packing Materials consumed

Particulars	Year ended March 31, 2020 Rs. million	Year ended March 31, 2019 Rs. million
Cotton Yarn	10,609.20	10,978.32
Cotton	8,194.34	8,877.18
Fabric	759.15	762.96
Others	435.78	451.34
Bed Linen Fabrics	3,271.81	2,483.62
Fiber	1,353.96	1,479.37
Packing Materials	2,615.11	2,589.03
Total	**27,239.35**	**27,621.82**

(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, 2020		Year ended March 31, 2019	
	%	Rs. million	%	Rs. million
Imported	13.34%	3,633.98	15.91%	4,395.49
Indigenous	86.66%	23,605.37	84.09%	23,226.33
Total	**100.00%**	**27,239.35**	**100.00%**	**27,621.82**

Notes
To The Financial Statements For The Year Ended March 31, 2020

2) Stores, Spares, Dyes and Chemicals

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	%	Rs. million	%	Rs. million
Imported	8.03%	256.56	9.06%	310.87
Indigenous	91.97%	2,936.67	90.94%	3,121.39
Total	**100.00%**	**3,193.23**	**100.00%**	**3,432.26**

Note - 45 : Dividend remitted in foreign exchange

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of non-resident shareholders	233	242
Number of shares on which dividend is remitted	339,550	188,880
Year to which dividend relates	2018-19 & 2019-20	2017-18
Amount remitted (Rs. million)	0.22	0.12

Note - 46 : Earnings in foreign currency

Particulars	Year ended March 31, 2020 Rs. million	Year ended March 31, 2019 Rs. million
Revenue from Exports on FOB basis	-	255.40
Commission on Corporate Guarantee	8.97	9.87
Total	**8.97**	**265.27**

Note 47 : 'The Ministry of Textile, Government of India, had issued Notification number CG-DL-E-15012020-215423 dated January 14, 2020, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 7, 2019 on certain products exported by the Company and its subsidiary. Without prejudice to the Company's claim, the Company had reversed the MEIS benefit accrued on the affected products, of Rs. 946.94 million for the period March 07, 2019 to September 30, 2019 and reduced from Revenue from Operations.

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: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Welspun India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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, the aforesaid consolidated Ind AS 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 as at March 31, 2020, 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 Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Group 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of government grant	

The consolidated financial statements of the Group 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 end product /intermediate product 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. The extension of the specified period of claim as made by the authorities during the year has been considered in computation of the eligible claim.
b. Claims comprising one time capital subsidy, Interest subsidy on eligible capital investments, reimbursement of land and stamp duty and reimbursement of State Goods and Service Tax (SGST) collected on end product sold /intermediate product 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 included in Group. During the current year the subsidiary company has commenced production and has recognized the eligible government grants.
As disclosed in note 2.25 (vi) to the consolidated financial statements, for measurement of such government grants, significant estimates and judgements are made by the management. The estimates, inputs and judgements used by the management includes:
• Future sales growth rate;
• Input tax credit utilisation;
• SGST rates on the products;
• Eligible capital investments limit;
Considering the above, measurement of government grant is determined as key audit matter.
	We performed following 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 evaluated the forecast in respect of sales and purchase used by the management in computation of government grant with respect to reimbursement of SGST ('computation').
	• 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 compared the inputs used in the computation of government grant to external data, including the modalities to claim the reimbursement of SGST under the Policy.
	• We focused our analysis on management assumptions in respect of:
	  • Future sales growth rate;
	  • Input tax credit utilization;
	  • SGST rates on products; and
	  • Eligible capital investments
	• We evaluated the arithmetical accuracy of the computation of government grant.
	• We checked the adequacy of the disclosures with regard to the recognition and measurement of government grants made in the consolidated financial statements.

Impairment of goodwill	
The consolidated financial statements of the Group has Goodwill of Rs.1,803.46 million for the year ended March 31, 2020. 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. As disclosed in notes 2.25(x) and 4 to the consolidated financial statements, 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.	For sample selected, we performed following 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 compared the inputs in the model to internal and external data. • We focused our analysis on 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 re-calculated estimates using management models. • We assessed the disclosures made in the financial statements. Refer to the critical accounting estimates and judgements and disclosures of impairment tests for goodwill in Note 2.25(x) and 4 to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of Income Tax and Deferred tax	
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 (ACT). 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. The Holding Company and a subsidiary company has generated credit of Minimum Alternate Tax (MAT) recorded as deferred tax assets. As at March 31, 2020, the Group has MAT credit of INR 1042.57 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 focused our analysis on management assumptions in respect of prices for sales and purchase of goods and services. • We involved tax experts to assist in evaluating the computation of deduction 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 evaluated the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset. We also assessed disclosures made in the consolidated financial statements.
Capitalization of the project in Welspun Flooring Limited	

• A subsidiary company has capitalized a project in respect of manufacturing of flooring products aggregating to INR 8440.37 million. As part of the capitalization process, the group has capitalized direct cost of Property, Plant and Equipment (PPE) used in the project and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including initial costs and qualifying borrowing costs.
• The capitalization process involves judgements and estimates with respect to allocation of costs directly attributable to the project over various components of PPE and determination of useful lives.
• Due to the significance, materiality of the capitalization and judgements involved, this matter was considered significant to our audit and hence a key audit matter.
	We performed following procedures, among others:
	• We read and evaluated the subsidiary company's policies for recognition of PPE and assessed its compliance Ind AS 16 'Property, Plant and Equipment'.
	• We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls related to procurement and capitalisation of the PPE.
	• We performed the following tests for a sample of transactions and:
	  • tested underlying supporting and evidences relating to PPE procured and capitalized in the project;
	  • tested underlying supporting and evaluated working related to allocation of costs directly attributable to the project over various components of PPE;
	  • evaluated working of borrowing costs considered for capitalization;
	  • Compared useful lives of PPE as determined by the management, with the useful life prescribed by the Act;
	  • tested the underlying supporting and evaluated the classification basis nature of the PPE;
	• We also 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 Ind AS 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 14 subsidiaries whose Ind AS financial statements include total assets of Rs 5,406.2 million as at March 31, 2020, and total revenues of Rs 3,249.8 million and net cash outflows/(inflows) of Rs 274 million for the year ended on that date. These Ind AS 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. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated Ind AS 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 Rs 1,339.3 million as at March 31, 2020, and total revenues of Rs 0.1 million and net cash outflows/(inflows) of Rs 0.3 million 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 our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, 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 Ind AS 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

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, 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 Ind AS 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 Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS 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, 2020 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, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries incorporated in India for the year ended March 31, 2020;

(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, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 35 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts during the year ended March 31, 2020. The Group did not have any long-term derivative contracts as at March 31, 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649
UDIN: 20093649AAAABN5645

Place of Signature: Mumbai
Date: June 29, 2020

ANNEXURE 1 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 as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Welspun India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WELSPUN INDIA LIMITED

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary 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: 20093649AAAABN5645

Place of Signature: Mumbai
Date: June 29, 2020

Consolidated Balance Sheet
As at March 31, 2020

	Note	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	36,325.76	30,717.16
Capital work-in-progress	3	564.23	4,861.87
Goodwill on Consolidation	4	1,803.46	1,792.44
Other Intangible assets	4	477.10	547.64
Right-of-use assets	34	721.54	-
Intangible assets Under Development	4	16.34	27.33
Financial assets			
- Investments	5 (a)	7.51	272.49
- Loans	5 (b)	2.37	2.17
- Other financial assets	5 (c)	1,232.53	455.33
Non-current tax assets (net)		684.36	506.16
Deferred Tax Assets (net)	6	1,161.77	598.92
Other non-current assets	7	421.27	1,335.36
Total non-current assets		**43,418.24**	**41,116.87**
Current Assets			
Inventories	8	15,287.15	13,342.29
Financial assets			
- Investments	5 (a)	2,436.42	996.86
- Trade receivables	5 (d)	10,861.58	10,768.06
- Cash & cash equivalents	5 (e)	2,051.08	1,543.66
- Bank balances other than cash and cash equivalents above	5 (f)	253.39	187.52
- Loans	5 (b)	4.71	4.58
- Other financial assets	5 (c)	3,223.62	5,643.27
Current tax assets (net)		20.82	26.33
Other current assets	7	5,545.79	3,793.31
Total current assets		**39,684.56**	**36,305.88**
Total assets		**83,102.80**	**77,422.75**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9 (a)	1,004.73	1,004.73
Other Equity			
- Reserves and surplus	9 (b)	29,725.02	26,235.45
- Other reserves	9 (c)	(1,009.23)	553.02
Equity attributable to owners of Welspun India Limited		**29,720.52**	**27,793.20**
Non-controlling Interests		848.56	709.44
Total Equity		**30,569.08**	**28,502.64**
LIABILITIES			
Non-current liabilities			
Financials liabilities			
- Borrowings	10 (a)	14,069.54	15,536.69
- Lease liabilities	34	527.58	-
- Other financial liabilities	10 (b)	50.91	35.74
Non-current tax liabilities (net)		1,526.12	1,331.46
Provisions	11	26.02	24.66
Deferred tax liabilities (net)	13	1,927.17	2,008.02
Other non-current liabilities	14	938.99	1,048.80
Total non-current liabilities		**19,066.33**	**19,985.37**
Current liabilities			
Financials liabilities			
- Borrowings	10 (a)	17,717.34	14,080.21
- Lease liabilities	34	260.16	-
- Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	10 (c)	179.25	34.67
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10 (c)	8,799.26	7,006.59
- Other financial liabilities	10 (b)	4,932.62	4,479.33
Provisions	11	0.59	1,730.49
Employee benefit obligations	12	880.27	721.26
Current Tax Liabilities (net)		43.07	60.88
Other Current Liabilities	14	654.83	821.31
Total current liabilities		**33,467.39**	**28,934.74**
Total liabilities		**52,533.72**	**48,920.11**
Total Equity and Liabilities		**83,102.80**	**77,422.75**
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: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Consolidated Statement of Profit and Loss

For the year ended March 31, 2020

	Note	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Income			
Revenue from Operations	15	67,410.92	65,266.15
Other Income	16	950.89	818.20
Total Income		**68,361.81**	**66,084.35**
Expenses			
Cost of materials consumed	17	30,232.22	29,766.79
Purchases of stock-in-trade		3,611.70	3,623.43
Changes in inventory of finished goods, work-in-progress and stock-in-trade	18	(880.97)	109.93
Employee benefits expense	19	7,781.36	7,114.26
Depreciation and amortization expense	20	4,810.85	4,357.60
Other expenses	21	14,519.93	14,003.16
Finance costs	22	1,776.99	1,592.76
Total expenses		**61,852.08**	**60,567.93**
Profit before exceptional items and tax		**6,509.73**	**5,516.42**
Exceptional Items - Expenses/(Income)	23	(434.18)	2,646.98
Profit before tax		**6,943.91**	**2,869.44**
Income tax expense	24		
- Current Tax		1,619.07	896.60
- Deferred Tax		81.29	(288.91)
Total Income Tax Expense		**1,700.36**	**607.69**
Profit for the year		**5,243.55**	**2,261.75**
Other Comprehensive Income			
A (i) Items that may be reclassified to profit or loss			
Exchange loss in translation of foreign operation	9 (c)	125.32	(107.13)
Deferred gain / (loss) on cash flow hedges	9 (c)	(2,436.02)	982.70
(ii) Income tax effect	24	723.59	(343.35)
		(1,587.11)	**532.22**
B (i) Items that will not be reclassified to profit or loss			
Gain / (loss) due to Change in fair value of FVOCI equity instruments	9 (c)	(5.57)	(6.88)
Gain / (loss) due to Remeasurement of post employment benefit obligation	19	(10.93)	(32.68)
(ii) Income tax effect	24	1.40	11.42
		(15.10)	**(28.14)**
Other comprehensive income / (Loss) for the year, net of tax		**(1,602.21)**	**504.08**
Total Comprehensive Income for the year		**3,641.34**	**2,765.83**
Profit is attributable to			
- Owners of Welspun India Limited		5,073.73	2,098.31
- Non-controlling interests		169.82	163.44
Other comprehensive income is attributable to:			
- Owners of Welspun India Limited		(1,571.78)	490.64
- Non-controlling interests		(30.43)	13.44
Total Comprehensive Income is attributable to			
- Owners of Welspun India Limited		3,501.95	2,588.95
- Non-controlling interests		139.39	176.88
Earnings Per Share (Rs.) [Nominal value per share : Re.1 (March 31, 2019 : Re.1)]	33		
- Basic		5.05	2.09
- Diluted		5.05	2.09
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: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

A. Equity Share Capital

(Rs. million)

Equity shares of Re. 1 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 1, 2018	1,004,725,150	1,004.73
Balance as at March 31, 2019	1,004,725,150	1,004.73
Balance as at March 31, 2020	**1,004,725,150**	**1,004.73**

B. Other Equity

(Rs. million)

Particulars	Notes	Reserves and Surplus						
		Capital redemption reserve	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Total
Balance as at April 1, 2018		**488.38**	**1,474.73**	**3,238.12**	**146.11**	**711.39**	**18,952.12**	**25,010.85**
Profit for the year		-	-	-	-	-	2,098.31	2,098.31
Other Comprehensive Income	9 (b),9 (c)	-	-	-	-	-	(21.24)	(21.24)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**2,077.07**	**2,077.07**
Transactions with owners in their capacity as owners :								
Dividends paid	27 (b)	-	-	-	-	-	(653.07)	(653.07)
Dividend distribution tax paid	27 (b)	-	-	-	-	-	(134.27)	(134.27)
Transfer to Debenture Redemption Reserve	9 (b)	-	-	-	73.89	-	(73.89)	-
Transactions with non-controlling interests	29 (c)	-	-	-	-	-	(65.13)	(65.13)
Balance as at March 31, 2019		**488.38**	**1,474.73**	**3,238.12**	**220.00**	**711.39**	**20,102.83**	**26,235.45**
Balance as at April 1, 2019		**488.38**	**1,474.73**	**3,238.12**	**220.00**	**711.39**	**20,102.83**	**26,235.45**
Profit for the year		-	-	-	-	-	5,073.73	5,073.73
Other Comprehensive Income	9 (b),9 (c)	-	-	-	-	-	(9.53)	(9.53)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**5,064.20**	**5,064.20**
Transactions with owners in their capacity as owners :								
Dividends paid	27 (b)	-	-	-	-	-	(1,306.15)	(1,306.15)
Dividend distribution tax paid	27 (b)	-	-	-	-	-	(268.53)	(268.53)
Transfer to General Reserve	9 (b)	-	-	-	(220.00)	220.00	-	-
Transactions with non-controlling interests	29 (c)	-	-	-	-	-	-	-
On Merger with Prasert Multiventures Private Limited	9 (b)	-	0.05	-	-	-	-	0.05
Balance as at March 31, 2020		**488.38**	**1,474.78**	**3,238.12**	**-**	**931.39**	**23,592.35**	**29,725.02**

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

(Rs. million)

Particulars	Notes	Other Reserves				Total other equity	Non-controlling interests	Total
		FVOCI Equity instruments	Hedging reserve	Foreign currency translation reserve	Total			
Balance as at April 1, 2018		**11.45**	**98.61**	**(68.92)**	**41.14**	**25,051.99**	**467.00**	**25,518.99**
Profit for the year		-	-	-	-	2,098.31	163.44	2,261.75
Other Comprehensive Income	9 (b),9 (c)	(6.88)	624.37	(105.61)	511.88	490.64	13.44	504.08
Total Comprehensive Income for the year		**(6.88)**	**624.37**	**(105.61)**	**511.88**	**2,588.95**	**176.88**	**2,765.83**
Transactions with owners in their capacity as owners :								
Dividends paid	27 (b)	-	-	-	-	(653.07)	-	(653.07)
Dividend distribution tax paid	27 (b)	-	-	-	-	(134.27)	-	(134.27)
Transfer to Debenture Redemption Reserve	9 (b)	-	-	-	-	-	-	-
Transactions with non-controlling interests	29 (c)	-	-	-	-	(65.13)	65.56	0.43
Balance as at March 31, 2019		**4.57**	**722.98**	**(174.53)**	**553.02**	**26,788.47**	**709.44**	**27,497.91**
Balance as at April 1, 2019		**4.57**	**722.98**	**(174.53)**	**553.02**	**26,788.47**	**709.44**	**27,497.91**
Profit for the year		-	-	-	-	5,073.73	169.82	5,243.55
Other Comprehensive Income	9 (b),9 (c)	(5.57)	(1,680.69)	124.01	(1,562.25)	(1,571.78)	(30.43)	(1,602.21)
Total Comprehensive Income for the year		**(5.57)**	**(1,680.69)**	**124.01**	**(1,562.25)**	**3,501.95**	**139.39**	**3,641.34**
Transactions with owners in their capacity as owners :								
Dividends paid	27 (b)	-	-	-	-	(1,306.15)	-	(1,306.15)
Dividend distribution tax paid	27 (b)	-	-	-	-	(268.53)	-	(268.53)
Transfer to General Reserve	9 (b)	-	-	-	-	-	-	-
Transactions with non-controlling interests	29 (c)	-	-	-	-	-	(0.27)	(0.27)
On Merger with Prasert Multiventures Private Limited	9 (b)	-	-	-	-	0.05	-	0.05
Balance as at March 31, 2020		**(1.00)**	**(957.71)**	**(50.52)**	**(1,009.23)**	**28,715.79**	**848.56**	**29,564.35**

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: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Consolidated Statement of Cash Flows
For the year ended March 31, 2020

		Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	6,943.91	2,869.44
	Adjustments for :		
	Depreciation and amortisation expense	4,810.85	4,357.60
	Amortisation / Receipts of government grants	(1,920.50)	(1,653.15)
	Unrealised Foreign Exchange Differences	(247.03)	19.79
	Loss / (Gain) on disposal of property, plant and equipment	(104.96)	2.27
	Profit on Redemption/ Sale of Units of Mutual Funds (Net)	-	(24.51)
	Profit / (Loss) on Sale of Bonds/ Certificate of Deposits (Net)	-	32.82
	Unwinding of discount on security deposits	(9.40)	(17.33)
	Insurance Claim for loss of profit	(180.00)	-
	Net Loss/ (gain) on financial assets measured at fair value through profit or loss	256.07	(168.16)
	Liabilities/ provision Written Back	(434.79)	(15.89)
	Provision for Doubtful Debts/ Advances (net)	158.83	69.05
	Interest income classified as investing cash flows	(84.14)	(286.82)
	Finance expenses	1,776.99	1,592.76
	Operating Profit Before Working Capital Changes	**10,965.83**	**6,777.87**
	Adjustments for changes in working capital :		
	(Increase) / decrease in trade receivables	240.07	(1,675.11)
	Increase in trade payables	1,913.32	618.24
	Increase / (decrease) in provisions	(1,338.68)	1,497.18
	Increase / (decrease) in employee benefit obligations	149.48	(33.40)
	Decrease in other current liabilities	(89.82)	(136.29)
	Increase/ (decrease) in other non current liabilities	(29.17)	200.42
	Increase in inventories	(1,944.86)	(288.49)
	Decrease in other financial assets	1,130.08	1,108.69
	Decrease in other non-current assets	151.76	137.85
	(Increase) / decrease in other current assets	(1,759.47)	1,106.25
		(1,577.29)	**2,535.34**
	Cash Flow Generated from Operations	9,388.54	9,313.21
	Taxes Paid (net of refunds)	**(1,616.30)**	**(1,244.48)**
	Net Cash Flow from Operating Activities	**7,772.24**	**8,068.73**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(5,178.98)	(7,396.73)
	Sale of property, plant and equipment	274.44	67.18
	Receipt of Government Grant	1,673.54	1,226.19
	Realisation/ (investment) in fixed deposit and margin money (net)	(28.95)	256.55
	Sales/ (Purchase) of Investment (Net)	(1,436.22)	166.01
	Interest received	103.21	282.85
	Net Cash Flow used in Investing Activities	**(4,592.96)**	**(5,397.95)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings - Non Current	3,507.45	2,870.44
	Repayment of borrowings - Non Current	(5,833.84)	(4,074.24)
	Proceeds from borrowings - Current (Net)	3,570.53	1,502.93
	Payment of lease liabilities	(278.03)	-
	Transactions with non-controlling interests	-	0.43
	Dividends Paid	(1,306.14)	(653.07)

Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
Tax on Dividends Paid	(268.54)	(134.27)
Receipt of interest subsidy	442.40	512.00
Interest Expenses paid	(2,522.85)	(2,343.32)
Net Cash Flow used in Financing Activities	**(2,689.02)**	**(2,319.10)**
(A + B + C)	**490.26**	**351.68**
Cash and Cash Equivalents at the beginning of the year	1,543.66	1,191.25
Effects of exchange rate changes on cash and cash equivalents	16.96	0.73
Add : Cash and Cash Equivalents on Merger with Prasert Multiventures Private Limited	0.20	-
Cash and Cash Equivalents at the end of the year	2,051.08	1,543.66
Net Increase / (Decrease) in Cash and Cash Equivalents	**490.26**	**351.68**
Cash and cash equivalents comprise of:		
Cash on Hand	2.65	4.10
Money in Transit	-	316.71
Bank balances		
- In current accounts	1,946.77	1,161.75
- Fixed deposits with Banks with original maturity period of less than three months	101.66	61.10
Total	**2,051.08**	**1,543.66**

Change in Liability arising from financing activities (Rs. million)

	April 1, 2019	Cash flow	Foreign exchange	March 31, 2020
Borrowing-Non Current [Refer Note 10 (a)]	19,023.75	(2,326.39)	5.37	16,702.73
Borrowing-Current [Refer Note 10 (a)]	14,080.21	3,570.53	66.60	17,717.34
	33,103.96	**1,244.14**	**71.97**	**34,420.07**

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

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

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, 2020. 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 June 29, 2020.

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 except as disclosed in Note 2.24. 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, 2020. 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

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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:

(a) 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.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) 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

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- 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 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

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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

(i) 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 (ix).

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 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

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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.

(ii) Other Revenue

Export Incentives
In case of sale made by the Group as Support Manufacturer, export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme 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.

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.

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.

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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 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

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence.

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.

2.10Leases

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

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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.

i) 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 12 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.

ii) 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.

iii) 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

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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	3-5
Furniture and fixtures	10
Computer	3 -6
Vehicles	5- 10
Electrical installation	10
Factory Building	28
Residential and other Buildings	30-58
Road, Fencing, etc.	3-5

Plant and Machinery (except electrical installations) is depreciated on written down value method over the useful life ranging between 7.5 years to 20 years.

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.

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.

2.12 Intangible assets

a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not

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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. **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

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

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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.

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 Group does not reduce impairment allowance from the gross carrying amount;

- 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

- The Group 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 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

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 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.

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 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.

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Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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.

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. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the change in face value of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer

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meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Derivatives that are not designated as hedges

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

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.

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

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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:

- 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 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.

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

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.

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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 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.

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.

2.19 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.

2.20 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.

2.21 Earnings per share

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)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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- 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.

2.22 Current versus Non-current classification

The Group 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

2.23 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.

2.24 Changes in Accounting Policies and disclosures

New and amended standards

Ind AS 116 – Leases

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group has adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the Group has adopted IND AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at Rs 987.53 million as at April 1, 2019. Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by Rs 285.70 million and Rs 58.53 million respectively and other expenses have decreased by Rs 336.54 million. Total expenses (net) have increased by Rs 7.69 million. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 34.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. Refer to Note 2.10. Leases for the accounting policy.

The Standard provides specific transition requirements and practical expedients which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at April 1, 2019 and right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

The Group also applied the available practical expedients wherein it:

a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics

b) Relied on its assessment of whether leases are onerous immediately before the date of initial application

c) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

d) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Weighted average incremental borrowing rate applied to lease liabilities as at 1st April 2019 is between 4% and 11%

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Rs. in million
Operating lease commitments as at March 31, 2019	763.26
Incremental borrowing rate as at April 1, 2019	4% to11%
Discounted operating lease commitments as at April 1, 2019	731.74
Add: Lease payments not included in operating lease commitments as at March 31st 2019 but presented as lease liabilities as per IND AS 116	255.59
Lease Liabilities as at April 1, 2019	987.53

Ind AS 12 - Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain 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 Parent Company. The taxation authorities

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may challenge those tax deductions. The Group determined, based on its tax compliance that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

The MCA has also carried out amendments to the following other accounting standards. The effect on adoption of following mentioned amendments were insignificant on the consolidated financial statements. The Group and its associates have not early adopted any standards or amendments that have been issued but are not yet effective.

(i) Ind AS 109: Prepayment Features with Negative Compensation

(ii) Ind AS 19: Plan Amendment, Curtailment or Settlement

(iii) Ind AS 103 Business Combinations

(iv) Ind AS 12 Income Taxes

(v) Ind AS 23 Borrowing Costs

(vi) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

(vii) Ind AS 111 Joint Arrangements.

The Group have not early adopted any standards or amendments that have been issued but are not yet effective.

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 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

i) 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).

ii) 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).

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iii) 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 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).

iv) Provision for Inventory

The Group 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 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.

v) 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.

vi) 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.

vii) 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.

viii) 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.

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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.

ix) 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.

x) 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 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.

xi) 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.

xii) 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.

xiii) 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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 3 - Property, Plant and Equipment

(Rs. million)

	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, 2018										
Gross carrying amount										
Opening gross carrying amount	3,285.29	8,618.02	32,999.85	66.41	231.38	405.17	28.49	303.56	45,938.17	628.75
Additions	4.79	438.48	1,860.10	9.31	42.51	26.80	94.50	33.59	2,510.08	6,545.71
Disposals	-	(0.98)	(142.18)	(1.17)	(1.35)	(33.25)	(1.81)	(0.58)	(181.32)	-
Transfers	-	-	-	-	-	-	-	-	-	(2,313.27)
Exchange Differences	(0.01)	-	(0.03)	-	1.86	(0.38)	0.79	2.02	4.25	0.68
At March 31, 2019 (A)	**3,290.07**	**9,055.52**	**34,717.74**	**74.55**	**274.40**	**398.34**	**121.97**	**338.59**	**48,271.18**	**4,861.87**
Depreciation										
At April 1, 2018	-	734.45	12,286.09	26.86	95.06	136.39	18.51	112.25	13,409.61	-
Depreciation charge during the year	-	299.85	3,752.26	13.29	43.75	47.64	19.51	78.84	4,255.14	-
Disposals	-	(0.01)	(89.83)	(1.04)	(1.15)	(17.56)	(1.81)	(0.49)	(111.89)	-
Exchange Differences	-	-	(0.02)	-	0.39	(0.14)	0.35	0.58	1.16	-
At March 31, 2019 (B)	**-**	**1,034.29**	**15,948.50**	**39.11**	**138.05**	**166.33**	**36.56**	**191.18**	**17,554.02**	**-**
Net book value at March 31, 2019 (A-B)	**3,290.07**	**8,021.23**	**18,769.24**	**35.44**	**136.35**	**232.01**	**85.41**	**147.41**	**30,717.16**	**4,861.87**
Cost or valuation										
At April 1, 2019										
Opening gross carrying amount	3,290.07	9,055.52	34,717.74	74.55	274.40	398.34	121.97	338.59	48,271.18	4,861.87
Additions	914.55	1,757.99	7,332.98	10.43	21.70	38.22	-	51.67	10,127.54	1,432.70
Disposals	(149.69)	-	(237.70)	(5.50)	(1.59)	(0.84)	-	(4.45)	(399.77)	-
Transfers	-	-	-	-	-	-	-	-	-	(5,730.34)
Exchange Differences	0.02	-	9.45	-	1.92	10.98	9.35	10.64	42.36	-
At March 31, 2020 (A)	**4,054.95**	**10,813.51**	**41,822.47**	**79.48**	**296.43**	**446.70**	**131.32**	**396.45**	**58,041.31**	**564.23**
Depreciation										
At April 1, 2019	-	1,034.29	15,948.50	39.11	138.05	166.33	36.56	191.18	17,554.02	-
Depreciation charge during the year	-	364.41	3,792.04	11.87	36.15	37.45	29.76	79.18	4,350.86	-
Disposals	-	-	(206.97)	(4.31)	(1.41)	(0.56)	-	(3.87)	(217.12)	-
Exchange Differences	-	-	6.39	-	1.43	10.31	2.20	7.46	27.79	-
At March 31, 2020 (B)	**-**	**1,398.70**	**19,539.96**	**46.67**	**174.22**	**213.53**	**68.52**	**273.95**	**21,715.55**	**-**
Net book value at March 31, 2020 (A-B)	**4,054.95**	**9,414.81**	**22,282.51**	**32.81**	**122.21**	**233.17**	**62.80**	**122.50**	**36,325.76**	**564.23**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

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 Rs Nil million as at March 31, 2020 directly attributable to project. (March 31,2019: Rs 353.89 million)

(v) Additions to Property, plant and equipment during the year include capital expenditure of Rs.116.40 million (Previous Year : Rs. 73.88 million) incurred on in-house Research and Development activities [Refer note 36]

(vi) Borrowing Costs aggregating Rs.37.34 million (March 2019: Rs.108.27 million) attributable to the acquisition or construction of qualifying assets are capitalised during the year as part of the cost of such assets.

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

(Rs. million)

Particulars	March 31, 2020		March 31, 2019	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	1.21	29.04	1.21	29.04
Accumulated Depreciation	0.36	27.59	0.34	27.59
Net book value	0.85	1.45	0.87	1.45
Depreciation for the year	0.02	-	0.02	-

Note 4 - Intangible assets

(Rs. million)

	Goodwill on consolidation	Computer software	Intangible assets under development
Cost or valuation			
At April 1, 2018			
Opening gross carrying amount	1,786.27	391.90	199.98
Exchange differences	6.17	0.18	-
Additions	-	366.17	113.99
Disposals	-	-	-
Transfers	-	-	(286.64)
At March 31, 2019 (A)	**1,792.44**	**758.25**	**27.33**
Amortisation			
At April 1, 2018		108.01	
Amortisation charge during the year	-	102.46	-
Disposals	-	-	-
Exchange differences	-	0.14	-
At March 31, 2019 (B)	**-**	**210.61**	**-**
Net book value at March 31, 2019 (A-B)	**1,792.44**	**547.64**	**27.33**
Cost or valuation			
At April 1, 2019			
Opening gross carrying amount	1,792.44	758.25	27.33
Exchange differences	39.13	1.54	-
Additions	-	75.91	16.34
Disposals	-	(0.14)	-
Transfers/Capitalised	-	-	(27.33)
At March 31, 2020 (A)	**1,831.57**	**835.56**	**16.34**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

(Rs. million)

	Goodwill on consolidation	Computer software	Intangible assets under development
Amortisation			
At April 1, 2019	-	210.61	-
Amortisation charge during the year	-	146.18	-
Impairment of Goodwill	28.11	-	
Disposals	-	0.13	-
Exchange differences	-	1.54	-
At March 31, 2020 (B)	**28.11**	**358.46**	**-**
Net book value at March 31, 2020 (A-B)	**1,803.46**	**477.10**	**16.34**

Note :

Intangible assets under development mainly comprises of software development expenses.

Note 4 : Intangible assets

(i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment which is the only reportable segment.

(Rs. million)

	As at March 31, 2020	As at March 31, 2019
Home Textile Segment	**1,803.46**	1,792.44

(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 five year and applies perpetuity growth rate ranging from 3% to 4% from 5th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

Assumptions	As at March 31, 2020	As at March 31, 2019
Sales Growth (% annual growth rate)	**3% to 12%**	3% to 16%
EBITDA (%)	**1% to 10%**	3% to 10%
Pre-tax discount rate (%)	**10% to 12%**	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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 5 (a) : Non-current investment

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Investment in equity shares (fully paid up)		
a) Quoted - Equity investment at FVOCI		
283,500 (March 31, 2019 : 283,500) Equity Shares of Rs. 10 each fully paid up of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	4.59	10.16
80 (March 31, 2019 : 80) Equity Shares of Re. 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*
b) Unquoted - Equity investment at FVPL fully paid up	-	258.53
Total (equity instruments)	**4.59**	**268.69**
Others Investments at FVPL	2.92	3.80
Total Non Current Investments	**7.51**	**272.49**
Aggregate amount of quoted investments and market value thereof	4.59	10.16
Aggregate amount of unquoted investments	2.92	262.33

* Amount is below the rounding norms adopted by the Company

5 (a) : Current investments

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Investments in Mutual Funds at FVPL (unquoted)	2,354.95	447.52
Investments in Bonds at FVPL (unquoted)	81.47	549.34
Total	**2,436.42**	**996.86**
Aggregate amount of unquoted investments	2,436.42	996.86

5 (b) : Non-current loans

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Loan to Employees	2.37	2.17
Total	**2.37**	**2.17**

5 (b) : Current loans

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Loan to Employees	4.71	4.58
Total	**4.71**	**4.58**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

5 (c) : Other non-current financial assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security Deposits to		
- Related Parties (Refer Note 30)	85.95	165.23
- Others	124.47	166.52
Advances Recoverable in Cash		
- Considered Good	43.50	43.50
- Considered Doubtful	**43.50**	**43.50**
Less : Provision for Doubtful Advances	43.50	43.50
	-	-
Government Grants Receivable*	938.10	-
Fixed deposits with Banks with maturity period more than twelve months	60.36	91.21
Margin Money Deposit Accounts	2.01	2.01
Interest Accrued on Fixed Deposits	21.64	30.36
Total	**1,232.53**	**455.33**

*Government Grants Receivable includes Receivable against VAT/SGST Incentives, Export Incentives and Interest Subsidies under Telangana Textile Policy, Gujarat Textile Policy and Technology Upgradation Fund.

5 (c) : Other current financial assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security Deposits to	-	
- Related Parties (Refer Note 30)	93.34	17.17
- Others	27.75	26.16
Advances to Related Parties (Refer Note 30)	14.22	0.76
Government Grants Receivable*	2,716.83	4,020.43
Mark-to-Market gain (Net) on Forward/ Swap Contracts	150.52	1,130.47
Interest Accrued on Bonds/ Certificate of Deposits	1.46	22.28
Interest Accrued on Deposits	17.55	7.08
Insurance Claim Receivable	201.95	418.92
Total	**3,223.62**	**5,643.27**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

5 (d) : Trade receivables

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Unsecured, considered good		
- Trade receivables	**10,357.44**	10,427.57
- Receivables from related parties (Refer Note 30)	**564.30**	379.43
Less : Provision for Doubtful Debts	**60.16**	38.94
Total	**10,861.58**	10,768.06
Current portion	10,861.58	10,768.06
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	10,861.58	10,768.06
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - Credit impaired	60.16	38.94
Allowance for doubtful debts	(60.16)	(38.94)
Total	**10,861.58**	**10,768.06**

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.

5 (e) : Cash and cash equivalents

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Cash on Hand	2.65	4.10
Money in Transit	-	316.71
Balances with banks		
- In Current Accounts	1,946.77	1,161.75
Fixed deposits with Banks with original maturity period of less than three months	101.66	61.10
Total	**2,051.08**	**1,543.66**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

5 (f) : Bank balances other than cash and cash equivalents

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Fixed Deposits (Refer note (a) below)	226.31	155.62
- In Margin Money Deposit Accounts	-	10.89
Unpaid Dividend Account (Refer note (b) below)	27.08	21.01
Total	**253.39**	**187.52**

Note:

(a) Fixed Deposits include Rs. 0.04 million (March 31, 2019 : Rs. 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.

Note 6 : Deferred tax assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
The balance comprises temporary differences attributable to:		
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	20.18	1.68
- Provision for Employee Benefits	24.44	1.91
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	25.11	6.90
- Provision for Inventory	337.11	262.63
- Hedging reserves	328.61	-
- Others	15.60	39.75
Minimum Alternative Tax Credit Entitlement	587.52	453.26
Deferred Tax Liabilities arising on account of temporary differences in :		
- Property, plant, equipment and Intangible Assets	153.46	139.42
- Preference shares	23.34	27.79
Total	**1,161.77**	**598.92**

Note: The Group's subsidiary has recognised deferred tax asset in respect of Minimum Alternate Tax (MAT) Credit of Rs 587.52 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 2.25 (i).

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Particulars	Property, plant, equipment and Intangible Assets	Hedging reserves	Preference shares	Minimum Alternative Tax Credit Entitlement	Provision for Doubtful debts/ Advances	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	Classification of investment in preference shares on FRV	Other items	Total
April 01, 2018	**(116.84)**	**-**	**(54.64)**	**247.71**	**-**	**1.37**	**2.81**	**184.05**	**4.85**	**79.80**	**29.62**	**378.73**
(Charged) / Credited :												-
to Statement of Profit and Loss	(22.58)	-	26.85	205.55	1.68	0.54	4.09	78.58	(4.85)	(79.80)	10.13	220.19
to Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-		-
												-
March 31, 2019	**(139.42)**	**-**	**(27.79)**	**453.26**	**1.68**	**1.91**	**6.90**	**262.63**	**-**	**-**	**39.75**	**598.92**
(Charged) / Credited :												-
to Statement of Profit and Loss	(14.04)		4.45	134.26	18.50	22.53	18.21	74.48	-	-	(24.15)	234.24
to Other Comprehensive Income	-	328.61	-	-	-	-	-	-	-	-		328.61
												-
March 31, 2020	**(153.46)**	**328.61**	**(23.34)**	**587.52**	**20.18**	**24.44**	**25.11**	**337.11**	**-**	**-**	**15.60**	**1,161.77**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 7 : Other non-current assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Capital Advances to		
- Related Parties (Refer Note 30)	19.00	75.00
- others	348.10	1,229.22
Security Deposits to Others	41.13	23.91
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	13.04	5.25
- Considered Doubtful	7.72	7.72
	20.76	**12.97**
Less : Provision for Doubtful Balances	7.72	7.72
	13.04	5.25
Status Holder Incentive Scrip in Hand	-	1.98
Total	**421.27**	**1,335.36**

Note 7 : Other current assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Others		
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	4,560.73	2,997.39
- Considered Doubtful	-	12.50
	4,560.73	**3,009.89**
Less : Provision for Doubtful Balances	-	12.50
	4,560.73	**2,997.39**
Prepaid Expenses	169.53	147.59
Advance to Vendors	792.99	628.94
Advance to Employees	22.54	19.39
Total	**5,545.79**	**3,793.31**

Note 8 : Inventories

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Raw Materials (at cost)	5,325.40	4,764.12
Work-in-Progress (at cost)	3,426.50	2,768.33
Finished Goods and Traded Goods (including in transit) [at lower of cost or net realisable value]	5,805.93	5,177.90
Packing Materials (at cost)	180.83	175.61
Stores, Spares, Dyes and Chemicals (at cost)	548.49	456.33
Total	**15,287.15**	**13,342.29**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 9 (a) : Equity share capital

(i) Authorised equity share capital

	Equity Shares of Re. 1 each	
	Number of Shares	Amount (Rs. million)
As at April 1, 2018	1,555,000,000	1,555.00
As at March 31, 2019	1,555,000,000	1,555.00
As at March 31, 2020	1,555,000,000	1,555.00
Equity Shares of Re. 1 each (March 31, 2019 : Re. 1 each)		

(ii) Issued equity share capital

	Equity Shares of Re. 1 each fully paid up	
	Number of Shares	Amount (Rs. million)
As at April 1, 2018	1,004,725,150	1,004.73
As at March 31, 2019	1,004,725,150	1,004.73
As at March 31, 2020	1,004,725,150	1,004.73
Equity Shares of Re. 1 each (March 31, 2019 : Re. 1 each)		

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Equity Shares :				
Prasert Multiventure Private Limited (PMPL)	-	-	679,078,913	679.08
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	683,302,903	683.30	-	-
	683,302,903	683.30	679,078,913	679.08

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

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Prasert Multiventure Private Limited (PMPL)	-	-	679,078,913	67.59
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	683,302,903	68.01	-	-

(v) 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, 2019 : 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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 9 (b) : Reserves and surplus

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Capital Redemption Reserve		
Balance as at the beginning of the year	488.38	488.38
Add : Additions during the year	-	-
Balance as at the end of the year	**488.38**	**488.38**
Capital Reserve		
Balance as at the beginning of the year	1,474.73	1,474.73
Add : Additions during the year	0.05	-
Balance as at the end of the year	**1,474.78**	**1,474.73**
Debenture Redemption Reserve		
Balance as at the beginning of the year	220.00	146.11
Add : Additions during the year		73.89
Less : Transfer to General Reserve during the year (Refer note c below)	220.00	
Balance as at the end of the year	**-**	**220.00**
Securities Premium		
Balance as at the beginning of the year	3,238.12	3,238.12
Add : Additions during the year	-	-
Balance as at the end of the year	**3,238.12**	**3,238.12**
General Reserve		
Balance as at the beginning of the year	711.39	711.39
Add : Additions during the year (Refer note c below)	220.00	-
Balance as at the end of the year	**931.39**	**711.39**
Retained earnings		
Balance as at the beginning of the year	20,102.83	18,952.12
Less :Adjustment for transaction with non-controlling interest [Refer note 29 (c)]	-	65.13
Add : Profit for the year	5,073.73	2,098.31
	25,176.56	**20,985.30**
Add : Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post-employment benefit obligation, net of tax	(9.53)	(21.24)
Less : Dividend [Refer note 27 (b)]		
Interim dividend on Equity Shares for the year	1,004.73	-
Dividend distribution tax on Interim dividend on Equity Shares	206.56	-
Final dividend on Equity Shares	301.42	653.07
Dividend distribution tax on Final dividend on Equity Shares	61.97	134.27
Less : Appropriations		
Transfer to Debenture Redemption Reserve	-	73.89
Balance as at the end of the year	23,592.35	20,102.83
Total	**29,725.02**	**26,235.45**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 9 (c) : Other Reserve

(Rs. million)

	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, 2018	11.45	98.61	(68.92)	41.14
Change in fair value of FVOCI equity instrument	(6.88)	-	-	(6.88)
Amount recognised in Hedging Reserve during the year	-	33.51	-	33.51
Gain transferred to Statement of Profit and Loss	-	927.45	-	927.45
Deferred tax	-	(336.59)	-	(336.59)
Foreign currency translation differences	-	-	(105.61)	(105.61)
As at 31 March, 2019	**4.57**	**722.98**	**(174.53)**	**553.02**
Change in fair value of FVOCI equity instrument	(5.57)	-	-	(5.57)
Amount recognised in Hedging Reserve during the year	-	(1,231.16)	-	(1,231.16)
Loss transferred to Statement of Profit and Loss	-	(1,158.87)	-	(1,158.87)
Deferred tax	-	709.34	-	709.34
Foreign currency translation differences	-		124.01	124.01
As at 31 March, 2020	**(1.00)**	**(957.71)**	**(50.52)**	**(1,009.23)**

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 Rs.1,426.60 million related to Gujarat high court approved composite scheme of arrangement between group companies. Balance Rs. 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

ii) The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide it's order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL") with Welspun India Limited ("WIL"). The amalgamation of PMPL with WIL is accounted as combination of entities, and not a "business combination", with effective date of May 21, 2019 (date on which the order was filed with the Ministry of Corporate Affairs). The said accounting has no significant impact on these financial.

(c) Debenture redemption reserve

The group is required to create a debenture redemption reserve out of distributable profits for the purpose of redemption of debentures. During the year Debentures are redeemed so balance of Debentures Redemption reserve is transferred to General Reserve

(d) 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.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2020

(e) 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.

(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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 10 (a) : Non-current borrowings

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As on March 31, 2020 Amount (Rs. million)	As on March 31, 2020 Amount (Rs. million)
1	**Secured Loans:**				
	Measured at amortised cost				
(A)	**Debentures**				
	9.84% Redeemable Non-convertible Debentures.[Refer Note (aa) below]			-	879.50
(B)	**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 April 2019.	Repayable in 30 quarterly instalments commencing from January 2012.	-	35.84
(d)	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 2021.	Repayable in 28 quarterly instalments commencing from December 2014	-	1,792.24
(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 October 2021.	Repayable in 28 quarterly instalments commencing from January 2015	-	589.05
(d)	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 March 2021.	Rupee term loan repayable in 28 quarterly instalments commencing from June 2014. FCNR Dollar loan was repayable in 28 quarterly instalments commencing from March 2015	-	100.93
(e)	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 March 2023.	Repayable in 30 quarterly instalments commencing from January 2016.	5,370.55	6,263.64

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As on March 31, 2020 Amount (Rs. million)	As on March 31, 2020 Amount (Rs. million)
(f)	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	2,668.06	3,010.82
(g)	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 30 quarterly instalments commencing from February 2018	679.63	805.85
(h)	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 31 quarterly instalments commencing from March 2018	1,553.82	2,428.52
(i)	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 2022.	Repayable in 28 quarterly instalments commencing from September 2018	57.00	139.55
(j)	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, charge on all accounts including but not limited to Escrow 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.	Last instalment due on in Quarter ending March 2029.	Repayable in 33 quarterly instalments commencing from Quarter ending March 2021	6,429.29	2,872.57
(k)	Long Term working Capital Loan in a Subsidiary is secured against a charge over the present and future land and plant and machinery and charge over all current assets of the Company.	Last instalment due in July 2020.	Repayable in 39 quarterly instalments commencing from May 2017.	28.91	110.98
(l)	A subsidiary had financed equipment payable to a bank, collateralized by the equipment financed.	Last instalment due in May 2020	The equipment payable is financed over a term of 36 months	1.03	0.94
2	**Unsecured Loans :**				
	Measured at amortised cost				
	Loans from Others				

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As on March 31, 2020	As on March 31, 2019
				Amount (Rs. million)	Amount (Rs. million)
(a)	Liability component of compound financial instruments (Refer note (ab) below)			60.22	53.82
	Total borrowings			**16,848.51**	**19,084.25**
	Less : Current maturities of long-term debt (included in Note 10(b))			2,634.22	3,487.06
	Less : Interest accrued but not due (included in Note 10 (b))			144.75	60.50
	Total			**14,069.54**	**15,536.69**

The rate of interest on the Non-current borrowings in the table above are in the range of 8.75 % to 9.90 % (March 31, 2019 : 9.25 % to 10.42 %). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

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

On March 30, 2016, the Company's subsidiary Welspun Captive Power Generation Limited (WCPGL) had issued 2,200 rated, listed, secured, redeemable, Non-Convertible Debentures of Rs.10 lacs each aggregating to Rs. 2,200 million. The debentures beared an interest at an agreed upon annual rate of 9.84% compounded monthly and payable annually. Those debentures were guaranteed by the Company Also, those debentures were secured by way of first charge on immovable properties and hypothecation over the bank accounts, investments and any accruals or profits accumulating as a result of such investments and movable fixed assets of WCPGL.Those Debentures were subsequently listed on the Wholesale Debt Market Segment of the National Stock Exchange (NSE) on April 13, 2016. WCPGL has redeemed 2,200 (during the year 880) secured, redeemable, Non-Convertible Debentures of Rs.10 lacs each aggregating to Rs 2,200 million upto March 31, 2020.

(ab) 10% Non- Cumulative Redeemable Preference Shares

Preference shares will be redeemable at the expiry of 19 years from the date of allotment or at the option of the subsidiary. The Option may be exercised in full or in part by the subsidiary. The Shares shall neither be converted into Equity Shares of the subsidiary nor shall carry any voting rights in the subsidiary except as provided under section 47 of the Companies Act, 2013 to the extent applicable.

Pursuant to the Board Resolution dated February 29, 2016 and approval of shareholders in an extraordinary general meeting dated March 09, 2016, 98,462,012; 6% Non-Cumulative Redeemable Preference Shares were converted into 98,462,012 ;10% Non-Cumulative Redeemable Preference Shares of Rs. 10 each with effect from April 01, 2015.

(Rs. million)

	As at March 31, 2020	"As at March 31, 2019
Fair Value of 10% Non- Cumulative Redeemable Preference Shares	226.46	226.46
Equity Component of 10% Non- Cumulative Redeemable Preference Shares	(199.66)	(199.66)
	26.80	**26.80**
Interest expense	33.42	27.02
Non Current Borrowings	**60.22**	**53.82**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 10 (a) : Current borrowings

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Secured:		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	13,868.89	11,118.00
- Export bills discounted [Refer Note (iii) below]	1,787.55	859.52
Unsecured :		
Measured at amortised cost		
- Supplier financing [Refer note (ii) below]	2,065.69	2,127.16
Total current borrowings	**17,722.13**	**14,104.68**
Less : Interest accrued but not due [included in Note 10 (b)]	4.79	24.47
Total	**17,717.34**	**14,080.21**

Note :

(i) The working capital loans, which includes cash credit and packing credit from banks, are generally secured by hypothecation of raw materials, stock-in-process, finished, semi finished goods, stores, spares and book debts and 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.

(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.

Note 10 (b) : Other Non-current financial liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Security Deposits	50.91	35.74
Total	**50.91**	**35.74**

Note :

(i) The working capital loans, which includes cash credit and packing credit from banks, are generally secured by hypothecation of raw materials, stock-in-process, finished, semi finished goods, stores, spares and book debts and 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.

(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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 10 (b) : Other current financials liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Current maturities of long term debt		
- Rupee Term Loans from Banks [Refer note 10 (a)]	2,633.19	2,607.56
- Foreign Currency Loans from Banks [Refer note 10 (a)]	1.03	-
- Debentures Redeemable within One Year [Refer note 10 (a)]	-	879.50
Interest Accrued but not due on Borrowings	149.54	84.97
Security Deposits	160.45	128.87
Creditors for Capital Purchases	443.49	657.25
Mark-to-market loss on Forward Contracts	1,389.63	0.80
Temporary Overdraft with Scheduled Banks	1.41	31.86
Unpaid Dividends	27.08	21.01
Other Payables	126.80	67.51
Total	**4,932.62**	**4,479.33**

Note 10 (c) : Trade payables

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	179.25	34.67
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	8,799.26	7,006.59
Total	**8,978.51**	**7,041.26**

Note 11 : Non-current provisions

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Provision for litigation [Refer note (b) below]	26.02	24.66
Total	**26.02**	**24.66**

Note 11 : Current provisions

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Provision for litigation [Refer note (c) below]	0.59	1.60
Provision for exceptional items [Refer note (a) below]	-	1,728.89
Total	**0.59**	**1,730.49**

Particulars	**Provision for exceptional items [Refer note (a) below]**	**" Provisions for litigation - Non Current and Current [Refer note (b) & (c) below] "**
As at March 31, 2018	**233.55**	**24.42**
Charged/ (credited) to profit or loss**	2,322.33	1.84
Provisions utilised/adjusted during the year	826.99	-
As at March 31, 2019	**1,728.89**	**26.26**
Charged/ (credited) to profit or loss**	(434.18)	0.35
Provisions utilised/adjusted during the year	1,294.71	-
As at March 31, 2020	**-**	**26.61**

**Pertains only to the exceptional item specified in Note 23

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

(a) The opening provision which was fully utilised during the year was towards return of goods by the customers, refund to the customers, cost of rework, inventory write-down, legal fees and other related expenses relating to the traceability issue. Refer Note 23 "Exceptional Items-Expense"

(b) 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.

(c) Provision for litigation - current is for Indirect Taxes towards likely demands that may arise on completion of assessments.

Note 12 : Current employee benefit obligations

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Provision for Compensated Absences [Refer Note 19]	264.23	216.16
Provision for Gratuity [Refer Note 19]	140.37	32.73
Employee Benefits Payable**	475.67	472.37
Total	**880.27**	**721.26**

** Includes salary, wages, bonus, leave travel allowance and director commission

Note 13 : Deferred tax liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. 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	2,714.50	3,220.11
- Hedging reserves	-	394.98
- Valuation of current investments	-	0.94
- Government grants	100.84	114.54
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	19.21	38.53
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	81.37	91.61
- Provision for Employee Benefits	72.37	90.73
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	7.03	25.01
- Expenses allowed on payment basis (including provision for exceptional items)	-	362.47
- Provision for Inventory	15.03	89.94
- Unabsorbed Depreciation and Business Losses of Subsidiaries	238.11	24.87
- Others	-	22.77
Minimum Alternative Tax Credit Entitlement	455.05	976.62
Total	**1,927.17**	**2,008.02**

Notes:

(i) The Group has tax loss (Long Term Capital Loss) of Rs. 411.62 million (March 31, 2019 : Rs. 431.85 million) which are available for offsetting up to next year 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 Rs 1336.40 million (March 31, 2019: Rs. 662.35 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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Particulars	Property, Plant and Equipment and Intangible assets	Hedging reserves	Valuation of current investments	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	Expenses allowed on payment basis	Unabsorbed Depreciation and Business Losses	Government grants	Other items	Total
April 01, 2018	3,137.59	51.88	1.74	(1,087.36)	(49.88)	(60.62)	(43.25)	(14.24)	(74.63)	-	(54.23)	(62.12)	(0.10)	1,744.78
Charged / (Credited) :														-
to Statement of Profit and Loss	82.52	(0.25)	(0.80)	110.74	11.35	(30.99)	(36.06)	(10.77)	(15.31)	(362.47)	29.36	176.66	(22.67)	(68.69)
to Other Comprehensive Income	-	343.35	-	-	-	-	(11.42)		-		-	-		331.93
March 31, 2019	**3,220.11**	**394.98**	**0.94**	**(976.62)**	**(38.53)**	**(91.61)**	**(90.73)**	**(25.01)**	**(89.94)**	**(362.47)**	**(24.87)**	**114.54**	**(22.77)**	**2,008.02**
Charged / (Credited) :														-
to Statement of Profit and Loss	(505.61)	-	(0.94)	521.57	19.32	10.24	19.76	17.98	74.91	362.47	(213.24)	(13.70)	22.77	315.53
to Other Comprehensive Income	-	(394.98)	-	-	-	-	(1.40)	-	-	-	-	-	-	(396.38)
March 31, 2020	**2,714.50**	**-**	**-**	**(455.05)**	**(19.21)**	**(81.37)**	**(72.37)**	**(7.03)**	**(15.03)**	**-**	**(238.11)**	**100.84**	**-**	**1,927.17**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 14 : Other non-current liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Deferred Income [Refer Note below]	938.99	1,004.46
Lease Liability	-	44.34
Total	**938.99**	**1,048.80**

Note 14 : Other current liabilities

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Advances from Customers	228.68	96.88
Amounts due to Related Parties	-	395.87
Unearned Revenue	5.83	5.46
Statutory dues	286.46	166.39
Deferred Income (Refer Note below)	133.56	155.34
Others	0.30	1.37
Total	**654.83**	**821.31**

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

	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
(a) Sale of Products		
Finished Goods and Traded Goods	59,019.79	57,178.58
Power & Steam	1,219.13	974.19
Sub Total	**60,238.92**	**58,152.77**
(b) Other operating income		
Government Grant:		
Vat/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	1,932.12	1,732.45
Export Benefits [Refer Note (ii) below and Note 40]	4,727.74	4,044.80
Sale of Coal	5.44	712.09
Sale of Scrap	506.12	623.65
Job Work and Processing Charges	0.58	0.39
Sub Total	**7,172.00**	**7,113.38**
Total	**67,410.92**	**65,266.15**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

(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): Group 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, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
India	7,356.00	6,299.81
Outside India	53,395.06	53,189.09
Total revenue from contracts with customers	**60,751.06**	**59,488.90**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Trade receivables*	10,861.58	10,768.06
Contract liabilities (advances from customers)	228.68	96.88
Refund liabilities (Rebates, discounts, chargebacks, markdowns, etc.)	1,114.92	720.57

* 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, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Revenue as per contracted price	64,106.53	62,630.12
Less: Rebates, discounts, chargebacks, markdowns, etc.	3,355.47	3,141.22
Revenue from contracts with customers	**60,751.06**	**59,488.90**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

4) Reconciliation of revenue from operations with revenue from contracts with customers

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Revenue from operations	67,410.92	65,266.15
Less: VAT/State Goods and Service Tax Incentive	1,932.12	1,732.45
Export Benefits	4,727.74	4,044.80
Revenue from contracts with customers	**60,751.06**	**59,488.90**

Note 16 : Other income

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	25.84	37.97
Interest income from financial assets measured at fair value through profit or loss		
On Bonds and Certificate of Deposits	13.28	118.78
Interest income on Others	39.25	130.07
Interest income on income tax refund	5.77	-
Rent	35.29	49.08
Unwinding of discount on security deposits	9.40	17.33
Net gain on financial assets measured at fair value through profit or loss	-	264.83
Liabilities Written Back as no Longer Required	0.61	15.89
Provision for Doubtful Debts Written Back	-	6.12
Profit on Cancellation of Forward/ Swap Contracts (Net)	2.72	-
Profit on Redemption/ Sale of Units in Mutual Funds	-	24.51
Profit on Sale of Bonds/ Certificate of Deposits	-	1.29
Profit on Sale/ Discarding of Property , Plant and Equipment (Net)	104.96	-
Exchange Gain (Net)	393.43	-
Miscellaneous (Refer note below)	320.34	152.33
Total	**950.89**	**818.20**

Note : Miscellaneous Income includes an amount of Rs.180 million towards loss of profit claim for one of the power plants of the Group's subsidiary viz. Welspun Captive Power Generations Limited. The aforesaid claim amount represents partial amount of claim for the interruption period based on provisional assessment by the Insurance Surveyor appointed by the Insurance Company. Further, the subsidiary has also lodged a claim of Rs.21.9 million for machinery breakdown and recognized an insurance claim receivable with corresponding credit being netted off against expenses of equivalent amount under Other expenses. The claim is being processed for settlement by the competent authorities

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 17 : Cost of materials consumed

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Raw material consumed		
Opening inventory	4,764.12	4,119.32
Add: Purchases (net)	28,178.38	27,822.56
Less : Inventory at the end of the year	5,325.40	4,764.12
	27,617.10	**27,177.76**
Packing material consumed		
Opening inventory	175.61	218.99
Add : Purchases (net)	2,620.34	2,545.65
Less : Inventory at the end of the year	180.83	175.61
	2,615.12	**2,589.03**
Total	**30,232.22**	**29,766.79**

Note 18: Changes in inventory of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods and Traded Goods	5,536.39	5,177.90
Work-in-Progress	3,426.50	2,768.33
Total A	**8,962.89**	**7,946.23**
Less : Stock at the beginning of the year :		
Finished Goods and Traded Goods	5,313.59	4,488.20
Work-in-Progress	2,768.33	3,567.96
Total B	**8,081.92**	**8,056.16**
(Increase) / decrease in Stocks (A-B)	**(880.97)**	**109.93**

Note 19 : Employee Benefits Expense

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Salaries, Wages, Allowances and Other Benefits	7,082.13	6,537.00
Contribution to Provident and Other Funds	501.04	384.14
Staff and Labour Welfare	198.19	193.12
Total	**7,781.36**	**7,114.26**

The amount of Employee cost capitalised during the year ended March 31, 2020 was Rs.185.50 million (March 31,2019 : Rs 4.7 million)

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

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, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Employers' Contribution to Provident Fund & Pension Scheme	409.42	305.45
Employers' Contribution to Employees' State Insurance	42.58	46.74
Employers' Contribution to Superannuation Scheme	13.10	4.99
Other social security funds	35.94	26.96
Total	**501.04**	**384.14**

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.

a. Major Assumptions

	As At March 31, 2020	As At March 31, 2019
	% p.a.	% p.a.
Discount Rate	6.84 - 7.76	7.76 - 7.78
Salary Escalation Rate @	5.00 to 7.00	5.00 to 7.00

@ 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

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Present Value of Obligation	512.16	393.46
Current Service Cost	94.01	90.96
Past Service Cost	-	20.17
Interest Cost	39.79	30.85
Total amount recognised in profit or loss	**133.80**	**141.98**
Remeasurement		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumptions	(13.84)	(14.30)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial assumptions	55.53	3.13
Actuarial (Gains)/Losses on Obligations - Due to Experience assumptions	(28.20)	38.51
Total amount recognised in other comprehensive income	**13.49**	**27.34**
Benefit/ Exgratia paid	(39.14)	(50.63)
Closing Present Value of Obligation	**620.31**	**512.15**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

c. Change in Fair Value of Plan Assets

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Fair Value of Plan Assets	479.44	402.43
Interest Income	37.25	31.55
Total amount recognised in profit or loss	**37.25**	**31.55**
Remeasurement		
Return on Plan Assets, Excluding amounts included in Interest Income	2.39	(5.33)
Total amount recognised in other comprehensive income	**2.39**	**(5.33)**
Contributions	-	101.40
Benefits paid	(39.14)	(50.63)
Closing Fair Value of Plan Assets	**479.94**	**479.42**

d. Balance Sheet Reconciliation

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Opening Net (Liability)/ Asset	(32.73)	8.96
Expenses Recognized in Statement of Profit or Loss*	(96.55)	(110.42)
Expenses Recognized in OCI	(11.10)	(32.67)
Employer's Contribution	-	101.40
Net (Liability)/ Asset Recognised in the Balance Sheet	**(140.38)**	**(32.73)**

e. Amount recognised in the Balance sheet

	As At March 31, 2020 (Rs. million)	As At March 31, 2019 (Rs. million)
Present value of Obligation	620.31	512.15
Fair Value of Plan Assets	479.94	479.42
Funded Status [Surplus/ (Deficit)]	(140.37)	(32.73)
Expense recognised in statement of profit or loss	-	-
Net (Liability)/ Asset Recognised in the Balance Sheet	**(140.37)**	**(32.73)**

f. Expenses Recognised in the Statement of Profit and Loss

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Current Service Cost	94.01	90.95
Net Interest Cost	2.54	(0.70)
Past Service Cost	0.00	20.17
Total Expenses recognized in the statement of profit and loss*	**96.55**	**110.42**

* Included in Employee Benefits Expense & Rs 6.19 million in capital work in progress

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

g. Expenses recognized in the Other Comprehensive Income

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Re-measurement		
Return on Plan Assets	(2.39)	5.33
Net Actuarial Loss/(gain) recognised in the year	13.49	27.35
Net (Income)/Expenses for the Period Recognised in OCI	**11.10**	**32.68**

h. Sensitivity Analysis

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Projected Benefit Obligation on Current Assumptions	620.31	512.15
Delta Effect of +1% Change in Rate of Discounting	(59.40)	(43.35)
Delta Effect of -1% Change in Rate of Discounting	71.07	51.05
Delta Effect of +1% Change in Rate of Salary Increase	71.32	51.68
Delta Effect of -1% Change in Rate of Salary Increase	(60.60)	(44.56)
Delta Effect of +1% Change in Rate of Employee Turnover	11.64	12.89
Delta Effect of -1% Change in Rate of Employee Turnover	(13.57)	(14.83)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability / asset 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:

	As at March 31, 2020		As at March 31, 2019	
	Amount (Rs. million)	%	Amount (Rs. million)	%
Insurer Managed funds	479.93	100.00	479.43	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, 2021 are Rs. 220.35 million.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

The weighted average duration of the defined benefit obligation is 10-13 years (March 31, 2019: 10-11 years). The expected maturity analysis of gratuity is as follows:

(Rs. 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, 2020						
Defined benefit obligation (gratuity)	38.70	34.04	137.53	195.25	1,171.52	1,577.04
Total	**38.70**	**34.04**	**137.53**	**195.25**	**1,171.52**	**1,577.04**
March 31, 2019						
Defined benefit obligation (gratuity)	35.21	34.88	117.69	210.19	937.40	1,335.37
Total	**35.21**	**34.88**	**117.69**	**210.19**	**937.40**	**1,335.37**

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is Rs.264.23 million (March 31, 2019: Rs.216.16 million).

Note 20 : Depreciation and Amortisation Expense

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Depreciation of property, plant and equipment	4,350.86	4,255.14
Amortisation of intangible assets	146.18	102.46
Impairment of Goodwill	28.11	-
Depreciation on right-of-use assets	285.70	-
Total depreciation and amortization expense	**4,810.85**	**4,357.60**

Note 21 : Other Expenses

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Stores and Spares Consumed	1,002.25	1,204.38
Dyes and Chemicals Consumed	2,342.22	2,422.81
Contract Labour Charges	1,072.42	631.21
Job Work Expenses	603.66	1,283.14
Power, Fuel and Water Charges	2,221.02	2,027.99
Repairs and Maintenance:		
Plant and Machinery	196.11	159.76
Factory Building	171.32	189.85
Others	361.56	312.39
Brokerage and Commission	353.76	485.21
Freight, Forwarding and Coolie Charges	1,575.78	1,414.15
Directors' Sitting Fees	7.57	6.14
Rent	247.95	489.04
Rates and Taxes	82.78	83.73

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Printing and Stationery	20.79	22.15
Travelling and Conveyance	571.27	423.30
Legal and Professional Charges	706.89	607.36
Security Expenses	51.49	40.94
Insurance	361.84	152.17
Communication	78.98	82.68
Postage and Courier	90.24	61.96
Loss on Sale/ Discarding of Property , Plant and Equipment (Net)	-	2.27
Loss on Sale of Investments	-	34.11
Provision for Doubtful Debts/Advances	22.52	75.12
Loss on Cancellation/ Settlement of Forward Contracts (Net)	84.08	19.86
Exchange Loss (Net)	-	130.26
Bad Debts Written off	74.80	0.05
Advances Written off	61.51	-
Design and Development Expenses	124.22	127.88
Royalty	260.11	169.49
Advertising and Sales Promotion	1,116.01	900.59
Donations	3.29	5.34
Corporate Social Responsibility Expenses (Refer note 21 (b) below)	95.90	143.11
Payments to auditors (Refer note 21 (a) below)	28.02	24.80
Net loss on financial assets measured at fair value through profit or loss	256.07	96.67
Miscellaneous expenses	273.50	173.25
Total Other Expenses	**14,519.93**	**14,003.16**

Note 21 (a) : Details of Payments to auditors

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Payment to auditors		
As auditor:		
Audit fee	25.37	21.17
Tax audit fee	1.23	1.02
Certification fees	0.93	1.48
Re-imbursement of expenses	0.49	1.13
Total payments to auditors	**28.02**	**24.80**

The above fee includes the fee of statutory auditors of subsidiary companies who are different from auditors of the holding company.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 21 (b) : Corporate Social Responsibility Expenses

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
(i) Gross amount required to be spent by the Company during the year	94.56	137.82
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	95.90	143.11

Note 22 : Finance costs

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Interest and finance charges on financial liabilities not at fair value through profit or loss	421.86	202.62
(net of interest subsidy of Rs. 1,299.62 million, Previous Year : Rs. 1,550.26 million)		
- Interest on short term borrowings	746.13	744.15
- Interest on Debentures	14.66	93.34
- Interest to Others	27.28	22.36
- Interest on lease liability	58.53	-
Discounting and Bank Charges	508.53	530.29
Total	**1,776.99**	**1,592.76**

Note 23 : Exceptional Items

'The Company received final approval from trial court dated October 28, 2019 for its settlement agreement which was intended to resolve all pending legal claims in the United States concerning past marketing and labeling of the Company's premium cotton home textile products. Accordingly, the management based on expert advice has reversed the unutilized provision aggregating Rs.434.18 million during the year.

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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

a) **Statement of Profit and Loss**

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Current Tax		
Current Tax on profits for the year.	1,619.07	896.60
Total current tax expense	**1,619.07**	**896.60**
Deferred Tax		
Relating to originating and reversal of temporary differences	81.29	(288.91)
Total deferred income tax expense/(benefit)	**81.29**	**(288.91)**
Income tax expense	**1,700.36**	**607.69**

b) **Other Comprehensive Income (OCI)**

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Deferred gain on cash flow hedges	723.59	(343.35)
Net loss/(gain) on remeasurement of defined benefit plans	1.40	11.42
Total	**724.99**	**(331.93)**

(c) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Profit for the year before income tax expense	6,943.91	2,869.44
Tax at the Indian tax rate @ 34.94% (previous year 34.94 %)	**2,426.20**	**1,002.58**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Impact on account of change in tax rate	(1,035.25)	-
Donation and Corporate social responsibility expenditure	18.94	31.12
Research and Development Expenditure	(22.93)	(46.31)
Deduction under section 80IA (Previous year : 80IA and 80 JJAA)	(334.62)	(562.87)
Provision pertaining to earlier years relating to uncertain tax positions	193.50	-
Interest on loan given to subsidiary	(6.39)	(25.26)
Deferred tax not created	295.03	110.80
Other Items	136.23	74.20
Difference in Overseas tax rate and tax payable at lower rates	29.65	23.43
Income Tax Expenses	**1,700.36**	**607.70**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 25 : Fair value measurements

Financial instruments by category

(Rs. million)

	March 31, 2020			March 31, 2019		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
- Equity instruments	-	4.59	-	258.53	10.16	-
- Preference shares	-	-	-	-	-	-
- Bonds and debentures	81.47	-	-	549.34	-	-
- Mutual funds	2,354.95	-	-	447.52	-	-
- Others	2.92	-	-	3.80	-	-
Trade receivables	-	-	10,861.58	-	-	10,768.06
Loans	-	-	7.08	-	-	6.75
Cash and cash equivalents	-	-	2,051.08	-	-	1,543.66
Bank balance other than Cash and cash equivalents	-	-	253.39	-	-	187.52
Security deposits	-	-	331.51	-	-	375.08
Government Grants Receivable	-	-	3,654.93	-	-	3,216.44
Technology Upgradation Fund Credit Receivable	-	-	-	-	-	792.75
Interest Receivable under Subvention Scheme	-	-	-	-	-	11.24
Mark-to-Market gain (Net) on Forward/ Swap Contracts	150.52	-	-	-	1,130.47	-
Other financial assets	-	-	319.19	-	-	572.62
Total financial assets	**2,589.86**	**4.59**	**17,478.76**	**1,259.19**	**1,140.63**	**17,474.12**
Financial liabilities						
Borrowings including interest there on	-	-	34,570.64	-	-	33,188.93
Trade payables	-	-	8,978.51	-	-	7,041.26
Security Deposits	-	-	211.36	-	-	164.61
Creditors for Capital Purchases	-	-	443.49	-	-	657.25
Mark-to-market loss on Forward Contracts	-	1,389.63	-	-	0.80	-
Lease Liability	-	-	787.74	-	-	-
Other financial liabilities	-	-	155.29	-	-	120.38
Total financial liabilities	**-**	**1,389.63**	**45,147.03**	**-**	**0.80**	**41,172.43**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2020

(i) Fair value of Financial assets and liabilities measured at amortised cost

(Rs. million)

	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade receivables	10,861.58	10,861.58	10,768.06	10,768.06
Loans	7.08	7.08	6.75	6.75
Cash and cash equivalents	2,051.08	2,051.08	1,543.66	1,543.66
Bank balance other than Cash and cash equivalents	253.39	253.39	187.52	187.52
Security deposits	331.51	331.51	375.08	375.08
Government Grants Receivable	3,654.93	3,654.93	3,216.44	3,216.44
Technology Upgradation Fund Credit Receivable	-	-	792.75	792.75
Interest Receivable under Subvention Scheme	-	-	11.24	11.24
Other financial assets	319.19	319.19	572.62	572.62
Total	**17,478.76**	**17,478.76**	**17,474.12**	**17,474.12**
Financial liabilities				
Borrowings including interest there on	34,570.64	34,590.10	33,188.93	33,208.34
Trade payables	8,978.51	8,978.51	7,041.26	7,041.26
Security Deposits	211.36	211.36	164.61	164.61
Creditors for Capital Purchases	443.49	443.49	657.25	657.25
Lease Liability	787.74	787.74		
Other financial liabilities	155.29	155.29	120.38	120.38
Total	**45,147.03**	**45,166.49**	**41,172.43**	**41,191.84**

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.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2020

(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.

(Rs. million)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets :					
Financial Investments at FVPL					
Bonds and debentures	5 (a)	-	-	81.47	81.47
Mutual funds	5 (a)	-	2,354.95	-	2,354.95
Others	5 (a)	-	2.92	-	2.92
Mark-to-Market gain (Net) on Forward/ Swap Contracts	5 (c)	-	150.52	-	150.52
Financial Investments at FVOCI					
Listed Equity Investment	5 (a)	4.59	-	-	4.59
Total financial assets		**4.59**	**2,508.39**	**81.47**	**2,594.45**
Financial liabilities					
Derivatives designated as hedges					
Mark-to-market loss on Forward Contracts	10 (b)	-	1,389.63	-	1,389.63
Total financial liabilities		**-**	**1,389.63**	**-**	**1,389.63**

(Rs. million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	5 (d)	-	-	10,861.58	10,861.58
Loans	5 (b)	-	-	7.08	7.08
Cash and cash equivalents	5 (e)	-	-	2,051.08	2,051.08
Bank balance other than Cash and cash equivalents	5 (f)	-	-	253.39	253.39
Security deposits	5 (c)	-	-	331.51	331.51
Government Grants Receivable	5 (c)	-	-	3,654.93	3,654.93
Technology Upgradation Fund Credit Receivable	5 (c)	-	-	-	-
Interest Receivable under Subvention Scheme	5 (c)	-	-	-	-
Other financial assets	5 (c)	-	-	319.19	319.19
Total financial assets		**-**	**-**	**17,478.76**	**17,478.76**
Financial Liabilities					
Borrowings including interest there on	10 (a)	-	-	34,590.10	34,590.10
Trade payables	10 (c)	-	-	8,978.51	8,978.51
Security Deposits	10 (b)	-	-	211.36	211.36
Creditors for Capital Purchases	10 (b)	-	-	443.49	443.49
Lease Liability	34	-	-	787.74	787.74
Other financial liabilities	10 (b)	-	-	155.29	155.29
Total financial liabilities		**-**	**-**	**45,166.49**	**45,166.49**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

(Rs. million)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Equity instruments	5 (a)	-	-	258.53	258.53
Bonds and debentures	5 (a)	-	-	549.34	549.34
Mutual funds	5 (a)	-	447.52	-	447.52
Others	5 (a)	-	3.80	-	3.80
Derivatives designated as hedges					
Mark-to-market loss on Forward Contracts	5 (c)	-	1,130.47	-	1,130.47
Financial Investments at FVOCI					
Listed Equity Investment	5 (a)	10.16	-	-	10.16
Total financial assets		**10.16**	**1,581.79**	**807.87**	**2,399.82**

(Rs. million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade receivables	5 (d)	-	-	10,768.06	10,768.06
Loans	5 (b)	-	-	6.75	6.75
Cash and cash equivalents	5 (e)	-	-	1,543.66	1,543.66
Bank balance other than Cash and cash equivalents	5 (f)	-	-	187.52	187.52
Security deposits	5 (c)	-	-	375.08	375.08
Government Grants Receivable	5 (c)	-	-	3,216.44	3,216.44
Technology Upgradation Fund Credit Receivable	5 (c)	-	-	792.75	792.75
Interest Receivable under Subvention Scheme	5 (c)	-	-	11.24	11.24
Other financial assets	5 (c)	-	-	572.62	572.62
Total financial assets		**-**	**-**	**17,474.12**	**17,474.12**
Financial Liabilities					
Borrowings including interest there on	10 (a)	-	-	33,208.34	33,208.34
Trade payables	10 (c)	-	-	7,041.26	7,041.26
Security Deposits	10 (b)	-	-	164.61	164.61
Creditors for Capital Purchases	10 (b)	-	-	657.25	657.25
Other financial liabilities	10 (b)	-	-	120.38	120.38
Total financial liabilities		**-**	**-**	**41,191.84**	**41,191.84**

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.

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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.

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, 2020 and March 31, 2019:

(Rs. million)

Particulars	Equity Share	Preference shares
As at April1, 2018	**254.40**	**194.84**
Gains recognised in Statement of Profit and Loss	-	264.83
Amount Received on redemption	-	459.67
Investment made during the year	4.13	-
As at March 31, 2019	**258.53**	**-**
Loss recognised in Statement of Profit and Loss	(258.53)	
Amount Received on redemption	-	-
Investment made during the year	-	-
As at March 31, 2020	**-**	**-**

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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 (Rs. million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	
Equity Shares	-	258.53	March 31, 2020: Proportionate net worth of the investee entities March 31, 2019: Revenue multiple	NA	1.80 to 2.20	March 31, 2020: NA as the value is Nil March 31, 2019 : Increase in revenue multiple by 10 basis points (bps) would increase fair value by Rs. 13.58 million and decrease in revenue multiple by 10 bps would decrease fair value by Rs. 13.58 million.

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.

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.

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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 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 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

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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.

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 credit worthiness 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 from the top ten customers.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from top ten customers	65.74%	63.95%

Expected credit loss for trade receivables as at March 31, 2020 is Rs. 60.16 million (March 31, 2019: Rs.38.94 million)

As at March 31, 2020 (Rs. million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Gross Carrying Amount	9,645.06	773.32	503.36	10,921.74
Expected Loss Rate	0.00%	0.00%	11.95%	0.55%
Allowance for Doubtful	-	-	60.16	60.16
Carrying amount of trade receivables (net of impairment)	9,645.06	773.32	443.20	10,861.58

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To The Consolidated Financial Statements For The Year Ended March 31, 2020

As at March 31, 2019 (Rs. million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Gross Carrying Amount	9,665.43	883.92	257.65	10,807.00
Expected Loss Rate	0.12%	0.00%	10.52%	0.36%
Allowance for Doubtful	11.84	-	27.10	38.94
Carrying amount of trade receivables (net of impairment)	9,653.59	883.92	230.55	10,768.06

Reconciliation of loss allowance provision - Trade receivables

	Amount (Rs. million)
Allowance for doubtful debts on March 31, 2018	21.45
Expected Credit loss recognised	17.49
Written off during the year	-
Allowance for doubtful debts on March 31, 2019	38.94
Expected Credit loss recognised	25.97
Written off during the year	4.75
Allowance for doubtful debts on March 31, 2020	60.16

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 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:

(Rs. million)

As at	March 31, 2020	March 31, 2019
Expiring with one year (Export bills discounting, Packing Credit, Bank overdraft etc.)	10,364.36	6,845.59
Expiring beyond one year (bank loans)	1,724.11	5,229.20
Total	**12,088.47**	**12,074.79**

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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, 2020

(Rs. 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	13,445.16	6,287.05	1,359.53	3,587.58	7,921.94	5,834.09	38,435.35
Trade payables	8,804.94	173.57	-	-	-	-	8,978.51
Other financial liabilities	459.37	108.91	78.76	89.33	73.76	-	810.13
Lease Liabilities	80.23	75.92	149.93	270.58	286.48	50.06	913.20
Total	**22,789.70**	**6,645.45**	**1,588.22**	**3,947.49**	**8,282.18**	**5,884.15**	**49,137.19**

As at March 31, 2020

(Rs. 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	7,907.18	9,088.18	13,726.78	-	-	-	30,722.14
Forward contracts EUR- INR	97.90	48.88	-	-	-	-	146.78
Forward contracts GBP- INR	71.09	33.29	-	-	-	-	104.38
Forward contracts CHF- INR	-	-	-	-	-	-	-
Total	**8,076.17**	**9,170.35**	**13,726.78**	**-**	**-**	**-**	**30,973.30**

As at March 31, 2020

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	1,463.04	3,134.09	-	-	-	-	4,597.13
Forward contracts EUR- INR	125.85	-	34.53	-	-	-	160.38
Forward contracts GBP- INR	-	-	-	-	-	-	-
Forward contracts CHF- INR	-	96.61	-	-	-	-	96.61
Total	**1,588.89**	**3,230.70**	**34.53**	**-**	**-**	**-**	**4,854.12**

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As at March 31, 2019

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	15,444.75	782.93	1,796.18	3,570.33	9,913.26	3,744.76	35,252.21
Trade payables	2,046.91	2,960.85	2,031.15	2.35	-	-	7,041.26
Other financial liabilities	852.57	-	138.87	1.35	35.22	-	1,028.01
Total	**18,344.23**	**3,743.78**	**3,966.20**	**3,574.03**	**9,948.48**	**3,744.76**	**43,321.48**

As at March 31, 2019

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	7,226.78	7,662.93	15,059.44	-	-	-	29,949.15
Forward contracts EUR- INR	59.18	19.89	-	-	-	-	79.07
Forward contracts GBP- INR	69.19	18.53	-	-	-	-	87.72
Total	**7,355.15**	**7,701.35**	**15,059.44**	**-**	**-**	**-**	**30,115.94**

As at March 31, 2019

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	216.27	-	-	-	-	-	216.27
Forward contracts EUR- INR	-	-	-	-	-	-	-
Forward contracts GBP- INR	-	-	-	-	-	-	-
Total	**216.27**	**-**	**-**	**-**	**-**	**-**	**216.27**

(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).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales, purchases and foreign currency required at the settlement date of certain receivables/payables.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by using foreign currency forward contracts.

At 31 March 2020, the Group hedged 65.04% (31 March 2019: 59.83%), for 12 months, of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date.

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(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 parables which do not form part of net investment in a foreign operation are considered as exposure, accordingly included below.

(Rs. million)

Foreign Currency	March 31, 2020				March 31, 2019			
	USD	EUR	GBP	Others*	USD	EUR	GBP	Others*
Financial Assets								
Trade Receivables	9,095.48	52.14	31.04	-	9,113.79	48.55	107.96	-
Other Receivables	-	-	19.41	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**9,095.48**	**52.14**	**50.45**	**-**	**9,113.79**	**48.55**	**107.96**	**-**
Financial liabilities								
Borrowings	2,042.96	-	-	-	150.96	-	-	-
Trade payables and provision	4,085.78	81.03	44.74	8.30	4,537.04	62.48	73.03	4.63
Other financial liabilities	47.65	82.56	2.92	-	188.70	87.41	-	-
Less: Hedged through derivatives								
Foreign exchange forward contracts	(2,843.69)	(61.75)	-	-	(25.27)	-	-	-
Net open exposures (assets-liabilities) - assets / (liabilities)	**3,332.70**	**101.84**	**47.66**	**8.30**	**4,851.43**	**149.89**	**73.03**	**4.63**

*Others consists of JPY, CNY and CHF foreign currencies.

Amount of financial hedge, as mentioned above do not include outstanding forward contracts of Rs 2,051.74 million (March 31, 2019: Nil) that are towards firm commitment / highly probable forecast transactions to purchase where corresponding exposure is yet to be recorded in the books.

(b) Foreign currency sensitivity

The sensitivity of other component of equity arises from foreign forward exchange contracts.

(Rs. million)

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
USD sensitivity		
USD-INR - Increase by 5% (March 31, 2019 - 5%)*	288.14	213.12
USD - INR - Decrease by 5% (March 31, 2019 - 5%)*	(288.14)	(213.12)
EURO sensitivity		
EURO - INR - Increase by 4% (March 31, 2019 - 4%)*	(1.99)	(4.05)
EURO - INR - Decrease by 4% (March 31, 2019 - 4%)*	1.99	4.05
GBP sensitivity		
GBP - INR - Increase by 2% (March 31, 2019 - 2%)*	0.06	0.70
GBP - INR - Decrease by 2% (March 31, 2019 - 2%)*	(0.06)	(0.70)

* Holding all other variables constant

(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. Hedging the forecast purchases 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, 2020

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 (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**
Forward contracts (in USD)	109.45	72.25	123.31	73.70	184.60	74.36	417.36
Forward contracts (in EURO)	1.20	81.58	0.60	81.47	-	-	1.80
Forward contracts (in GBP)	0.75	94.79	0.35	95.10	-	-	1.10

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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 (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**
Forward contracts (in USD)	20.14	72.64	41.88	74.84	-	-	62.02
Forward contracts (in EURO)	1.56	80.68	-	-	0.40	85.68	1.96
Forward contracts (in CHF)	-	-	1.19	81.19	-	-	1.19

As at March 31, 2019

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 (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**
Forward contracts (in USD)	100.88	71.64	101.82	75.26	205.27	73.37	407.97
Forward contracts (in EURO)	0.75	78.90	0.25	79.56	-	-	1.00
Forward contracts (in GBP)	0.75	92.26	0.20	92.64	-	-	0.95

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 (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**	**Average Rate (Rs.)**	**Amount in Million**
Forward contracts (in USD)	3.11	69.62	-	-	-	-	3.11

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Impact of hedging activities

Disclosure of effects of hedge accounting on financial positions:

(Rs.million)

31-Mar-20	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)	417.36	-	(1,386.21)	1:1	(1,231.16)	1,231.16
Forward contracts (EURO-INR)	1.80	-	(3.92)	1:1		
Forward contracts (GBP-INR)	1.10	-	0.50	1:1		
Fair Value hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	62.02	149.88	-	1:1	151.95	(151.95)
Forward contracts (EURO-INR)	1.97	3.81	-	1:1		
Forward contracts (GBP-INR)	-	-	-	1:1		
Forward contracts (CHF-INR)	1.19	-	(1.74)	1:1		

31-Mar-19	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)	407.97	1,130.55	-	1:1	33.51	(33.51)
Forward contracts (EURO-INR)	1.00	0.13	-	1:1		
Forward contracts (GBP-INR)	0.95	0.70	-	1:1		
Fair Value hedge						
Foreign exchange risk						
Forward contracts (USD-INR)	3.11	-	(0.61)	1:1	(0.61)	0.61
Forward contracts (EURO-INR)	-	-	-	1:1		
Forward contracts (GBP-INR)	-	-	-	1:1		
Forward contracts (CHF-INR)	-	-	-	1:1		

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Disclosure of effects of hedge accounting on financial performance

(Rs.million)

March 31, 2020 **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	(1,231.16)	-	1,158.87	Revenue
Highly probable forecast sales	-	84.08	-	Other Expenses

March 31, 2019 **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	33.51	-	927.55	Revenue

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

(Rs. million)

Derivative instruments	**Forward contracts**
(i) Cash flow hedging reserve	
As at April 01, 2018	98.61
Add: Gain recognised in other comprehensive income during the year	33.51
Less: Amounts reclassified to profit or loss	927.45
Less: Deferred Tax	(336.59)
As at March 31, 2019	**722.98**
Add: Loss recognised in other comprehensive income during the year	(1,231.16)
Add: Amounts reclassified to profit or loss	(1,158.87)
Less: Deferred Tax	709.34
As at March 31, 2020	**(957.71)**

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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, 2020	As at March 31, 2019
Fixed rate borrowings	14,590.08	15,209.47
Floating rate borrowings	19,879.02	17,894.49
Total	**34,469.10**	**33,103.96**

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2020			March 31, 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	8.45%	19,879.02	58%	9.03%	17,894.49	54%
Net exposure to cash flow interest rate risk	-	**19,879.02**	-	-	**17,894.49**	-

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase by 50 basis points (March 31, 2019 - 50 basis points)*	(99.40)	(89.47)
Decrease by 50 basis points (March 31, 2019 - 50 basis points)*	99.40	89.47

* 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.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase in price 0.75% (March 31, 2019 - 0.75%)*	18.27	7.48
Decrease in price 0.75% (March 31, 2019 - 0.75%)*	(18.27)	(7.48)

* Holding all other variables constant

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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 (including restricted cash and cash equivalents) and short-term investments. 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:

The following table summarizes the capital of the Group:

	March 31, 2020	March 31, 2019
Non current borrowings	14,069.54	15,536.69
Current borrowings	17,717.34	14,080.21
Current maturities of long term debt and finance lease obligations	2,634.22	3,487.06
Less: cash and cash equivalent	2,051.08	1,543.66
Net debt	**32,370.02**	**31,560.30**
Total equity	**30,569.08**	**28,502.64**
Gearing ratio	1.06	1.11

(i) Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the approved range for gearing ratio is 2 times to 2.57 times, and
- the ratio of Debt Service Coverage (DSCR) Ratio must be at least 1.25 times.

The Group has complied with these covenants throughout the reporting period. As at March 31, 2020, the DSCR ratio was 3.07 times (March 31, 2019 : 1.9 times).For the purpose of calculating DSCR, finance cost is considered net of Government Grant and it is assumed that short term debt will be rolled over and hence not considered.

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To The Consolidated Financial Statements For The Year Ended March 31, 2020

(b) Dividend

	March 31, 2020	March 31, 2019
Equity Share		
Final dividend for the year ended March 31, 2019 of Rs. 0.30 (March 31, 2018 of Rs. 0.65) per fully paid share (Dividend distribution tax for the year ended March 31, 2019 : Rs. 61.97 million, March 31, 2018 : Rs. 134.27 million)	301.42	653.07
Interim dividend for the year ended March 31, 2020 of Rs. 1 (March 31, 2019of Nil) per fully paid share. (Dividend distribution tax for the year ended March 31, 2020 : Rs. 206.56 million, March 31, 2019 : Nil)	1,004.73	-
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. Nil per fully paid equity share (March 31, 2019 of Rs. 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	301.42

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).

During the year Group's subsidiary Welspun Flooring Limited has commenced the commercial production of flooring products pursuant to which the Chief Operating Decision Makers have started monitoring 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, 2020

(Rs. million)

Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	66,633.29	872.31	-	67,505.60
	Inter Segment Revenue	7.02	87.66	-	94.68
	Net Revenue from Operation	**66,626.27**	**784.65**	**-**	**67,410.92**
2	**Segment results**				
	Profit before interest, depreciation, exceptional items and tax	14,692.17	(1,422.67)	(171.93)	13,097.57
	Less: Depreciation and amortization expense	4,579.79	231.06	-	4,810.85
	Less: Finance costs	1,571.13	205.86	-	1,776.99
	(Add)/Less: Exceptional Item	(434.18)	-	-	(434.18)
	Profit before Tax	**8,975.43**	**(1,859.59)**	**(171.93)**	**6,943.91**
	Tax Expenses	-	-	1,700.36	1,700.36
	Profit after Tax (before adjustment for Non controlling Interest)	**8,975.43**	**(1,859.59)**	**(1,872.29)**	**5,243.55**

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(Rs. million)

Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
	Less : Share of Profit / Loss transferred to Non controlling entities	184.63	(14.81)	-	169.82
	Profit after Tax (after adjustment for Non controlling Interest)	**8,790.80**	**(1,844.78)**	**(1,872.29)**	**5,073.73**
3	**Segment Assets**	**67,534.18**	**10,826.75**	**4,741.87**	**83,102.80**
	Segment Liabilities	37,912.03	11,125.33	3,496.36	52,533.72
	Capital Expenditure	1,766.06	4,128.76	-	5,894.82

Segment Information for the year ended March 31, 2019

(Rs. million)

Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	**Segment Revenue**				
	External Revenue	65,136.96	131.26	-	65,268.22
	Inter Segment Revenue	2.07	-	-	2.07
	Net Revenue from Operation	**65,134.89**	**131.26**	**-**	**65,266.15**
2	**Segment results**				
	Profit before interest, depreciation, exceptional items and tax	11,277.55	(274.77)	464.00	11,466.78
	Less: Depreciation and amortization expense	4,356.30	1.30	-	4,357.60
	Less: Finance costs	1,580.30	12.46	-	1,592.76
	(Add)/Less: Exceptional Item	2,646.98	-	-	2,646.98
	Profit before Tax	**2,693.97**	**(288.53)**	**464.00**	**2,869.44**
	Tax Expenses	-	-	607.69	607.69
	Profit after Tax (before adjustment for Non controlling Interest)	**2,693.97**	**(288.53)**	**(143.69)**	**2,261.75**
	Less : Share of Profit / Loss transferred to Non controlling entities	168.02	(4.58)	-	163.44
	Profit after Tax (after adjustment for Non controlling Interest)	**2,525.95**	**(283.95)**	**(143.69)**	**2,098.31**
3	**Segment Assets**	**68,689.76**	**5,951.69**	**2,781.30**	**77,422.75**
	Segment Liabilities	40,101.95	5,417.75	3,400.41	48,920.11
	Capital Expenditure	2,337.03	4,599.01	-	6,936.04

ii) Information about Secondary Geographical Segments:

(Rs. million)

Particulars	India		Outside India		Total	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
External Revenue	9,513.77	8,565.65	57,897.15	56,700.50	67,410.92	65,266.15
Segment Assets*	38,950.50	38,455.00	1,379.20	826.80	40,329.70	39,281.80

* Carrying Amount of Segment Assets are Non-Current assets excluding the Tax Assets, Deferred Tax Assets and Financial Assets

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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 export benefits 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) Revenue from two customers amounted to Rs.22,181.45 million (March 31, 2019: Rs 20,682.10 million)

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-20	31-Mar-19	31-Mar-20	31-Mar-19	
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

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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-20	31-Mar-19	31-Mar-20	31-Mar-19	
"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
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
Pure Sense Organics Myanmar Limited. (PSOM) ***	Myanmar	51.00	-	49.00	-	Farming of Organic Cotton

* On November 07, 2019, Name of Welspun Advanced Materials Limited (WAML) was changed to Welspun Innovative Products Limited (WIPL).
** On December 03, 2019, Welspun Advanced Materials (India) Limited (WAMIL) was Incorporated as 100% Subsidiary Company.
*** On July 22, 2019, Pure Sens Organics Myanmar Limited. (PSOM) became 51% Subsidiary of Welspun India limited (WIL).

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(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.

(Rs. million)

Summarised Balance Sheet	Welspun Captive Power Generation Limited	
	As At March 31, 2020	As At March 31, 2019
Current assets	1,589.89	1,969.02
Current liabilities	326.60	1,000.77
Net current assets	**1,263.29**	**968.25**
Non-current assets	2,531.69	2,053.36
Non-current liabilities	277.64	239.06
Net non-current assets	**2,254.05**	**1,814.30**
Net assets	3,517.34	2,782.55
Accumulated NCI	808.99	639.99

Summarised statement of profit and loss	Welspun Captive Power Generation Limited	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue	3,911.78	4,649.07
Profit for the year	734.83	984.53
Other comprehensive income (Loss)	(0.05)	(1.56)
Non-current liabilities	277.64	239.06
Total comprehensive income	**734.78**	**982.97**
Profit allocated to NCI	169.00	160.88
Dividends paid to NCI	-	-

Summarised statement of profit and loss	Welspun Captive Power Generation Limited	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash flows from operating activities	998.04	534.35
Cash flows from investing activities	(102.36)	(399.17)
Cash flows from financing activities	(909.23)	(103.52)
Non-current liabilities	277.64	239.06
Net increase/ (decrease) in cash and cash equivalents	**(13.55)**	**31.66**

(c) Transactions with non-controlling interests

i) Transaction during the current year

The Group acquired 51% stake in Pure Sens Organics Myanmar Limited. (PSOM) on July 22, 2019. Immediately prior to the purchase, the carrying amount of the existing 49% non-controlling interest was Rs (0.27) million. The group recognised non-controlling interests POSM of Rs.(0.27) million.

ii) Transaction during the previous year

The Group had 77% stake in Welspun Captive Power Generation Limited on April 1, 2018. On November 15, 2018, the group acquired an additional 18% stake for Rs.383.77 million. Immediately prior to the

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purchase, the carrying amount of the existing 18% non-controlling interest was Rs.433.15 million. The group recognised a decrease in non-controlling interests of Rs.433.15 million and an increase in equity attributable to owners of the parent of Rs.49.38 million.

On March 26, 2019, the group sold 18% stake for Rs. 384.20 million. Immediately prior to the purchase, the carrying amount of the existing 18% stake was Rs.498.71 million. The group recognised a increase in non-controlling interests of Rs.497.52 million and a decrease in equity attributable to owners of the parent of Rs.114.51 million. The effect on the equity attributable to the owners of The Company for year ended March 31, 2019 is summarised as follows:

(Rs. million)

	Year Ended March 31, 2019
Consideration received from non-controlling interests (Net)	0.43
Carrying amount of non-controlling interests acquired (Net)	65.56
Transfer of share of reserves to non-controlling interests (Net)	(65.13)

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Note 30: Related Party Disclosures

(i). Relationships

(a)	**Enterprises where Control Exists**	
	Holding Company	Prasert Multiventure Private Limited (till May 20, 2019) Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)
(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 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) Welassure Private Limited (WPL) 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 Orissa Steel and Power Limited (WOSPL) Welspun Wasco Coatings Private Limited (WASCO) Welspun Tubular LLC (WTLLC) Technopak Advisors Private Limited (TAPL) Welspun Global Brand Limited Employees Gratuity Fund (WGBLGF) Welspun India Limited Employees Gratuity Fund (WILGF)

(c) 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
Ram Gopal Sharma (RGS)	Independent Director (till October 22. 2018)
Padma Betai (PB)	Independent Director (till September 29. 2018)
Pradeep Poddar (PP)	Independent Director
Anisha Motwani (AM)	Independent Director (w.e.f. October 22,2018)
Shalil Awale (SA)	Independent Director (w.e.f. September 29,2018)
Altaf Jiwani (AJ)	Chief Financial Officer
Shashikant Thorat (ST)	Company Secretary

(d) Relatives of Key Management Personnel

Radhika Goenka (RBG)
Vanshika Goenka (VBG)

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(ii). Terms and conditions

- All outstanding balances are unsecured and repayable in cash.

PARTICULARS	Holding 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	PMPL	WCL	AYMSL	WENL	WRPL	WSSL	WSL	WTR	WPL	WML	WEMO	KPL	VEPL	MGN	
Transactions during the year																
Loans, Advances and Deposits given	-	-	-	-	-	31.50	-	-	-	-	-	-	-	-	-	31.50
	-	-	(0.02)	-	-	-	-	-	-	-	(0.70)	-	-	-	-	(0.72)
Loan Advance & Deposits Received	-	-	66.76	-	-	-	-	-	-	-	-	-	-	-	-	66.76
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	44.02	-	-	-	-	-	-	-	-	-	44.02
	-	-	-	-	-	(17.46)	-	-	-	-	-	-	-	-	-	(17.46)
Loans, Advances and Deposits Written off	-	-	-	-	-	-	-	-	-	-	-	56.00	-	-	-	56.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	-	-	70.25	115.14	-	-	-	762.19	-	0.89	-	-	-	-	-	948.47
	-	-	(224.28)	(447.77)	-	-	-	(1,110.44)	-	(0.90)	-	-	-	-	-	(1,783.39)
Purchase of Services/ Expenses incurred	-	-	19.40	-	-	62.04	-	8.71	-	-	-	-	-	-	0.25	90.40
	-	-	(17.77)	-	(0.41)	(46.18)	-	(8.76)	-	-	(0.08)	-	-	-	(0.04)	(73.24)
Sale of Goods/ DEPB Licenses *	-	-	625.40	250.77	8.82	-	0.55	673.46	0.02	-	-	-	0.03	0.01	-	1,559.06
	-	-	(452.47)	(0.16)	(12.86)	-	(0.76)	(1,368.28)	(0.09)	-	-	-	-	-	-	(1,834.62)
Sale of Services/ Expenses incurred	0.94	-	7.87	14.67	-	-	0.80	0.36	-	-	-	-	-	-	-	24.64
	-	(1.04)	(10.47)	-	(0.09)	-	(0.03)	(0.41)	-	-	-	-	-	-	-	(12.04)
Sale of Fixed Assets	-	-	258.38	-	-	-	-	-	-	-	-	-	-	-	-	258.38
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets / Capital Goods	-	-	715.15	-	-	-	-	-	-	-	-	-	-	-	-	715.15
	-	-	(39.48)	-	-	-	-	-	-	-	-	-	-	-	-	(39.48)
Remuneration and Commission +++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Shares of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(383.77)	-	-	-	-	-	-	-	-	-	-	-	-	(383.77)
Sale of Shares of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(384.19)	-	-	-	-	-	-	-	-	-	-	-	-	(384.19)
Equity Dividend Paid +	203.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203.75
	-	(441.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	(441.40)
Interim Equity Dividend Paid ++	679.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	679.17
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																
"Loans, Advances and Deposits received (including interest accrued but not due)"	-	-	69.16	-	-	-	-	-	-	-	-	-	-	-	-	69.16
	-	-	(398.27)	-	-	-	-	-	-	-	-	-	-	-	-	(398.27)
"Loans, Advances and Deposits given (including interest accrued on loan)"	-	-	0.02	13.42	-	178.57	0.80	-	-	-	0.70	19.00	-	-	-	212.51
	-	(1.04)	(0.02)	-	(0.09)	(181.68)	-	-	-	-	(0.70)	(75.00)	-	-	-	(258.53)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	152.72	87.89	3.82	-	-	319.70	-	-	-	-	0.03	-	-	564.16
	-	-	(4.88)	-	(2.11)	-	-	(371.77)	(0.09)	-	-	-	-	-	-	(378.85)
Trade and Other Payables	-	-	1.74	61.94	-	-	0.02	42.00	-	0.16	-	-	-	-	0.01	105.87
	-	-	(5.11)	(0.15)	-	-	-	(73.73)	-	(0.04)	-	-	-	-	-	(79.03)
Investments	-	-	-	4.59	-	-	-	-	-	-	-	-	-	-	-	4.59
	-	-	-	(10.16)	-	-	-	-	-	-	-	-	-	-	-	(10.16)

Note:
Year 2018-19 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.
*** Merged with Aryabhat Vyapar Private Limited (AVPL)
+ Dividend paid of Financial Year 2018-19
++ Dividend paid of Financial Year 2019-20
+++ 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, 2020

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	WOSPL	WASCO	WTLLC	TAPL	BKG	RRM	DBG	AT	AS	RGS	PP	AM	AJ	ST	RBG	VBG	WGBLGF	WILGF	
Transactions during the year																							
Loans, Advances and Deposits given	31.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31.50
	(0.72)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.72)
Loan Advance & Deposits Received	66.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66.76
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loans, Advances and Deposits given	44.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44.02
	(17.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.46)
Loans, Advances and Deposits Written off	56.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods (Including Taxes)	948.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	948.47
	(1,783.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,783.39)
Purchase of Services/ Expenses incurred	90.40	-	-	-	-	-	19.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109.78
	(73.24)	-	-	-	-	-	-	(0.29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(73.53)
Sale of Goods/ DEPB Licenses *	1,559.06	-	-	-	-	2.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,561.62
	(1,834.62)	-	-	(0.58)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,835.21)
Sale of Services/ Expenses incurred	24.64	-	-	-	-	1.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26.57
	(12.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.04)
Sale of Fixed Assets	258.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258.38
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets / Capital Goods	715.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	715.15
	(39.48)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39.48)
Remuneration and Commission +++	-	-	-	-	-	-	-	-	61.29	78.43	116.51	-	-	-	-	-	32.75	4.98	-	3.00	-	-	296.96
	-	-	-	-	-	-	-	-	(15.23)	(32.29)	(63.12)	-	-	-	-	-	(28.50)	(4.39)	-	(3.00)	-	-	(146.53)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	2.20	0.45	-	1.64	0.50	-	-	-	-	-	-	4.79
	-	-	-	-	-	-	-	-	-	-	-	(1.20)	(0.29)	(0.40)	(1.11)	(0.14)	-	-	-	-	-	-	(3.14)
Purchase of Shares of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(383.77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(383.77)
Sale of Shares of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(384.19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(384.19)
Equity Dividend Paid +	203.75	1.63	5.42	-	-	-	-	-	0.21	#	0.23	-	-	-	-	-	-	-	0.60	-	-	-	211.84
	(441.40)	(3.53)	-	-	-	-	-	-	(0.51)	(#)	(0.49)	-	-	-	-	-	-	-	(1.31)	-	-	-	(447.24)
Interim Equity Dividend Paid ++	679.17	-	-	-	-	-	-	-	0.68	#	0.75	-	-	-	-	-	-	-	2.01	-	-	-	682.61
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	13.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.37
	-	-	-	(13.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.00)
Corporate Social Responsibility Expenses	-	-	-	81.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.65
	-	-	-	(112.50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(112.50)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24.00)	(74.00)	(98.00)
Closing Balance																							-
"Loans, Advances and Deposits received (including interest accrued but not due)"	69.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69.16
	(398.27)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(398.27)
"Loans, Advances and Deposits given (including interest accrued on loan)"	212.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	212.51
	(258.53)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(258.53)
Trade Receivables (Net of Bills Discounted with Banks)	564.16	-	-	-	-	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	564.30
	(378.85)	-	-	(0.58)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(379.43)
Trade and Other Payables	105.87	-	-	0.01	-	-	19.38	-	61.29	61.29	62.75	-	-	-	-	-	-	-	-	-	-	-	310.59
	(79.03)	-	-	-	-	-	-	-	(15.23)	(15.23)	(24.12)	-	-	-	-	-	-	-	-	-	-	-	(133.61)
Investments	4.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.59
	(10.16)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.16)

Note:

Year 2018-19 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.

*** Merged with Aryabhat Vyapar Private Limited (AVPL)

+ Dividend paid of Financial Year 2018-19

++ Dividend paid of Financial Year 2019-20

+++ 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, 2020

Note 31: Capital & Other Commitments

(a) Capital commitments:

(Rs. million)

Description	As at March 31, 2020	As at March 31, 2019
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	651.47	2,417.68

(b) Other Commitments

Description	As at March 31, 2020	As at March 31, 2019
Amount of Export Commitments / Obligation in accordance with the EPCG Scheme. Duty saved Rs 1043.76 million (2019 : Rs 675.59 million)	6262.57	4,053.54
Future commitments towards Minimum royalties, image fund fees, and merchandise coordinator fees against trademark licensing agreements	1037.89	280.77

Note 32: There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2020 and March 31, 2019 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Group has no enforceable master netting arrangements and other similar arrangements as at March 31, 2020 and March 31, 2019.

Note 33: Earnings per Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit available for Equity Shareholders (A) (Rs. million)	5,073.73	2,098.32
Number of Equity Shares for Basic Earnings Per Share		
- Weighted Number of equity shares outstanding during the year (B)	1,004,725,150	1,004,724,050
- Weighted Number of diluted equity shares outstanding during the year (C)	1,004,725,150	1,004,724,050
Basic Earnings per share (A/B) (Rs.)	5.05	2.09
Diluted Earnings per share (A/C) (Rs.)	5.05	2.09
Nominal value of an equity share (Rs.)	1.00	1.00

Note 34: Leases

Group as lessee

The Group has lease contracts for various items of property, plant and machinery, vehicles and other equipment used in its operations. Leases of property generally have lease term between 1 and 12 years and leases of plant and machinery have lease term of 13 years, while motor vehicles and other equipment generally have lease terms between 1 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.

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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Rs. million)

Particulars	Right-of-use assets				
	Commercial Property	Plant and Machinery	Motor vehicle	Other Equipment	Total
As at April 1, 2019	**858.72**	**62.70**	**1.58**	**64.53**	**987.53**
Additions	24.00	-	5.49	23.80	53.29
Lease modifications/ adjustments	(10.77)	(20.26)	(0.35)	(2.20)	(33.58)
Depreciation expense	(258.24)	(3.39)	(1.49)	(22.58)	(285.70)
As at March 31, 2020	**613.71**	**39.05**	**5.23**	**63.55**	**721.54**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(Rs. million)

Particulars	Amount
As at April 1, 2019	**987.53**
Additions	53.29
Lease modifications/ adjustments	24.92
Accretion of interest	58.53
Payments	(336.53)
As at March 31, 2020	**787.74**
Current lease liabilities	260.16
Non-Current lease liabilities	527.58

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 statement of profit and loss:

(Rs. million)

Particulars	Amount
Depreciation expense of right-of-use assets	285.70
Interest expense on lease liabilities	58.53
Expense relating to short-term leases and low value assets (included in other expenses)	162.81
Variable lease payments (included in other expenses)	62.72
Total amount recognised in profit or loss	**569.76**

The Group had total cash outflows for leases of Rs.562.06 million in March 31, 2020.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 have 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.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 35: Contingent Liabilities:

a. **Description on matters considered as contingent liabilities :**

(Rs. million)

Description	As at March 31, 2020	As at March 31, 2019
Excise, Customs and Service Tax Matters	23.39	40.38
Stamp Duty Matter	4.46	4.74
Sales Tax Matters	18.15	16.87
Income Tax Matters	263.11	207.74
Claims against the group not acknowledged as debts	51.25	62.86

(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.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

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:

(Rs. million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Material Consumption	143.37	157.36
Employee benefits expenses	110.07	82.39
Others	54.86	90.14
Total	**308.30**	**329.89**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

(Rs. million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Plant and Machinery*	122.45	73.88
Total	**122.45**	**73.88**

*Includes other direct costs like employee benefit expenses and others of Rs 16.97 million (2019: Rs 41.13 million) capitalised during the year in accordance with Indian accounting Standard.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2020

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 (Rs. million)	As a % of consolidated profit / (loss)	Amount (Rs. million)	As a % of consolidated other comprehensive income	Amount (Rs. million)	As a % of consolidated total comprehensive income	Amount (Rs. million)
Parent								
Welspun India Limited								
31 March, 2020	91.83%	28,070.28	90.57%	4,748.92	-0.01%	0.09	130.42%	4,749.01
31 March, 2019	87.35%	24,895.91	62.68%	1,417.66	-4.98%	(25.10)	50.35%	1,392.56
Subsidiaries								
Indian								
Welspun Global Brands Limited								
31 March, 2020	7.67%	2,345.59	7.90%	414.45	107.47%	(1,721.96)	-35.91%	(1,307.51)
31 March, 2019	12.82%	3,653.15	15.39%	347.98	126.54%	637.87	35.64%	985.85
Welspun Zucchi Textiles Limited								
31 March, 2020	0.36%	109.96	0.07%	3.49	0.00%	-	0.10%	3.49
31 March, 2019	0.37%	106.47	0.13%	2.96	0.00%	-	0.11%	2.96
Welspun Flooring Limited								
31 March, 2020	7.51%	2,295.16	-16.12%	(845.24)	0.36%	(5.72)	-23.37%	(850.96)
31 March, 2019	2.04%	581.74	-2.05%	(46.39)	0.00%	-	-1.68%	(46.39)
Welspun Innovative Products Limited								
31 March, 2020	0.00%	0.25	-0.04%	(1.85)	0.00%	-	-0.05%	(1.85)
31 March, 2019	0.00%	(0.40)	-0.02%	(0.50)	0.00%	-	-0.02%	(0.50)
Besa Developers and Infrastructure Private Limited								
31 March, 2020	-0.05%	(14.37)	0.01%	0.05	0.00%	-	0.00%	0.05
31 March, 2019	-0.05%	(14.43)	0.00%	0.03	0.00%	-	0.00%	0.03
Anjar Integrated Textile Park Private Limited								
31 March, 2020	0.00%	(0.21)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
31 March, 2019	0.00%	(0.18)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Welspun Anjar SEZ Limited								
31 March, 2020	7.74%	2,366.42	0.89%	46.76	0.00%	-	1.28%	46.76
31 March, 2019	8.14%	2,319.66	-0.34%	(7.70)	0.00%	-	-0.28%	(7.70)
Welspun Captive Power Generation Limited								
31 March, 2020	11.51%	3,517.34	14.01%	734.83	0.00%	(0.05)	20.18%	734.78
31 March, 2019	9.76%	2,782.56	43.53%	984.53	-0.31%	(1.56)	35.54%	982.97
Welspun Advance Materials (India) Limited								
31 March, 2020	0.00%	(0.51)	-0.01%	(0.61)	0.00%	-	-0.02%	(0.61)
31 March, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Welspun Holdings Private Limited								
31 March, 2020	1.91%	584.22	-3.50%	(183.33)	0.00%	0.02	-5.03%	(183.31)
31 March, 2019	2.69%	767.52	-0.03%	(0.72)	0.00%	(0.02)	-0.03%	(0.74)
Welspun Home Textiles UK Limited								
31 March, 2020	1.50%	457.63	-3.46%	(181.38)	0.71%	(11.44)	-5.30%	(192.82)
31 March, 2019	2.28%	650.44	-0.01%	(0.33)	0.75%	3.79	0.13%	3.46
Welspun Mauritius Enterprises Limited								
31 March, 2020	0.17%	52.82	-0.02%	(0.79)	0.00%	(0.01)	-0.02%	(0.80)
31 March, 2019	0.19%	53.62	0.02%	0.53	0.00%	(0.01)	0.02%	0.52
Novelty Home Textiles S A DE C V								
31 March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31 March, 2019	0.00%	-	0.17%	3.89	-0.01%	(0.04)	0.14%	3.85

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

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 (Rs. million)	As a % of consolidated profit / (loss)	Amount (Rs. million)	As a % of consolidated other comprehensive income	Amount (Rs. million)	As a % of consolidated total comprehensive income	Amount (Rs. million)
CHT Holdings Limited*								
31 March, 2020	0.75%	230.60	1.09%	57.26	0.49%	(7.83)	1.36%	49.43
31 March, 2019	0.64%	181.18	-19.82%	(448.28)	0.59%	2.98	-16.10%	(445.30)
Welspun USA Inc.*								
31 March, 2020	4.40%	1,345.99	1.04%	54.55	-7.81%	125.14	4.93%	179.69
31 March, 2019	4.09%	1,166.30	12.47%	282.00	-24.11%	(121.54)	5.80%	160.46
Welspun Nexgen Inc.								
31 March, 2020	0.04%	13.74	-4.94%	(258.93)	-0.07%	1.17	-7.08%	(257.76)
31 March, 2019	0.95%	271.49	-0.01%	(0.33)	0.23%	1.14	0.03%	0.81
Pure Sens Organics Myanmar Limited								
31 March, 2020	0.01%	0.41	-0.09%	(4.51)	0.00%	0.05	-0.12%	(4.46)
31 March, 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter-company Elimination and Consolidation Adjustments								
31 March, 2020	-38.13%	(11,654.80)	9.36%	490.09	-3.04%	48.76	14.80%	538.85
31 March, 2019	-33.76%	(9,621.83)	-19.34%	(436.99)	-1.37%	(6.87)	-16.05%	(443.86)
Non-controlling Interest in all subsidiaries								
31 March, 2020	2.78%	848.56	3.24%	169.82	1.90%	(30.43)	3.83%	139.39
31 March, 2019	2.49%	709.44	7.23%	163.44	2.67%	13.44	6.40%	176.88
Total								
31 March, 2020	**100.00%**	**30,569.08**	**100.00%**	**5,243.55**	**100.00%**	**(1,602.21)**	**100.00%**	**3,641.34**
31 March, 2019	**100.00%**	**28,502.64**	**100.00%**	**2,261.75**	**100.00%**	**504.08**	**100.00%**	**2,765.83**

*Amounts after consolidation with their subsidiaries

Note 38 : One of the subsidiary Company of the group had entered in to Business Transfer Agreement dated March 30, 2019 with Welspun Corp Limited for purchase of 43MW power plant. The transaction was subject to regulatory approval which was received on September 20, 2019. Accordingly the said Company has completed purchase of plant and related net working capital. The purchase consideration was determined based on valuation conducted by expert and transaction was considered as Asset Acquisition.

Note 39 : Estimation uncertainty relating to the global health pandemic on COVID-19

On 11 March 2020, the World Health Organization characterized the outbreak of the new coronavirus (“COVID-19”) as a pandemic. This outbreak of COVID-19 is causing significant disturbance and slowdown of economic activities globally and in India. The operations of the Group were impacted, due to shutdown of plants and offices following lockdown as per directives from the respective Governments. The Group has resumed operations in a phased manner as per directives from the Government. 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 Management has prepared future cash flow projections, assessed the recoverability of the Group’s assets including annual impairment assessment of its cash generating units, using various internal and external information available as on the date of approval of these financial statements, and the Group expects to recover the carrying amount of these assets. Further, the Group has made detailed assessment of its liquidity position for next one year and concluded that the Group has adequate liquidity to meet its obligations including financial support to its subsidiaries to the extent required. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2020

Note 40: The Ministry of Textile, Government of India, had issued Notification number CG-DL-E-15012020-215423 dated January 14, 2020, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 7, 2019 on certain products exported by the Company and its subsidiary. Without prejudice to the Company's claim, the Company had reversed the MEIS benefit accrued on the affected products, of Rs. 946.94 million for the period March 07, 2019 to September 30, 2019 and reduced from Revenue from Operations.

Note 41 : Events occurring after the reporting date

During the year, the Group has entered into an agreement to acquire a Limited Liability Corporation for a consideration of $8.66 million and was subject to conditions precedent therein. These conditions were satisfied and acquisition was completed subsequent to the year end and accordingly, no impact of the said agreement has been given in these financial statements.

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

per Vikas Kumar Pansari
Partner
Membership No. 93649

Place: Mumbai
Date: June 29, 2020

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

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: June 29, 2020

CORPORATE INFORMATION

Board of Directors

Balkrishan Goenka
Chairman

Rajesh Mandawewala
Managing Director

Dipali Goenka
CEO & Joint Managing Director

Arun Todarwal
Independent Director

Anisha Motwani
Independent Director

Pradeep Poddar
Independent Director

Arvind Kumar Singhal
Independent Director

Audit Committee

Arun Todarwal

Rajesh Mandawewala

Pradeep Poddar

Nomination and Remuneration Committee

Balkrishan Goenka

Arun Todarwal

Pradeep Poddar

The Stakeholders' Relationship, Share Transfer and Investor Grievance Committee

Pradeep Poddar

Balkrishan Goenka

Rajesh Mandawewala

Corporate Social Responsibility Committee

Arun Todarwal

Rajesh Mandawewala

Dipali Goenka

Company Secretary

Shashikant Thorat

Auditors

S R B C & CO LLP

Corporate Office

Welspun House, 6th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, INdIA
Tel: 022-66136000/2490 8000
Fax: 022-24908020
Email: Companysecretary_WIL@welspun.com
Website: http://www.welspunindia.com

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

Stock Exchanges where the Company's securities are listed

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

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, dalal Street,
Mumbai – 400 051

Bankers

Axis Bank Ltd.

Bank of Baroda

Bank of India

Canara Bank

EXIM Bank of India

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

Indian Bank

Punjab National Bank

State Bank of India

Tamilnad Mercantile Bank Ltd.

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

WELSPUN INDIA
Home Textiles

Welspun India Limited
Welspun House, Kamala Mills Compound, Senapati
Bapat Marg, Lower Parel, Mumbai 400 013, India
Tel: +91 22 6613 6000/2490 8000 | Fax: +91 22 2490 8020/2490 8021
www.welspunindia.com
Member of Welspun Group | www.welspun.com

/TheWelspunGroup | /WelspunGroup | /welspungroup | /company/welspun-group

WELSPUN GROUP
Leading Tomorrow Together

HOME TEXTILES | PIPES & PLATES | INFRASTRUCTURE | FLOORING | WAREHOUSING