DIRECTORS' REPORT

To
The Members
WELSPUN GLOBAL BRANDS LIMITED

Your Directors have pleasure in presenting the 16th Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

1. Financial Highlights:

Rs. million

Particulars	Standalone	
	For the year ended	
	31.03.2020	31.03.2019
Revenue from Operations	57,028.68	54,825.95
Other Income	449.63	62.28
Total Revenue	**57,478.31**	**54,888.23**
Expenses	56,922	54,099.87
Profit/(Loss) before exceptional items and Tax	**556.31**	**788.36**
Exceptional items (Net)	**(2.58)**	**242.09**
Profit/(Loss) before Tax	**558.89**	**546.27**
Income tax expense	144.44	198.29
Profit for the year	**414.45**	**347.98**
Earnings per share (Basic & Diluted)	**17.61**	**14.79**

2. Performance and Outlook:

During the year under review, your Company's total revenue increased to Rs. 57,478.31 million, a rise of 4.72% over the previous year. The Holding Company has been facing litigation in the United States, the exceptional item, aggregating to Rs.242.09 million for the year ended March 31, 2019, represents Company's share (as transferred by the Holding Company) towards provision for the settlement costs towards litigation in the United States. The Holding Company had received final approval from trial court dated October 28, 2019 for its settlement agreement which is 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. 2.58 million during the year. Your Company's profit for the year increased to Rs. 414.45 million, a rise of 19.10% over the previous year.

3. Dividend:

Considering business environment worldwide, the directors recommend to plough back profit earned during the period for further strengthening the business and hence, do not recommend any dividend.

4. **Subsidiaries:**

   A report on the performance and financial position of each of the subsidiary companies of your Company included in the financial statement presented in Form AOC-1 attached as Annexure – 1 to this Report.

5. **Auditors and Auditors' Report:**

   i. **Statutory Auditors:**

   Your Company's Auditors, S R B C & CO LLP, having registration Number: 324982E/E300003 will hold office until the conclusion of the 18th Annual General Meeting of your Company. The Auditors have given their consent to continue to act as the Statutory Auditors of your Company for the remaining tenure. Members have at the 14th Annual General Meeting ratified the appointment of the Auditors for the remaining tenure i.e. upto the 18th 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. **Secretarial Auditor:**

   The Secretarial Auditor's Report for FY 2019-20 is attached herewith as Annexure - 2 to this Report and it does not contain any qualification, reservation or adverse remark.

   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 2020-21.

6. **Share Capital:**

   During the year, no share with differential voting rights was issued by your Company nor did your Company issue any equity share as sweat equity share and no stock options where issued to the employees of your Company.

7. **Finance:**

   i. **Credit Rating:**

   During the year, your Company's long-term issuer rating is stable at "IND AA-"and short-term issuer rating is stable at "IND A1+" by India Ratings & Research, a Fitch Group company.

   ii. **Deposits:**

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

8. Directors and Key Managerial Personnel:

Your Company's Board comprises of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, management and business strategy. Except for the Independent Directors appointed by the board, 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.

i. Directors Retiring by Rotation:

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

The Board has recommended his re-appointment. There were no other appointments / resignation of Directors during the year under review.

ii. Appointment/Resignation of Key Managerial Personnel:

During the year under review, Board Members of the Company took note and approved the following:

(i) Noted and accepted resignation of Mr. Mukesh Khandelwal as Chief Financial Officer of the Company w.e.f. April 06, 2019 and
(ii) Approved appointment of Mr. Sandeep Kumar as Chief Financial Officer of the Company w.e.f. May 24, 2019.

iii. Number of Meetings of the Board:

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met seven (7) times during the FY 2019-20. The detailed information on the meetings of the Board is as under:

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the Director</th><th rowspan="2">Category</th><th rowspan="2">Board Meetings Attended during the Year 2019-20</th><th rowspan="2">Attendance at the Last AGM</th><th colspan="3">No. of other Directorship / Partnership (as last declared to the Company)</th><th rowspan="2">Chairman / Member in No. of Board/ Committees including other Companies (as last declared to the Company)@</th></tr>
<tr><th>Pub</th><th>Pvt</th><th>Other Body Corporate</th></tr>
<tr><td>(1)</td><td>Balkrishan Goenka</td><td>C,P, NE</td><td>6/7</td><td>N</td><td>10</td><td>1</td><td>5</td><td>1C, 2M</td></tr>
<tr><td>(2)</td><td>Ms. Dipali Goenka</td><td>P,E</td><td>5/7</td><td>N</td><td>8</td><td>4</td><td>14</td><td>-</td></tr>
</table>

(3)	Rajesh Mandawewala	P, NE	7/7	Yes	10	7	2	5M
(4)	Atul Desai	NE,I	5/7	N	6	0	0	11C, 8M
(5)	Arun Todarwal	NE,I	7/7	Yes	9	3	3	13C, 10M
(6)	K. H. Viswanathan	NE,I	7/7	Yes	7	0	0	13C, 6M
(7)	Ms. Revathy Ashok	NE,I	5/7	Yes	9	2	1	8C, 10M,

@ Chairmanship/membership of Audit Committee, Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee, CSR Committee, Risk Management Committee and Nomination and Remuneration Committee is considered (including both listed and unlisted companies).

Abbreviations:

C=Chairman, E = Executive Director, I = Independent Director, M=Member, NE = Non-Executive Director, P = Promoter & Promoter Group

In addition to the above, as per the provision of Section 149(8) read with Schedule IV of the Companies Act, 2013, a meeting of the Independent Director was held on March 09, 2020.

iv. Committees of the Board:

The Company has following Committees which have been established as a part of the best Corporate Governance Practices and are in compliance with the requirements of the relevant provisions of the applicable laws and statutes:

✓ **Audit Committee:**

The Committee comprises of 3 (Three) Independent Directors. The Committee met 12 times during the year. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
K.H.Viswanathan	Chairman	12/12
Arun Todarwal	Member	12/12
Atul Desai	Member	08/12

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

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

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Section 177 of the Companies Act, 2013.

✓ **Nomination and Remuneration Committee:**

The Committee comprises of 3 (Three) Independent Director. The Committee met 6 times during the year. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
K. H. Viswanathan	Chairman	6/6
Arun Todarwal	Member	6/6

Atul Desai	Member	4/6

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

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 threats to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act 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 find out if there is a need for revision in remuneration for retaining the talent. The Non-Executive Directors may be paid commission after complying with required provisions of the Act. Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, the growth of business, profitability, Company's business plan and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

✓ **Corporate Social Responsibility Committee:**

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

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

Composition of the Committee: The Committee comprises of 3 (Three) members. The Chairman of the Committee is an Independent Director. The Committee met 1 time during the year.

Name of Member	Member/ Chairman	Meetings Attended
Atul Desai	Chairman	Yes
Rajesh Mandawewala	Member	Yes
Dipali Goenka	Member	Yes

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

v. 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.

vi. Directors' Evaluation:

In compliance with the Act, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors and all the results were satisfactory.

vii. Familiarization programme for Independent Director(s):

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

The policy on Company’s familiarization programme for Independent Directors is hosted on your Company's website www.welspunindia.com.

9. 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:

Rs. million

Particulars	Amount
Investments	871.79
Loans / Receivable	3.58
Guarantee	-
Security	-
Total	**875.37**

The investment is made in wholly owned and other subsidiary companies of your Company.

10. Particulars of Contracts or Arrangements made with Related Parties:

All related party transactions that were entered into during the year under report were on an arm’s length basis and were in the ordinary course of business, to serve mutual need and mutual interest. There were no materially significant related party transactions made by your Company. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company’s policy on Related Party Transactions as approved by the Board is hosted on your Company’s website www.welspunindia.com. Disclosures as required under the Act are given in Form AOC-2 as Annexure - 3 to this Report.

The details of the related party transactions as required under IND-AS 24 are set out in Note 35(ii) to the Standalone financial statements forming part of this Report.

11. Details of Remuneration to Directors and Key Managerial Personnel:

A] Details of the employee of your Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below (Rs. in Crore):

Gajendra Nahar, President – Corporate Accounts and Taxation, 52, 01.10.2001, 1.21, CA, ICWA, Winmark Enterprises Limited, Permanent, 0, No; Keyur Parekh, Vice President – Export Towels & Rugs, 43, 16.02.2009, 1.60, B.Com / PGDM, Gokak Textile Limited, Permanent, 0, No; Manjari Upadhye, President – Business Head, Domestic, 43, 09.10.2017, 2.23, MBA/PGDM , Danone Foods Private Limited, Permanent, 0, No (Resigned w.e.f. 13.03.2020).

B] Details of Remuneration to Directors: Refer to Extracts of Annual Return.

i. Ms. Dipali Goenka, Managing Director, who is receiving remuneration and commission from your Company, also receives remuneration (including variable pay) and commission of 1% of profits from Welspun India Limited, holding Company of your Company.

ii. Details of managerial remuneration and payments to other directors are given in extracts to Annual Report.

12. Extract of the Annual Return:

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is annexed as Annexure - 4 to this Report and is also available on website of the Company at weblink given below:

https://www.welspunindia.com/uploads/investor_data/Extract_of_Annual_Return_MGT_9.pdf

13. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Since the Company is not a manufacturing unit the above particulars are not applicable.

14. Corporate Social Responsibility (CSR):

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

The CSR Policy of your Company as approved by the Board of Directors' is hosted on your Company's website and a web link thereto is:

http://www.welspunindia.com/investors_uploads/WGBL-%20CSR%20Policy.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 is attached as Annexure – 5 to this Report.

15. 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 Control ("IFC") within the meaning of the explanation of Section 134(5)(e) of the Act 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.

16. 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 by your Company.

17. 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.

18. Foreign Exchange Earnings and Outgo:

Refer to Note No. 33 and 34 of the audited financial statements for details.

19. Registrar and Transfer Agent:

The Company has appointed Registrar and Transfer Agent to handle the share /debenture transfer work and to resolve the complaints of shareholders/ debenture holders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. Purva Sharegistry(India) Private Limited
Unit: Welspun Captive Power Generation Limited
9 Shiv Shakti Ind. Estt. J .R. Boricha Marg,
Opp. Kasturba Hospital Lane, Lower Parel (E)
Mumbai 400 011 Email - busicomp@gmail.com
Tel. No.: +91-22-23012518 / 23016761

20. 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the directors have prepared the annual accounts on a going concern basis;
e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Miscellaneous Disclosures:

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

22. Acknowledgement:

Your Directors takes this opportunity to express their deep and sincere gratitude for the faith reposed in, and co-operation extended to, the Company by the Banks, Government Authorities, Customers, Suppliers, Franchisees, members and other business associates of your Company, who through their continued support and co-operation, have helped as the partner in your Company's progress and achievement of its objectives. Your Directors would also like to express a profound sense of appreciation for the commitment, sincere services and continued support shown by the employees of the Company.

For and on Behalf of the Board

Mumbai	**Balkrishan Goenka**
Date: June 29, 2020	**Chairman**
	DIN 00270175

Annexure 1

Form AOC - 1

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

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Name of the Subsidiary company	WUSA	#CHL	WUL	CLL	CWG	WHTUK L	CHT	NHT	WMEL	WHPL	ERK	CL	CUL	TILT
Reporting period year ended	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate	USD Rs. 75.57	GBP Rs. 93.86	GBP Rs. 93.86	USD Rs. 75.57	Euro Rs. 83.36	GBP Rs. 93.86	GBP Rs. 93.86	MXN Rs. 3.18	USD Rs. 75.57	GBP Rs. 93.86	GBP Rs. 93.86	GBP Rs. 93.86	GBP Rs. 93.86	USD Rs. 75.57
Share Capital	10.21	474.55	478.12	-	9.18	1,048.62	474.55	53.22	16.54	2.99	0.20	-	-	-
Reserves & Surplus	1,335.78	(243.95)	97.61	(174.39)	(12.75)	(590.99)	(243.95)	(53.22)	36.28	581.23	55.05	806.55	2.42	3.74
Total Assets	11,044.63	2,191.15	1,169.96	(11.08)	1.67	747.77	2,191.15	-	53.69	585.54	55.25	806.55	2.42	3.75
Total Liabilities	9,698.64	1,960.55	594.23	163.31	5.24	290.14	1,960.55	-	0.87	1.32	-	-	-	-
Investments(excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	18,398.03	3,138.29	2,580.26	350.80	29.80	-	3,138.29	-	-	-	-	-	-	-
Profit / (Loss) before Taxation	84.19	57.26	104.50	(5.68)	(9.72)	(181.38)	57.26	-	(0.79)	(183.33)	-	-	-	-
Provision for Taxation	29.65	-	-	(0.09)	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) after Taxation	54.55	57.26	104.50	(5.59)	(9.72)	(181.38)	57.26	-	(0.79)	(183.33)	-	-	-	-
Proposed Dividend (Equity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	66.90	95.91	95.91	95.91	95.91	95.91	95.91	100.00	100.00	95.91	95.91	95.91	95.91	66.90

Consolidated figures of the Company are given.
Reporting currency and Exchange rate is as on the last date of the relevant financial year in the case of foreign subsidiaries.

WUSA = Welspun USA, Inc., CHL = CHT Holdings Limited, WUL = Welspun UK Limited, CLL = Christy Lifestyle LLC, CWG = Christy Welspun GmbH, WHTUKL = Welspun Home Textiles UK Limited UK, 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, CL = Christy 2004 Limited, CUL = Christy UK Limited, TILT = TILT Innovation Inc.

For and on behalf of the Board of Directors

Balkrishan Goenka	**Dipali Goenka**	**Rajesh Mandawewala**
Chairman	**Managing Director**	**Director**
DIN 00270175	**DIN 00007199**	**DIN 00007179**

	Nidhi Tanna	**Sandeep Kumar**
Date: June 29, 2020	**Company Secretary**	**Chief Financial Officer**
Mumbai	**ACS – 30465**	

Annexure - 2

Form No. MR -3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To,
The Members,
WELSPUN GLOBAL BRANDS LIMITED
Survey No. 675, Welspun City, Village Versamedi,
Anjar – 370110,Gujarat, India.
CIN: U71210GJ2004PLC045144

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WELSPUN GLOBAL BRANDS LIMITED** (hereinafter 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; (No event occurred requiring compliance during the audit period)
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (No event occurred requiring compliance during the audit period)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (No event occurred requiring compliance during the audit period)

(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

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. During the year under report following changes were noted in the composition of directors:

(i) Resignation of Mr. Mukesh Khandelwal w.e.f. April 06, 2019;
(ii) Appointment of Mr. Sandeep Kumar as Chief Financial Officer w.e.f. May 24, 2019.

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.

Sd/-

Uday Sohoni
Practising Company Secretary
FCS 9471, CP 10916
June 29, 2020
Mumbai
UDIN: F009471B000397177

Annexure - 3
Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NIL

2. **Details of material contracts or arrangement or transactions at arm's length basis.**

(a)	Name(s) of the related party and nature of relationship	Welspun India Limited	Welspun USA, Inc
(b)	Nature of contracts/arrangements/transactions	Purchase of products of the Company	Sale of products of the Company
(c)	Duration of the contracts / arrangements/transactions	Perpetual	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The price for purchase 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.	The price for purchase 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.
(e)	Date(s) of approval by the Board	July 30, 2014	-
(f)	Amount paid as advances, if any:	N.A.	N.A.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Mumbai
June 29, 2020

Annexure – 4

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 :- U71210GJ2004PLC045144

ii. Registration Date : December 14, 2004

iii. Name of the Company : Welspun Global Brands Limited

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

v. Address of the Registered office and contact details: Survey No. 675, Anjar, Welspun City, Gujarat – 370110.

Contact: Director, Tele.: 022-66136000; email id: companysecretary_wgbl@welspun.com.

vi. Whether listed company: No.

vii. Name, address and contact details of Registrar and Transfer Agent, if any:
Purva Sharegistry (India) Private Limited
Unit no. 9, Shiv Shakti Ind. Estt.
J. R. Boricha marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E),
Mumbai – 400 011
Ph. No.: 022-23016761/8261

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company.
1	Trading of Terry Towel, Bed Linen Products, Rugs	46411	94.60%

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	Christy Lifestyle LLC (USA) 3901, Gantz Road, Grove City, OH 43123	-	Subsidiary	95.91%	2(87)
2	CHT Holdings Limited UK Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	95.91%	2(87)
3	Christy Home Textiles Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	95.91%	2(87)
4	Christy Welspun GMBH Obere Breite 14, 72336 Balingen	-	Subsidiary	95.91%	2(87)
5	Christy UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	95.91%	2(87)
6	Christy 2004 Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	95.91%	2(87)
7	ER Kingsley (Textiles) Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	95.91%	2(87)
8	Welspun Group Master Trust Welspun House, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	-	Holding (with effect from May 21, 2019)	0.00% (% holding in Welspun India Limited – 68.01%)	2(46)
9	Welspun India Limited Welspun City, Village Versamedi, District Kutch, Taluka Anjar, Gujarat – 370110	L17110GJ1985PLC033271	Holding	98.03%	2(46)

10	Welspun Mauritius Enterprises Limited Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	100.00%	2(87)
11	Welspun Holdings Private Limited, Cyprus 10, Diomidous Avenue, Building Alphamega – Acropolis, 3rd Floor, Office 401, 2024 Nicosia, Cyprus	-	Subsidiary	95.91%	2(87)
12	Welspun UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	95.91%	2(87)
13	Welspun USA Inc. Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	66.90%	2(87)
14	Welspun Home Textiles UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	95.91%	2(87)

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) Individual / HUF	**2**	**4**	**6**	**0.00%**	**2**	**4**	**6**	**0.00%**	**0.00%**
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-

d) Bodies Corp.	23,065,497	**-**	23,065,497	**98.03**	23,065,497	**-**	23,065,497	**98.03**	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other ….	-	-	-	-	-	-	-	-	-
Sub Total (A) (1):-	23,065,499	**4**	23,065,503	**98.03%**	23,065,499	**4**	23,065,503	**98.03 %**	0.00%
(2) **Foreign**	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
b) Other – individual	-	-	-	-	-	-	-	-	-
c) Bodies corp.	**-**	-	**-**	**-**	**-**	-	**-**	**-**	**-**
d) Any other….	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
Total shareholding of promoter (A)= (A)(1)+(A)(2)	23,065,499	**4**	23,065,503	**98.03%**	23,065,499	**4**	23,065,503	**98.03 %**	0.00%
B. **Public shareholding**									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt(s)	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-

e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub total (B)(1):-	-		-	-		-	-	-	-
2. Non Institutions									
a) Bodies corp.	**463,909**	**-**	**463,909**	**1.97**	**463,909**	**-**	**463,909**	**1.97**	**0.00%**
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
i. Individual shareholding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(2)	**463,909**	**-**	**463,909**	**1.97**	**463,909**	**-**	**463,909**	**1.97**	**0.00%**
Total public shareholding (B) = (B)(1)+(B)(2)	**463,909**	**-**	**463,909**	**1.97**	**463,909**	**-**	**463,909**	**1.97**	**0.00%**
iii.									
C. shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand total (A+B+C)	**23,529,408**	**4**	**23,529,412**	**100.00%**	**23,529,408**	**4**	**23,529,412**	**100.00 %**	**0.00%**

ii. Shareholding of Promoters

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Welspun India Limited	23,065,497	98.03	0	23,065,497	98.03	0	0.00
2	Ms. Dipali Goenka (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00
3	Mr. Devendra Patil (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00
4	Mr. Shashikant Thorat (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00
5	Ms. Nidhi Thakkar (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00
6	Mr. Varun Batra (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00
7	Balkrishan Goenka (Nominee of Welspun India Limited)	1	0.00	0	1	0.00	0	0.00

iii. **Change in Promoters' shareholding (NOT APPLICABLE)**

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

Sr. no.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative shareholding during the year.	
		For each of the top 10 shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bennett, Coleman and Company Limited	At the beginning of the year	463,909	1.97	463,909	1.97
		At the end of the year)	463,909	1.97	463,909	1.97

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. no.			Shareholding at the beginning of the year		Cumulative shareholding during the year.	
	For each of the Directors and KMPs		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Shareholding of Directors and KMP						
1.	Mr. Balkrishan Goenka – Chairman (Nominee of Welspun India Limited)	At the beginning of the year	1	0.00	1	0.00
		At the end of the year	1	0.00	1	0.00
2.	Ms. Dipali Goenka – Managing Director (Nominee of Welspun India Limited)	At the beginning of the year	1	0.00	1	0.00
		At the end of the year	1	0.00	1	0.00
3.	Ms. Nidhi Tanna –	At the beginning of the year	1	0.00	1	0.00

	Company Secretary (Nominee of Welspun India Limited)	At the end of the year	1	0.00	1	0.00

Mr. Rajesh Mandawewala, Mr. K H Viswanathan, Mr. Arun Todarwal, Mr. Atul Desai, Ms. Revathy Ashok and Mr. Sandeep Kumar - 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. **Rs. million**

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	859.52	919.03	-	1,778.55
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (I + ii + iii)	859.52	919.03	-	1,778.55
Change in indebtedness during the financial year.				
• Addition/ (Reduction) Net	1,307.63	79.19	-	1,386.82
Net change	1,307.63	79.19	-	1,386.82
Indebtedness at the end of the financial year				
i. Principal Amount	2,167.15	998.22	-	3,165.37
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,167.15	998.22	-	3,165.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, whole-time directors and/or Manager

(Rs. in million)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.in million)
		Ms. Dipali Goenka	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	26.88	26.88
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3.	Sweat equity	-	-
4	Commission - As % of profit - Others, specify…..	1.46	1.46
5	Others, please specify	-	-
	Total (A)	**28.34**	**28.34**
	Ceiling as per the Act.	**28.34**	**28.34**

** Apart from above, Ms. Dipali Goenka, Managing Director, received Rs. 26.88 million as remuneration(including variable pay) and commission of 1% of profits also from Welspun India Limited, holding Company of your Company.*

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount (Rs.)
		K H Viswanathan	Arun Todarwal	Atul Desai	Ms. Revathy Ashok	
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	0.60	0.57	0.38	0.18	1.73
	Total (1)	**0.60**	**0.57**	**0.38**	**0.18**	**1.73**
	2. Other Non-Executive Directors	Balkrishan Goenka				
	• Fee for attending board	-				-

	committee meetings • Commission • Others, please specify (Advisory Fees)	- -				- -
	Total (2)	-				-
	Total (B) = (1 + 2)					**17,25,000**
	Total Managerial Remuneration (A+B)					**30.07**
	Overall Ceiling as per the Act. (11%)					62.35

Note: The above mentioned sitting fees paid to the non-executive Directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.

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

(Rs. in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (Sandeep Kumar)	Company Secretary (Ms. Nidhi Tanna)	Total
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.26	1.32	9.58
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**8.26**	**1.32**	**9.58**

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

Mumbai
June 29, 2020

Annexure 5

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.

2. The Composition of the CSR Committee.

   The Committee comprises of 1) Atul Desai – an Independent Director as the Chairman; 2) Ms. Dipali Goenka – Executive Director - Member; and 3) Rajesh Mandawewala – Non-Executive Director – Member, Ms. Nidhi Tanna - Company Secretary acts as the Secretary to the Committee.

3. Average net profit of the Company for last three financial years: Rs. 632,638,853

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs. 12,652,777

5. Details of CSR spent during the financial year.
   a. Total amount to be spent for the financial year: Rs. 12,652,777/-
   b. Amount unspent , if any: NIL
   c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.	**CSR Project /activity identified**	**Sector in which the project is covered**	**State/District were projects were undertaken**	**Amount of outlay budget (Rs. in lakhs)**	**Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)**	**Cumulative expenditure upto 31.03.2020 (Rs. in lakh)**	**Amount spent : Direct or through implementing agency**
1	Model village and training of women	**Empowerment of socially backward and Women Empowerment**	Hyderabad/ Telangana	108.90	Direct Expenditure	132.34	Through implementing agency - Welspun Foundation for Health and Knowledge
2	Sujlam Suflam Jal Abhiyan	**Ensuring envoirnment stability**	Kutuh/ Gujarat	23.44	Direct Expenditure		
Total Direct Expenditure							132.34
Staff salaries and overheads							1.35
Grand Total							**133.69**

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.

Atul Desai
Chairman of CSR Committee
DIN – 00019443

Dipali Goenka
Managing Director
DIN – 00007199

June 29, 2020
Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

June 29, 2020
Mumbai

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Global Brands Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Welspun Global Brands 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 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 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 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 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 Ind AS 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the 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 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Responsibility of Management for the 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 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 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 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

- 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 Ind AS financial statements, including the disclosures, and whether the 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.

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 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 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;

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

(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 Ind AS financial statements - Refer Note 25 and 30 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were 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 Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 20110759AAAACT7471
Place of Signature: Mumbai
Date: June 29, 2020

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 Global Brands 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, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, 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, service tax, sales-tax, duty of custom, duty of excise, value added tax, 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.

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

Name of Statute	Nature of Dues	Amount (Rs in Million)**	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	184.00	AY 2010-11 to AY 2017-18	Commissioner of Income Tax (Appeals)
Kerala VAT Act, 2003	Sales Tax	0.01	Aug-07	Appellate tribunal
	Sales Tax including interest	0.03	2007-08	Assistant Commissioner
	Sales Tax	0.01	2009-10	Deputy commissioner
Madhya Pradesh VAT Act, 2002	VAT, Entry Tax	0.64	2008-09	Sales Tax Officer
Value Added Tax Karnataka	Sales Tax	0.16	2011-12	Commercial Tax Officer

**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.

(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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

(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 Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 20110759AAAACT7471
Place of Signature: Mumbai
Date: June 29, 2020

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WELSPUN GLOBAL BRANDS 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 Global Brands 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 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 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 financial statements.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these 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 Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 20110759AAAACT7471
Place of Signature: Mumbai
Date: June 29, 2020

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

WELSPUN GLOBAL BRANDS LIMITED

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	7.92	13.26
Right of Use Assets (ROU)	31	32.74	-
Intangible assets	4	23.63	32.10
Equity investment in subsidiaries	5	869.19	1,009.19
Financial assets			
i. Investments	6(a)	2.60	3.20
ii. Loans	6(b)	1.70	2.11
iii. Other financial assets	6(c)	53.47	147.96
Deferred tax assets (Net)	13	244.56	-
Non-current tax assets	7	93.46	85.64
Other non-current assets	8(a)	0.34	0.34
Total non - current assets		**1,329.61**	**1,293.80**
Current assets			
Inventories	9	558.77	1,419.35
Financial assets			
i. Trade receivables	6(d)	11,521.09	10,891.65
ii. Cash and cash equivalents	6(e)	989.69	103.19
iii. Bank balances other than cash and cash equivalents above	6(f)	3.62	0.56
iv. Loans	6(b)	1.88	3.12
v. Other financial assets	6(c)	243.74	1,367.22
Other current assets	8(b)	3,479.08	1,725.71
Total current assets		**16,797.87**	**15,510.80**
Total assets		**18,127.48**	**16,804.60**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	235.29	235.29
Other Equity:			
Equity component of compound financial instruments	11(a)	660.40	660.40
Reserves and surplus	10(b)	2,426.84	2,021.92
Other reserves	10(c)	(976.94)	735.49
Total equity		**2,345.59**	**3,653.10**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	11(a)	874.54	919.03
ii. Lease Liabilities	31	14.76	-
iii. Other financial liabilities	11(b)	47.88	31.82
Provisions	12(a)	26.02	24.66
Deferred tax liabilities (Net)	13	-	518.18
Total non-current liabilities		**963.20**	**1,493.69**
Current liabilities			
Financial liabilities			
i. Borrowings	11(a)	2,167.15	859.52
ii. Lease Liabilities	31	19.81	-
iii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11(c)	33.20	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprise	11(c)	10,681.48	10,410.98
iii. Other financial liabilities	11(b)	1,532.72	-
Provisions	12(b)	0.75	174.65
Employee benefit obligation	14	120.63	69.11
Current tax liabilities	15	33.39	53.53
Other current liabilities	16	229.56	90.02
Total current liabilities		**14,818.69**	**11,657.81**
Total liabilities		**15,781.89**	**13,151.50**
Total equity and liabilities		**18,127.48**	**16,804.60**

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
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: June 29, 2020

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007199

Rajesh Mandawewala
Director
DIN 00007179

Nidhi Tanna
Company Secretary

Sandeep Kumar Garg
Chief Financial Officer

Place: Mumbai
Date: June 29, 2020

WELSPUN GLOBAL BRANDS LIMITED

WELSPUN GLOBAL BRANDS LIMITED

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	57,028.68	54,825.95
Other Income	18	449.63	62.28
Total income		**57,478.31**	**54,888.23**
Expenses			
Purchases of stock-in-trade	19	50,293.10	50,180.62
Changes in Inventories of stock-in-trade and finished goods	20	860.58	(520.55)
Employee benefits expense	21	1,022.69	756.37
Depreciation and amortisation expense	22	58.49	11.82
Other expenses	23	4,178.01	3,239.59
Finance costs	24	509.13	432.02
Total expenses		**56,922.00**	**54,099.87**
Profit before Exceptional Items and Tax		556.31	788.36
Exceptional Items			
Exceptional Items - Expenses/(Income)	25	(2.58)	242.09
Profit Before Tax		**558.89**	**546.27**
Income tax expense	26		
Current tax		179.10	273.64
Deferred tax		(34.66)	(75.35)
Total Income Tax Expenses		**144.44**	**198.29**
Profit for the year		**414.45**	**347.98**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation	21	(14.00)	(2.28)
Income Tax effect	26	4.47	0.80
Items that may be reclassified to profit or loss			
Deferred gains /(loss) on cash flow hedges	10(c)	(2,436.02)	982.70
Income Tax effect	26	723.59	(343.35)
Other comprehensive income for the year, net of tax		**(1,721.96)**	**637.87**
Total comprehensive income for the year		**(1,307.51)**	**985.85**
Earning Per Share (Rs.) [Nominal value per share: Rs. 10 (2019: Rs.10)]	36		
-Basic and Diluted earnings per share		17.61	14.79

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
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: June 29, 2020

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007199

Rajesh Mandawewala
Director
DIN 00007179

Nidhi Tanna
Company Secretary

Sandeep Kumar Garg
Chief Financial Officer

WELSPUN GLOBAL BRANDS LIMITED

Place: Mumbai
Date: June 29, 2020

WELSPUN GLOBAL BRANDS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020

a. Equity Share Capital

(Rs. million)

Particulars	Notes	Amount
Balance as at April 1, 2018		**235.29**
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2019		**235.29**
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2020		**235.29**

b. Other Equity

(Rs. million)

Particulars	Notes	Equity component of compound financial instruments	Reserves and Surplus				Other Reserve	Total
			Capital Redemption Reserve	Securities Premium Account	Retained earnings	Total	Hedging Reserve	
Balance as at April 1, 2018		**660.40**	**10.00**	**1,163.95**	**501.47**	**1,675.42**	**96.14**	**2,431.96**
Profit for the year		-	-	-	347.98	347.98	-	347.98
Other Comprehensive Income	10(b)	-	-	-	(1.48)	(1.48)	639.34	637.86
Total Comprehensive Income for the year		-	-	-	**346.50**	**346.50**	**639.34**	**985.84**
Balance as at March 31, 2019		**660.40**	**10.00**	**1,163.95**	**847.97**	**2,021.92**	**735.48**	**3,417.80**

(Rs. million)

Particulars	Notes	Equity component of compound financial instruments	Reserves and Surplus				Other Reserve	Total
			Capital Redemption Reserve	Securities Premium Account	Retained earnings	Total	Hedging Reserve	
Balance as at April 1, 2019		**660.40**	**10.00**	**1,163.95**	**847.97**	**2,021.92**	**735.48**	**3,417.80**
Profit for the year		-	-	-	414.45	414.45	-	414.45
Other Comprehensive Income	10(b)	-	-	-	(9.53)	(9.53)	(1,712.43)	(1,721.96)
Total Comprehensive Income for the year		-	-	-	**404.92**	**404.92**	**(1,712.43)**	**(1,307.51)**
Balance as at March 31, 2020		**660.40**	**10.00**	**1,163.95**	**1,252.89**	**2,426.84**	**(976.95)**	**2,110.29**

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Anil Jobanputra
Partner
Membership Number: 110759

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007199

Rajesh Mandawewala
Director
DIN 00007179

WELSPUN GLOBAL BRANDS LIMITED

Nidhi Tanna
Company Secretary

Sandeep Kumar Garg
Chief Financial Officer

Place: Mumbai
Date: June 29, 2020

Place: Mumbai
Date: June 29, 2020

WELSPUN GLOBAL BRANDS LIMITED

CASH FLOW STATEMENT 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		
Net Profit Before Tax	558.89	546.27
Adjustments for :		
Depreciation and amortisation expense	58.49	11.82
Unrealised foreign exchange differences	(424.69)	125.80
(Gain)/ Loss on disposal of property, plant and equipment	0.03	(0.11)
(Gain)/ Loss on sale of investments	(0.58)	(1.29)
Profit on Sale of Bonds	-	(0.15)
Liabilities Written Back as no Longer Required	(2.58)	-
Impairement of Investment in Subsidiaries	140.00	-
Provision for doubtful debts written off (net)	7.89	21.73
Exchange Gain/Loss Provision MTM	84.08	-
Debts/ advances written off	4.75	-
Interest income classified as investing cash flows	(19.32)	(36.48)
Unwinding of discount on security deposits	(4.26)	(14.33)
Finance costs	509.13	432.02
Operating Profit Before Working Capital Changes	**911.83**	**1,085.28**
Adjustments for changes in working capital :		
(Increase) / decrease in trade receivables	(200.90)	(2,168.65)
Increase / (decrease) trade and other payables	140.30	2,150.02
Increase / (decrease) in employee benefit obligations	37.52	7.47
Increase / (decrease) in other current liabilities	158.94	47.38
(Increase) / decrease in inventories	860.58	(520.25)
(Increase) / decrease in other financial assets	105.63	797.68
(Increase) / decrease in other non-current assets	-	4.81
(Increase)/ decrease in Other Current Assets	(1,753.38)	126.50
	(651.31)	444.96
Cash flow generated from operations	260.52	1,530.24
Income tax paid	(207.07)	(220.04)
Net Cash Flow from / (used in) Operating Activities	53.45	1,310.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1.97)	(12.38)
(Investment in)/ realisation of Fixed Deposits and Margin Money	(16.93)	1.02
Loans to employees and related parties	(5.34)	15.99
(Purchase)/ sales of investment (net)	1.18	(314.37)
Interest received	19.32	36.48
Net Cash Flow from / (used in) Investing Activities	(3.74)	(273.26)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from borrowings - Current (net)	1,307.63	(651.74)
Lease Payment	(40.90)	-
Interest and other finance expenses	(429.94)	(358.58)
Net Cash Flow from / (used in) Financing Activities	836.79	(1,010.32)
Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	886.50	26.62
Cash and cash equivalents at the beginning of the year	103.19	76.57
Cash and cash equivalents at the end of the year	989.69	103.19
Net Increase in Cash and Cash Equivalents	886.50	26.62

Change in Liability arising from financing activites

	April 01, 2019	Cash Flow	Effective interest rate adjustment	March 31, 2020
Borrowings - Non Current [Refer Note 11(a)]	919.03	-	(44.49)	874.54
Borrowings - Current [Refer Note 11(a)]	859.52	1,307.63	-	2,167.15

Notes:

The cash flow statement 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
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: June 29, 2020

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007199

Rajesh Mandawewala
Director
DIN 00007179

Nidhi Tanna
Company Secretary
Place: Mumbai
Date: June 29, 2020

Sandeep Kumar Garg
Chief Financial Officer

WELSPUN GLOBAL BRANDS LIMITED

WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1: General Information

Welspun Global Brands Limited (herein referred to as "WGBL" or "the Company") is public limited Company incorporated on December 14, 2004 and domiciled in India. The address of its registered office is 9th Floor B Wing Trade World, Senapati Bapat Marg Kamala Mills Compound Lower Parel, Mumbai, Maharashtra - 400013. The Company is engaged in trading of wide range of home textile products, mainly terry towels, bed linen products and rugs in International markets and on a smaller scale in domestic market.

The financial statements were authorized 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 financial statements. These policies have been consistently applied to all the years presented, except as disclosed in Note 2.25.

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)

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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 2.26(viii).

Sale of goods

For sale of goods, revenue is recognized when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 0-120 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. 2.14 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.

2.4 Other Revenue

Export Incentives

Export benefits arising from Duty Drawback Scheme, Rebate of State & Central Taxes and Levies, 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 receipt of income is uncertain.

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.

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Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset if it is probable that MAT credit will reverse in the foreseeable future and taxable profit will be available against which the deferred tax asset can be utilised.

2.6 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

2.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property 1 to 2 years
- Other equipments 2 to 4 years

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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 2.11 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature

2.8 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 comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; 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.

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Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire 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.

2.9 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 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 profit or loss during the reporting period in which they are incurred.

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. 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	5
Furniture and fixtures	10
Computer and servers	3 to 6
Vehicles	5
Electrical installation	10
Mobile	3

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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.

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.

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.

2.10 Intangible assets

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

2.11 Impairment of assets

Goodwill and 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). 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.

2.12 Inventories

Finished/ traded goods

Inventories are stated at the lower of cost and net realisable value. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Costs of inventory is determined on first-in–first-out basis. Costs of 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.

2.13 Investment in Subsidiaries:

Equity Investment in subsidiaries are carried at cost in the separate financial statements and accounted on first-in first-out (FIFO Basis)

2.14 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.

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Financial Assets

(i) 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.

(ii) **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 profit or loss.

a. 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:

• 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 a debt investment that is 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 finance income using the effective interest rate method

• 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 revenue 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.

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• Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other expenses or other incomes, as applicable in the period in which it arises. Interest income from these financial assets is included in other income.

b. 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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 28 details how the Company determines whether there has been a significant increase in credit risk.

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.

(iv) 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.

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(v) 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.

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call 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.

(vii) 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.

Financial liabilities

(i) 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.

(ii) 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.

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(iii) 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.

(iv) 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

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 Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Company 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 Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

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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 the statement of profit or loss.

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate 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 intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts 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).

With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points 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 meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging 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 and deferred costs of hedging 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.

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(ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in foreign currency translation reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses).Gains and losses accumulated in equity are reclassified to profit or loss on the disposal of a foreign operation.

(iii) Derivatives that are not designated as hedges
The Company 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:

- the functional currency of any substantial party to that contract,
- 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,
- 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.

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.

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2.15 Compound instrument

Compound financial instrument issued by the Company comprises of compulsorily redeemable non-convertible preference shares. Compound financial instruments are split into separate equity and liability components. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have discretionary dividend feature/ off market interest rate. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts Dividend/ 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).

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.17 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

The liabilities for earned leave 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 Company operates the following post-employment schemes:
- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation Fund

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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 WGBL 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 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.

d) 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.

2.18 Provisions and contingent liabilities

a) **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.

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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 WGBL carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

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 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.

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 Provision for 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 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.(Refer Note 36)

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.

2.22 Rounding of amounts

All amounts disclosed in the financial statements and Notes have been rounded off to the nearest millions with two decimal as per the requirement of Schedule III, unless otherwise stated.

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2.23 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Refer Note 32 for segment information presented.

2.25 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.

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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.77.28 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. 42.74 million and Rs. 8.20 million respectively and other expenses have decreased by Rs. 49.10 million. Total expenses (net) have increased by Rs. 1.84 million. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 31.

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

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 11%

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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	-
Incremental borrowing rate as at April 1, 2019	11%
Discounted operating lease commitments as at April 1, 2019	-
Add: Lease payments not included in operating lease commitments as at March 31, 2019 but presented as lease liabilities as per Ind AS 116	77.28
Lease Liabilities as at April 1, 2019	77.28

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 Amendments to Ind AS 28: Long-term interests in associates and joint ventures
vi) Ind AS 111 Joint Arrangements

2.26 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 judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment 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 judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

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Critical estimates and judgments

i) Current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgment 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 and suitable 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 13).

ii) Provisions and Contingent Liabilities.

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 30).

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) 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, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

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.

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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.

vi) 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 Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 27.

vii) Revenue Recognition

The Company's contracts with customers include promises to transfer goods to the customers. Judgment is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, rebates, chargebacks, markdowns etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

Cost to obtain a contract are generally expensed as incurred. The assessment of these criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

viii) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3 - Property, Plant & Equipment

(Rs. in Million)

	Leasehold Improvements	Electrical installations	Computers	Vehicles	Office Equipment	Furniture Fittings and equipments	Total
Year ended 31 March 2019							
Gross carrying amount	0.39	0.38	16.62	0.01	3.94	3.75	25.09
Addition	5.97	-	1.50	-	0.32	-	7.79
Disposals			-		(0.19)	-	(0.19)
Closing gross carrying amount	6.36	0.38	18.12	0.01	4.07	3.75	32.69
Accumulated Depreciation							
Opening accumulated depreciation	0.18	0.18	8.88	0.01	2.52	1.81	13.58
Depreciation charge during the year	0.42	0.06	4.26	-	0.71	0.57	6.02
Disposals	-	-	-	-	(0.17)	-	(0.17)
Closing accumulated depreciation	0.60	0.24	13.14	0.01	3.06	2.38	19.43
Net Carrying amount	5.76	0.14	4.98	-	1.01	1.37	13.26
Year ended 31 March 2020							
Gross carrying amount							
Opening gross carrying amount	6.36	0.38	18.12	0.01	4.07	3.75	32.69
Additions	-	-	1.60	-	0.38	-	1.98
Disposals			-		(0.38)	-	(0.38)
Closing gross carrying amount	6.36	0.38	19.72	0.01	4.07	3.75	34.29
Accumulated depreciation							
Opening accumulated depreciation	0.60	0.24	13.14	0.01	3.06	2.38	19.43
Depreciation charge during the year	3.05	0.06	3.20	-	0.44	0.53	7.28
Disposals	-	-	-	-	(0.34)	-	(0.34)
Closing accumulated depreciation	3.65	0.30	16.34	0.01	3.16	2.91	26.37
Net carrying amount	2.71	0.08	3.38	-	0.91	0.84	7.92

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 4 - Intangible Assets (All amounts in million)

	Computer Software	Total	Capital Work in Progress
Year ended 31 March 2019			
Gross carrying amount	25.19	25.19	**18.01**
Addition	22.73	22.73	(18.01)
Disposals	-	-	-
Closing gross carrying amount	**47.92**	**47.92**	-
Accumulated amortisation			
Opening accumulated depreciation	10.02	10.02	-
Depreciation charge during the year	5.80	5.80	
Closing accumulated amortisation	**15.82**	**15.82**	-
Net Carrying amount	**32.10**	**32.10**	-
Year ended 31 March 2020			
Gross carrying amount	47.92	47.92	-
Additions	-	-	-
Closing gross carrying amount	**47.92**	**47.92**	-
Accumulated amortisation			
Opening accumulated depreciation	15.82	15.82	-
Depreciation charge during the year	8.47	8.47	-
Closing accumulated amortisation	**24.29**	**24.29**	-
Net carrying amount	**23.63**	**23.63**	-

Notes :

(i) Capital work-in-progress

Capital work-in-progress mainly comprises of Software development expenses.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

		As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Note 5 : Non-current equity investment in subsidiaries			
Unquoted			
370,862	(March 31, 2019 : 370,862) Equity Shares of US $ 1 each, fully paid up of Welspun Mauritius Enterprises Limited	16.58	16.58
	Less : Provision for diminution in value of Investment	(16.58)	(16.58)
		-	-
1,500	(March 31, 2019 : 1,500,000) Equity Shares of US $ 100 each (March 31, 2019 : US $ 0.10 each), fully paid up of Welspun USA Inc.	281.97	281.97
35,244	(March 31, 2019 : 20,126) Equity Shares of GBP 1 each, fully paid up of Welspun Holding Private Limited (Cyprus)	727.22	727.22
	Less : Provision for impairment (Refer Note 41)	(140.00)	-
		587.22	727.22
Total		869.19	1,009.19

Note 6 : Financial assets

6 (a) : Non-current investment

Others - Fair value through profit and loss		
Investment - SBI Life Insurance	2.60	3.20
Total (Others)	2.60	3.20
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2.60	3.20

6(b) Non-current Loans

Loan to Related Party		
- Welspun Mauritius Enterprises Limited	253.61	231.79
Less : Allowance for Doubtful Loan	(253.61)	(231.79)
	-	-
Others		
Loan to Employees	1.70	2.11
Total Loans	1.70	2.11
Break-up of security details		
Unsecured, considered good	1.70	2.11
Loan receivable which have significant increase in credit risk		
Loan receivable - Credit impaired	253.61	231.79
Allowance for doubtful debts	(253.61)	(231.79)
Total	1.70	2.11

6(b) Current Loans

Others		
Loan to Employees	1.88	3.12
Total	1.88	3.12
Break-up of security details		
Unsecured, considered good	1.88	3.12
Loan receivable which have significant increase in credit risk	-	-
Loan receivable - Credit impaired	-	-
Allowance for doubtful debts	-	-
Total	1.88	3.12

6(c) : Other non-current financial assets

Fixed Deposits with Banks with maturity more than 12 months *	14.96	1.09
Security Deposits to Others	3.25	8.24
Security Deposit to Related Party		
- Welspun Realty Private Limited	35.26	138.63
Total	53.47	147.96

* Held as lien by sales tax authorities

6(c) : Other current financial assets

Government Grants Receivable	156.62	225.11
Mark-to-Market Gain on Forward Contracts	-	1,130.47
Security Deposits to Others	3.50	2.27
Security Deposit to Related Party		
- Welspun Realty Private Limited	83.16	9.37
Interest Accrued on Fixed Deposits	0.46	-
Total	243.74	1,367.22

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	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
6(d) : Trade receivables		
Receivable from related parties (Refer Note 35 (iii))	6,020.31	3,803.19
Receivable from others	5,529.00	7,113.55
Less : Allowance for doubtful debts	28.22	25.09
Total receivables	**11,521.09**	**10,891.65**
Current portion	11,521.09	10,891.65
Non-current portion	-	-
Break-up of security details		
Unsecured, considered good	11,521.09	10,891.65
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - Credit impaired	28.22	25.09
Impairment allowance	(28.22)	(25.09)
Total	**11,521.09**	**10,891.65**
6(e) Cash and cash equivalents		
Bank balances with bank		
- In Current Accounts	989.67	103.17
Cash on Hand	0.02	0.02
Total cash and cash equivalents	**989.69**	**103.19**
6(f) Bank balances other than cash & cash equivalents		
Other Bank Balances		
- Fixed Deposits with maturity period of more than 3 months but less than 12 months	3.62	0.56
Total	**3.62**	**0.56**
Note 7: Non-current tax assets		
Advance Tax and Tax Deducted at Source (Net of Provision for taxation March 31, 2019 Rs.1758.08 million)	93.46	85.64
Total	**93.46**	**85.64**
Note 8(a): Other non-current assets		
Balances with Customs, Excise, Sales Tax and other Government Authorities	0.34	0.34
Total	**0.34**	**0.34**
Note 8(b): Other current assets		
Balances with Customs, Excise, Sales Tax and other Government Authorities	3,240.52	1,570.45
Advance to Vendors	190.43	104.54
Advance to employees	14.31	14.63
Prepaid Expenses	33.82	36.09
Total	**3,479.08**	**1,725.71**
Note 9: Inventories		
Stock-in-trade (Goods in transit Rs. 67.92 million; March 31, 2019 Rs.1,307.32 million)	558.77	1,419.35
Total	**558.77**	**1,419.35**

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Note 10: Equity share capital and other equity

10(a) Equity share capital

(i) Authorised share capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (Rs. million)
As at April 1, 2018	2,50,00,000	250.00
Increase during the year	-	-
As at March 31, 2019	2,50,00,000	250.00
Increase during the year	-	-
As at March 31, 2020	2,50,00,000	250.00

(ii) Issued Subscribed and Paid up share capital	Equity Shares of Rs. 10 each fully paid up	
	Number of Shares	Amount (Rs. million)
As at April 1, 2018	2,35,29,412	235.29
Increase during the year	-	-
As at March 31, 2019	2,35,29,412	235.29
Increase during the year	-	-
As at March 31, 2020	2,35,29,412	235.29

Rights, preferences and restrictions attached to shares

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

(iii) Shares held by holding company or subsidiary of holding company	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Welspun India Limited, the holding company				
Equity shares of Rs. 10 each, fully paid up	2,30,65,503	230.66	2,30,65,503	230.66
	2,30,65,503	230.66	2,30,65,503	230.66

(iv) Details of shareholders holding more than 5% of shares in the Company	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	2,30,65,503	98.03%	2,30,65,503	98.03%

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
10(b) Reserves and surplus		
Securities premium reserve (Refer Note (a) below)	1,163.95	1,163.95
Capital Redemption Reserve (Refer Note (b) below)	10.00	10.00
Retained earnings (Refer Note (c) below)	1,252.89	847.97
	2,426.84	**2,021.92**
a) Securities Premium		
Balance as at the beginning of the year	1,163.95	1,163.95
Add : Additions during the year	-	-
Balance as at the end of the year	1,163.95	1,163.95
b) Capital Redemption Reserve		
Balance as at the beginning of the year	10.00	10.00
Add : Additions during the year	-	-
Balance as at the end of the year	10.00	10.00
c) Retained earnings		
Balance as at the beginning of the year	847.97	501.47
Add : Profit for the year	414.45	347.98
Balance as at the end of the year	1,262.42	849.45
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(9.53)	(1.48)
Balance as at the end of the year	**1,252.89**	**847.97**
Total	**2,426.84**	**2,021.92**
10(c) Other reserves		
i) Hedging Reserve		
Gross Balance as at the beginning of the year	735.49	96.14
Add : Amount recognised in Hedging Reserve during the year	(1,231.16)	33.50
Less: Gain / (Loss) transferred to Statement of Profit and Loss	1,204.86	(949.20)
Gross hedging reserve before tax	(1,700.53)	1,078.84
Less: Deferred Tax	723.59	(343.35)
Net Balance as at the end of the year	(976.94)	735.49

Notes: Nature and purpose of reserves

(a) **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

(b) **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 issuing fully paid up bonus shares to the members.

(c) **Hedging Reserve**

The Company 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 28. For hedging foreign currency risk, the Company 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.

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	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Note 11: Financial liabilities		
11(a) : Other Equity		
Equity Component of Compound Financial Instruments	660.40	660.40
	660.40	660.40
11(a) Non-current borrowings		
Secured Loans		
Unsecured :		
Liability component of compound financial instruments [Refer Note (a),(b), and (c) below]	874.54	919.03
Non-current borrowings	874.54	919.03

(a) 13,464,800 0% Redeemable Cumulative Preference shares
Preference shares are redeemable at par at the end of 10 years from the date of allotment i.e. April 1, 2011

(b) 1,389,575 0% Redeemable Preference shares
Preference shares are redeemable at par after 13 years and before 20 years with an option of early redemption from the date of allotment i.e. December 7, 2012

(c) 1,000,000 1% Redeemable Cumulative Preference shares
Preference shares are redeemable at par at the end of 13 years from the date of allotment i.e. October 28, 2013.

	As at March 31, 2020	As at March 31, 2019
Face Value of 0% Cumulative Redeemable Preference Shares	134.65	134.65
Face Value of 0% Redeemable Preference Shares	1,389.56	1,389.56
Face Value of 1% Cumulative Redeemable Preference Shares	10.00	10.00
*Equity component of 0% Cumulative Redeemable Preference Shares	76.82	76.82
*Equity Component of 0% Redeemable Preference Shares	917.39	917.39
*Equity component of 1% Cumulative Redeemable Preference Shares	6.26	6.26
	533.74	533.74
Unwinding of interest	464.48	385.29
Non Current Borrowings	874.54	919.03
Less: Current maturities of long term debt [Refer note 11(b)]	123.68	-

*The equity component of preference shares upon initial recognition / first time adoption of Ind AS has been presented on the face of the balance sheet net of the deferred tax of Rs. 340.07 million.

11(a) Current borrowings		
Secured		
- Working Capital Loans from Banks [Refer Note 11(a)(1)]	379.60	-
- Export bills discounted [Refer Note 11(a)(2)]	1,787.55	859.52
Total current borrowings	2,167.15	859.52

Secured by hypothecation of inventories and book debts and other current financial assets of the Company; charge on entire fixed assets of the Company and corporate guarantee from Holding Company.

Note 11(a)(1): The working capital loans, which includes short term loans and cash credit from banks, are secured by hypothecation of inventories and book debts and other current financial assets of the Company; charge on entire fixed assets of the Company and corporate guarantee from Holding Company.
Note 11(a)(2) : Export bills are discounted with the banks and the net amount after deduction of discounting charges is received by the Company. Once the bills are realised the same is utilized to settle the outstanding amount with the bank.

11(b) Other non-current financial liabilities		
Security Deposits	47.88	31.82
Total	47.88	31.82
11(b) Other current financial liabilities		
Liability component of compound financial instruments [Refer Note 11(a)]	123.68	-
Mark-to-Market Loss on Forward Contracts	1,389.63	-
Book Overdraft	1.41	-
Others	18.00	-
Total	1,532.72	-
11(c) Trade payables		
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 39)	33.20	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	10,681.48	10,410.98
Total	10,714.68	10,410.98

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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)
Note 12(a): Non-current provisions		
Provision for litigation	26.02	24.66
Total	26.02	24.66
Note 12(b) : Current provisions		
Provision for litigation	0.59	1.60
Provision for exceptional expenses [Refer note no. 25)	-	172.89
Dividend on Preference Shares and Tax thereon	0.16	0.16
Total	0.75	174.65

Provision for litigation & exceptional expenses	Non-current	Current
As at April 1, 2018	23.42	1.00
Charged/ (credited) to profit or loss	1.24	242.09
Provisions utilised/adjusted during the year	-	68.60
As at March 31, 2019	24.66	174.49
As at April 1, 2019	24.66	174.49
Charged/ (credited) to profit or loss	1.36	(2.58)
Provisions utilised/adjusted during the year	-	171.16
As at March 31, 2020	26.02	0.75

(b) Provision for litigation are relating to disputed matters pertaining to Value Added Tax(VAT).

Note 13: Deferred tax (asset)/ liabilities (Net)

Deferred Tax Liabilities arising on account of temprory differences in :		
- On Cash Flow Hedges	(328.61)	394.99
- Classification of preference share Liability in equity and liability at inception	129.78	207.85
- Remeasurements of Post Employment benefit obligation	(3.53)	0.94
Deferred Tax Asset arising on account of temporary differences in:		
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	-	6.60
- Expenses allowed on payment basis (including provision for exceptional items)	-	36.24
- Provision for Employee Benefits	18.31	12.01
- Depreciation	14.80	21.99
- Allowance for Doubtful Debts/ Advances	9.09	8.76
Total	(244.56)	518.18

Movement in Deferred Tax as per Ind AS

(Rs. million)

Particulars	Depreciation	Defined Benefit Obligation	Provision for Doubtful debts	Expenses inadmissible u/s 40a	On Cash Flow Hedges	Remeasurements of Post Employment benefit obligation	Expenses allowed on payment basis	Classification of preference share Liability in equity and liability at inception	Total
1st April 2018	(17.13)	(9.94)	(4.08)	(4.77)	51.64	1.74	-	233.51	250.97
(Charged) / Credited :									
to Profit and Loss	(4.86)	(2.07)	(4.68)	(1.83)	-	-	(36.24)	(25.66)	(75.34)
to Other Comprehensive Income					343.35	(0.80)			342.55
31st March 2019	(21.99)	(12.01)	(8.76)	(6.60)	394.99	0.94	(36.24)	207.85	518.18
(Charged) / Credited :									
to Profit and Loss	(7.19)	6.30	0.33	(6.60)	-	-	(36.24)	78.07	34.67
to Other Comprehensive Income	-	-	-	-	723.60	4.47	-	-	728.07
31st March 2020	(14.80)	(18.31)	(9.09)	-	(328.61)	(3.53)	-	129.78	(244.56)

	As At March 31, 2020	As At March 31, 2019
Note 14: Current employee benefit obligation		
Provision for Compensated Absences (Refer Note 21)	45.37	30.84
Provision for Gratuity (Refer Note 21)	27.39	3.52
Employee Benefits Payable*	47.87	34.75
Total	120.63	69.11
* includes salary, leave travel allowance and director commission.		
Note 15 : Current tax liabilities		
Taxation (Net of Advance Tax and Tax Deducted at Sources of Rs.239.00)	33.39	53.53
Total	33.39	53.53
Note 16: Other current liabilities		
Unearned Revenue	5.83	5.46
Advances from Customers	89.36	59.98
Statutory Dues	134.37	24.58
Total	229.56	90.02

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	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
Note 17 : Revenue from operations		
(a)Sale of Products		
Finished Goods	54,749.28	53,071.04
Rebates, discounts, chargebacks, markdowns etc.	(2,222.73)	(1,771.73)
Sub total	**52,526.55**	**51,299.31**
(b)Other Operating Income		
Export benefit (Refer Note below)	4,502.13	3,526.64
Total	**4,502.13**	**3,526.64**
Total	**57,028.68**	**54,825.95**

Notes:

(i) Company receives Duty Drawback and Rebate of State & Central Taxes and Levies at specified rate on FOB value of

(ii) 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	4,162.60	2,875.01
Outside India	48,363.95	48,424.30
Total revenue from contracts with customers	**52,526.55**	**51,299.31**

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*	11,521.09	10,891.65
Contract liabilities (advances from customers)	89.36	59.98
Refund liabilities (Rebates, discounts, chargebacks, markdowns, etc.)	385.74	915.67

* Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

3) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2020 (Rs. million)	Year ended March 31, 2019 (Rs. million)
Revenue as per contracted price	54,749.28	53,071.04
(Less) Rebates, discounts, chargebacks, markdowns, etc.	(2,222.73)	(1,771.73)
Revenue from contracts with customers	**52,526.55**	**51,299.31**

4) Reconciliation of revenue from operations with revenue from contracts with customers

Particulars	As at March 31, 2020 (Rs. million)	As at March 31, 2019 (Rs. million)
Revenue from operations	57,028.68	54,825.95
Less:Export Benefits	4,502.13	3,526.64
Revenue from contracts with customers	**52,526.55**	**51,299.31**

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	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
Note 18 : Other income		
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	0.78	0.47
On Others	12.77	36.01
Interest on Income Tax Refund	5.77	-
Profit on Redemption/ Sale of Units in Mutual Funds	0.58	1.29
Profit on Sale of Bonds	-	0.15
Profit on Sale of Fixed Assets (Net)	-	0.11
Exchange Gain (Net)	422.42	-
Unwinding of discount on security deposits	4.26	14.33
Provision for Doubtful Debts Written Back (Net)	-	6.12
Miscellaneous Income	3.05	3.80
Total	**449.63**	**62.28**

Note 19 : Purchases of Stock-in-trade

Purchases of Stock-in-trade	50,293.10	50,180.62
Total	**50,293.10**	**50,180.62**

Note 20 : Changes in inventories of Stock-in-trade

(Increase)/ Decrease in Stocks-in-trade		
Stock at the end of the year	558.77	1,419.35
Less: Stock at the beginning of the year	1,419.35	898.80
	860.58	**(520.55)**

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 21 : Employee Benefits Expense

(Rs. in million)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages, Allowances and Other Benefits	885.82	650.57
Gratuity and ex-gratia	38.18	23.79
Contribution to Provident and Other Funds	52.01	37.05
Managerial Remuneration	28.31	28.39
Staff and Labour Welfare	18.38	16.57
	1022.70	756.37

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

I Defined Contributions Plans

(Rs. in million)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	Year ended March 31, 2020	Year ended March 31, 2019
- Employer's Contribution to Provident Fund*	33.15	20.26
- Employer's Contribution to Employees State Insurance*	1.58	2.15
- Employer's Contribution to Employees Pension Scheme*	14.64	12.28
- Employer's Contribution to Superannuation Scheme*	2.64	2.36
	52.01	37.05

*Included in Contribution to Provident and Other Funds

II Defined benefit plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

a. Major assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	6.84%	7.77%
Expected rate of return on Plan Assets	6.84%	7.77%
Salary Escalation Rate @	6.50% 6.50% p.a. for the next 5 years.5.00% p.a. thereafter, starting from the 6th year& 6.00%	7.00%, 6.00% & 5.00%
Rate of Employee Turnover	Upto 2 years 8.00% p.a. For service 3 years to 4 years 6.00% p.a. For service 5 years and above 4.00% p.a.	Upto 2 years 8.00% p.a. For service 3 years to 4 years 6.00% p.a. For service 5 years and above 4.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

(Rs. in million)

b. Change in the present value of obligation	As at March 31, 2020	As at March 31, 2019
Opening Present value of Obligation	68.16	46.08
Current service cost	9.60	6.70
Past Service Cost	-	20.17
Interest cost	5.30	3.48
Benefit paid	(9.37)	(10.57)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic	-	(3.29)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumption	6.84	(1.21)
Actuarial (Gains)/Losses on Obligations - Due to Experience	7.56	6.80
Closing present value of Obligation	88.09	68.16

(Rs. in million)

c. Change in fair value of plan assets	As at March 31, 2020	As at March 31, 2019
Opening Fair value of Plan Assets	64.64	47.59
Interest income	5.02	3.60
Return on Plan Assets, excluding amounts included in interest income	0.41	0.02
Contributions	-	24.00
Benefits paid	(9.37)	(10.57)
Closing Fair Value of Plan Assets	60.70	64.64

(Rs. in million)

d. Balance Sheet Reconciliation	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	3.52	(1.52)
Expenses Recognized in Statement of Profit or Loss	9.87	26.76
Expenses Recognized in OCI	14.00	2.28
Employer's Contribution	-	(24.00)
Net Liability/(Asset) Recognised in the Balance Sheet	27.39	3.52

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(Rs. in million)

e. Amount recognised in the Balance sheet	As at March 31, 2020	As at March 31, 2019
Present value of Obligation	88.09	68.16
Fair Value of Plan Assets	60.70	64.64
Funded Status {(Surplus/ (Deficit))	27.39	3.52
Net (liability)/ Asset Recognised in the Balance Sheet and included under employee benefit obligation (refer note 14)	27.39	3.52
Non Current Portion	27.39	3.52
Current Portion	-	-

(Rs. in million)

f. Expenses recognized in the statement of profit and loss	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	9.60	6.70
Interest cost	0.27	(0.11)
Past Service Cost	-	20.17
Total Expenses recognized in the statement of profit and loss*	9.87	26.76

* Included in Employee Benefits Expense

(Rs. in million)

g. Expenses recognized in the Other Comprehensive Income	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	14.40	2.30
Return on Plan Assets, Excluding Interest Income	(0.41)	(0.02)
Net (Income)/Expenses for the Period Recognized in OCI	13.99	2.28

h. Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in million)

Particulars	Change in Assumptions	Increase/(decrease) in defined benefit obligations	
		March 31, 2020	March 31, 2019
Discount Rate	Increase by 1%	(7.17)	(5.31)
Discount Rate	Decrease by 1%	8.27	6.10
Salary Increase	Increase by 1%	8.29	6.18
Salary Increase	Decrease by 1%	(7.31)	(5.45)
Employee Turnover	Increase by 1%	1.03	1.29
Employee Turnover	Decrease by 1%	(1.17)	(1.45)

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/ assets 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. Major Category of Plan Asset as a % of Total Plan Assets	As at March 31, 2020		As at March 31, 2019	
	Quoted (Rs. million)	%	Quoted (Rs. million)	%
Insurer Managed funds	60.70	100.00	64.64	100.00

Defined benefit liability and employer contributions

The Company funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries.Further funding is done only for employees more than 5 years in the firm, for less than 5years employees are paid separately.

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are Rs. 30.12 million

The weighted average duration of the defined benefit obligation is 10 years (2019 -10 years). The expected maturity analysis of undiscounted gratuity is as follows:

(Rs. in million)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	11 years & Above	Total
March 31, 2020						
Defined benefit obligation	4.90	4.78	19.58	32.18	121.66	183.10
Total	4.90	4.78	19.58	32.18	121.66	183.10
March 31, 2019						
Defined benefit obligation	3.95	3.97	19.53	25.41	101.85	154.71
Total	3.95	3.97	19.53	25.41	101.85	154.71

III Other Employee Benefit

The liability for compensated absences as at year end is Rs. 45.37 million (March 31, 2019: Rs. 30.84 million)

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	Year Ended March 31, 2020 (Rs. million)	Year Ended March 31, 2019 (Rs. million)
Note 22 : Depreciation and Amortisation Expense		
Depreciation property, plant and equipment	7.28	6.02
Amortisation on intangible assets	8.47	5.80
Depreciation Right of Use Assets (ROU)	42.74	-
Total	**58.49**	**11.82**
Note 23 : Other Expenses		
Job Work Expenses	0.05	0.27
Sales Commission	785.88	766.65
Freight, Forwarding and Coolie Charges	1,170.08	1,054.32
Advertising and Sales Promotion	902.81	541.80
Electricity Expenses	15.81	12.95
Repairs and Maintenance - Others	71.89	64.93
Directors' Sitting Fees	1.75	1.99
Rent (Refer Note 31)	27.94	65.88
Warehouse Expenses	78.10	43.83
Rates and Taxes	24.25	8.25
Printing and Stationery	1.21	2.78
Travelling and Conveyance	229.24	146.95
Legal and Professional Charges	292.81	140.36
Insurance	30.76	22.92
Communication	2.15	3.31
Postage and Courier	44.12	36.28
Loss on Sale/ Discarding of Fixed Assets (Net)	0.03	-
Provision for Doubtful Debts/ Advances	7.89	27.85
Exchange Gain/Loss Provision MTM	84.08	-
Exchange Gain/Loss (Net)	-	145.62
Bad Debts/ Advances Written off	4.75	-
Product Testing Charges	67.20	60.28
Royalty	114.00	53.26
Provision for Impairment	140.00	-
Donations	-	0.03
Payments to auditors (Refer note 23 (a) below)	4.16	3.00
Corporate Social Responsibility Expenses (Refer Note 23 (b) below)	13.37	18.60
Miscellaneous	63.68	17.48
Total	**4,178.01**	**3,239.59**

Note 23 (a) : Details of Payments to auditors

	Year Ended March 31, 2020	Year Ended March 31, 2019
Payments to auditors		
As auditor:		
Audit fee	3.50	2.25
Tax audit fee	0.45	0.38
In Other capacities		
Certification fees	0.13	0.15
Re-imbursement of expenses	0.08	0.22
Total payments to auditors	**4.16**	**3.00**

Note 23 (b) : Details of CSR expenditure

	Year Ended March 31, 2020	Year Ended March 31, 2019
(i) Gross amount required to be spent by the Company during the year	12.65	16.19
(ii) Amount spent during the year ending on March 31, 2020		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (i) above	13.37	18.60

Note 24 : Finance costs

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Preference shares at amortised cost	79.19	73.44
Interest on Working Capital Loans	138.42	77.84
Interest to Others	2.52	1.76
Interest on Lease liabilities	8.20	-
Discounting and Bank Charges	280.80	278.98
Total	509.13	432.02

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Note 25 : Exceptional items

The Company received final approval from trial court dated October 28, 2019 for its settlement agreement which is 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. 2.58 million during the year.

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.

Pursuant to the changes in the tax rates, with effect from April 1, 2019 the Company has opted for lower tax rates

a) Statement of Profit and Loss (Rs. million)

	As at March 31, 2020	As at March 31, 2019
Income tax expense		
Current Tax		
Current Tax on profits for the year.	179.10	273.64
Total current tax expense	179.10	273.64
Deferred Tax		
Decrease (Increase) in deferred tax assets	43.40	(49.68)
(Decrease) Increase in deferred tax liabilities	(78.10)	(25.67)
Total deferred tax expense	(34.70)	(75.35)
Income tax expense	144.40	198.29
Income tax expense is attributable to :		
Profit for the year	144.40	198.29
	144.40	**198.29**

(b) Other Comprehensive Income (OCI)

(Rs. million)

	March 31, 2020	March 31, 2019
Deferred gain/(loss) on cash flow hedges	723.59	(343.35)
Net loss/(gain) on remeasurement of defined benfit plans	4.47	0.80
Total	**728.06**	**(342.55)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

(Rs. million)

	As at March 31, 2020	As at March 31, 2019
Profit for the year before income tax expense	558.89	546.27
Tax at the Indian tax rate @ 25.17% (Previous Year @ 34.94%)	140.67	190.89
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Corporate social responsibility expenditure	1.68	3.26
Interest on Welspun Mauritius Enterprises Limited loan	(6.39)	(8.83)
Other Items	7.39	12.97
Impact on account of change in tax	(34.19)	-
Impairment of investments	35.24	-
Income Tax Expenses	**144.40**	**198.29**

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Note 27 : Fair value measurements

Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Others	2.60	-	-	3.20	-	-
Trade receivables	-	-	11,521.09	-	-	10,891.65
Security Deposits	-	-	125.17	-	-	158.51
Cash and cash equivalents and other bank balance	-	-	993.31	-	-	103.75
Governement Grants	-	-	156.62	-	-	225.11
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	-	-	-	1,130.47	-
Others	-	-	19.00	-	-	6.32
Total financial assets	**2.60**	**-**	**12,815.19**	**3.20**	**1,130.47**	**11,385.34**
Financial liabilities						
Borrowings	-	-	3,041.69	-	-	1,778.55
Trade payables	-	-	10,714.68	-	-	10,410.98
Security Deposits	-	-	47.88	-	-	31.82
Mark-to-Market Loss on Forward Contracts	-	1,389.63	-	-	-	-
Others	-	-	53.98	-	-	-
Total financial liabilities	**-**	**1,389.63**	**13,858.23**	**-**	**-**	**12,221.35**

(i) Fair value of Financial assets and liabilities measured at amortised cost

(Rs. million)

	31-Mar-20		31-Mar-19	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security Deposits	125.17	125.17	158.51	158.51
Trade receivables	11,521.09	11,521.09	10,891.65	10,891.65
Governement Grants	156.62	156.62	225.11	225.11
Cash and Cash equivalents	993.31	993.31	103.75	103.75
Others	19.00	19.00	6.32	6.32
Total	**12,815.19**	**12,815.19**	**11,385.34**	**11,385.34**
Financial liabilities				
Borrowings (including Liability component of compound financial instruments)	3,041.69	2,980.49	1,778.55	1,711.84
Security deposits more than 12 months	47.88	47.88	31.82	31.82
Trade payables	10,714.68	10,714.68	10,410.98	10,410.98
Others	53.98	53.98	-	-
Total	**13,858.23**	**13,797.03**	**12,221.35**	**12,154.64**

The carrying amount of trade receivable, cash and cash equivalents and other bank balances, current loans, other current financial assets, other current financial liabilities and trade payable are considered to be the same as their value, due to their short-term nature. 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.

The fair value for security deposits was calculated based on cash flows discounted using a current lending rates. They 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 values of the company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

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 judgments 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 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					
Investments-Others	6(a)	-	2.60	-	2.60
Total financial assets		-	**2.60**	-	**2.60**
Financial liabilities					
Derivatives designated as hedges					
Mark-to-Market Loss on Forward Contracts	11(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					
Security Deposits	6(c)	-	-	125.17	125.17
Trade receivables	6(d)	-	-	11,521.09	11,521.09
Governement Grants	6(c)	-	-	156.62	156.62
Cash and Cash equivalents	6(e)	-	-	993.31	993.31
Others	6(c), 6 (b)	-	-	19.00	19.00
Total financial assets		-	-	**12,815.19**	**12,815.19**
Financial Liabilities					
Borrowings	11(a)	-	-	2,980.49	2,980.49
Security deposits for more than 12 months	11(b)	-	-	47.88	47.88
Trade payables	11(c)	-	-	10,714.68	10,714.68
Others				53.98	53.98
Total financial liabilities			-	**13,797.03**	**13,797.03**

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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					
Investments-Others	6(a)	-	3.20	-	3.20
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	6(c)	-	1,130.47	-	1,130.47
Total financial assets		-	1,133.67	-	1,133.67
Financial liabilities					
Derivatives designated as hedges					
Mark-to-Market Loss on Forward Contracts	11(b)		-	-	-
Total financial liabilities		-	-	-	-

(Rs. million)

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					
Security Deposits	6(c)	-	-	158.51	158.51
Trade receivables	6(d)	-	-	10,891.65	10,891.65
Governement Grants	6(c)	-	-	225.11	225.11
Cash and Cash equivalents	6(e)	-	-	103.75	103.75
Others	6(c), 6(b)	-	-	6.32	6.32
Total financial assets		-	-	11,385.34	11,385.34
Financial Liabilities					
Borrowings	11(a)	-	-	1,711.84	1,711.84
Security deposits for more than 12 months	11(b)	-	-	31.82	31.82
Trade Payable				10,410.98	10,410.98
Total financial liabilities		-	-	12,154.64	12,154.64

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. 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 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 maximize 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.

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 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
-the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

iv) 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
	31-Mar-20	31-Mar-19		31-Mar-20	31-Mar-19	
Preference Shares	937.02	852.06	Risk Adjusted Discount Rate	9%-10%	10.00%	March 31, 2020 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 21.31 million and decrease in discount rate by 50 bps would increase face value by Rs. 21.96 million. March 31, 2019 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 23.15 million and decrease in discount rate by 50 bps would increase face value by Rs. 23.95 million.

v) 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 company's quarterly reports.

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Note 28 - Financial risk management

The Company'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 Company, derivatives financial instruments, such as foreign exchange contracts are entered to hedge certain foreign currency risk exposure. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

This note explain the sources of risk which the entity is exposed to and how the entity 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 and letters of credit, 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

The Company's risk management is carried out by the Risk Management committee, under policies approved by the Board of Directors. Company Risk Management committee identifies, evaluates and hedges financial risk in close cooperation with Company's respective department heads. 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 Company determines default 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.

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, credit insurance for parties where a higher credit risk is perceived. 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 the Company'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	74.43%	73.30%

Other financial assets
The Company maintains exposure in cash and cash equivalents, term deposits with banks, Derivative financial instruments, investments in government securities and bonds, and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings, good reputation, good past track records and reviews and hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

Ageing of Trade receivables is as follows

As at March 31, 2020 (Rs. million)

Ageing	Less Than 3 Months	3 Months to 6 Months	Above 6 Months	Total
Gross Carrying amount	9,311.14	1,743.48	494.69	11,549.31
Expected loss rate	-	-	5.70%	0.24%
Allowance for doubtful debts	-	-	28.22	28.22
Carrying amount of trade receivables (net of impairment)	9,311.14	1,743.48	466.47	11,521.09

As at March 31, 2019 (Rs. million)

Ageing	Less Than 3 Months	3 Months to 6 Months	Above 6 Months	Total
Gross Carrying amount	9,283.14	1,101.63	531.96	10,916.74
Expected loss rate	0.05%	-	3.81%	0.23%
Allowance for doubtful debts	4.83	-	20.26	25.09
Carrying amount of trade receivables (net of impairment)	9,278.31	1,101.63	511.70	10,891.65

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Reconciliation of loss allowance provision - Trade receivables

(Rs.million)

	Amount
Allowance for doubtful debts on April 01, 2018	**11.70**
Expected Credit loss recognised	13.39
Written off during the year	-
Allowance for doubtful debts on March 31, 2019	25.09
Expected Credit loss recognised	7.88
Written off during the year	4.75
Allowance for doubtful debts on March 31, 2020	28.22

The Company mitigates its credit risk routing its sales either under documentary letter of credit or are under cover of credit insurance policy.

(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)

	31-Mar-20	31-Mar-19
Expiring with one year (Export bills discounting, Bank overdraft etc.)	2,832.85	4,140.48
TOTAL	**2,832.85**	**4,140.48**

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 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 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
Borrowings	2,167.15	-	134.65	-	-	1,399.56	**3,701.36**
Trade payables	10,714.68	-	-	-	-	-	**10,714.68**
Other financial liabilities	20.61	-	-	-	46.68	-	**67.29**
Lease Liabilities	7.79	5.48	10.05	16.21	0.29	-	**39.82**
Total	**12,910.23**	**5.48**	**144.70**	**16.21**	**46.97**	**1,399.56**	**14,523.15**

As at March 31, 2020

(Rs.million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	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
Total	**8,076.17**	**9,170.35**	**13,726.78**	-	-	-	**30,973.30**

As at March 31, 2019

(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
Borrowings	859.52	-	-	134.65	-	1,399.56	2,393.73
Trade payables	7,277.81	2,562.11	571.06	-	-	-	10,410.98
Other financial liabilities	-	-	-	-	31.82	-	31.82
Total	**8,137.33**	**2,562.11**	**571.06**	**134.65**	**31.82**	**1,399.56**	**12,836.53**

As at March 31, 2019

(Rs.million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD- INR	7,226.78	7,662.93	15,059.44	-	-	-	29,949.14
Forward contracts EUR- INR	59.18	19.89	-	-	-	-	79.06
Forward contracts GBP- INR	69.19	18.53	-	-	-	-	87.72
Total	**7,355.15**	**7,701.34**	**15,059.44**	-	-	-	**30,115.93**

(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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's revenue is denominated in a foreign currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Company 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 that is denominated in the foreign currency.

At 31 March 2020, the Company 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. This foreign currency risk is hedged by using foreign currency forward contracts.

(a) Foreign currency risk exposure

The Company's unhedged exposure to foreign currency risk at the end of the reporting period is as follows:

(Rs.million)

	31-Mar-20			31-Mar-19		
	USD	EUR	GBP	USD	EUR	GBP
Financial Assets Trade Receivables	8,687.18	49.28	31.04	8,717.85	39.62	96.06
Net exposure to foreign currency risk	**8,687.18**	**49.28**	**31.04**	**8,717.85**	**39.62**	**96.06**
Financial liabilities Trade payables	2,621.35	1.24	38.29	1,840.77	-	66.55
Net exposure to foreign currency risk (liabilities)	**2,621.35**	**1.24**	**38.29**	**1,840.77**	-	**66.55**

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(b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs million)

	Impact on profit before tax	
	March 31 2020	March 31 2019
USD sensitivity		
USD-INR - Increase by 5% (March 31 2019 - 5%)*	303.29	343.85
USD - INR - Decrease by 5% (March 31. 2019 - 5%)*	-303.29	-343.85
EURO sensitivity		
EURO - INR - Increase by 4% (March 31, 2019 - 4%)*	1.92	1.58
EURO - INR - Decrease by 4% (March 31 2019 - 4%)*	-1.92	-1.58
GBP sensitivity		
GBP - INR - Increase by 2% (March 31, 2019 - 2%)*	-0.14	0.59
GBP - INR - Decrease by 2% (March 31 2019 - 2%)*	0.14	-0.59

* Holding all other variables constant

(c) Cash Flow Hedge

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.

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 Exchange Forward Contracts (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	0.00	0.00	1.80
Forward contracts (in GBP)	0.75	94.79	0.35	95.10	0.00	0.00	1.10

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 Type equation here.		6 months to 1 year		Total
Foreign Exchange Forward Contracts	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	0.00	0.00	1.00
Forward contracts (in GBP)	0.75	92.26	0.20	92.64	0.00	0.00	0.95

Impact of hedging activities

As at March 31, 2020

Disclosure of effects of hedge accounting on financial positions:

(Rs.million)

Particulars	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						
Forward contracts (in USD)	417.36	-	(1,386.21)	1:1		
Forward contracts (in EURO)	1.80	-	(3.92)	1:1	(1,231.16)	1,231.16
Forward contracts (in GBP)	1.10	-	0.50	1:1		

Disclosure of effects of hedge accounting on financial positions:

Particulars	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			
Forward contracts (in USD)	407.97	1,129.64	-	1:1		
Forward contracts (in EURO)	1.00	0.13	-	1:1	33.51	(33.51)
Forward contracts (in GBP)	0.95	0.70	-	1:1		

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WELSPUN GLOBAL BRANDS LIMITED

Disclosure of effects of hedge accounting on financial performance

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	-	1,204.86	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	-	949.19	Revenue

The Company'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 Company 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	96.14
Add: Gain recognised in other comprehensive income during the year	33.51
Less: Amounts reclassified to profit or loss	949.19
Less: Deferred Tax	(343.35)
As at March 31, 2019	735.49
Add: Gain recognised in other comprehensive income during the year	(1,231.16)
Add: Amounts reclassified to profit or loss	-1,204.86
Less: Deferred Tax	723.59
As at March 31, 2020	(976.94)

(D) Cash flow and fair value interest rate risk

The Company is not exposed to interest rate risk because funds are borrowed at fixed interest rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations.

(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	3,701.36	1,778.54
Total borrowings	3,701.36	1,778.54

As at the end of the reporting period, the Company had NIL variable rate borrowing sensitivity analysis has not been carried out.

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

WELSPUN GLOBAL BRANDS LIMITED

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 short term borrowings.

For impact of Covid-19 on capital management, refer note 40

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.
The following table summarizes the capital structure of the Company:

	March 31, 2020	March 31, 2019
Non-current borrowings (Refer Note below)	-	919.03
Current borrowings	1,787.55	859.52
Less: cash and cash equivalents	0.02	103.19
Net debt	1,787.53	1,675.36
Total equity	2,345.58	3,653.10
Gearing ratio	0.76	0.46

Note :
Non-current borrowings includes liability component of compound financial instruments [Refer Note 11 (a)]

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

WELSPUN GLOBAL BRANDS LIMITED

30 Contingent Liabilities:

a. Description on matters considered as contingent liabilities:

(Rs. million)

	As at March 31, 2020	As at March 31, 2019
[a] Disputed Sales Tax Liabilities	1.20	1.20
[b] Income Tax Liabilities	184.00	156.66
[c] Service Tax	-	1.42
[d] Claims against the Company not acknowledged as debts	48.51	60.12

(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 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 February 28, 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.

31 Leases

Company as lessee

The Company has lease contracts for various items of property and other equipment used in its operations. Leases of property generally have lease terms between 1 to 2 years, while other equipment generally have lease terms between 2 and 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(Rs. million)

	Right to use assets		
Particulars	Commercial Property	Other Equipments	Total
As at April 1, 2019	69.69	7.59	77.28
Additions	-	2.86	2.86
Lease modifications / adjustments	-	(4.67)	(4.67)
Depreciation expense	(40.95)	(1.79)	(42.74)
As at March 31, 2020	28.74	3.99	32.73

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

WELSPUN GLOBAL BRANDS LIMITED

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(Rs. million)

Lease liabilities	
Particulars	Total
As at April 1, 2019	77.28
Additions	2.86
Lease modifications/ adjustments	(4.67)
Accretion of interest	8.20
Payments	(49.10)
As at March 31, 2020	34.57

Current lease liabilities	19.81
Non-Current lease liabilities	14.76

The maturity analysis of lease liabilities are disclosed in Note 28.

The effective interest rate for lease liabilities is 11%

The following are the amounts recognised in statement of profit and loss:

(Rs. million)

Particulars	Total
Depreciation expense of right-of-use assets	42.74
Interest expense on lease liabilities	8.20
Expense relating to short-term leases and low value assets (included in other expenses)	87.29
Total amount recognised in profit or loss	138.23

The Company had total cash outflows for leases of Rs.136.40 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.

32 Segment Information

(a) Information about Primary Business Segment

The Company's business has two divisions, Home Textile (which includes towels, bath robes, bath rugs/ mats, area rugs, carpet, bedsheets, utility bedding and fashion bedding) and Flooring division (which includes tiles ,Grass tiles bedding). However, for the purpose of making decision about profit or loss in the financial statements the chief operational decision maker monitors the combined results of above mentioned divisions (i.e. as one segment only). Accordingly, no separate disclosure if required as per Ind-AS 108 "operating Segments".

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WELSPUN GLOBAL BRANDS LIMITED

WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

35 Related Party Disclosures

(i) Relationships

<table>
<tr><td>(a)</td><td>Enterprises where control exists</td><td></td></tr>
<tr><td></td><td>Holding Company</td><td>Welspun India Limited (WIL)</td></tr>
<tr><td></td><td>Ultimate holding company</td><td>Prasert Multiventure Private Limited (till May 20, 2019)
Welspun Group Master Trust (WGMT)(w.e.f. May 21, 2019)</td></tr>
<tr><td></td><td>Subsidiary Companies</td><td>Welspun Mauritius Enterprises Limited (WMEL)
Welspun Holdings Private Limited, Cyprus (WHPL)
Welspun UK Limited (WUKL) (Held through CHTL)
CHT Holdings Limited (CHTHL) (Held through WHTUKL)
Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)
Welspun USA Inc., USA (WUSA)
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)
Tilt Innovation Inc., USA (TII) (Held through WUSA) (with effect from January 22, 2019)</td></tr>
<tr><td>b)</td><td>Fellow Subsidiary Company along with 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</td><td>Welspun Flooring Limited (WFL)*
For Listing of parties, refer disclosure in Note 35(iii)</td></tr>
<tr><td>c)</td><td>Key Management Personnel</td><td><table>
<tr><th>Name</th><th>Nature of Relationship</th></tr>
<tr><td>Balkrishan Goenka</td><td>Director & Chairman</td></tr>
<tr><td>Dipali Goenka</td><td>Managing Director</td></tr>
<tr><td>Rajesh Mandawewala</td><td>Director</td></tr>
<tr><td>Arun Todarwal</td><td>Independent Director</td></tr>
<tr><td>Atul Desai</td><td>Independent Director</td></tr>
<tr><td>K.H. Vishwanath</td><td>Independent Director</td></tr>
<tr><td>Revathy Ashok</td><td>Independent Director</td></tr>
<tr><td>Mukesh Khandelwal</td><td>Chief Financial Officer (till April 5, 2019)**</td></tr>
<tr><td>Sandeep Kumar Garg</td><td>Chief Financial Officer (w.e.f. May 24, 2019)**</td></tr>
<tr><td>Nidhi Tanna</td><td>Company Secretary</td></tr>
</table></td></tr>
<tr><td>d)</td><td>Relatives of Key Managerial Personnel</td><td>Vanshika Goenka</td></tr>
</table>

* related parties where transactions have taken place during the year
** Data given in the disclosure note 35(iii) is up-to March 31, 2020

(ii) Terms and conditions:

- All transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and are payable in cash

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WELSPUN GLOBAL BRANDS LIMITED

WELSPUN GLOBAL BRANDS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

35 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

Rs. million

	Holding company	Subsidiary companies and Fellow Subsidiary 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													Key Management Personnel *								Relatives of Key Management Personnel	TOTAL
PARTICULARS	WIL	WMEL	WHPL	WUKL	Christy Lifestyle LLC,	WUSA	WFL	Welspun Trading Ltd	Kookanya Private Limited	Welspun Corp Limited	Veremente Enterprises Private Limited	Welspun Foundation	Welspun Enterprises Limited	Welspun Realty Pvt. Ltd.	Welspun Steel Ltd	AYM Syntex Limited	MGN Agro Properties Private Limited	WELSPUN ORRISA STEEL PVT LTD	Welspun Tubler INC	Welspun Global Brand Limited Employees Gratuity Fund	Dipali Goenka	Arun Todarwal	Atul Desai	K.H.Vishwanathan	Revathy Ashok	Mukesh Khandelwal	Sandeep Garg	Nidhi Tanna	Vanshika Goenka	TOTAL
Transactions during the year																														
Repayment of Loans, Advances and Deposits Given	-	-	-	-	-	-		-	-	-	-	-	-	33.84	-	-	-	-	-		-	-	-	-	-	-	-	-	-	33.84
	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.66)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.66)
Purchase of Goods/ DEPB Licenses (Including Taxes)	52,892.92	-	-	-	-	-	467.84	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	53,360.76
	(53,418.67)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(53,418.67)
Purchase of Services/ Expenses Incurred	50.03	-	-	38.71	-	54.38	0.35	-	-	-	-	-	-	41.68	-	-	0.25	-	19.38		-	-	-	-	-	-	-	-	-	204.78
	(8.40)	-	-	(58.55)	-	(7.08)	-	-	-	-	-	-	-	(30.58)	-	-	(0.04)	-	-	-	-	-	-	-	-	-	-	-	-	(104.65)
Sale of Goods (Including Taxes)	116.32	-	-	897.43	401.00	14,807.06	5.56	0.02	0.03	9.54	0.01	-	8.82	-	0.04	250.75	0.0#	-	-		-	-	-	-	-	-	-	-	-	16,296.59
	(7.25)	-	-	(708.69)	(89.82)	(15,080.52)	(1.34)	(0.09)	-	(4.93)	-	(0.58)	(12.86)	-	(0.17)	-	-	(0.01)	-	-	-	-	-	-	-	-	-	-	-	(15,906.26)
Sale of Services/ Expenses Incurred	1,053.54	-	-	0.13	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	1,053.67
	(71.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(71.00)
Contribution Made	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24.00)	-	-	-	-	-	-	-	-	-	(24.00)
Royalty (Gross)	-	-	-	-	-	114.00		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	114.00
	-	-	-	-	-	(38.29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.29)
Claims, Discounts and Rebate given	-	-	-	-	0.14	1,357.88		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	1,358.02
	(10.05)	-	-	(33.51)	-	(811.10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(854.66)
Commission	-	-	-	234.54	-	392.69		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	627.23
	-	-	-	(246.98)	-	(360.91)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(607.89)
Remuneration and Commission	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-			28.34	-	-	-	-	-	8.26	1.32	3.00	40.92
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28.39)	-	-	-	-	(6.13)	-	(1.11)	(3.00)	(38.63)
Director Sitting Fees	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-			-	0.64	0.34	0.56	0.20	-	-	-	-	1.74
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.56)	(0.58)	(0.67)	(0.18)	-	-	-	-	(1.99)
Corporate Social Responsibility Expenses	-	-	-	-	-	-		-	-	-	-	13.37	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	13.37
	-	-	-	-	-	-	-	-	-	-	-	(13.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.00)
Investment made during the year	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
	-	-	(316.71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(316.71)
Provision for doubtful loans/ advances	-	-	140.00	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	140.00
																														-
Corporate Gurantee Taken	1,265.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,265.00
	(530.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(530.00)
Closing Balance																			-											
Advance to vendor	-	-	-	-	-	-	77.40	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	77.40
	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits given (including interest accrued on loan)	-	253.61	-	-	-	-		-	-	-	-	-	-	118.42	-	-	-	-	-		-	-	-	-	-	-	-	-	-	372.03
	-	(231.79)	-	-	-	-	-	-	-	-	-	-	-	(148.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(379.79)
Provision for doubtful loans/ advances	-	253.61	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	253.61
	-	(231.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(231.79)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	-	472.74	337.70	5,118.75	5.37	-	0.03	0.42	-	-	3.83	-	0.04	87.89	-	-	-		-	-	-	-	-	-	-	-	-	6,026.77
	-	-	-	(336.85)	(113.35)	(3,344.36)	(1.34)	(0.09)	-	(4.34)	-	(0.58)	(2.11)	-	(0.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,803.19)
Trade Payables and others	7,291.59	-	-	190.29	-	2,043.35		-	-	-	-	0.01	-	-	-	-	0.0#	-	19.38	-	1.46	-	-	-	-	-	-	-	-	9,546.09
	(8,028.38)	-	-	(69.01)	-	(10.21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.89)	-	-	-	-	-	-	-	-	(8,116.49)
Investments	-	16.58	1,490.37	-	-	281.97		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,788.92
	-	(16.58)	(1,490.37)	-	-	(281.97)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,788.92)
Provision for diminution in value in investment	-	16.58	903.15	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	919.73
	-	(16.58)	(763.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(779.73)
Corporate Guarantee Given	5,615.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,615.00
	(5,400.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,400.00)

Note:
Previous year figures are given in brackets.
Amount is below the rounding norms adopted by the Company
* 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.

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

WELSPUN GLOBAL BRANDS LIMITED *

36 Earnings per Share

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit after Tax (A) (Rs. million)	414.45	347.98
Profit available for Equity Share holders	414.45	347.98
Weighted average number of equity shares outstanding during the year (B)	23,529,412	23,529,412
Basic and Diluted earnings per share (A)/(B) (Rs.)	17.61	14.79
Nominal value of an equity share (Rs.)	10	10

37 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
Employee Benefit Expenses	-	9.15
Others	-	22.57
Total	**-**	**31.72**

38 In accordance with paragraph 4(a) of Ind AS 110 "Consolidated Financial Statements", Welspun Global Brands Limited has elected not to prepare consolidated financial statements and has prepared only separate financial statements as defined in Ind AS 27 – Separate Financial Statements. Disclosures required in accordance with Ind AS 27 by entities who have elected not to prepare separate financial statements are; Details of Parent whose Ind AS compliant financial statements have been produced for public use;

Name of the Parent Company	Principal Place of Business	Country of Incorporation	Address where consolidated statements are available for use
Welspun India Limited	Anjar, Vapi Mumbai	India	Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra 400013

Significant Investment in subsidiaries

Name of Subsidiary	Principal Place of Business	Value of Investment (Millions)	% Holding	Method used for accounting for investment
Welspun USA Inc.	USA	281.97 (281.97)	66.90% (66.90%)	At Cost
Welspun Holding Private Limited (Cyprus)	Cyprus	587.22 (727.22)	95.91% (95.91%)	At Cost

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WELSPUN GLOBAL BRANDS LIMITED

39 Disclosure for Micro and Small Enterprises

(Rs. million)

	Particulars	As at March 31, 2020	As at March 31, 2019
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	33.20	-
	-Interest	0.19	-
	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	217.09	-
	-Interest	-	-
	The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified		
	The amount of interest accrued and remaining unpaid at the end of year	1.97	-

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 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 offices and warehouses 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.

The Management has prepared future cash flow projections, assessed the recoverability of the Company 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.

41 Impairment loss recognized in investment in subsidiary:

Considering the uncertain economic situation due to global pandemic, management has revised its business forecast for investment made in subsidiaries and has performed impairment assessment as required by Ind AS -36. Accordingly, for investment made in one of the subsidiaries i.e. Welspun Holding Private Limited (Cyprus), the Company has determined recoverable value of INR 587.22 million and has recognised an impairment loss of INR 140 million. The company has determined the recoverable value of INR 587.22 million based on its Value in Use. It has considered a discount rate of 10.25% to arrive at its value in use (no change from previous year).

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

42 The figures for the corresponding previous year have been re-arranged / regrouped, wherever necessary.

As per our report of even date

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

per Anil Jobanputra
Partner
Membership Number: 110759

Place: Mumbai
Date:June 29, 2020

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007199

Rajesh Mandawewala
Director
DIN 00007179

Nidhi Tanna
Company Secretary

Sandeep Kumar Garg
Chief Financial Officer

Place: Mumbai
Date: June 29, 2020