

Welspun Global Brands limited
Statutory Audit for the year ended 31st March 2023
Financial statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Global Brands Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Welspun Global Brands Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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 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 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, 2023, 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 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 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 financial statements.

Other Information

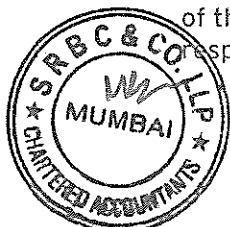
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the 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 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



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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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

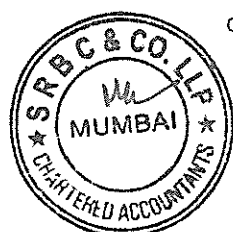
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these 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, 2023 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;



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- (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 financial statements - Refer Note 30 to the 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.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41(5) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41(6) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.



S R B C & CO LLP

Chartered Accountants

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- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Murtuza Bookwala

Partner

Membership Number: 117633

UDIN: 23117633BGYWYM7911

Place of Signature: Mumbai

Date: April 26, 2023



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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 ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year including for inventories lying with third parties and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- (b) As disclosed in note 11(a) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.



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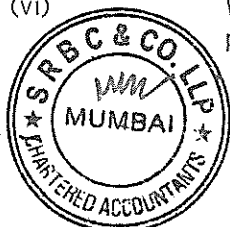
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- (iii) (a) During the year the company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms or Limited Liability Partnership. Loans to other parties as detailed in the table below:

	Loans (Amt in INR Crores)
Aggregate amount granted/ provided during the year ended March 31, 2023	
- Other Parties	0.52
Balance outstanding as at balance sheet date in respect of above cases	
- Other Parties	0.37

- (b) During the year the Company has not made investments, provided guarantees, provided security and advances in the nature of loans to companies, firms or Limited Liability Partnerships. Terms and conditions of the grant of all loans to other parties are not prejudicial to the Company's interest.
- (c) The Company has granted loan during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted advances in the nature of loans to companies, firms or Limited Liability Partnerships.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost



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records under section 148(1) of the Companies Act, 2013, related to the manufacture of textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of goods and services tax, provident fund, employees' state insurance, duty of custom, duty of excise, and cess which have not been deposited on account of any dispute. The dues of income-tax, sales-tax, service tax, value added tax and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in Mil (Rs)**	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax Demand	54.96	AY 2010-11 to AY 2018-19	CIT-(Appeals)

**Net of amount paid under protest

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowing to or in the payment of interest thereon to any lender
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.



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- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



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- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 23(b) to the financial statements.



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Chartered Accountants

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- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 23(b) to the financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Murtuza Bookwala
Partner

Membership Number: 117633

UDIN: 23117633BGYWYM7911

Place of Signature: Mumbai

Date: April 26, 2023



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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 with reference to financial statements of Welspun Global Brands Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Company's internal financial controls with reference to these financial statements.



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Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala
Partner

Membership Number: 117633

UDIN: 23117633BGYWYM7911

Place of Signature: Mumbai

Date: April 26, 2023



BALANCE SHEET AS AT MARCH 31, 2023

	Note	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant and equipment	3	2.83	2.69
Intangible assets	4	0.53	0.69
Right of Use Assets (ROU)	31	17.60	14.81
Intangible assets under development	4	-	0.27
Equity investment in subsidiaries	5	86.92	86.92
Financial assets			
i. Investments	6(a)	0.03	0.13
ii. Loans	6(b)	0.12	0.26
iii. Other financial assets	6(c)	1.67	1.71
Deferred tax assets (Net)	13	1.31	3.27
Non-current tax assets	7	0.12	-
Other non-current assets	8	-	0.02
Total non-current assets		111.13	110.77
Current assets			
Inventories	9	208.92	195.49
Financial assets			
i. Investments	6(a)	-	108.02
ii. Trade receivables	6(d)	1,319.48	1,219.75
iii. Cash and cash equivalents	6(e)	73.27	98.30
iv. Bank balances other than cash and cash equivalents above	6(f)	1.20	3.43
v. Loans	6(b)	0.25	0.25
vi. Other financial assets	6(c)	29.76	61.02
Current tax assets	7	2.61	-
Other current assets	8a	226.13	562.38
Total current assets		1,861.62	2,248.64
Total assets		1,972.75	2,359.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)(1)	23.53	23.53
Other Equity:			
Equity component of compound financial instruments	11(a)	60.97	60.97
Reserves and surplus	10(b)	385.55	350.32
Other reserves	10(c)	(1.03)	9.81
Total equity		469.02	444.63
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	11(a)	111.99	103.13
ii. Lease Liabilities	31	11.98	7.02
iii. Other financial liabilities	11(b)	9.02	7.33
Non-current tax liabilities	12	-	1.90
Provisions	12(a)	0.32	2.88
Total non-current liabilities		133.31	122.26
Current liabilities			
Financial liabilities			
i. Borrowings	11(a)	347.43	503.60
ii. Lease Liabilities	31	7.66	9.96
iii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11(c)	14.15	11.52
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11(c)	886.27	1,153.53
iii. Other financial liabilities	11(b)	15.98	0.78
Provisions	12(b)	0.02	0.02
Employee benefit obligation	14	36.91	37.82
Current tax liabilities	15	-	12.25
Other current liabilities	16	62.00	63.04
Total current liabilities		1,370.42	1,792.52
Total liabilities		1,503.73	1,914.78
Total equity and liabilities		1,972.75	2,359.41

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

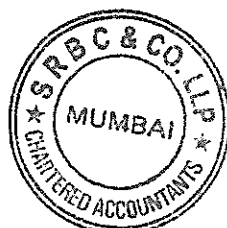
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala

Partner

Membership Number: 117633



Place: Mumbai

Date: April 26, 2023

For and on behalf of the Board of Directors

Dipali Goenka

Managing Director

DIN 00007199

Shashikant Thorat

Company Secretary

Place: Mumbai

Date: April 26, 2023

Atul Jiwani

Director

DIN 05166241

Sandeep Kumar Garg

Chief Financial Officer



WELSPUN GLOBAL BRANDS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

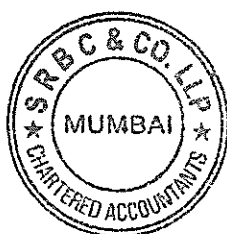
	Note	Year Ended March 31, 2023 (₹ in crores)	Year Ended March 31, 2022 (Rs. crores)
Income			
Revenue from Operations	17	6,544.44	7,611.92
Other Income	18	5.67	3.22
Total income		6,550.11	7,615.14
Expenses			
Cost of materials consumed	19	1,936.45	1,915.42
Purchases of stock-in-trade	19	3,785.47	4,814.81
Changes in Inventories of stock-in-trade and finished goods	20	(10.39)	(6.80)
Employee benefits expense	21	144.48	173.64
Depreciation and amortisation expense	22	13.15	13.25
Other expenses	23	586.48	589.56
Finance costs	24	47.44	45.73
Total expenses		6,503.08	7,545.61
Profit Before Tax		47.03	69.53
Income tax expense	26		
Current tax		13.23	24.06
- Excess Provision for Tax in Earlier Years		(5.77)	-
- Short Provision for Deferred Tax in Earlier Years		5.96	-
Deferred tax		(0.68)	(9.34)
Total Income Tax Expenses		12.74	14.72
Profit for the year		34.29	54.81
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation	21	1.25	0.27
Income Tax effect	26	(0.31)	0.07
Items that may be reclassified to profit or loss			
Deferred gains/(loss) on cash flow hedges	10(c)	(14.48)	(31.95)
Income Tax effect	26	3.64	8.04
Other comprehensive income/ (loss) for the year, net of tax		(9.90)	(23.57)
Total comprehensive income for the year		24.39	31.24
Earning Per Share (Rs.) [Nominal value per share: Rs. 10 (2022: Rs.10)]	36		
-Basic and Diluted earnings per share		14.58	23.29

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
ICAI Firm Registration Number: 324982E/E300003

per Murtuza Bookwala
Partner
Membership Number: 117633



Place: Mumbai
Date: April 26, 2023

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007198

Altat Jiwani
Director
DIN 05166241

Shashikant Thorat
Company Secretary

Sandeep Kumar Garg
Chief Financial Officer

Place: Mumbai
Date: April 26, 2023



WELSPUN GLOBAL BRANDS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended March 31, 2023 (₹ in crores)	Year Ended March 31, 2022 (₹ in crores)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	47.03	69.53
Adjustments for :		
Depreciation and amortisation expense	13.15	13.25
Unrealised foreign exchange differences	0.03	(5.44)
Loss on disposal of property, plant and equipment	0.04	0.05
(Gain)/ Loss on sale of investments	(0.37)	-
Liabilities Written Back as no Longer Required	(0.11)	(0.38)
Provision for doubtful debts written off (net)	0.19	0.32
Exchange Gain/ (Loss) Provision MTM	10.43	(8.58)
Debts/ advances written off	0.43	0.94
Interest income classified as investing cash flows	(0.47)	(0.52)
Unwinding of discount on security deposits	(0.47)	(0.28)
Finance costs	47.44	45.73
Operating Profit Before Working Capital Changes	118.22	114.62
Adjustments for changes in working capital :		
(Increase) / decrease in trade receivables	(97.12)	99.49
Increase / (decrease) in trade and other payables	(270.58)	52.52
Increase in employee benefit obligations	0.34	12.40
Increase / (decrease) in other current liabilities	(1.04)	39.87
Increase in inventories	(13.43)	(4.39)
Decrease in other financial assets	29.93	35.30
Decrease in other non-current assets	0.02	-
(Increase) / decrease in other current assets	336.25	(283.38)
Cash flow generated from operations	(21.63)	(48.16)
Income tax paid	96.59	66.46
Net Cash Flow from / (used in) Operating Activities	(24.32)	(20.76)
	72.27	45.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(0.88)	(0.67)
(Investment in)/ realisation of Fixed Deposits and Margin Money	2.23	(2.35)
Loans to employees	0.14	(0.20)
(Purchase)/ sales of investment (net)	108.49	(108.05)
Interest received	(0.37)	(0.41)
Net Cash Flow from / (used in) Investing Activities	109.61	(111.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from borrowings - Current (net)	(156.17)	140.74
Lease Payment	(15.24)	(14.80)
Interest and other finance expenses	(35.50)	(34.41)
Net Cash Flow from / (used in) Financing Activities	(206.91)	91.53
Net (decrease) / Increase in Cash and Cash Equivalents (A + B + C)	(25.03)	25.55
Cash and cash equivalents at the beginning of the year	99.30	72.75
Cash and cash equivalents at the end of the year	73.27	98.30
Net Increase In Cash and Cash Equivalents	(25.03)	25.55
Cash and cash equivalents comprise of:		
Bank balances with bank		
- In current accounts	50.75	62.15
- Money In Transit	10.52	30.15
Cash on Hand	-	-
Total	73.27	98.30
* Amount is below the rounding norms adopted by the Company		

Change in Liability arising from financing activities

	April 01, 2022	Cash Flow	Effective Interest rate adjustment	March 31, 2023
Borrowings - Non Current [Refer Note 11(a)]	103.13	-	8.88	111.99
Borrowings - Current [Refer Note 11(a)]	503.60	(156.17)	-	347.43

Notes:

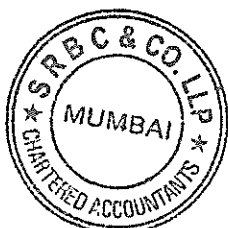
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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/E3000003

per Murtuza Bookwala
Partner
Membership Number: 117633



Place: Mumbai
Date: April 26, 2023

For and on behalf of the Board of Directors

Dipali Goenka
Managing Director
DIN 00007190

Shashikant Thorat
Company Secretary
Place: Mumbai
Date: April 26, 2023

Altaf Aliwani
Director
DIN 05166241

Sandeep Kumar Garg
Chief Financial Officer



WELSPUN GLOBAL BRANDS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2023

a. Equity Share Capital

(₹ in crores)		
Particulars	Notes	Amount
Balance as at April 1, 2021		23.53
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2022		23.53
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2023		23.53

b. Other Equity

(₹ in crores)								
Particulars	Notes	Equity component of compound financial instruments (Note 11a)	Reserves and Surplus				Other Reserve Hedging Reserve (Note 10b)	Total other equity
			Capital Redemption Reserve (Note 10b)	Securities Premium Account (Note 10b)	Retained earnings (Note 10b)	Total Reserves and Surplus		
Balance as at April 1, 2021		60.97	14.46	116.40	164.32	295.18	33.73	389.88
Profit for the year		-	-	-	54.81	54.81	-	54.81
Other Comprehensive Income	10(b)	-	-	-	0.33	0.33	(23.92)	(23.59)
Total Comprehensive Income for the year		-	-	-	55.14	55.14	(23.92)	31.22
Balance as at March 31, 2022		60.97	14.46	116.40	219.46	350.32	9.81	421.10
Balance as at April 1, 2022		60.97	14.46	116.40	219.46	350.32	9.81	421.10
Profit for the year		-	-	-	34.29	34.29	-	34.29
Other Comprehensive Income	10(b)	-	-	-	0.94	0.94	(10.84)	(9.90)
Total Comprehensive Income for the year		-	-	-	35.23	35.23	(10.84)	24.39
Balance as at March 31, 2023		60.97	14.46	116.40	254.69	385.54	(1.03)	445.49

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

For and on behalf of the Board of Directors

per Murtuza Bookwala
Partner
Membership Number: 117633



Dipali Goenka
Managing Director
DIN 00007199

Shashikant Thorat
Company Secretary

Altat Jiwani
Director
DIN 05166241



Sandeep Kumar Garg
Chief Financial Officer

Place: Mumbai
Date: April 26, 2023

Place: Mumbai
Date: April 26, 2023

WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate 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 manufacturing 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 approved for issue by the board of directors on April 26, 2023.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation of financial statements

The standalone financial statements have 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 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 Indian Rupee (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 recognised 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 date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value 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 recognised in OCI, or profit or loss are also recognised in OCI or the statement of profit and loss, respectively).

2.3 Revenue recognition

a) Revenue from contracts with customers

Revenue from contracts with customers is recognised at transaction price (net of variable consideration) 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



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 2.25(viii).

- **Sale of goods**

For sale of goods, revenue is recognised 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 recognised 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 to rebates give rise to variable consideration.

The Company provides retrospective rebates including, markdowns, chargebacks etc. to certain customers once the conditions relating to such rebates are satisfied in terms of the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

- **Contract balances:**

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.13 Financial Instruments – Financial Assets.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised 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



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 amortisation 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 recognised as an expense in the period in which related revenue is recognised.

b) Other Revenue

Rebate / Drawback of Taxes and Duties

In case of sale made by the Company as Support Manufacturer, rebate / drawback of taxes and duties arising from Remissions of Duties and Taxes on Exported Products (RoDTEP), Duty Drawback scheme, Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL), and other applicable export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income' (Revenue from operation).

Interest Income

Interest income from the financial assets are recognised using effective interest rate method.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

2.4 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 recognised in the statement of profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date 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.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carryforwards and unused tax credits could be utilised.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

2.5 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.

2.6 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.

As a lessee

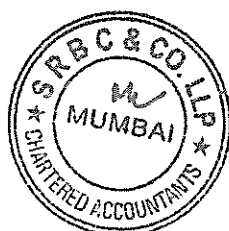
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) 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 Equipment : 2 to 4 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 Impairment of non-financial assets.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

b) 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 in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the 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.

c) 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.

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 and loss due to its operating nature.

2.7 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.

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



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

2.8 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 statement of profit and 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.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

For following items of property, plant and equipment, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Life (years)
Office Equipment	5
Furniture and Fixtures	10
Computer and Servers	3 to 6
Vehicles	5
Electrical Installations	10
Mobile	3

Plant and Machinery (except electrical installations) is depreciated on written down value method over the useful life ranging between 7.5 years to 20 years.

The useful lives have been determined based on technical evaluation done by the management's expert which is equal to or lower than those specified by Schedule II to the Companies Act 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other expenses or other income, as applicable.

2.9 Intangible assets

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation 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 amortised on a straight-line basis over its expected useful life over a period of five years.

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stores comprises cost of purchases on weighted average basis. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

2.12 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)

2.13 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets**a) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income;
- For investments in debt instruments, this will depend on the business model in which the investment is held;
- For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Initial Recognition and Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

c) Subsequent Measurement

- **Debt Instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such assets are subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- ii) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI,



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

- iii) **Fair value through profit or loss:** A financial asset which is not classified in any of the above categories are measured at Fair value through profit or loss. 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.

- **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 the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial position and which are considered as integral part of company's cash management policy.

- **Trade receivable**

Trade receivable are recognised initially at transaction price which approximates the fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

- d) **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.

- e) **Derecognition of financial assets**

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- ii) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f) Income recognition

- 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.

- Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities

a) Initial Recognition and Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

b) Subsequent Measurement

- Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and 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



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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 the statement of profit and loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

- **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

- **Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, 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.

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.

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.

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 forward contracts are used to hedge forecast transactions, the Company designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In



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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.

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.

- **Embedded Derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

- **Embedded foreign currency derivatives:**

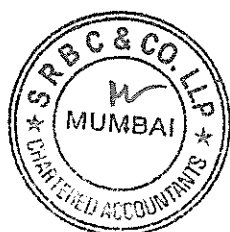
Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- i) the functional currency of any substantial party to that contract,
- ii) the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- iii) a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e., relatively liquid, and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit or loss. The Company currently does not have any such derivatives which are not closely related.

- c) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



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Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Borrowing costs

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

2.15 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and 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

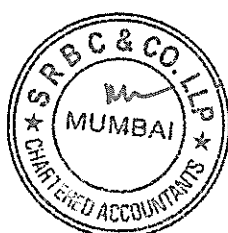
The Company operates the following post-employment schemes:

- i) defined benefit plans such as gratuity, and
- ii) defined contribution plans such as provident fund and superannuation Fund

• Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit 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.



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The present value of the defined benefit obligation denominated in Indian Rupees ('INR') is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Remeasurements are not reclassified to the statement of profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

- **Defined contribution plans**

- i) **Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds**

The Contribution towards provident fund, ESIC, pension fund and Social Security Funds for certain employees is made to the regulatory authorities where the 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.

- ii) **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.

2.16 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.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best



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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.

2.17 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.19 Earnings per share

a) 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).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a) An asset is treated as current when it is:

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



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All other assets are classified as non-current.

b) A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified 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.

2.21 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.

2.22 Rounding of amounts

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

2.23 Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

a) Current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (refer note 26).

Uncertain tax position and tax related contingency

The Company has taken certain tax positions particularly those relating to deductions / allowance under Section 80 IA and Section 36(1)(iii) of the Income Tax Act, 1961 by the Company. The taxation authorities may challenge these tax deductions and accordingly these matters are / might be subject



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to legal proceedings in the ordinary course of business. The outcome of the legal proceedings might be different from that estimated on the date of approval of these standalone IndAS financial statements.

b) Provisions & Contingent Liabilities.

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

c) Provision / Liability

A provision / liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits that can be reasonably estimated. Estimation involves judgements based on the latest available, reliable information. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. The Company actualises the provision / liability when the invoices are received and the resultant income / expense are recognised in the statement of the profit and loss. The Company also periodically reviews the provision / liability which are no longer required and the same are reversed and recognised as an income in the statement of profit and loss.

d) Useful life of Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation (for property, plant and equipment and intangible assets) is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment and intangible assets (refer Notes 3 and 4).

e) Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices, age and condition / quality of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed. Refer note 9 for details of inventory and provisions.

f) Impairment for equity Investments in Subsidiaries

To test the impairment of equity investment of subsidiaries, market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates (including perpetuity growth rate), discount rate, identification of a cash generating unit and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. Changes in the assumptions selected by management could significantly affect the Company's impairment evaluation and hence results.



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g) 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 employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 21 for the details of the assumptions used in estimating the defined benefit obligation.

h) Fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The key judgement includes selection of valuation methodology and key assumptions include the discount rates etc. Changes to the valuation methodology, discount rates etc. could have a significant impact on the valuation of these financial instruments (refer note 27 and 28).

i) 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 recognised 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.

j) Determination of control/significant influence

Significant management judgement is involved in determining whether the Company has control/ significant influence over another entity in which investment has been made by the Company. The judgement affects the determination of whether an entity is a subsidiary / associate and consequently required to be consolidated in the consolidated financial statements of the Company or not consolidated and required to be carried at fair value through profit or loss account / other comprehensive income. Refer note 5.



Note 3 - Property, Plant & Equipment

(₹ in crores)

	Plant & Machinery	Leasehold Improvements	Electrical installations	Computers	Vehicles	Office Equipment	Furniture Fittings and equipments	Total
Year ended 31 March 2022								
Gross carrying amount	2.19	0.81	0.04	2.53	-	0.41	0.36	6.34
Addition	-	-	-	0.31	-	0.18	-	0.49
Disposals	-	-	-	(0.92)	-	-	-	(0.92)
Closing gross carrying amount	2.19	0.81	0.04	1.92	-	0.59	0.36	5.91
Accumulated Depreciation								
Opening accumulated depreciation	0.23	0.68	0.03	1.77	-	0.36	0.33	3.40
Depreciation charge during the year	0.30	0.07	-	0.23	-	0.08	0.01	0.69
Disposals	-	-	-	(0.86)	-	(0.01)	-	(0.87)
Closing accumulated depreciation	0.53	0.75	0.03	1.14	-	0.43	0.34	3.22
Net Carrying amount	1.66	0.06	0.01	0.78	-	0.16	0.02	2.69
Year ended 31 March 2023								
Gross carrying amount								
Opening gross carrying amount	2.19	0.81	0.04	1.92	-	0.59	0.36	5.91
Additions	-	-	-	0.87	-	0.04	-	0.91
Disposals	(0.06)	-	-	(0.02)	-	(0.01)	-	(0.09)
Closing gross carrying amount	2.13	0.81	0.04	2.77	-	0.62	0.36	6.73
Accumulated depreciation								
Opening accumulated depreciation	0.53	0.75	0.03	1.14	-	0.43	0.34	3.22
Depreciation charge during the year	0.25	0.00	-	0.33	-	0.13	0.01	0.72
Disposals	(0.01)	-	-	(0.02)	-	(0.01)	-	(0.04)
Closing accumulated depreciation	0.77	0.75	0.03	1.45	-	0.55	0.35	3.90
Net carrying amount	1.36	0.06	0.01	1.32	-	0.07	0.01	2.83



Note 4 - Intangible Assets

(₹ in crores)

	Computer Software	Total	Capital Work in Progress
Year ended 31 March 2022			
Gross carrying amount	3.03	3.03	0.09
Addition	-	-	0.18
Disposals	-	-	-
Closing gross carrying amount	3.03	3.03	0.27
Accumulated amortisation			
Opening accumulated depreciation	1.83	1.83	-
Depreciation charge during the year	0.51	0.51	-
Disposals	-	-	-
Closing accumulated amortisation	2.34	2.34	-
Net Carrying amount	0.69	0.69	0.27
Year ended 31 March 2023			
Gross carrying amount	3.03	3.03	0.27
Additions	0.25	0.25	-
Disposals	(0.01)	(0.01)	(0.27)
Closing gross carrying amount	3.27	3.27	-
Accumulated amortisation			
Opening accumulated depreciation	2.34	2.34	-
Depreciation charge during the year	0.41	0.41	-
Disposals	(0.01)	(0.01)	-
Closing accumulated amortisation	2.74	2.74	-
Net carrying amount	0.53	0.53	-

Notes :

(i) Intangible assets under development

Intangible assets under development mainly comprises of Software development expenses.

Intangible assets under development Ageing Schedule

(₹ in crores)

Intangible assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress 2022-23	-	-	-	-	-
Projects in progress 2021-22	-	0.18	0.09	-	0.27

Note: There are no overdues or any projects which have exceeded cost compared to its original budget.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
Note 5 : Non-current equity investment in subsidiaries		
Unquoted		
3,70,862	(March 31, 2022 : 3,70,862) Equity Shares of US \$ 1 each, fully paid up of Welspun Mauritius Enterprises Limited Less : Provision for diminution in value of investment	1.65 1.65
1,500	(March 31, 2022 : 1,500) Equity Shares of US \$ 100 each, fully paid up of Welspun USA Inc.	28.20 28.20
35,244	(March 31, 2022 : 35,244) Equity Shares of GBP 1 each, fully paid up of Welspun Holding Private Limited (Cyprus) Less : Provision for impairment	72.72 72.72
		(14.00) (14.00)
		58.72 58.72
Total		86.92 86.92
	Aggregate amount of quoted investments and market value thereof	-
	Aggregate amount of unquoted investments	86.92
	Aggregate amount of impairment in the value of investments	15.65
Note 6 : Financial assets		
6 (a) : Non-current Investment		
	Others - Fair value through Profit and loss	
	Investment - SBI Life Insurance	0.03 0.13
Total (Others)		0.03 0.13
	Aggregate amount of quoted investments and market value thereof	-
	Aggregate amount of unquoted investments	0.03
	Aggregate amount of impairment in the value of investments	-
6 (a) Current Investments		
Unquoted		
	Investment in mutual funds at Fair value through Profit & loss	-
Total (Other investments)		- 108.02
	Aggregate amount of quoted investments and market value thereof	-
	Aggregate amount of unquoted investments	-
	Aggregate amount of impairment in the value of investments	-
6(b) Non-current Loans		
Loan to Related Party		
	- Welspun Mauritius Enterprises Limited	27.54
	Less : Allowance for Doubtful Loan	27.54
		-
Others		
	Loan to Employees	0.12
Total Loans		0.12 0.26
Break-up of security details		
	Secured, considered good	-
	Unsecured, considered good	0.12
	Loan receivable which have significant increase in credit risk	-
	Loan receivable - Credit impaired	27.54
	Allowance for doubtful debts	(27.54)
Total		0.12 0.26
6(b) Current Loans		
Others		
	Loan to Employees	0.25
Total		0.25 0.25
Break-up of security details		
	Secured, considered good	-
	Unsecured, considered good	0.25
	Loan receivable which have significant increase in credit risk	-
	Loan receivable - Credit impaired	-
	Allowance for doubtful debts	-
Total		0.25 2.53
6(c) : Other non-current financial assets		
	Security Deposits to Others	1.67
Total		1.67 1.71
6(c) : Other current financial assets		
	Government Grants Receivable	21.39
	Mark-to-Market Gain on Forward Contracts	-
	Other Receivables	-
	Security Deposits to Others	0.30
	Security Deposit to Related Party	-
	- Welspun Realty Private Limited	6.28
	Interest Accrued on Fixed Deposits/Others	1.79
Total		29.76 61.02



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
6(d) : Trade receivables		
Receivable from related parties (Refer Note 35 (iii))	779.22	609.50
Receivable from others	542.83	613.06
Less : Allowance for doubtful debts	2.57	2.81
Total receivables	1,319.48	1,219.75
Current portion	1,319.48	1,219.75
Non-current portion	-	-
Break-up of security details		
Trade Receivable		
Secured, considered good	-	-
Unsecured, considered good	1,319.68	1,216.92
Trade receivable which have significant increase in credit risk	-	0.14
Trade receivable - Credit impaired	2.37	5.50
	1,322.05	1,222.56
Impairment allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(2.57)	(2.81)
Total	1,319.48	1,219.75

The trade receivable ageing schedule for the year ended as on March 31, 2023 and March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	822.50	330.02	164.97	1.03	0.12	0.14	1,319.68
	(814.10)	(215.60)	(155.79)	(21.24)	(9.18)	(0.92)	(1,216.92)
(ii) Undisputed Trade Receivables - credit impaired	-	0.38	0.20	0.01	0.01	0.73	2.23
	(0.01)	(2.14)	(1.05)	(0.39)	(0.34)	(1.57)	(5.50)
(iii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - credit impaired	-	-	-	-	0.03	0.11	0.14
(vi) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
	-	-	-	(0.03)	(0.11)	-	(0.14)
	822.50	330.40	165.17	2.84	0.16	0.98	1,322.05
	(814.20)	(217.74)	(156.84)	(21.07)	(9.62)	(2.49)	(1,222.56)
Less Provision for doubtful Debts							2.57
							(2.81)
Total Trade Receivable As on March 31, 2023							1,319.48
Total Trade Receivable As on March 31, 2022							(1,219.75)

Note: Previous year figures are given in brackets.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6(e) Cash and cash equivalents

Bank balances with bank		
- In Current Accounts	56.75	62.15
Money In Transit	16.52	36.15
Cash on Hand	-	-
Total cash and cash equivalents	73.27	98.30

* Amount is below the rounding norms adopted by the Company

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	1.20	3.43
Total	1.20	3.43

Note 7: Current tax assets

Current tax assets	2.51	-
Total	2.51	-

Note 7: Non-current tax assets

Non-current tax assets	0.12	-
Total	0.12	-

Note 8: Other non-current assets

Balances with Customs, Excise, Sales Tax and other Government Authorities	-	0.02
Total	-	0.02

Note 8(a): Other current assets

Balances with Customs, Excise, Sales Tax and other Government Authorities	190.40	541.16
Less : Provision for Doubtful Advances	-	-
Net	190.40	541.16
Advances to Vendors	8.50	8.68
Advance to employees	1.80	1.19
Prepaid Expenses	25.43	11.35
Total	226.13	562.38

Note 9: Inventories (at lower of cost or not realisable value)

Raw Materials	3.08	1.01
Work-in-Progress	7.34	4.80
Finished Goods and Traded Goods	193.46	165.61
Packing Materials	5.04	4.07
Stores, Spares, Dyes and Chemicals	-	-
Total	208.92	195.49

* Amount is below the rounding norms adopted by the Company

Note: Cost of inventories recognised as income of Rs. 3.78 crore (Previous year expenses recognised Rs. 1.77 crore) is in respect of reversal of write down of inventories.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 10: Equity and Preference share capital and other equity

10(a)(1) Equity share capital

(i) Authorised share capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (₹ in crores)
As at April 1, 2021	2,50,00,000	25.00
Increase during the year	-	-
As at March 31, 2022	2,50,00,000	25.00
Increase during the year	-	-
As at March 31, 2023	2,50,00,000	25.00

(ii) Issued Subscribed and Paid up share capital	Equity Shares of Rs. 10 each fully paid up	
	Number of Shares	Amount (₹ in crores)
As at April 1, 2021	2,35,29,412	23.53
Increase during the year	-	-
As at March 31, 2022	2,35,29,412	23.53
Increase during the year	-	-
As at March 31, 2023	2,35,29,412	23.53

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, 2023		As at March 31, 2022	
	Number of Shares	Amount (₹ in crores)	Number of Shares	Amount (₹ in crores)
Welspun India Limited, the holding company				
Equity shares of Rs. 10 each, fully paid up	2,30,65,503	23.07	2,30,65,503	23.07
	2,30,65,503	23.07	2,30,65,503	23.07

(iv) Shares held by promoters (Promoter as defined in the Companies Act, 2013)

As at March 31, 2023

Promoter name	Number of Shares	% of Total Shares	Change during The period
Welspun India Limited	2,30,65,497	98.03%	-
Ms. Dipali Goenka (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Balkrishan Goenka (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Devendra Patil (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Shashikant Thorat (Nominee of Welspun India Limited)	1	0.00%	-
Ms. Nidhi Tanna (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Varun Batra (Nominee of Welspun India Limited)	1	0.00%	-
Total	2,30,65,503	98.03%	-

As at March 31, 2022

Promoter name	Number of Shares	% of Total Shares	Change during The period
Welspun India Limited	2,30,65,497	98.03%	-
Ms. Dipali Goenka (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Balkrishan Goenka (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Devendra Patil (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Shashikant Thorat (Nominee of Welspun India Limited)	1	0.00%	-
Ms. Nidhi Tanna (Nominee of Welspun India Limited)	1	0.00%	-
Mr. Varun Batra (Nominee of Welspun India Limited)	1	0.00%	-
Total	2,30,65,503	98.03%	-

(v) Details of shareholders holding more than 5% of shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	2,30,65,503	98.03%	2,30,65,503	98.03%

10(a)(2) Preference share capital

(i) Authorised Preference share capital	Equity Preference Shares of Rs. 10 each	
	Number of Shares	Amount (₹ in crores)
As at April 1, 2021	1,75,00,000	17.50
Increase during the year	-	-
As at March 31, 2022	1,75,00,000	17.50
Increase during the year	-	-
As at March 31, 2023	1,75,00,000	17.50

(ii) Issued Subscribed and Paid up Preference share capital	Equity Preference Shares of Rs. 10 each fully paid up	
	Number of Shares	Amount (₹ in crores)
As at April 1, 2021	23,89,575	2.39
Increase during the year	-	-
As at March 31, 2022	23,89,575	2.39
Increase during the year	-	-
As at March 31, 2023	23,89,575	2.39



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
10(b) Reserves and surplus		
Securities premium reserve (Refer Note (a) below)	116.40	116.40
Capital Redemption Reserve (Refer Note (b) below)	14.46	14.46
Retained earnings (Refer Note (c) below)	254.69	219.46
	<u>385.55</u>	<u>350.32</u>
a) Securities Premium		
Balance as at the beginning of the year	116.40	116.40
Add : Additions during the year	-	-
Balance as at the end of the year	<u>116.40</u>	<u>116.40</u>
b) Capital Redemption Reserve		
Balance as at the beginning of the year	14.46	14.46
Add : Additions during the year	-	-
Balance as at the end of the year	<u>14.46</u>	<u>14.46</u>
c) Retained earnings		
Balance as at the beginning of the year	219.46	164.32
Add : Profit for the year	34.29	54.81
Balance as at the end of the year	<u>253.75</u>	<u>219.13</u>
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	0.94	0.33
Balance as at the end of the year	<u>254.69</u>	<u>219.46</u>
Total	<u>385.55</u>	<u>350.32</u>
10(c) Other reserves		
Hedging reserve account [refer note (i) below]	(1.03)	9.81
i) Hedging Reserve		
Gross Balance as at the beginning of the year	9.81	33.73
Add : Amount recognised in Hedging Reserve during the year	(14.48)	(31.95)
Gross hedging reserve before tax	(4.67)	1.78
Less: Deferred Tax	3.64	8.04
Net Balance as at the end of the year	<u>(1.03)</u>	<u>9.81</u>

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.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
Note 11: Financial liabilities		
11(a) : Other Equity		
Equity Component of Compound Financial Instruments	60.97	60.97
	<u>60.97</u>	<u>60.97</u>
11(a) Non-current borrowings		
Unsecured :		
Liability component of compound financial instruments [Refer Note (a) and (b) below]	111.99	103.13
Total	<u>111.99</u>	<u>103.13</u>

(a) 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

(b) 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, 2023	As at March 31, 2022
Face Value of 0% Redeemable Preference Shares	138.95	138.95
Face Value of 1% Cumulative Redeemable Preference Shares	1.00	1.00
*Equity Component of 0% Redeemable Preference Shares	91.74	91.74
*Equity component of 1% Cumulative Redeemable Preference Shares	0.63	0.63
	<u>47.59</u>	<u>47.59</u>
Unwinding of interest	64.40	55.53
Non Current Borrowings	<u>111.99</u>	<u>103.13</u>

*The equity component of preference shares has been presented on the face of the balance sheet net of the deferred tax of Rs. 31.40 crores

11(a) Current borrowings

Secured

Other loans and advances

- Working Capital Loans from Banks [Refer Note 11(a)(1)]
- Export bills discounted [Refer Note 11(a)(2)]

Total current borrowings

24.76	250.19
322.67	253.41
<u>347.43</u>	<u>503.60</u>

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.
Note 11(a)(3) The rate of interest on the current borrowings are in the range of 3.50 % to 8.55 % (March 31, 2022 : 4.50 % to 8.95 %).
Note 11(a) 4 The company have filed the quarterly returns or statements with the banks according to the sanctioned working capital facilities, which are in agreement with the books of accounts.

11(b) Other non-current financial liabilities

Security Deposits

Total

9.02	7.33
<u>9.02</u>	<u>7.33</u>

11(b) Other current financial liabilities

Mark-to-Market Loss on Forward Contracts

Security Deposits

Others

Total

11.80	-
0.95	0.78
3.23	-
<u>15.98</u>	<u>0.78</u>

11(c) Trade payables

Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 36)

Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises

Total

14.15	11.52
880.27	1,153.53
<u>900.42</u>	<u>1,165.05</u>

The trade Payable ageing schedule for the year ended as on March 31, 2023 and March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3.00	11.14	0.01	-	-	14.15
	(11.12)	(0.40)	-	-	-	(11.52)
Total outstanding dues of creditors other than micro enterprises and small enterprises	787.74	94.87	0.40	-	3.26	880.27
	(669.06)	(480.64)	(0.40)	(0.15)	(3.26)	(1,153.53)
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	-	-	-	-	-	-
Total Trade Payable As on March 31, 2023	790.74	106.01	0.41	-	3.26	900.42
Total Trade Payable As on March 31, 2022	(680.10)	(481.03)	(0.40)	(0.15)	(3.26)	(1,165.05)

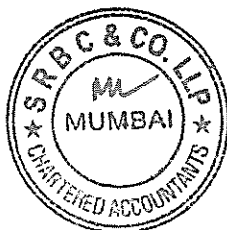
Note: Previous year figures are given in brackets.

12 Non-current tax liabilities

Taxation (net)

Total

-	1.90
<u>-</u>	<u>1.90</u>



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	As At March 31, 2023 (₹ in crores)	As At March 31, 2022 (₹ in crores)
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Note 12(a): Non-current provisions

Provision for litigation	0.32	2.88
Total	0.32	2.88

Note 12(b) : Current provisions

Other provisions	0.02	0.02
Total	0.02	0.02

Provision for litigation & exceptional expenses	Non-current	Current
As at April 1, 2021	2.74	0.02
Charged/ (credited) to profit or loss	0.14	-
As at March 31, 2022	2.88	0.02
As at April 1, 2022	2.88	0.02
Provisions utilised/adjusted during the year	(2.56)	-
As at March 31, 2023	0.32	0.02

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

Note 13: Deferred tax (Assets) / Liabilities

Deferred Tax Liabilities arising on account of temporary differences in :

- On Cash Flow Hedges	(0.34)	3.30
- Classification of preference share Liability in equity and liability at inception	0.53	8.76

Deferred Tax Asset arising on account of temporary differences in:

- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	0.27	0.52
- Provision for Employee Benefits	4.48	4.27
- ICDS impact on Forward contract	0.18	7.43
- Property, Plant and Equipment and intangible assets	1.76	1.92
- Allowance for Doubtful Debts/ Advances	0.65	0.71
- Remeasurements of Post Employment benefit obligation	0.16	0.48
Total Deferred tax (Assets)/ Liabilities	(1.31)	(3.27)

Movement in Deferred Tax as per Ind AS

Particulars	Property, Plant and Equipment and Intangible assets	Defined Benefit Obligation	Provision for Doubtful debts	Expenses inadmissible u/s 40a	On Cash Flow Hedges	Remeasurements of Post Employment benefit obligation	ICDS impact on Forward contract	Classification of preference share Liability in equity and liability at inception	Total
April 1, 2021	(1.95)	(3.45)	(0.63)	(1.54)	11.34	(0.41)	-	10.81	14.17
(Charged) / Credited :									
to Profit and Loss	0.03	(0.82)	(0.08)	1.02	-	-	(7.43)	(2.05)	(9.33)
to Other Comprehensive Income	-	-	-	-	(8.04)	(0.07)	-	-	(8.11)
March 31, 2022	(1.92)	(4.27)	(0.71)	(0.52)	3.30	(0.48)	(7.43)	8.76	(3.27)
(Charged) / Credited :									
to Profit and Loss	0.16	(0.21)	0.06	0.25	-	-	7.25	(2.23)	5.28
to Other Comprehensive Income	-	-	-	-	(3.64)	0.32	-	-	(3.32)
March 31, 2023	(1.76)	(4.48)	(0.65)	(0.27)	(0.34)	(0.16)	(0.18)	6.53	(1.31)

	As At March 31, 2023	As At March 31, 2022
--	-------------------------	-------------------------

Note 14: Current employee benefit obligation

Provision for Compensated Absences (Refer Note 21)	6.80	7.38
Provision for Gratuity (Refer Note 21)	11.01	9.58
Employee Benefits Payable*	19.10	20.86
Total	36.91	37.82

* Includes salary, leave travel allowance and director commission.

Note 15 : Current tax liabilities

Taxation	-	12.25
Total	-	12.25

Note 16: Other current liabilities

Unearned Revenue	0.76	0.53
Advances from Customers	39.13	13.62
Statutory Dues	22.11	48.89
Total	62.00	63.04



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended March 31, 2023 (₹ in crores)	Year Ended March 31, 2022 (₹ in crores)
Note 17 : Revenue from operations		
(a) Sale of Products		
Finished Goods	1,974.73	1,469.46
Traded Goods	4,284.60	5,692.03
Rebates, discounts, chargebacks, markdowns etc.	(249.24)	(168.90)
Sub total	6,010.09	6,992.59

(b) Other Operating Income

Export benefit (Refer Note below)	518.62	597.46
Sale of Scrap	15.73	21.87
Total	534.35	619.33
Total	6,544.44	7,611.92

Notes:

(i) Company receives Duty Drawback, Duties and Taxes on Exported Products (RoDTEP) and Rebate of State Levies at specified rate on FOB value of exports.

(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, 2023 (₹ in crores)	Year ended March 31, 2022 (₹ in crores)
India	1,372.60	945.87
Outside India	4,653.22	6,068.59
Total revenue from contracts with customers	6,025.82	7,014.46

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
Trade receivables*	1,319.48	1,219.75
Contract liabilities Advances from customers **	39.13	13.62
Refund liabilities (Rebates, discounts, chargebacks, markdowns, etc.)	85.79	56.80

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

**Contract Liability represents short term advances received from customer to deliver the goods. The company has recognized revenue of Rs. 13.62 crores (March 31, 2022 Rs. 15.34 crores) that was included in contract liability balance at the beginning of the year

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

Particulars	Year ended March 31, 2023 (₹ in crores)	Year ended March 31, 2022 (₹ in crores)
Revenue as per contracted price	6,275.06	7,183.36
Less: Rebates, discounts, chargebacks, markdowns, etc.	(249.24)	(168.90)
Revenue from contracts with customers	6,025.82	7,014.46

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

Particulars	As at March 31, 2023 (₹ in crores)	As at March 31, 2022 (₹ in crores)
Revenue from operations	6,544.44	7,611.92
Less: Export Benefits	518.62	597.46
Revenue from contracts with customers	6,025.82	7,014.46



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended March 31, 2023 (₹ in crores)	Year Ended March 31, 2022 (₹ in crores)
Note 18 : Other income		
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	0.11	0.17
Interest income from financial assets measured at fair value through profit or loss		
On Bonds	0.36	-
Interest income on Others	-	0.35
Insurance Claim	3.49	0.73
Profit on Redemption/ Sale of Units in Mutual Fund:	0.37	-
Liabilities Written Back as no Longer Required	0.11	0.38
Unwinding of discount on security deposit:	0.47	0.28
Job Work and Processing Charges	0.56	-
Miscellaneous Income	0.20	1.31
Total	5.67	3.22
Note 18 : Cost of materials consumed		
Raw material consumed		
Opening inventory	1.01	2.25
Add: Purchases (net)	1,843.31	1,808.24
Less : Inventory at the end of the year	3.08	1.01
	1,841.24	1,809.48
Packing material consumed		
Opening inventory	4.07	5.23
Add: Purchases (net)	96.18	104.78
Less : Inventory at the end of the year	5.04	4.07
	95.21	105.94
Total	1,936.45	1,915.42
Note 19 : Purchases of Stock-in-trade		
Purchases of Stock-in-trade	3,785.47	4,814.81
Total	3,785.47	4,814.81
Note 20 : Changes in inventories of Stock-in-trade		
(Increase)/ Decrease in Stocks-in-trade		
Stock at the end of the year		
Work-in-Progress	7.34	4.80
Finished Goods and Traded Goods	193.46	185.61
Total A	200.80	190.41
Less: Stock at the beginning of the year		
Work-in-Progress	4.80	6.98
Finished Goods and Traded Goods	185.61	176.63
Total B	190.41	183.61
(Increase)/ Decrease in Stock	(10.39)	(6.80)



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 21 : Employee Benefits Expense

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages, Allowances and Other Benefits	127.22	154.96
Gratuity and ex-gratia	2.60	3.98
Contribution to Provident and Other Funds	7.70	9.12
Managerial Remuneration	3.97	3.66
Employee stock option scheme (refer note 25)	0.44	0.33
Staff and Labour Welfare	2.55	1.59
	144.48	173.64

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

I Defined Contributions Plans

(₹ in crores)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	Year ended March 31, 2023	Year ended March 31, 2022
- Employer's Contribution to Provident Fund*	5.69	7.18
- Employer's Contribution to Employees State Insurance*	0.14	0.13
- Employer's Contribution to Employees Pension Scheme*	1.68	1.61
- Employer's Contribution to Superannuation Scheme*	0.19	0.20
	7.70	9.12

*Included in Contribution to Provident and Other Funds

I Defined benefit plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

a. Major assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate	7.60%	7.29%
Expected rate of return on Plan Assets	7.60%	7.29%
Salary Escalation Rate @	6.00% p.a. for next 5 years, 5.00% p.a. thereafter, starting from 6th year	6.00% p.a. for next 5 years, 5.00% p.a. thereafter, starting from 6th year
Rate of Employee Turnover	For service 0 years and below 23.00% p.a. For service 1 years to 2 years 18.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 6.00% p.a.	For service 0 years and below 26.00% p.a. For service 1 years to 2 years 9.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

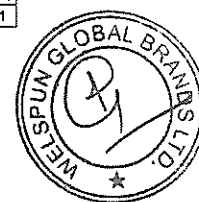
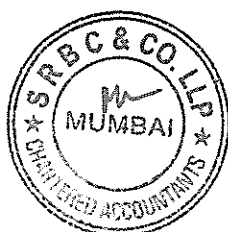
@ The estimates for future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

(₹ in crores)

b. Change in the present value of obligation	As at March 31, 2023	As at March 31, 2022
Opening Present value of Obligation	14.39	13.22
Current service cost	2.25	2.42
Interest cost	1.05	0.91
Benefit Paid Directly by the Employer	(0.28)	(0.31)
Benefit paid	(0.70)	(1.11)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic	0.75	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumption	(0.25)	(0.67)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.88)	(0.06)
Closing present value of Obligation	15.33	14.39

(₹ in crores)

c. Change in fair value of plan assets	As at March 31, 2023	As at March 31, 2022
Opening Fair value of Plan Assets	4.81	5.99
Interest Income	0.35	0.41
Return on Plan Assets, excluding amounts included in interest income	(0.13)	(0.48)
Benefits paid	(0.70)	(1.11)
Closing Fair Value of Plan Assets	4.33	4.81



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	(₹ in crores)	
d. Balance Sheet Reconciliation	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	9.58	7.24
Expenses Recognized in Statement of Profit or Loss	2.95	2.82
Expenses Recognized in OCI	(1.25)	(0.27)
Benefit Paid Directly by the Employer	(0.27)	(0.31)
Net Liability/(Asset) Recognised in the Balance Sheet	11.01	9.58

	(₹ in crores)	
e. Amount recognised in the Balance sheet	As at March 31, 2023	As at March 31, 2022
Present value of Obligation	15.33	14.39
Fair Value of Plan Assets	(4.32)	(4.81)
Net liability/ (Asset) Recognised in the Balance Sheet and included under employee benefit obligation (refer note 14)	11.01	9.58
Non Current Portion	-	-
Current Portion	11.01	9.58

	(₹ in crores)	
f. Expenses recognized in the statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	2.25	2.42
Interest cost	0.70	0.50
Total Expenses recognized in the statement of profit and loss*	2.95	2.92

* Included in Employee Benefits Expense

	(₹ in crores)	
g. Expenses recognized in the Other Comprehensive Income	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	(1.38)	(0.74)
Return on Plan Assets, Excluding Interest Income	0.13	0.47
Net (Income)/Expenses for the Period Recognized in OCI	(1.25)	(0.27)

h. Sensitivity analysis:

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

Particulars	Change In Assumptions	Increase/(decrease) in defined benefit obligations	
		March 31, 2023	March 31, 2022
Discount Rate	Increase by 1%	(1.03)	(1.24)
Discount Rate	Decrease by 1%	1.17	1.45
Salary Increase	Increase by 1%	1.18	1.47
Salary Increase	Decrease by 1%	(1.05)	(1.27)
Employee Turnover	Increase by 1%	0.22	0.28
Employee Turnover	Decrease by 1%	(0.24)	(0.32)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

i. Major Category of Plan Asset as a % of Total Plan Assets	As at March 31, 2023		As at March 31, 2022	
	Quoted (Rs. crores)	%	Quoted (Rs. crores)	%
Insurer Managed funds	4.33	100.00	4.81	100.00

Defined benefit liability and employer contributions

Funding is done only for employees more than 5 years in the firm, for less than 5 years employees are paid separately.

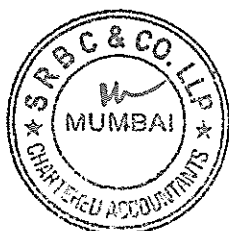
Expected contributions to post-employment benefit plans for the year ending March 31, 2024 are Rs. 4.60 crore.

The weighted average duration of the defined benefit obligation is 9 years (March 31, 2022 : 11 years). The expected maturity analysis of undiscounted gratuity is as follows:

	(₹ in crores)					
Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	11 years & Above	Total
March 31, 2023						
Defined benefit obligation	1.28	1.13	3.72	9.35	15.35	30.83
Total	1.28	1.13	3.72	9.35	15.35	30.83
March 31, 2022						
Defined benefit obligation	1.37	0.65	1.91	8.39	22.33	34.65
Total	1.37	0.65	1.91	8.39	22.33	34.65

II Other Employee Benefit

The liability for compensated absences as at year end is Rs.6.80 crore (March 31, 2022: Rs. 7.38 crore)



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	Year Ended March 31, 2023 (₹ in crores)	Year Ended March 31, 2022 (₹ in crores)
Note 22 : Depreciation and Amortisation Expense		
Depreciation property, plant and equipment (Refer note 3)	0.72	0.69
Amortisation on intangible assets (Refer note 4)	0.41	0.51
Depreciation on right-of-use assets (Refer note 31)	12.02	12.05
Total	13.15	13.25
Note 23 : Other Expenses		
Stores and Spares Consumed	0.40	0.14
Job Work Expenses	2.19	1.96
Sales Commission	64.20	77.82
Freight, Forwarding and Coolie Charges	303.29	337.51
Advertising and Sales Promotion	67.65	49.14
Electricity Expenses	1.05	0.79
Repairs and Maintenance - Others	9.46	9.02
Directors' Sitting Fees	0.13	0.14
Contract Labour Charges	0.98	1.01
Rent (Refer Note 31)	1.65	2.23
Warehouse Expenses	11.90	10.12
Rates and Taxes	0.36	0.63
Travelling and Conveyance	17.03	8.04
Legal and Professional Charges	25.00	36.26
Insurance	6.56	4.89
Communication	0.44	0.42
Postage and Courier	5.92	4.07
Loss on Sale/ Discarding of Fixed Assets (Net)	0.04	0.05
Provision for Doubtful Debts/ Advances	0.19	0.32
Loss on Cancellation/ Settlement of Forward Contracts (Net)	21.50	3.01
Exchange Gain/Loss (Net)	17.15	10.40
Bad Debts/ Advances Written off	0.43	0.94
Product Testing Charges	6.30	8.13
Royalty	10.58	11.05
Payments to auditors (Refer note 23 (a) below)	0.47	0.41
Corporate Social Responsibility Expenses (Refer Note 23 (b) below)	1.41	1.33
Miscellaneous	10.20	9.73
Total	586.48	589.56

Note 23 (a) : Details of Payments to auditors

Payments to auditors

As auditor:

Audit fee	0.38	0.35
Tax audit fee	0.05	0.05

In Other capacities

Certification fees	0.01	0.02
Re-imbursement of expenses	0.02	*
Total payments to auditors	0.46	0.42

* Amount is below the rounding norms adopted by the Company

Note 23 (b) : Details of CSR expenditure

(i) Gross amount required to be spent by the Company during the year	1.41	1.33
(ii) Amount approved by board to be spent during the year	1.41	1.33
(iii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (i) above	1.41	1.33
(iv) Details related to spent :		
(a) Contribution to Charitable Trust - Welspun Foundation for Health and Knowledge	1.41	1.33

Nature of CSR activities :

Empowerment of Women & socially backward; ensuring environmental sustainability; Disaster Relief; Promoting education; Promoting healthcare; Livelihood enhancement project.

Note 24 : Finance costs

Preference shares (amortised cost)	8.87	8.16
Interest on Working Capital Loans	21.61	18.81
Interest to Others	1.08	0.39
Interest on Lease liabilities (Refer note 31)	3.07	3.15
Discounting and Bank Charges	12.81	15.22
Total	47.44	45.73



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 25 : Employee stock option plan

During the previous year, the Parent of the Company, Welspun India Limited (WIL) had made grants of 4,00,000 stock options ("ESOPs") under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of Re. 1 each in the WIL, at an exercise price of Rs. 133.45 to certain employees of the Company. The ESOPs so granted, shall vest on four anniversaries beginning from July 31, 2022, the first vesting date, in instalments of 20%, 20%, 30% and 30% respectively. The options vested under each of the slabs can be exercised within a period of three years from the respective vesting date. Accordingly, the Company has recorded employee benefit expense of Rs.0.44 crore in March 31, 2023 (Rs. 0.33 crore in March 31, 2022) and a corresponding liability payable to WIL.

Out of the total options outstanding as on March 31, 2023, 80,000 options (Nil in March 31, 2022) were vested but not exercised.

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.

The Company has create current tax provision and deferred tax under the new tax regime based on normal tax rates i.e 25.17%.

a) Statement of Profit and Loss

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Income tax expense		
Current Tax		
Current Tax on profits for the year	13.23	24.06
Adjustment for current tax of prior periods	(5.77)	-
Total current tax expense	7.46	24.06
Deferred Tax		
Deferred tax charge for the year	(0.68)	(9.34)
Deferred Tax charge for the earlier years	5.96	-
Total deferred tax expense	5.28	(9.34)
Income tax expense attributable to Profit for the year	12.74	14.72

(b) Other Comprehensive Income (OCI)

(₹ in crores)

	March 31, 2023	March 31, 2022
Deferred tax credit / (change) for the year on:		
Deferred gain/(loss) on cash flow hedges	3.64	8.04
Net loss/(gain) on remeasurement of defined benfit plans	(0.31)	0.07
Total	3.33	8.11

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

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Profit for the year before income tax expense	47.03	69.53
Tax at the Indian tax rate @ 25.17%	11.84	17.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	0.36	0.33
True up impact on filing of returns of earlier year	0.19	(3.59)
Other Items	0.35	0.48
Income Tax Expenses	12.74	14.72



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 27 : Fair value measurements

Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	-	-	-	108.02	-	-
- Others	0.03	-	-	0.13	-	-
Trade receivables	-	-	1,319.48	-	-	1,219.75
Security Deposits	-	-	8.25	-	-	10.77
Cash and cash equivalents and other bank balance	-	-	74.47	-	-	101.73
Government Grants	-	-	21.39	-	-	26.38
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	-	-	-	21.69	-
Others	-	-	2.16	-	-	4.40
Total financial assets	0.03	-	1,425.75	108.15	21.69	1,363.03
Financial liabilities						
Borrowings	-	-	459.42	-	-	606.73
Trade payables	-	-	900.42	-	-	1,165.05
Security Deposits	-	-	9.97	-	-	8.11
Mark-to-Market Loss on Forward Contracts	-	11.80	-	-	-	-
Lease Liabilities	-	-	19.64	-	-	10.98
Others	-	-	3.23	-	-	-
Total financial liabilities	-	11.80	1,392.68	-	-	1,796.87

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

	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security Deposits	8.25	8.25	10.77	10.77
Trade receivables	1,319.48	1,319.48	1,219.75	1,219.75
Government Grants	21.39	21.39	26.38	26.38
Cash and Cash equivalents	74.47	74.47	101.73	101.73
Others	2.16	2.16	4.40	4.40
Total	1,425.75	1,425.75	1,353.03	1,363.03
Financial liabilities				
Borrowings (including Liability component of compound financial instruments)	459.42	459.42	606.73	606.73
Security deposits more than 12 months	9.97	9.97	8.11	8.11
Trade payables	900.42	900.42	1,165.05	1,165.05
Others	3.23	3.23	-	-
Total	1,373.04	1,373.04	1,779.89	1,779.89

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 financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in crores)					
Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2023					
Financial assets :					
Financial investments at FVPL					
Investments	6(a)	-	-	0.03	0.03
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	6(c)	-	-	-	-
Total financial assets		-	-	0.03	0.03
Financial liabilities					
Derivatives designated as hedges					
Mark-to-Market Loss on Forward Contracts	11(b)	-	11.80	-	11.80
Total financial liabilities		-	11.80	-	11.80



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets					
Financial Investments at FVPL					
Investments-Others	0(a)	-	108.02	0.13	108.15
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	6(c)	-	21.69	-	21.69
Total financial assets		-	129.71	0.13	129.84

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed and are classified as Level 3

Current financial asset and current financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature. Non current financial assets and non current financial liabilities have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows

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
- the fair value of mutual funds is determined using NAV quoted by respective asset management company.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

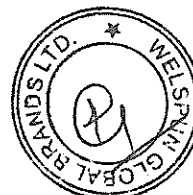
Particulars	Fair Value (Rs. crores)		Significant unobservable inputs*	Probability-weighted range		Sensitivity
	31-Mar-23	31-Mar-22		31-Mar-23	31-Mar-22	
Preference Shares	111.99	103.13	Risk Adjusted Discount Rate	9%-10%	9%-10%	March 31, 2023 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 1.36 crore and decrease in discount rate by 50 bps would increase face value by Rs. 1.39 crore March 31, 2022 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 1.73 crore and decrease in discount rate by 50 bps would increase face value by Rs. 1.77 crore.

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 meets once every three months in line with company's quarterly reports.



WELSPUN GLOBAL BRANDS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 forward-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the 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 major customers being subsidiaries of the Company which in turn have a large and diverse customer base. No single customer (other than the Group Companies) contributed for 10% or more of the revenue in any of the years presented.

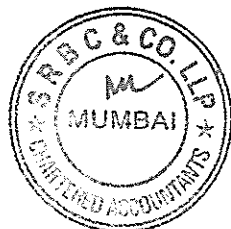
Other financial assets

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, 2023

₹ in crores							
Ageing	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Grand Total
Gross Carrying amount	822.50	330.40	165.17	2.84	0.16	0.98	1,322.05
Expected loss rate	0.00%	0.00%	0.23%	50.70%	0.00%	76.53%	0.19%
Less: Allowance for doubtful debts	-	-	0.38	1.44	-	0.75	2.57
Carrying amount of trade receivables (net of impairment)	822.50	330.40	164.79	1.40	0.16	0.22	1,319.46

₹ in crores							
Ageing	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Grand Total
Gross Carrying amount	814.20	217.74	156.84	21.67	9.62	2.40	1,222.56
Expected loss rate	0%	0%	0%	2%	4%	62%	0.23%
Less: Allowance for doubtful debts	-	0.11	0.20	0.53	0.42	1.55	2.81
Carrying amount of trade receivables (net of impairment)	814.20	217.63	156.64	21.14	9.20	0.84	1,219.75



Reconciliation of loss allowance provision - Trade receivables

	(₹ in crores)
Amount	
Allowance for doubtful debts on March 31, 2021	2.50
Expected Credit loss recognised	0.31
Written off during the year	-
Allowance for doubtful debts on March 31, 2022	2.81
Expected Credit loss recognised	0.19
Written off during the year	(0.43)
Allowance for doubtful debts on March 31, 2023	2.57

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:

	31-Mar-23		31-Mar-22	
As at	Fund Based	Non Fund Based	Fund Based	Non Fund Based
Expiring with one year (Export bills discounting, Bank overdraft etc.)	620.67	15.00	449.74	12.64
	620.67	15.00	449.74	12.64

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Non utilised fund based limit can be utilised under Non Fund based limit. Maximum limit for fund based is Rs. 985.00 crores (PY Rs. 960.00 crores) and for Non fund based is Rs. 145.00 crores (PY Rs. 135.00 crores).

(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, 2023	(₹ in crores)						
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 (Including Interest)	347.54	-	-	-	139.96	-	487.50
Trade payables	900.42	-	-	-	-	-	900.42
Other financial liabilities	0.65	-	-	-	-	-	0.95
Lease Liabilities	3.88	1.98	3.76	7.21	6.62	-	23.76
Total	1,252.79	1.98	3.76	7.21	146.88	-	1,412.62

As at March 31, 2023	(₹ in crores)						
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	487.43	648.18	1,324.54	-	-	-	2,460.15
Forward contracts EUR- INR	4.63	3.89	8.91	-	-	-	17.43
Forward contracts GBP- INR	-	-	-	-	-	-	-
Total	492.06	652.07	1,333.45	-	-	-	2,477.58

As at March 31, 2022	(₹ in crores)						
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 (Including Interest)	515.56	0.72	-	-	139.96	-	656.24
Trade payables	1,165.06	-	-	-	-	-	1,165.06
Other financial liabilities	0.78	-	-	7.33	-	-	8.11
Lease Liabilities	2.93	2.97	5.87	5.12	2.72	-	19.81
Total	1,684.33	3.69	5.87	12.45	142.68	-	1,849.02

As at March 31, 2022	(₹ in crores)						
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	596.25	1,098.93	2,030.28	-	-	-	3,734.46
Forward contracts EUR- INR	7.10	4.33	1.74	-	-	-	13.17
Forward contracts GBP- INR	-	-	-	-	-	-	-
Total	603.35	1,103.26	2,041.02	-	-	-	3,747.63

(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 denominated in a foreign currency.

As per the strategy, the Company manages its foreign currency risk by designating forward contracts as hedging instruments against:

- Highly probable forecasted sales in foreign currency i.e. towards future sales where corresponding exposure is yet to be recorded in the books (for an initial part of the tenure of the contract), and
- Pool of trade receivables in foreign currency (for balance part of the tenure of contract)

Further, the Company settles these forward contracts with banks by utilising it against the realisations for pool of trade receivables in foreign currency.

As at Mar 31, 2023 the Company hedged 48.36% of its expected foreign currency sales for the next 9 months (March 31, 2022: 84.13%).

As at Mar 31, 2023, the Company hedged 55.60 % of its foreign currency trade receivables (March 31, 2022: 56.29%)

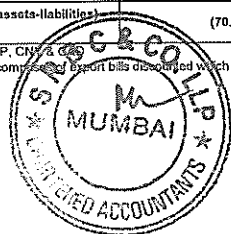
(a) Foreign currency risk exposure

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

	31-Mar-23			31-Mar-22		
	USD	EUR	Others*	USD	EUR	Others*
Financial Assets						
Trade Receivables**	891.72	2.83	3.12	984.41	14.74	2.69
Foreign exchange forward contracts	(476.16)	-	-	(572.25)	-	-
Net exposure to foreign currency risk (assets)	415.56	2.83	3.12	412.16	14.74	2.69
Financial liabilities						
Trade Payables	163.53	0.71	1.78	258.64	0.65	2.25
Borrowings- Current**	322.67	-	-	253.41	-	-
Net exposure to foreign currency risk (liabilities)	486.20	0.71	1.78	512.05	0.65	2.25
Net open exposures (assets-liabilities) assets/(liabilities)	(70.64)	2.12	1.34	(69.89)	14.09	0.44

* Others consists of GBP, CNY & CAD

** Borrowings-Current compressed Export bills discounted which are considered to be a natural hedge against corresponding trade receivables.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(b) Foreign currency sensitivity

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

	(₹ in crores)	
	March 31 2023	March 31 2022
USD sensitivity		
USD-INR - Increase by 5% (March 31, 2022 - 5%)*	(3.53)	(4.99)
USD - INR - Decrease by 5% (March 31, 2022 - 5%)*	3.53	4.99
EURO sensitivity		
EURO - INR - Increase by 5% (March 31, 2022 - 5%)*	0.11	0.70
EURO - INR - Decrease by 5% (March 31, 2022 - 5%)*	(0.11)	(0.70)

* Holding all other variables constant

(c) Forward contracts designated as hedges

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 (cash flow hedge) and foreign currency required at the settlement date of pool of trade receivables in foreign currency (fair value hedge). The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors/Foreign Exchange Risk Management Committee, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(i) Cash Flow Hedge

As at March 31, 2023

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
	Amount in Crs	Average Rate (Rs.)	Amount in Crs	Average Rate (Rs.)	Amount in Crs	Average Rate (Rs.)	Amount in Crs
Foreign Exchange Forward Contracts (Highly Probable Forecast Sales)							
Forward contracts (in USD)	0.25	81.84	7.89	82.15	15.78	83.94	23.92
Forward contracts (in EURO)	0.06	84.22	0.05	86.40	0.10	91.36	0.21

As at March 31, 2022

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts :

Particulars	Less than 3 months		3 to 6 Months		6 months to 1 year		Total
	Amount in Crs	Average Rate (Rs.)	Amount in Crs	Average Rate (Rs.)	Amount in Crs	Average Rate (Rs.)	Amount in Crs
Foreign Exchange Forward Contracts (Highly Probable Forecast Sales)							
Forward contracts (in USD)	0.20	76.95	14.24	77.15	26.05	78.29	40.49
Forward contracts (in EURO)	0.08	88.74	0.05	86.62	0.02	87.22	0.15

(ii) Fair Value Hedge

As at March 31, 2023

Following tables discloses profile of timing of the nominal amount of foreign exchange forward contracts : (₹ in crores)

Particulars	March 31 2023		March 31 2022	
	Amount in Crs	Average Rate (Rs.)	Amount in Crs	Average Rate (Rs.)
Foreign Exchange Forward Contracts (Trade receivable)				
Forward contracts (in USD)				
All contracts have balance maturity of less than 3 months	5.79	80.58	7.52	77.29

Impact of hedging activities

Valuation Technique

The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include discounted cash flow method.

As at March 31, 2023

Disclosure of effects of hedge accounting on financial positions:

Particulars	Nominal value (Foreign Currency in Crs)	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 (₹ in crores)	Liabilities (₹ in crores)			
Cash flow hedge						
Forward contracts (in USD)	23.92	-	(0.77)	1:1		
Forward contracts (in EURO)	0.21	-	(0.60)	1:1	55.30	(55.30)

Particulars	Nominal value (Foreign Currency in Crs)	Carrying amount of hedging instrument		Hedging Ratio
		Assets (₹ in crores)	Liabilities (₹ in crores)	
Fair value hedge				
Forward contracts (in USD)	5.79	-	(10.43)	1:1

As at March 31, 2022

Disclosure of effects of hedge accounting on financial positions:

Particulars	Nominal value (Foreign Currency in Crs)	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 (₹ in crores)	Liabilities (₹ in crores)			
Forward contracts (in USD)	40.40	12.76	-	1:1		
Forward contracts (in EURO)	0.15	0.35	-	1:1	(131.03)	131.93

Particulars	Nominal value (Foreign Currency in Crs)	Carrying amount of hedging instrument		Hedging Ratio
		Assets (₹ in crores)	Liabilities (₹ in crores)	
Fair value hedge				
Forward contracts (in USD)	7.52	8.58	-	1:1



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Disclosure of effects of hedge accounting on financial performance

(₹ in crores)

March 31, 2023 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	(55.30)	-	60.78	Revenue from contracts with customers

(₹ in crores)

March 31, 2022 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge Highly probable forecast sales	131.93	-	(99.98)	Revenue from contracts with customers

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.

Fair Value Hedge

Gain on account of fair valuation of forward contracts to hedge pool of foreign currency trade receivables recognised in the statement of profit and loss is Rs. (10.43) Crores (March 31, 2022: Rs 8.58 Crores)

Movement in cash flow hedging reserve

(₹ in crores)

Derivative instruments	Forward contracts
(i) Cash flow hedging reserve	
As at March 31, 2021	33.72
Gain recognised in other comprehensive income during the year	(131.93)
Amounts reclassified to profit or loss	99.98
Deferred Tax	8.04
As at March 31, 2022	9.81
Gain recognised in other comprehensive income during the year	55.30
Amounts reclassified to profit or loss	(60.78)
Deferred Tax	3.64
As at March 31, 2023	(1.03)

(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:

(₹ in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings	459.42	606.73
Total borrowings	459.42	606.73

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



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

The Company strategy is to maintain a gearing ratio within 2:1. The gearing ratios were as follows:

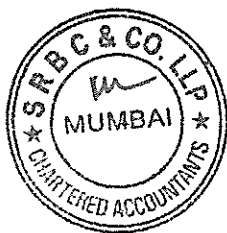
The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

The following table summarizes the capital structure of the Company:

	March 31, 2023	March 31, 2022
Non-current borrowings (Refer Note below)	111.99	103.13
Current borrowings	347.43	503.60
Less: cash and cash equivalents	73.27	98.30
Net debt	386.15	508.43
Total equity	469.02	444.63
Gearing ratio	0.82	1.14

Note :

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



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

30 Contingent Liabilities:

Description on matters considered as contingent liabilities:

	(₹ in crores)	
	As at March 31, 2023	As at March 31, 2022
[a] Disputed Sales Tax Liabilities	-	0.10
[b] Income Tax Liabilities	19.13	19.13
[c] Claims against the Company not acknowledged as debts	4.85	4.85

(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.

31 Leases

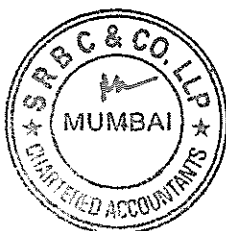
Company as lessee

The Company has lease contracts for various items of commercial property and other equipment used in its operations. Leases of commercial property generally have lease terms between 2 and 5 years, while other equipment generally have lease terms between 3 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:

	(₹ in crores)		
	Right to use assets		
Particulars	Commercial Property	Other Equipment's	Total
As at April 1, 2021	27.17	0.20	27.37
Additions	-	-	-
Deletions	(0.51)	-	(0.51)
Depreciation expense	(11.94)	(0.11)	(12.05)
As at March 31, 2022	14.72	0.09	14.81
Additions	14.81	-	14.81
Deletions	-	-	-
Depreciation expense	(11.95)	(0.07)	(12.02)
As at March 31, 2023	17.58	0.02	17.60



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

(₹ in crores)		
Lease liabilities		
Particulars	As at March 31, 2023	As at March 31, 2022
As at April 1, 2022	16.99	29.16
Additions	14.82	
Deletions	-	(0.52)
Accretion of interest	3.07	3.15
Payments	(15.24)	(14.80)
As at March 31, 2023	19.64	16.99
Current lease liabilities	7.66	9.97
Non-Current lease liabilities	11.98	7.02

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 recognized in statement of profit and loss:

(₹ in crores)		
Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	12.02	12.05
Interest expense on lease liabilities	3.07	3.15
Expense relating to short-term leases and low value assets (included in note no 23 other expenses under rent and warehouse charges)	13.11	11.93
Total amount recognized in profit or loss	28.20	27.13

The Company had total cash outflows for leases of Rs. 28.34 crores in March 31, 2023 (Rs. 26.73 crores in March 31, 2022). 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.



Welspun Global Brands Limited
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 32 : Segment Information

(i) 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).

The chief operational decision maker monitors the operating results under two operating segment viz., "Home Textiles" and "Flooring" for the purpose of making decision about profit or loss in the financial statements.

Segment Information for the year ended March 31, 2023

					(₹ in crores)
Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	Segment Revenue				
	External Revenue	5,928.13	620.67	1.31	6,550.11
	Inter Segment Revenue	-	-	-	-
	Net Revenue from Operation	5,928.13	620.67	1.31	6,550.11
2	Profit before interest , depreciation , exceptional items and tax	144.03	(37.72)	1.31	107.62
	Less: Depreciation and amortization expense	13.13	0.02	-	13.15
	Less: Interest Expenses	46.27	1.17	-	47.44
	Profit before Tax	84.63	(38.91)	1.31	47.03
	Current Tax	-	-	7.46	7.46
	Deferred Tax	-	-	5.28	5.28
	Profit after Tax (before adjustment for Non controlling Interest)	84.63	(38.91)	(11.43)	34.29
3	Segment Assets	1,848.20	120.59	3.96	1,972.75
	Segment Liabilities	1,416.89	86.83	-	1,503.72

Segment Information for the year ended March 31, 2022

					(₹ in crores)
Sr. No.	Particulars	Home Textiles	Flooring	Unallocable	Total
1	Segment Revenue				
	External Revenue	7,019.14	595.20	0.80	7,615.14
	Inter Segment Revenue	-	-	-	-
	Net Revenue from Operation	7,019.14	595.20	0.80	7,615.14
2	Profit before interest , depreciation , exceptional items and tax	264.58	(136.87)	0.80	128.51
	Less: Depreciation and amortization expense	13.25	-	-	13.25
	Less: Interest Expenses	44.89	0.84	-	45.73
	Profit before Tax	206.44	(137.71)	0.80	69.53
	Current Tax	-	-	24.06	24.06
	Deferred Tax	-	-	(9.34)	(9.34)
	Profit after Tax (before adjustment for Non controlling Interest)	206.44	(137.71)	(13.92)	54.81
3	Segment Assets	2,119.86	127.97	111.58	2,359.41
	Segment Liabilities	1,735.74	164.89	14.15	1,914.78

(ii) Information about Secondary Geographical Segments:

(₹ in crores)

Particulars	India		Outside India		Total
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23
External Revenue	1,372.60	945.87	5,171.84	6,666.05	6,544.44
Carrying Amount of Segment Assets*	20.96	18.48	86.92	86.92	107.88

*Carrying amount of segment assets are Non-Current assets excluding the tax assets, Deferred Tax Assets and Financial Assets.

Notes

- a) The segment revenue in the geographical information considered for disclosure is as follows:
 - i Revenue within India includes sales to customers located within India and earnings in India.
 - ii Revenue outside India includes sales to customers located outside India, earning outside India and exports benefit on sales made to customer located outside India.
- b) Segment Revenue and assets include the respective amounts identified to country of domicile viz India and other countries viz outside India and
- c) The following table gives details of percentage of revenues generated from customers who has contributed 10% and more of the revenue (Sale of products and sale of scrap)

Particulars	As at March 31, 2023	As at March 31, 2022
No. of Customers	2	2
Revenue from Customers	40.63%	41.42%



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

33 Earnings in Foreign Currency

(₹ in crores)

		Year Ended March 31, 2023	Year Ended March 31, 2022
(a)	Revenue from Exports on FOB basis	4,144.62	5,461.49
	Total	4,144.62	5,461.49

34 Expenditure in Foreign Currency (net, on accrual basis)

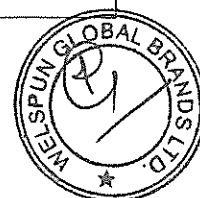
(₹ in crores)

		Year Ended March 31, 2023	Year Ended March 31, 2022
(a)	Travelling	2.35	1.03
(b)	Sales Commission	51.51	66.01
(c)	Professional Charges	6.16	9.27
(d)	Claims, Markdown, Discounts and Rebates (netted in Revenue from Operations)	175.04	168.90
(e)	Advertisement and Sales Promotion	8.50	3.19
(f)	Royalty	10.15	10.61
(g)	Others	3.90	8.62
	Total	257.61	267.63

35 Related Party Disclosures

(i) Relationships

(a)	Enterprises where control exists	
	Holding Company	Welspun India Limited (WIL)
	Ultimate Parent	Welspun Group Master Trust (WGMT)
	Subsidiary Companies	Welspun Mauritius Enterprises Limited (WMEL) Welspun Holdings Private Limited, Cyprus (WHPL) Welspun UK Limited (WUKL) (Held through CHTL) CHT Holdings Limited (CHTHL) (Held through WHTUUKL) Welspun Home Textiles UK Limited (WHTUUKL) (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)
b)	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	For Listing of parties, refer disclosure in Note 35(iii)



WELSPUN GLOBAL BRANDS LIMITED

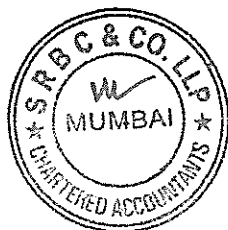
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

	place during the year																							
c)	Key Management Personnel	<table><tr><th>Name</th><th>Nature of Relationship</th></tr><tr><td>Rajesh Mandawewala</td><td>Director & Chairman</td></tr><tr><td>Dipali Goenka</td><td>Managing Director</td></tr><tr><td>Altaf Jiwani</td><td>Wholetime Director w.e.f (January 27, 2023)</td></tr><tr><td>Arun Tadarwal</td><td>Independent Director up to (July 01, 2022)</td></tr><tr><td>Atul Desai</td><td>Independent Director</td></tr><tr><td>Ankush Agarwal</td><td>Independent Director w.e.f. (September 30, 2022)</td></tr><tr><td>K.H. Vishwanathan</td><td>Director w.e.f. (July 26, 2022)</td></tr><tr><td>Sandeep Kumar Garg</td><td>Chief Financial Officer</td></tr><tr><td>Nidhi Tanna</td><td>Company Secretary up to (December 31, 2022)</td></tr><tr><td>Shashikant Thorat</td><td>Company Secretary w.e.f (January 01, 2023)</td></tr></table>	Name	Nature of Relationship	Rajesh Mandawewala	Director & Chairman	Dipali Goenka	Managing Director	Altaf Jiwani	Wholetime Director w.e.f (January 27, 2023)	Arun Tadarwal	Independent Director up to (July 01, 2022)	Atul Desai	Independent Director	Ankush Agarwal	Independent Director w.e.f. (September 30, 2022)	K.H. Vishwanathan	Director w.e.f. (July 26, 2022)	Sandeep Kumar Garg	Chief Financial Officer	Nidhi Tanna	Company Secretary up to (December 31, 2022)	Shashikant Thorat	Company Secretary w.e.f (January 01, 2023)
Name	Nature of Relationship																							
Rajesh Mandawewala	Director & Chairman																							
Dipali Goenka	Managing Director																							
Altaf Jiwani	Wholetime Director w.e.f (January 27, 2023)																							
Arun Tadarwal	Independent Director up to (July 01, 2022)																							
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K.H. Vishwanathan	Director w.e.f. (July 26, 2022)																							
Sandeep Kumar Garg	Chief Financial Officer																							
Nidhi Tanna	Company Secretary up to (December 31, 2022)																							
Shashikant Thorat	Company Secretary w.e.f (January 01, 2023)																							
d)	Relatives of Key Managerial Personnel	Vanshika Goenka																						

* Data given in the disclosure note 35(iii) is up-to March 31, 2023

(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



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

(₹ in crores)

	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										
PARTICULARS	WIL	WMEL	WHPL	WUKL	CHRISTY LLC	WUSA	WAMIL	WCPGL	WFL	MGN Agro Properties Private Limited	Koolkanya Private Limited	Welspun Corp Limited	Welspun DI Pipes Limited	Welspun Foundation	Welspun One Logistics Parks Dev Mgm	Welspun Enterprises Limited	Welspun Realty Pvt. Ltd.	Welspun Steel Ltd	AYM Syntex Limited	Balance Carried Forward
Transactions during the year										-										
Repayment of Loans, Advances and Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54	-	-	0.54
	(6,522.58)	-	-	-	-	-	(3.78)	-	(741.44)	-	-	-	-	-	-	-	(0.71)	-	-	(0.71)
Purchase of Goods (Including Taxes)	5,419.38	-	-	-	-	-	99.92	-	643.11	-	-	-	-	-	-	-	-	-	-	6,162.41
	(6,522.58)	-	-	-	-	-	(3.78)	-	(741.44)	-	-	-	-	-	-	-	-	-	-	(7,267.80)
Purchase of Services/ Expenses Incurred	12.36	-	-	7.63	-	12.37	-	-	0.26	0.02	0.05	-	-	-	-	-	1.40	-	-	34.09
	(13.24)	-	-	(1.50)	-	(11.56)	-	-	(1.24)	-	-	-	-	-	-	-	(1.40)	-	-	(28.95)
Sale of Goods (Including Taxes)/ ROSCTL & RODTEP Licenses.	434.96	-	-	92.93	23.05	1,403.71	0.55	-	55.49	-	-	6.72	1.40	0.06	0.34	1.57	-	-	21.21	2,041.99
	(206.21)	-	-	(82.97)	(23.72)	(1,624.43)	(0.19)	(0.00)	(6.39)	-	-	(0.71)	(0.12)	(0.00)	(0.10)	(0.93)	-	(0.05)	(82.55)	(2,028.37)
Sale of Services/ Expenses Incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(0.17)	-	-	-	-	-	-	-	-	-	-	(0.17)
Royalty (Gross)	-	-	-	0.24	-	9.07	-	-	-	-	-	-	-	-	-	-	-	-	-	9.31
	-	-	-	-	-	(10.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.46)
Claims, Discounts and Rebate given	-	-	-	0.51	-	57.66	-	-	-	-	-	-	-	-	-	-	-	-	-	58.17
	-	-	-	-	(14.68)	(233.37)	-	-	-	-	-	-	-	-	-	-	-	-	-	(248.05)
Commission Expenses	-	-	-	13.64	-	25.65	-	-	-	-	-	-	-	-	-	-	-	-	-	39.29
	-	-	-	(7.19)	-	(44.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	(51.52)
Remuneration and commission to directors and KMP**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	1.41	-	-	-	-	-	1.41
	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.33)	-	-	-	-	-	(1.33)
Corporate Guarantee Taken (net of release amount)	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
	(130.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(130.00)
Closing Balance																				
Loans, Advances and Deposits given (including interest accrued on loan)	-	27.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.28	-	-	33.82
	-	(25.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.76)	-	-	(34.16)
Provision for doubtful loans/ advances	-	27.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.54
	-	(25.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25.40)
Trade Receivables (Net of Bills Discounted with Banks)	256.47	-	-	27.42	38.27	437.86	-	0.01	8.77	-	-	0.02	1.17	-	0.04	0.02	-	-	1.16	771.21
	(47.04)	-	-	(22.36)	(46.20)	(485.22)	(0.18)	(0.01)	(4.31)	-	-	(0.02)	-	-	(0.00)	(0.29)	-	(0.00)	(3.89)	(609.52)
Trade Payables and others	524.96	-	-	10.02	20.06	108.66	3.00	-	34.65	-	-	-	-	-	-	0.02	-	-	-	701.37
	(709.79)	-	-	(7.99)	(13.06)	(178.72)	(2.78)	-	(84.52)	-	-	-	-	-	-	-	-	-	-	(996.86)
Investments	-	1.66	72.12	-	-	28.20	-	-	-	-	-	-	-	-	-	-	-	-	-	101.98
	-	(1.66)	(72.72)	-	-	(28.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	(102.58)
Provision for diminution in value in investment	-	1.66	14.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.66
	-	(1.66)	(14.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.66)
Corporate Guarantee taken	920.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	920.00
	(820.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(820.00)

Note:

Previous year figures are given in brackets.

** Reimbursement are not included in salary

* 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.



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

(₹ in crores)

PARTICULARS	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place							Key Management Personnel *							Relatives of Key Management Personnel	TOTAL
	Balance Brought Forward	Welspun Global Services	Welspun Specialty Solutions Limited	Welassure Private Limited	Weltrans Logistics Limited	Welspun Metallica Limited	Welspun Transformation services Limited	Dipali Goenka	Arun Tadarwal	Atul Desai	K.H.Vishwanathan	Ankush Agarwal	Sandeep Garg	Nidhi Tanna	Vanshika Goenka	TOTAL
Transactions during the year																
Repayment of Loans, Advances and Deposits Given	0.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54
	(0.71)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.71)
Purchase of Goods (Including Taxes)	6,162.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,162.41
	(7,267.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,267.80)
Purchase of Services/ Expenses Incurred	34.09	6.81	-	0.22	0.02	-	10.23	-	-	-	-	-	-	-	-	51.37
	(28.95)	(7.56)	-	(0.09)	-	-	-	-	-	-	-	-	-	-	-	(36.59)
Sale of Goods (Including Taxes)/ ROSCTL & RODTEP Licenses.	2,041.99	0.07	0.12	-	-	8.02	0.01	-	-	-	-	-	-	-	-	2,050.21
	(2,028.37)	-	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-	(2,028.39)
Sale of Services/ Expenses Incurred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(0.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.17)
Royalty (Gross)	9.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.31
	(10.46)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.46)
Claims, Discounts and Rebate given	58.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58.17
	(248.05)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(248.05)
Commission Expenses	39.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.29
	(51.52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51.52)
Remuneration and commission to directors and KMP**	-	-	-	-	-	-	-	3.97	-	-	-	-	1.14	0.11	-	5.22
	-	-	-	-	-	-	-	(3.66)	-	-	-	-	(1.02)	(0.13)	(0.20)	(5.01)
Director Sitting Fees	-	-	-	-	-	-	-	-	0.02	0.06	0.04	0.03	-	-	-	0.15
	-	-	-	-	-	-	-	-	(0.07)	(0.08)	-	-	-	-	-	(0.16)
Corporate Social Responsibility Expenses	1.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.41
	(1.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.33)
Corporate Guarantee Taken (net of release amount)	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00
	(130.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(130.00)
Closing Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits given (including interest accrued on loan)	33.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.82
	(34.16)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(34.16)
Provision for doubtful loans/ advances	27.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.54
	(25.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25.40)
Trade Receivables (Net of Bills Discounted with Banks)	771.21	0.07	-	-	-	7.94	-	-	-	-	-	-	-	-	-	779.22
	(609.52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(609.52)
Trade Payables and others	701.37	0.51	-	0.01	-	-	0.03	-	-	-	-	-	-	-	-	701.92
	(996.86)	(0.11)	-	-	-	-	-	(0.18)	-	-	-	-	-	-	-	(997.15)
Investments	101.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101.98
	(102.58)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(102.58)
Provision for diminution in value in investment	15.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.66
	(15.66)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.66)
Corporate Guarantee taken	920.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	920.00
	(820.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(820.00)

Note:

Previous year figures are given in brackets.

** Reimbursement are not included in salary

* 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.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

36 Earnings per Share

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit after Tax (A) (₹ in crores)	34.29	54.81
Profit available for Equity Share holders	34.29	54.81
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.)	14.58	23.29
Nominal value of an equity share (Rs.)	10	10

37 Details of Parent whose Ind AS compliant financial statements have been produced for public use.

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:

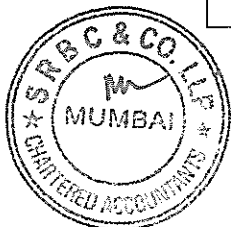
Name of the Parent Company	Principal Place of Business	Country of Incorporation	Address where consolidated statements are available for use
Welspun India Limited	Anjar, Vapi Mumbai	India	Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra 400013

Significant Investment in subsidiaries

Name of Subsidiary	Principal Place of Business	Value of Investment (₹ in crores)	% Holding	Method used for accounting for investment
Welspun USA Inc.	USA	28.20 (28.20)	66.90% (66.90%)	At Cost
Welspun Holding Private Limited (Cyprus)	Cyprus	58.72 (58.72)	95.91% (95.91%)	At Cost

38 Disclosure for Micro and Small Enterprises

(₹ in crores)			
Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	14.15	11.52
	-Interest	-	-
ii)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	-Principal	31.22	1.75
	-Interest	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified		
iv)	The amount of interest accrued and remaining unpaid at the end of year	0.18	0.02



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

39 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023.

Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

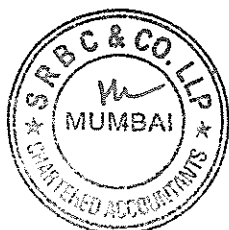


WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

40 Ratio Analysis and its elements

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Change in Ratio (%)	Remarks
Current Ratio (in times)	Current Assets	Current Liabilities	1.36	1.25	8.80%	
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	28.25	34.78	(18.78)%	
Trade receivables turnover ratio (in times)	Revenue from operations (excluding government subsidy and export incentives)	Average Accounts Receivable	4.75	5.54	(14.26)%	
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.98	1.36	(27.94)%	On account of reduction in debt, the ratio has improved during the year.
Debt Service Coverage Ratio (in times)	Profit after tax + Interest expense + Depreciation and amortisation expense	Long term debt (excluding prepayments) repaid during the period + Interest payments + Lease payments	1.87	2.31	(19.05)%	
Return on Equity Ratio (in %)	Profit after tax	Average Shareholder's Equity	7.51%	12.78%	(41.24)%	On account of increase in input cost and lower revenue, the margins are affected thus leading to reduction in return on equity ratio.
Trade Payables Turnover Ratio (in times)	Purchases	Average trade payables	5.55	5.88	(5.61)%	
Net Capital Turnover Ratio (in times)	Revenue from operations	Current Assets - Current Liabilities	13.33	16.69	(20.13)%	On account of lower revenue, the margins are affected thus leading to reduction in return on net capital turnover ratio.
Net Profit Ratio (in %)	Profit after tax	Revenue from operations	0.53%	0.72%	(26.39)%	On account of increase in input cost and lower revenue, the margins are affected thus leading to reduction in net profit ratio.
Return on Capital Employed Ratio (in %)	Earnings before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	10.19%	10.97%	(7.11)%	
Return on Investment Ratio (in %)	Interest (Finance Income)	Investment	6.00%	0.02%	29900%	On account of sale of investment in current year and interest thereon.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

41: Other Statutory Information

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(₹ in crores)

Name of Struck off Company	Nature of transactions with struck-off Company	Relationship with the struck-off Company	Amount of Transaction for the period 01.04.22 - 31.03.23	Amount of Transaction for the period 01.04.21 - 31.03.22	Balance as at March 31, 2023	Balance as at March 31, 2022
Pinstripes Media Private Limited	Purchase of services	Vendor	-	-	*	*
Shalom Media Solutions Private Limited	Purchase of services	Vendor	0.04	-	-	-

* Amounts is below the rounding norms adopted by the Company.

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
7. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.



WELSPUN GLOBAL BRANDS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 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

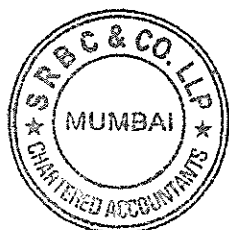
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Murtuza Bookwala
Partner

Membership Number: 117633



Place: Mumbai

Date: April 26, 2023

For and on behalf of the Board of Directors



Dipali Goenka
Managing Director
DIN 00007199



Altaf Jiwani
Director
DIN 05166241



Shashikant Thorat
Company Secretary

Place: Mumbai

Date: April 26, 2023



Sandeep Kumar Garg
Chief Financial Officer

