

SUREKA ASSOCIATES

Chartered Accountants

45 C, Mandhana Manor, Mogal Lane,
Matunga Road (W), Mumbai 400 016

TEL: : 2430 6150, 2432 7608

EMAIL :suresh@surekas.com

INDEPENDENT AUDITOR'S REPORT

To the Members of **WELSPUN ZUCCHI TEXTILES LIMITED**

Report on the Audit of the Standalone IndAS Financial Statements

Opinion

We have audited the accompanying standalone IndAS financial statements of **WELSPUN ZUCCHI TEXTILES 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 standalone IndAS 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 Statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone IndAS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone IndAS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IndAS financial statements.

Responsibility of Management for the Standalone IndAS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone IndAS 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 (IndAS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the standalone IndAS 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.

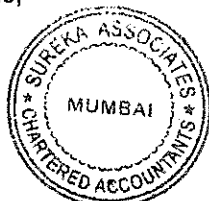
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone IndAS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone IndAS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone IndAS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone IndAS 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 over financial reporting of the Company with reference to these standalone IndAS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;



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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 does not have any pending litigations which would impact its financial position;
 - 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
 - c) Based on the audit procedures 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 iv(a) and iv(b) contain any material misstatement
 - v. The company has not declared or paid any dividend during the year.

For SUREKA ASSOCIATES

Chartered Accountants

Firm's Registration No. 110640W


Suresh Sureka

Partner

Membership No. 34132

UDIN : 23034132BGYKHM1232

Place : Mumbai

Date : 24th April 2023



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ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of WELSPUN ZUCCHI TEXTILES LIMITED on the financial statements as of and for the year ended March 31, 2023)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets,
 - a. i. The company is maintaining proper records showing full particulars, including quantitative detail and situation of property, plant and equipments.
 - ii. The Company does not have intangible assets. Hence the question of maintenance of proper records does not arise.
 - b. The Company has a program of physical verification of property, plant and equipments at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
 - c. The title deed of immovable properties, as disclosed in note 2 on property, plant and equipment to the financial statements, are held in the name of the company.
 - d. The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory during the year and at year end. Accordingly reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties covered in the register maintained under section 189 of the act. Hence, reporting under clause 3(iii) (a), (b), (c), (d), (e) and (f) is not applicable.
- iv. The Company has not granted any loans, or made investments, or provided any securities or guarantees to the parties covered under sections 185 and 186. Therefore, the requirement of reporting under clause 3(iv) is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of sections 73, 74, 75 and 76 of the companies act and rules made thereunder to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.



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vi. Pursuant to the rules made by the Central Government of India, the company is not required to maintain cost records as specified under section 148(1) of the act in respect of its business. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the company examined by us, in our opinion, there are no dues with respect to statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes other than disputed income tax demand as under:

Sr. No.	Assessment year	Nature of Dues	Amount (in Rs)	Forum where the case is pending
1.	2010-11	Income Tax	50,46,588	CIT Appeals

viii. According to the information and explanation given to us and the records of the company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and the records of the company examined by us, the company has not taken any loans, or other borrowings or any interest due thereon to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not taken any loan from any bank or financial institution. So, this clause is not applicable.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any fund on short term basis which has been utilised for long term purposes and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(e) According to the information and explanation given to us and the records of the company examined by us, the company has not taken any funds from any entity / person on account of / to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.



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- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud has been committed by the company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company is not required to establish a whistle blower mechanism as required by the act and SEBI (listing obligations and Disclosure Requirements) Regulations, 2015. Hence the reporting under clause 3(xi)(c) of the order is not applicable.
- xii. The company is not a Nidhi Company and hence Nidhi Rules, 2014 along with reporting under clause 3(xii) of the order are not applicable
- xiii. In our opinion, the Company has entered into transactions with related parties in compliance with the provision of Section 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards (IndAs 24 – related party disclosures) as specified u/s 133 of the act, read with Rule 7 of the companies (accounts) Rules 2014.
- xiv. The company is not required to appoint Internal auditor in pursuance of provision of section 138 of the act and hence the reporting under clause 3(xiv) of the order is not applicable.
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, the provision of clause 3(xv) of the order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the company.
- xvii. The company has not incurred cash losses in the financials year and not in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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.



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xx. The company is not required to form corporate social responsibility (CSR) committee in pursuance of section 135 of the Companies act 2013, hence the provision of clause 3(xx) of the order is not applicable to the company.

For SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W



Suresh Sureka

Partner

Membership No. 034312

UDIN : 23034132BGYKHM1232

Place : Mumbai

Date : 24th April 2023



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ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **WELSPUN ZUCCHI TEXTILES LIMITED** on the financial statements as of and for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **WELSPUN ZUCCHI TEXTILES 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

2. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. 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 system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUREKA ASSOCIATES

Chartered Accountants

Firm's Registration No. 110640W



Suresh Sureka

Partner

Membership No. 34132

UDIN : 23034132BGYKHM1232

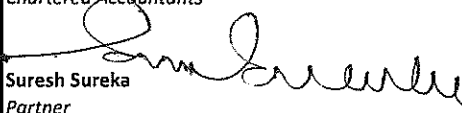
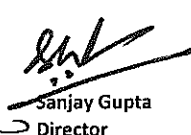


Place : Mumbai

Date : 24th April 2023



WELSPUN ZUCCHI TEXTILES LIMITED

Balance Sheet as at March 31, 2023

Particulars	Note No.	As At March 31, 2023 ₹ in '000	As At March 31, 2022 ₹ in '000
ASSETS			
Non-current assets			
Property, plant and equipments	02	15,545	16,527
Other Non Current Tax assets	03	17,376	17,448
Total non-current assets		32,921	33,975
Current assets			
Financial Assets			
Investments	04	59,909	60,507
Trade receivables	05	1,361	907
Cash & cash equivalents	06 (a)	12,417	6,985
Bank balances other than 6 (a) above	06 (b)	14,225	13,716
Other financial assets	07 (a)	1,434	1,495
Other Current Assets	07 (b)	6	6
Total current assets		89,353	83,616
Total assets		1,22,274	1,17,591
EQUITY AND LIABILITIES			
Equity	08	55,000	55,000
Other equity	09	66,095	61,409
Total equity		1,21,095	1,16,409
Liabilities			
1) Current liabilities			
Other current liabilities	10	1,179	1,182
Total current liabilities		1,179	1,182
Total equity and liabilities		1,22,274	1,17,591
Notes Forming Part of Financial Statements		01-19	
As per our attached Report of even date			
For Sureka Associates		For and on behalf of the Board Directors	
Firm Registration No 110640W			
Chartered Accountants			
			
Suresh Sureka Partner Membership No 34132	Sanjay Gupta Director DIN:00496253	Dipali Goenka Director DIN:00007199	Shashikant Thorat Company Secretary
UDIN :			
Place : Mumbai			
Date : 24.04.2023			



WELSPUN ZUCCHI TEXTILES LIMITED

Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note No.	Year Ended March 31, 2023 ₹ in '000	Year Ended March 31, 2022 ₹ in '000
Revenue From operations			
Other income	11	7,701	6,709
Total income		7,701	6,709
Expenses			
Depreciation and amortisation Expense	02	981	981
Finance costs	12	72	0
Other expenses	13	1,094	1,617
Total expenses		2,147	2,598
Profit before tax		5,554	4,111
Income tax expense - Current Tax		867	641
Profit / (loss) for the year		4,686	3,470
Other Comprehensive Income		-	-
Total Comprehensive Income		4,686	3,470
Earnings Per Share Basic & Diluted	14	0.85	0.63

Notes Forming Part of Financial Statements 01-19

As per our attached Report of even date

For Sureka Associates
Firm Registration No 110640W
Chartered Accountants

For and on behalf of the Board Directors

Suresh Sureka
Partner
Membership No 34132

Sanjay Gupta
Director
DIN:00496253

Dipali Goenka
Director
DIN:00007199

Shashikant Thorat
Company Secretary

UDIN :
Place : Mumbai
Date : 24.04.2023



WELSPUN ZUCCHI TEXTILES LIMITED

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

a. Equity Share Capital

Changes in equity for the year ended March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
55,000	-	55,000	-	55,000

Changes in equity for the year ended March 31, 2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
55,000	-	55,000	-	55,000

b. Other Equity

Changes in equity for the year ended March 31, 2022

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the current reporting period 01.04.22	57,939	57,939
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the current reporting period	57,940	57,940
Profit year for the year	3,470	3,470
Dividends	-	-
Transfer to retained earnings	-	-
Any other change (to be specified)	-	-
Balance at the end of the current reporting period 31.03.22	61,410	61,410


Changes in equity for the year ended March 31, 2023

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the current reporting period 01.04.22	61,410	61,410
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the current reporting period	61,411	61,411
Profit year for the year	4,686	4,686
Dividends	-	-
Transfer to retained earnings	-	-
Any other change (to be specified)	-	-
Balance at the end of the current reporting period 31.03.23	66,097	66,097

Notes Forming Part of Financial Statements

As per our attached Report of even date

For Sureka Associates
Firm Registration No 110640W
Chartered Accountants


Suresh Sureka
Partner
Membership No 34132

For and on behalf of the Board Directors


Sanjay Gupta
Director
DIN:00496253


Dipali Goenka
Director
DIN:00007199


Shashikant Thorat
Company Secretary

UDIN :
Place : Mumbai
Date : 24.04.2023



WELSPUN ZUCCHI TEXTILES LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

	March 31, 2023		March 31, 2022	
	₹ in '000	₹ in '000	₹ in '000	₹ in '000
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX		5,554		4,111
ADJUSTMENT FOR:				
OTHER INCOME	(684)		(658)	
PROFIT ON SALE OF SHARE	-		-	
Loss on Fair valuation of Bonds	458		656	
DEPRECIATION	981		981	
FINANCE EXPENSES	72	827	0	979
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		6,381		5,090
ADJUSTMENT FOR:				
OTHER CURRENT FINANCIAL ASSETS	61		13,996	
TRADE RECEIVABLE	(454)		17,175	
TRADE PAYABLES	(2)	(395)	1	31,171
CASH GENERATED FROM OPERATIONS		5,985		36,261
LESS: DIRECT TAXES PAID		(796)		(838)
		5,190		35,423
EXTRA ORDINARY ITEMS:		-		-
NET CASH FLOW FROM OPERATING INCOME		5,190		35,423
B. CASH FLOW FROM INVESTING ACTIVITIES:				
INVESTMENTS IN BONDS	140		(27,000)	
INTEREST RECEIVED	683	683	658	658
NET CASH FLOW FROM INVESTING ACTIVITIES		823		(26,342)
C. CASH FLOW FROM FINANCING ACTIVITIES				
FINANCE EXPENSES PAID	(72)		(0)	
NET CASH USED IN FINANCING ACTIVITIES		(72)		(0)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,942		9,082
CASH AND CASH EQUIVALENTS OPENING BALANCE		20,701		11,619
CASH AND CASH EQUIVALENTS CLOSING BALANCE		26,642		20,701
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,942		9,082

AUDITORS CERTIFICATE

We have verified the above Statement of Cash Flow of WELSPUN ZUCCHI TEXTILE LIMITED derived from the audited annual financial statement and the books and records maintained by the company for the years ended March 31, 2023 and March 31, 2022 and found the same in agreement there with.

For Sureka Associates
Firm Registration No 110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No 34132

UDIN :
Place : Mumbai
Date : 24.04.2023



For and on behalf of the Board Directors

Sanjay Gupta
Director
DIN:00496253

Dipali Goenka
Director
DIN:00007199

Shashikant Thorat
Company Secretary

WELSPUN ZUCCHI TEXTILES LIMITED
Significant Accounting Policies and Notes Forming Part of Financial Statements

General Information

Welspun Zuchhi Textile Limited (hereinafter referred as "the Company") is a public company incorporated and domiciled in India. The address of its registered office is Welspun House, 6th Floor, Kamala Mills Compound, S.B. Marg, Lower Parel, Mumbai : 400 013, Maharashtra, India. The Company is engaged in the business of Home Textile.

The financial statements were authorised for issue by the board of directors on April 24 ,2023.

Note 1: Significant Accounting Policies

a) **Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b) **Historical cost convention**

The financial statements have been prepared on the accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value.

c) **Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent period are recognized as deferred tax assets or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. Deferred tax assets are recognized on carried forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. However, in view of the uncertainty, the Company has not recognised MAT credit as an assets during the year.

d) **Investments**

Investments intended to be held for more than a year, from the date of acquisition, are classified as long term and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current Investments are stated at cost or fair value whichever is lower.

The cost includes acquisition charges such as brokerage, fee, duties, and reduced by pre-acquisition

e) **Revenue Recognition**

Sales of products are recognized with transfer of risk and rewards. Sales are exclusive of sales tax and net of sales return and trade discounts.

Export benefits claims like duty draw back and paybacks, insurance, etc. are recognized on reasonable certainty of recovery of such claims. Premium on sale of duty entitlement is recognized on sale of such entitlements

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

f) **Contingent Liabilities**

Provisions are recognized in the accounts in respect of present probable obligation, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

g) **Lease**

As a lessor

The Company has leased certain tangible assets and such leases where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of Profit and Loss on a straight line basis over the lease term which is representative of the pattern in which benefit derived from the use of the leases asset is diminished. Initial direct costs are recognised as an expense in the statement of Profit and loss in the period in which they are incurred.

h) **Cash and cash equivalents**

For the purpose or presentation in the statement of cash flow, cash and cash equivalents includes cash on hand, deposits, held at call with financial institutions, 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 insignificant risk of changes in value, and bank overdraft.

i) **Trade receivables**

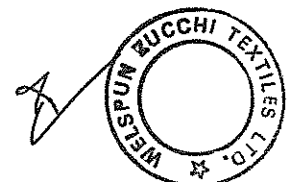
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) **Property, plant and equipment**

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.



WELSPUN ZUCCHI TEXTILES LIMITED

Significant Accounting Policies and Notes Forming Part of Financial Statements

Note 2 - Property, plant and equipment

(Amt in INR)

Particulars	Free hold Land	Free hold buildings	Electric Installation	Total
Year ended 31 March 2022				
Gross carrying amount	3,859	14,428	5,255	23,542
Additions	-	-	-	-
Disposals	-	-	-	-
Closing gross carrying amount	3,859	14,428	5,255	23,542
Accumulated Depreciation				
Depreciation charge during the year	-	482	499	981
Disposals	-	-	-	-
Closing accumulated depreciation	-	3,856	3,159	7,015
Net Carrying amount	3,859	10,571	2,096	16,527
Year ended 31 March 2023				
Gross carrying amount				
Opening gross carrying amount	3,859	14,428	5,255	23,542
Additions	-	-	-	-
Disposals	-	-	-	-
Closing gross carrying amount	3,859	14,428	5,255	23,542
Accumulated depreciation and impairment				
Opening accumulated depreciation	-	3,856	3,159	7,015
Depreciation charge during the year	-	482	499	981
Disposals	-	-	-	-
Closing accumulated depreciation and impairment	-	4,338	3,658	7,997
Net carrying amount	3,859	10,090	1,597	15,545



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WELSPUN ZUCCHI TEXTILES LIMITED

Significant Accounting Policies and Notes Forming Part of Financial Statements

	As At March 31, 2023 ₹ in '000	As At March 31, 2022 ₹ in '000				
Note 03: Other Non Current Tax Assets						
Advance Tax & TDS Net of Provision	17,376	17,448				
Total Other Non Current Tax Assets	17,376	17,448				
Note 04: Current Investments						
Investments at fair value through profit and loss						
Quoted						
Investments in Bonds						
8.99% IDBI LOWER TIER II 13/12/2027 {Face Value - Rs. 10 Lakhs; Nil (March 31, 2022 - 09 Bonds)}	-	9,168				
6.80% STATE BANK OF INDIA BONDS (SERIES I) 21/08/2030 {Face Value - Rs. 10 Lakhs; 25 Bonds (March 31, 2022 - 25 Bonds)}	24,309	24,562				
7.32% INDIA GRID TRUST NCD (SERIES L) 27/06/2031 {Face Value - Rs. 10 Lakhs; 27 Bonds (March 31, 2022 - 27 Bonds)}	26,531	26,777				
9.62% ANDHRA PRADESH STATE BEVERAGES CORPORATION 31/05/2028 {Face Value - Rs. 10 Lakhs; 9 Bonds (March 31, 2022 - Nil)}	9,070	-				
Total current investments	59,909	60,507				
Aggregate book value of quoted investments	59,909	60,507				
Aggregate market value of quoted investments	59,909	60,507				
Note 05 : Trade receivables						
Undisputed trade receivables considered good - unsecured						
- Receivable from related party	1,361	907				
Disputed Trade receivables considered good - unsecured	909	909				
Less : Allowance for doubtful debts	(909)	(909)				
Total Trade receivable	1,361	907				
Trade receivables ageing schedule for the year ended as on March 31, 2023 :						
	Less than 6 months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 year	Total
Undisputed trade receivables considered good - unsecured	1,361	-	-	-	-	1,361
Disputed Trade receivables considered good - unsecured	-	-	-	-	909	909
	1,361	-	-	-	909	2,270
Less : Allowance for doubtful debts	-	-	-	-	-	(909)
Total Trade receivables						1,361
Trade receivables ageing schedule for the year ended as on March 31, 2022 :						
	Less than 6 months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 year	Total
Undisputed trade receivables considered good - unsecured	907	-	-	-	-	907
Disputed Trade receivables considered good - unsecured	-	-	-	-	909	909
	907	-	-	-	909	1,817
Less : Allowance for doubtful debts	-	-	-	-	-	(909)
Total Trade receivables						907
Note 06 (a) : Cash and cash equivalents						
Balances with Scheduled Banks						
- In Current Accounts					12,407	6,975
Cash on Hand					10	10
Total cash and cash equivalents					12,417	6,985
Note 06 (b) : Other bank balances						
Balances with Scheduled Banks						
- In deposit accounts with Original maturity more than 12 months					14,225	13,716
Total Other bank balances					14,225	13,716
Note 07 (a) : Other financial assets						
Unsecured, considered good						
Interest Receivable					1,434	1,495
Total other financial assets					1,434	1,495
Note 07 (b) : Other Current Assets						
Prepaid Expenses					6	6
Total other assets					6	6



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WELSPUN ZUCCHI TEXTILES LIMITED

Significant Accounting Policies and Notes Forming Part of Financial Statements

	As at March 31, 2023 ₹ in '000	As at March 31, 2022 ₹ in '000
Note 09 : Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	61,409	57,939
Add : Profit for the year	4,686	3,470
Balance as at the end of the year	66,095	61,409
	As at March 31, 2023 ₹ in '000	As at March 31, 2022 ₹ in '000
Note 10 : Other Current liabilities		
Security Deposit Received From Welspun India Ltd	840	840
Statutory tax payables	36	38
Insurance Claim Payable	283	283
Outstanding Liabilities	20	20
Total other current liabilities	1,179	1,182
	As at March 31, 2023 ₹ in '000	As at March 31, 2022 ₹ in '000
Note 11 : Other Income		
Rental Income	2,520	2,520
Interest Income from investment in bond	4,498	3,531
Interest income from Deposits with Banks	684	658
Total other income	7,701	6,709
Note 12 : Finance Costs		
Other borrowing costs		
Interest and finance Charges	72	0
Total finance cost expenses	72	0
Note 13 : Other expenses		
Legal and professional fees	10	10
Loss on Fair Valuation of Bond	458	656
Loss on Sale of Bonds	163	-
Advertisement Expense	18	-
Insurance	29	28
Rates & taxes	391	173
Auditors Remuneration	20	20
Miscellaneous Expenses	6	730
Total other expenses	1,094	1,617
Note 14 : Earning Per Share		
Net profit/(loss) after tax available for equity shareholders	4,686	3,470
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	55,00,000	55,00,000
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	55,00,000	55,00,000
Basic earnings per share	0.85	0.63
Diluted earnings per share	0.85	0.63



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WELSPUN ZUCCHI TEXTILES LIMITED
Significant Accounting Policies and Notes Forming Part of Financial Statements

Note 15 : Fair Value Measurement

(i) Financial Instrument by category

	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments	59,909	-	-	60,507	-	-
Trade receivables	-	-	1,361	-	-	907
Cash & cash equivalents	-	-	12,417	-	-	6,985
Bank balances other than 5 (a) above	-	-	14,225	-	-	13,716
Other financial assets	-	-	1,434	-	-	1,495
Total financial assets	59,909	-	29,437	60,507	-	23,103
Financial liabilities						
Trade payables	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-

(ii) Fair Value of Financial Assets and Liabilities measured at amortised cost

	At March 30, 2023		At March 31, 2022	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
Financial assets :				
Trade receivables	1,361	1,361	907	907
Cash & cash equivalents	12,417	12,417	6,985	6,985
Bank balances other than 5 (a) above	14,225	14,225	13,716	13,716
Other financial assets	1,434	1,434	1,495	1,495
Total financial assets	29,437	29,437	23,103	23,103
Financial Liabilities				
Trade payables	-	-	-	-
Total financial liabilities	-	-	-	-

The carrying amount of Trade Payable and the Cash and Cash Equivalents are considered to be approximately same as their value, due to their short term nature and have been classified as level 3 in the fair value hierarchy.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are 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 Ind AS 113 'Fair Value Measurement'. An explanation of each level follows underneath the table.

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	As at March 2023				As at March 2022			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets :									
Investments	04	59,909	-	-	59,909	60,507	-	-	60,507
Trade receivables	05	-	-	1,361	1,361	-	-	907	907
Cash & cash equivalents	06(a)	-	-	12,417	12,417	-	-	6,985	6,985
Bank balances other than 6 (a)	06(b)	-	-	14,225	14,225	-	-	13,716	13,716
Other financial assets	07	-	-	1,434	1,434	-	-	1,495	1,495
Total financial assets		59,909	-	29,437	89,347	60,507	-	23,103	83,610
Financial Liabilities									
Trade payables	-	-	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	-	-	-	-

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.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives. Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(vi) Valuation Process :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities for financial reporting purposes, including level 3 fair values. This team directly reports to Chief Financial Officer (CFO).

Changes in level 2 & 3 fair values are analysed and at the end of each reporting period.



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WELSPUN ZUCCHI TEXTILES LIMITED**Significant Accounting Policies and Notes Forming Part of Financial Statements****Note 16 : Ratio Analysis and its elements**

Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for variance
(a) Current Ratio (in times)	Current assets	Current liabilities	75.78	70.77	7.08%	
(b) Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	3.95%	3.03%	30.43%	Increase in Return on Equity Ratio is mainly due to increase in income leading to higher profits.
(c) Return on capital employed	Earning before interest and taxes	Capital Employed	4.59%	3.53%	29.87%	Increase in Return on Capital Employed is mainly due to increase in income leading to higher profits.

Note : Other Ratio has not been furnished as the same is not applicable

Note 17: Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property;

(ii) The Company do not have any transactions with companies struck off;

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

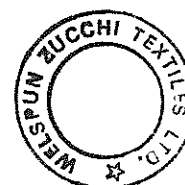
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Note 18: Shifting of Registered Office

The Company has filed an application with Registrar of Companies, Mumbai and Regional Director, Western Region on March 28, 2023 and March 30, 2023, respectively for shifting of registered office of the Company from the state of Maharashtra to the State of Gujarat.



WELSPUN ZUCCHI TEXTILES LIMITED
Significant Accounting Policies and Notes Forming Part of Financial Statements

Note 19 : Other Significant Notes

a. Related Party Disclosure:-

As per Ind As 24, the disclosure for related parties as defined in the accounting standard is given below.

i) Key Management Personnel

Dipali Goenka	Director
Sanjay Gupta	Director
Shashikant Thorat	Company Secretary
Milind Hardikar	Director

ii) Related parties with whom transaction have taken place during the year and balance

PARTICULARS	For the year ended	
	March 31, 2023 ₹ in '000	March 31, 2022 ₹ in '000
Welspun India Ltd.(Holding Company)		
Transactions during the year		
Rent Income	2,520	2,520
Closing Balance		
Debtors	1,361	907
Deposit Received	840	840

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

b. Audit Fees :

Particulars	(Amount In Rs.)	
	2022-23	2021-22
Audit Fee	20	20

c. Contingent Liabilities

- Income tax demands pursuant to orders received for AY 2010-11 Rs. 5,046.59 thousand. The company has filed appeals against the orders which is pending before appellate authorities.
 - The company has given bank guarantee of Rs. 5,078.46 thousand favouring Dakshin Gujrat Vij Company Limited.
- In the opinion of the board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and Provision for all the known liabilities have been made in the accounts.
 - The company does not have dues payable to any Micro, Small and Medium Enterprises for the year ended March 31, 2023. The identification of Micro, Small and Medium Enterprises is based on management's knowledge of their status.
 - Other additional information pursuant to provisions of the Companies Act, 2013, has not been furnished as the same is either nil or not applicable.
 - Previous year figures have been regrouped/ rearranged/ recast wherever considered necessary to confirm to this year's classification.

For Sureka Associates
 Firm Registration No 110640W
 Chartered Accountants

Suresh Sureka
 Partner
 Membership No 34132

For and on behalf of the Board Directors

Sanjay Gupta
 Director
 DIN:00496253

Dipali Goenka
 Director
 DIN:00007199

Shashikant Thorat
 Company Secretary

UDIN :
 Place : Mumbai
 Date : 24.04.2023

