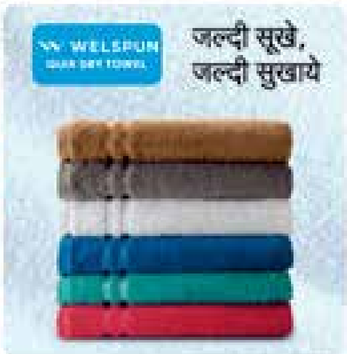
WELSPUN INDIA
Home Textiles

IMPACTING LIVES

FROM FARMS TO FAMILIES



WELSPUN INDIA LIMITED
ANNUAL REPORT
2018-19

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IMPACTING LIVES

FROM FARMS TO FAMILIES

The business philosophy at Welspun is driven by the desire to make an impactful difference to the lives of each of our stakeholders, through meaningful touchstones across every aspect of the value chain.

Our business model, with its all-encompassing reach, weaves long-term and sustainable impact into all our stakeholder segments with its sustained focus on:

- Investing in sustainable farming projects
- Enhancing the experience of consumers
- Innovating customized products & solutions
- Scaling the efficiencies of processes & systems
- Making a positive impact on communities
- Empowering employees to boost productivity
- Driving value accretion for investors

The strategy is aimed at enabling the realization of our goal to reach out effectively and efficaciously to all those whose lives we touch – from Farm to Home.

And here's how we are realizing our strategic goals to impact farmers, partners/vendors, consumers and customers, the environment and the communities, as well as the investors who continue to repose unwavering faith in the Company.

THE ENTITY THAT DELIVERS... VALUE & IMPACT

Part of USD 2.7 billion Welspun Group, Welspun India Ltd. is a global leader in home textiles, supplying to 17 of the top 30 global retailers. Our world-class manufacturing facilities, located in India, are equipped to deliver high quality products, benchmarked to international standards.

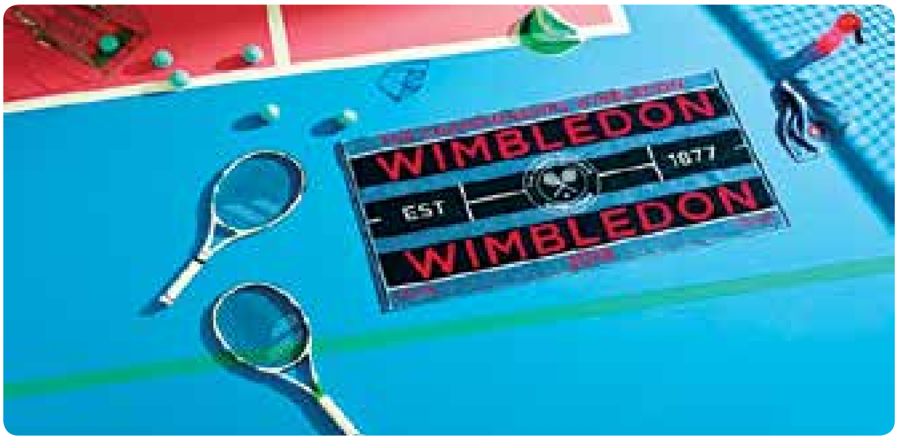
#1
Ranking in "Top 15 Home Textile Supplier Giants to USA" by Home Textiles & Today Magazine

17
Of the top 30 global retail giants, Welspun is a trusted and preferred partner

2
World-class, state-of-the-art textile manufacturing facilities in India - Anjar and Vapi

50
Countries of dominant presence with distribution network in North America, the UK, Europe, the ME, India and SE Asia

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



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

OUR PRODUCT PORTFOLIO

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

VISION

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

GROWTH

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

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

OUR COMPETITIVE STRENGTHS

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

1
Diversified brand portfolio & wide product range

2
Vertically integrated presence & capabilities

3
Global distribution network with marquee clients

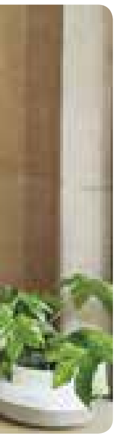
4
Exceptional track record of innovation

5
Strong focus on sustainability

6
Experienced Board & Management Team with proven track record

7
Consistent thrust on free cash flow

8
Consistent strong financial performance



GLOBAL DISTRIBUTION NETWORK WITH MARQUEE CLIENTS

Map not to scale.
For illustrative purposes only.

DELIVERING QUALITY SOLUTIONS

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

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CHAIRMAN'S MESSAGE

My dear fellow stakeholders,

It gives me immense pleasure to present to you Welspun India's Annual Report for what turned out to be a year of recovery, with challenges of the previous fiscal giving way to renewed positivity in business.

The Company is back on the growth path, thanks to its differentiated strategy, marked by focussed initiatives in branding, innovation, sustainability, as well as forays into new channels and markets. While we moved aggressively to capture the emerging opportunities led by consumer-driven growth in the domestic market, the export market also witnessed a fresh wave of optimism, particularly in view of the recovery in the US market, where retailers started restocking once again after a phase of destocking.

The Company's strategic and visionary focus on its five pillars of growth remain the pivot driving our business goals. We are well on track to realising our stated goals, both in the near and long-term. We see this strategic thrust steering our business approach to make impactful difference in the lives of all our stakeholders across the value chain – from farm to the homes of our consumers, as we move proactively towards strengthening our B2C connect.

Innovation and Patents

As a thought leader in the Home Textiles market, Welspun remains focussed on innovating products and trends aligned to the continuously evolving aspirations of an ever-widening consumer and customer base, worldwide. With our research-led approach facilitating our understanding of consumer desires and aspirations, we continued to strengthen our innovative product portfolio, which currently contributes a significant 38% to the total revenue of the Company.

Our growing expanse of patented products (at last count, we had 31 unique innovations) endorses the Company's edge in innovation, which we remain committed to augmenting further in the coming quarters. The remarkable growth witnessed by our unique ingredient brands, namely HygroCotton® and Wel-Trak™, was another highlight of FY 2019. The overwhelming response to Wel-Trak™ products, which contributed 3% to the Company's overall revenues, encouraged us to make the brand available on shelves across multiple fibers, products and geographies during the year. Going forward, I see this strategy translating into higher growth in this segment, at the back of increased consumer awareness about responsible sourcing. HygroCotton® also continues to gain strength, especially in the domestic market and the hospitality segment. Taking our innovation agenda forward, we also launched Copper and Charcoal-infused products during 2019 to further expand our innovation portfolio, which we see growing stronger as a differentiator for the Company in the coming years.

Brands

Our strong brand portfolio continues to helm our business growth, enabling us to deepen our connect with consumers across markets and aspirational categories. We have, in recent years, enhanced our focus on growing our B2C business share

The Company's strategic and visionary focus on its five pillars of growth remain the pivot driving our business goals. We are well on track to realizing our stated goals, both in the near and long-term.

by powering specialized strategies to steer different brands across diverse channels and markets. Currently, our branded products contribute 17% of our sales, and we see this getting further scaled up with increased focus on the B2C channel.

Branding remains high on our agenda for growth in the domestic market. Our deeper understanding of the market has encouraged us to launch our new 'Welspun' brand for the large affordable segment that is seeking access to value-for-money products to meet their essential needs. 'Quik Dry Towel', our first product offering under this brand, has shown good traction since its launch. For our premium brand – 'Spaces', we have redesigned the brand strategy and used a 360-degree marketing approach by increasing customer touchpoints including social media, POS, in-store, PR news, TV, outdoor and radio. During the year, our luxury brand

Innovation products contribute to 38% of Revenues

'Christy' which is predominantly focused on the UK market, faced headwinds due to poor economic sentiment, primarily driven by Brexit uncertainty. The Company is working on improving efficiency across the business, optimizing retail operations and increasing focus on B2B business making efforts.

Further, as already mentioned, our focus on expanding our ingredient brands, such as HygroCotton® and Wel-Trak™, will also continue to propel our brand strategy in the coming quarters. On the licenses front, WIL has added licenses like Canopy, Goodful and Scott Living to its portfolio. We are also investing in the growth of our 'Spun' brand, which aims to promote sustainability and women empowerment.

New Markets

In addition to further consolidating our presence in the US, where we are a market leader, we are continuously growing our footprint to diversify into new geographies and markets. Our increased focus on Europe, Japan, Middle East, Australia, Russia and South Africa is aligned to this de-risking and growth strategy, and we see it yielding rich dividends for the Company and all its stakeholders in the coming year.

The Indian domestic market, however, remains our biggest focus area as we continue to penetrate deeper to reach out more effectively to the consumers, whose aspirations have hitherto remained largely unaddressed as a result of the unorganized and fragmented nature of the sector. Our newly launched 'Welspun' brand is our pioneering effort in the direction of consolidating this large market opportunity in WIL's

Our newly launched 'Welspun' brand is our pioneering effort in the direction of consolidating the large domestic market opportunity in WIL's favor, even as we are working on strengthening our 'Spaces' and other brands to address the premium aspirational category of consumers.

favor, even as we are working on strengthening our 'Spaces' and other brands to address the premium aspirational category of consumers. We also see a significant potential for growing our new flooring solutions portfolio in the domestic market, and are investing ₹ 11 billion in setting up a manufacturing facility in Telangana, which is expected to be operational in the latter half of 2020.

New Channels

The growing popularity of e-commerce worldwide continues to motivate us to augment our omni-channel presence. We have in place a well-established warehousing network spread across the US, the UK and India to feed the e-commerce business chain, and shall continue to streamline the systems and processes of our online supply channels. It is our endeavor to enhance our capabilities in terms of teams, processes and advanced systems in CPFR (Collaborative Planning, Forecasting and Replenishment) to support Omni-channel growth for our brick and mortar customers, who are increasing their presence in the e-commerce space.

The Hospitality channel is another avenue where we have witnessed significant growth, on account of client additions, which we plan on expanding further in the coming quarters. We are also investing significantly in the global wellness channel, which also offers excellent opportunity for growth in view of the increasing awareness of wellness and health, especially in the US.

New Products

Our focus on de-risking our product portfolio and growing revenues is marked by our regular forays into new product lines. The flooring solutions business, which we have identified as the next area of our growth, will lead to significant expansion of our product bouquet. We also see growth coming from Technical Textiles - a segment which we have forayed into, to tap the global opportunity for such specialized products. The demand for specialized applications of these in various industries, within and outside India, is growing fast and we intend to make the most of the opportunity.

IMPACTING LIVES THROUGH SUSTAINABILITY

The contours of the business framework at Welspun span the entire spectrum – from farm to retail, to deliver long-term sustainable growth for all our stakeholders. Inclusive growth continues to be the mantra of our business strategy,

which is structured to make a long-lasting impact on the communities around which we work. Our operations are rooted in sustainability, mandating optimal utilization of resources to conserve the environment.

Our Sewage Treatment Plant (STP) has enabled us to make fresh water fully available to the communities, while our SPUN initiative is helping empower women while using pre-consumer waste from our factories to make products. Our green initiative is keeping the area around the plants clean and healthy, while our sustainable farming practices are supporting farmers in boosting the quality of their produce, while concurrently ensuring sustainable sourcing for the Company. We also have in place a well-developed CSR framework to realize our societal goals of facilitating in the field of Education, Empowerment and Environment & Health.

Looking ahead

The cumulative impact of our myriad initiatives and interventions across our business segments is manifested in the impact Welspun India has on each of its stakeholders. As we move forward to capture the new and emerging opportunities in our existing and new markets, it shall be our endeavor to expand our outreach, across our stakeholders, even more effectively and sustainably.

Our industry-leading performance, led by our deep understanding of the consumer needs and aspirations, along with our innovation-led strategic charter, the quality edge of our products, as well as the state-of-the-art systems and processes at our manufacturing facilities, will continue to propel growth for the Company. This, in turn, will cascade into bigger positive impact on our stakeholders, thus translating into greater progress for all of us.

We have also executed a settlement agreement that is intended to resolve litigation claims made against us in the United States concerning the marketing and labeling of our premium cotton home textile products. Welspun continues to deny the merits of these claims, does not admit to any liability in the settlement agreement, and stands by the high quality of its products. Nonetheless, Welspun believes this settlement agreement, which is subject to approval by the appropriate courts in the United States and regulators, is in the best interest of all stakeholders.

Our green initiative is keeping the area around the plants clean and healthy, while our sustainable farming practices are supporting farmers in boosting the quality of their produce, while concurrently ensuring sustainable sourcing for the Company.

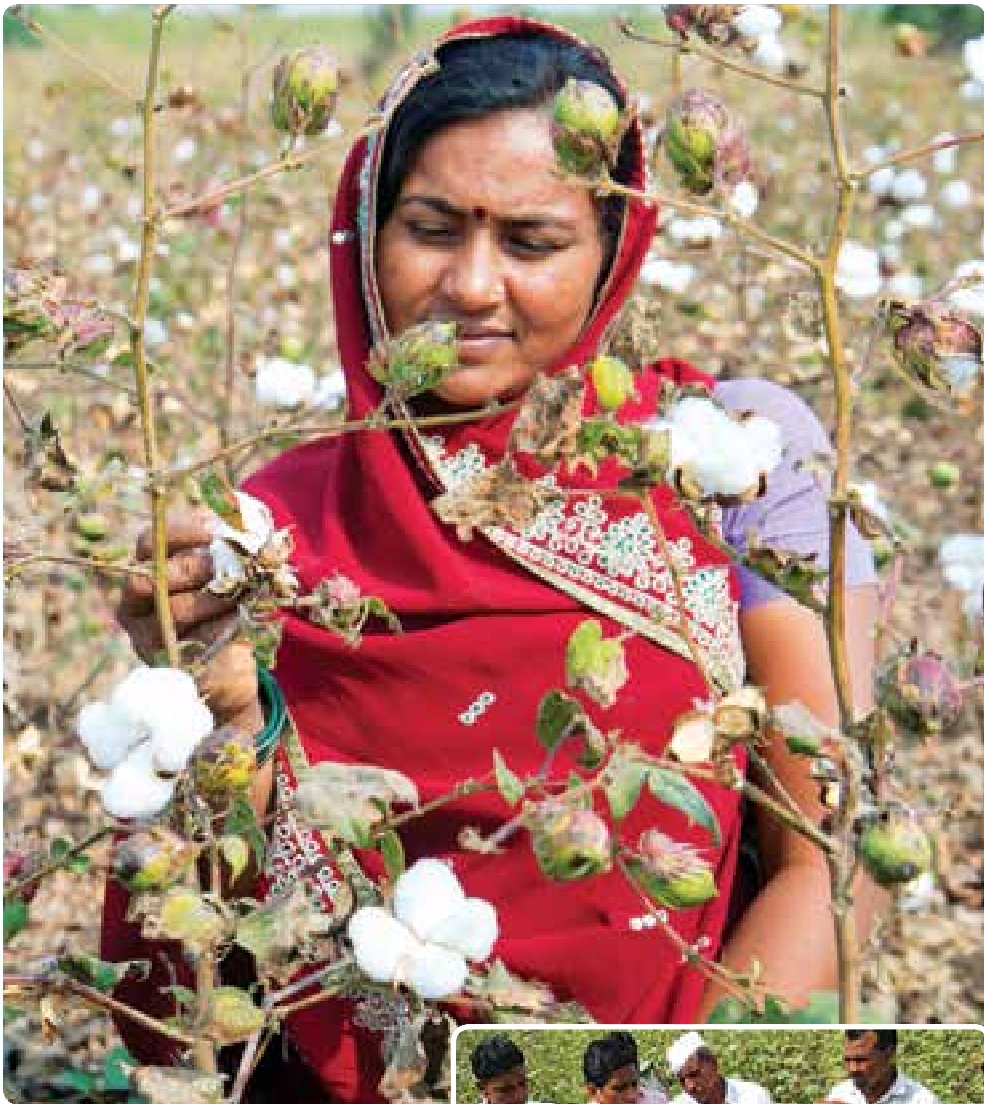
I am confident that the unwavering support and confidence of our employees, consumers, customers, vendors, partners and bankers will continue to drive our journey towards our future goals. To them, and to our Board of Directors as well as the Management, I would like to extend my heartfelt thanks for helping Welspun stay on track in its efforts to scale new heights of success.

Sincerely,

B. K. Goenka
Chairman
Welspun Group

MAKING AN IMPACT AT THE FARM

Sustainability at Welspun India is not just a component of our business philosophy; it is an ethos embedded in every aspect of our value chain. From sourcing of raw material to manufacturing, supply chain and waste upcycling/ recycling, we have seamlessly woven sustainability into every facet of our operations.



Our sustainability vision begins with the cotton farms, which we are constantly fostering to enable responsible sourcing of raw material for our diverse quality products. With the objective of promoting balanced and sustainable growth, we are focused on creating a strong and self-reliant farming community through our sustainable cotton farming initiatives – BCI (Better Cotton Initiative) and Organic Cotton (Non-GMO). By procuring these varieties of cotton, which we verify and provenance through our patented Wel-Trak™ traceability solution, we ensure sustainable sourcing, and at the same time, ensure sustainable growth of our farmer partners. Our specially developed Software and App complete the farm management solution value chain for farmers.

SUSTAINABLE FARMING PROJECTS

The drought-prone Vidarbha region (Wardha District) in Maharashtra and Kutch in Gujarat are the target regions of our sustainable farming interventions, which encompass a complete farm management solution – from farm to retail.

Our initiatives at the farms are woven around the key pillars of environment, economic and social.

ENVIRONMENT

- Pest and Pesticide Management
- Water Management
- Soil Management
- Biodiversity/Land Use
- Climate Change

ECONOMIC

- Economic Viability, Poverty Reduction and Food Security with farmer getting due value for his crop, better yield
- Economic Risk Management with healthy price competition against broker/agent monopoly
- Element of fraud in weighing raw cotton eliminated with exclusion of broker/agent, farmer also gets original sale bill

SOCIAL

- Labor Rights and Standards
- Workers' Health & Safety
- Equity and Gender
- Farmer Organization

Under our sustainable farming project, we provide education and assistance to guide the farmers in sustainable agronomic know-how, post-harvest handling and access to finance, as a step towards equipping and empowering them for a better life.

TOWARDS MORE SUSTAINABLE GLOBAL COTTON PRODUCTION

In line with our vision to ensure sustainable cotton production, to enable a sustainable growth climate for the farmers, our farm extension team has adopted sustainable farming principles (Organic & BCI) aimed at making the production cycle better for the farmers, the environment and the sector, these principles are centered on:

We have collaborated with MIT to grow Speciality cotton in controlled sustainable environment, using Hydroponic farming technique, and have started working towards its commercialization.

MULTIPLE INTERVENTIONS FOR MULTIPLE GAINS

We have evolved a holistic multi-pronged model, comprising a multitude of targeted interventions, to implement our sustainable farming projects.

AGRONOMIC INTERVENTIONS

- We undertake soil sampling and demonstrate ways to improve organic carbon as well as furrow irrigation method to bring down cultivation cost & boost yields

INTEGRATED PEST MANAGEMENT INTERVENTIONS

- We provide training materials, field demo and visits, and field scouting trainings to help control Pink Boll Worm (PBW) infestation through natural plant protection control, leading to lower cost of cultivation

HEALTH & SAFETY MEASURES

- We conducted on-field labor training and demo of safer use of pesticide, distributed PPE kits among laborers and trained identified pesticide applicators in village to ensure not a single case of poisoning in the target areas

BIODIVERSITY ENHANCEMENT

- Interventions include tree plantation, Intercrop / Border crop and Gap filling by another crop, distribution of training material on identifying beneficial insects, formation of Biodiversity Committee in villages, leading to increased awareness

DECENT WORK INTERVENTIONS

- We have launched several socio-economic initiatives, incuding: Special trainings for Farm labors on farm safety, child labor and government schemes; Re-admission for school dropout; Women SHG to promote saving and making them self-dependent; Joint camp and training with government bodies; Collaboration with like-minded organizations and foundations working in the project areas; School activity to make students aware on Farm safety and Biodiversity.

WATER STEWARDSHIP

- Training is provided on optimum utilization of water, and importance of critical stages of irrigation. We recommend alternate furrow irrigation & promote micro irrigation, which has resulted in 34% less water consumption by BCI farmers than control Farmers. 750 farmers Have adopted micro irrigation systems like sprinkler and drip irrigation.

THE IMPACT

- Reduced pesticide use
- Reduced fertilizer use
- Optimized water use
- Increased yield
- Increased profitability
- Eliminating child labor through partnerships
- Improving understanding and awareness of child labor issues
- Inclusion of women farmers and workers in training

92,500
acres landbank
Sustainable farming projects for sourcing BCI & Organic cotton

8,500+
farmers
Impacted positively by sustainable farming projects

50,000+
farm workers
Reached out through sustainable farming

THE WAY FORWARD

The support provided by WIL through the crop cycle – from agronomic knowhow, Integrated Pest and Disease Management, to procurement, and the resultant increase in yield & income, is bolstering farmer trust in our projects, which we aim to extend to more villages in 2020. We will cover more farmers not only in BCI Wardha and BCI Nakhatrana but also TBC Telangana and In-conversion Organic Wardha, to scale our reach and impact to 242 villages, 12,450 farmers and 54,000 acres of estimated cotton-sown area.

PARTNERING VENDORS TO CREATE MORE VALUE

WIL's value chain would be incomplete without the critical contribution of its vendors and partners. Cognizant of their importance to our farm-to-retail value-driven and impact-led growth strategy, we remain consistently focused on nurturing our relations with our partners and vendors. At the same time, we are working, dedicatedly and continuously, to align these partners and vendors to our business philosophy and vision. This will help them remain perpetually connected to our goals and mission; and equip them to partner us in the implementation of our strategic charter.

We, at Welspun India, believe in the mutuality of this concomitant relationship for the benefit of the Company as well our vendors/partners. We strongly believe that by associating with us, they become equal partners in the Company's growth journey, and also stakeholders with an equitable share in the value generated by WIL. The onus, thus, rests on us to continuously scale up the value they get from this association.

Our ancillary model of growth is structured to protecting and promoting the interests of our vendors/partners, to ensure a positive long-term effect on their businesses.

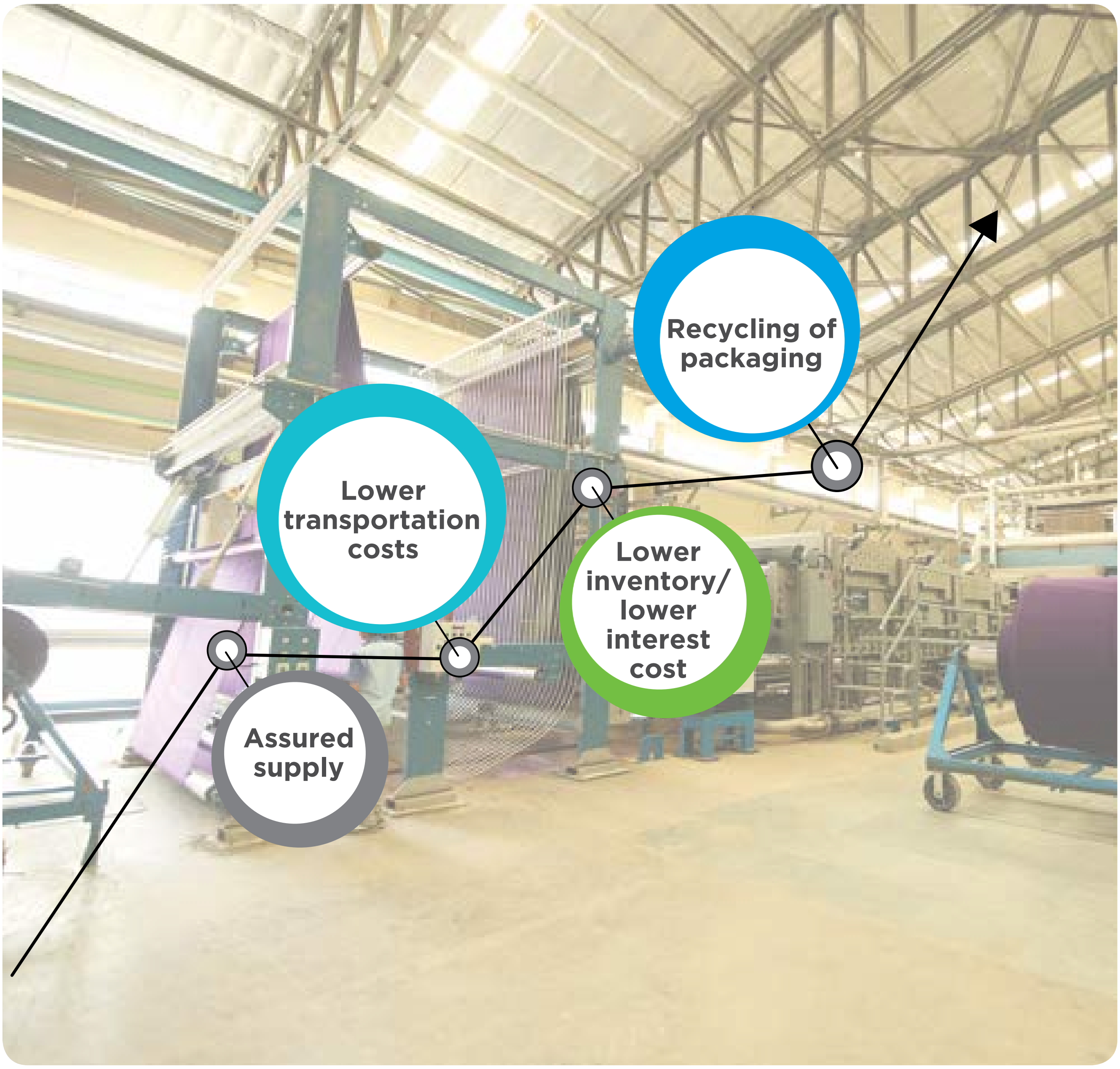
We are collaborating with suppliers for lead time reduction via exclusive set-up of Welspun Ancillary Units, and have already established Ancillaries for Spinning, Trims and Packaging Material.

ANCILLARY MODEL

The ancillary model of growth, as the name suggests, is centered on the ancillarization of key intermediate products, which WIL has been engaged in driving for the past three years. The strategy is powered by the concept of collaboration with suppliers for an exclusive set-up of ancillary units for supply of intermediates like yarn, fabric, trims among others to the Company. The on-site set-up of ancillary supplier units ensures immediate access to the key intermediate products, while reducing CO_2 emissions to maintain the ecological balance at our manufacturing units.

SYNERGISTIC BENEFITS

The ancillary model is rooted in the overarching objective of achieving synergistic benefits for both parties, namely WIL and vendors/partners in the value chain of business.



THE IMPACT

- Paving the way for asset-light growth in the future
- Enabling lower transportation costs
- Reducing inventory
- Expediting working capital cycle
- Accelerating recycling of packaging

THE WAY FORWARD

In its onward journey, the Company will invest primarily in high value-added stages of the manufacturing process while procuring many of the intermediate products through the ancillary model, to fuel future growth of towels and sheets. This is a win-win model for both, the Company and its vendors/partners, who get consistent value as dedicated partners in our supply chain.

DELIVERING EXPERIENTIAL VALUE TO CONSUMERS

At Welspun, we are continuously working to redefine our brand and business strategy to address the dynamically evolving consumer aspirations and their ever-widening expanse of diverse desires. In this endeavor, we seek to address not only the contemporary aspirational needs of the consumers but go beyond, to create new aspirational desires that we feel will enhance his experiential journey of life.

DEEPER INSIGHTS FOR STRONGER BRAND CONNECT

Gaining insights into the consumer mind to gauge his aspirational ambitions and trends, both real and those that exist only in the realm of the future, is a key to enhancing consumer experience. We are continuously adopting new tools, metrics and mediums to deepen our consumer understanding, across geographies, cultures and age groups.

Welspun Brain Trust helps us gain deeper insights into the consumer mind, to enable us to focus on relevant consumer innovation and product development in line with their aspirations. Technology also helps us in deciphering consumer aspirations, and leverage the understanding and analysis drawn from it to forecast trends. We are continually building on our Advanced Analytics capabilities to leverage big data for optimizing performance, using transaction summary from retailer along with external data to strengthen our understanding in terms of Demand Forecasting, in addition to Inventory Management, Pricing & Promotions, Product Assortments and Customer Analytics.

The analysis of this data, as well as the conclusions that we draw from it, helps us strategize our innovation-led brand strategy to address the emerging needs of the consumers and also to delve deeper into the minds to read the aspirations that are yet to take shape and form. Our brand portfolio is thus crafted to address the consumer desires of today, as also to inspire new aspirations that will further enhance his experience with Welspun.

BRANDS THAT POWER CONSUMER IMPACT

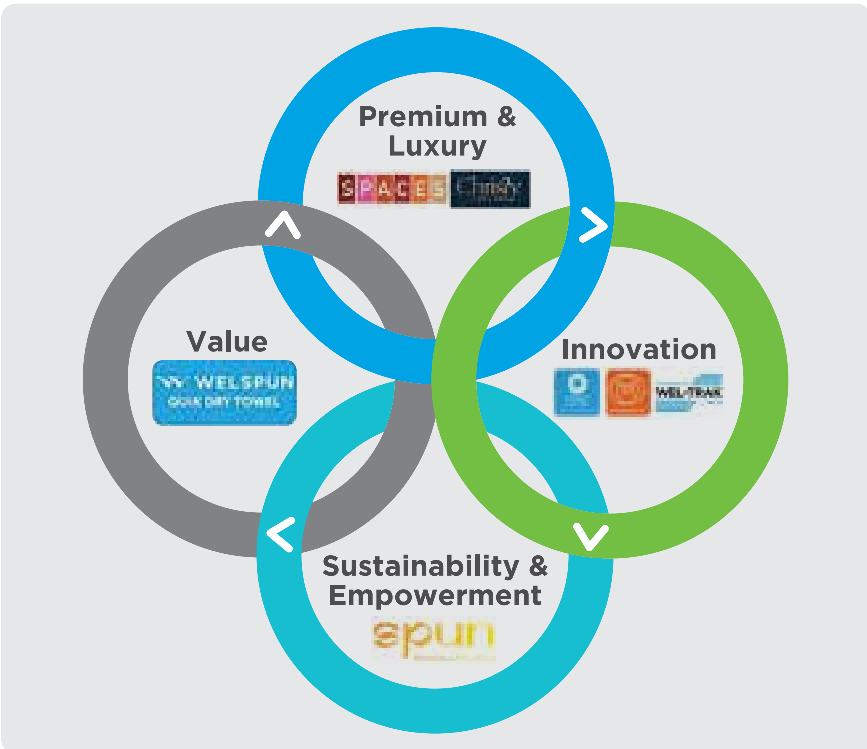
Rooted in the ethos of transparency and quality, our brands are designed to enrich consumer experience, and build a strong foundation of consumer connect and trust. It is a connect that is driven by the consumer need for something more and bigger, to enhance their experience with our brands.

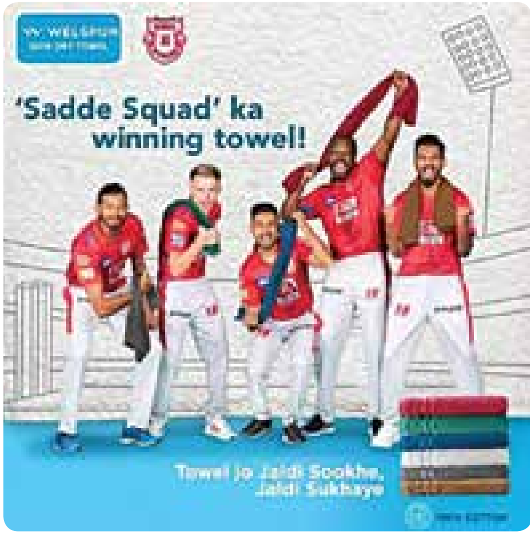
Backed by the Welspun legacy of quality and innovation, our brand propositions are built on a multi-pillared approach, consisting of pioneering products, technology-enabled interactive products and licensed brands, designed to address the aspirations of consumers in the target markets. Every Welspun brand has a unique and powerful edge that makes it distinctive, dynamic and dauntless, thus driving greater impact for the consumers.

17%

Contribution of branded products to total Sales in 2019

OUR BRAND PORTFOLIO





HOW OUR BRANDS SEEK OUT ASPIRATIONS...

Our brands are crafted for the special needs of consumers, be it premium offerings, mass affordability, innovative features/ designs, technological edge, or sustainability, thereby giving a differentiated experience in every consumer category.

- Our SPACES and Christy brands are high on the premium quotient, engaging with the luxury-seeking consumers in domestic and international markets respectively. The SPACES brand, which we are now promoting quite aggressively in the domestic market, comprises an exciting range of bed linen, bath products & other home furnishing accessories, which blend trendy, bold designs with innovative superior quality for comfort living. We have recently added a new flavor to SPACES with the launch of our 'Rangana' product range, which is inspired by the Indian artisans. Our other premium brand, Christy has emerged as the preferred choice for consumers in the UK with its luxury towels, bed linen and home accessories. Christy's growth has come at the back of a reworked brand strategy that is powering traction not just in the UK but also in the US, China and the Middle East, with focus on the online channel.
- To connect with the tech-savvy consumer who likes to engage with brands that have smart features, we have innovated the temperature regulating HygroCotton® branded products. With these products, we have found a way to keep consumers comfortably cool in summer and warm in winter. We can also relate to the desperate need of allergy-prone consumers for safe products, for whom we provide our Nanocore® brand offering.
- Wel-Trak™ reflects our understanding of the growing consumer awareness about environment-friendly processes, and their need to trace the origin of their products down to the farm.
- The need of the environmentally conscious consumer for sustainable goods inspired us to add SPUN to our brand portfolio, as a beautifully handcrafted, one-of-a-kind range of textiles to revive India's crafts, and empower all those associated with these crafts.
- For the value-conscious domestic consumer, we have recently launched our new 'Welspun' brand, which is currently witnessing good response in its pilot stage in a couple of cities. The brand is motivated by the existence of a large addressable market of ₹ 60,000 million for affordable products in India.

#StayWell & Thrive with SPACES

SPACES is the first brand in the textiles category to partner with Thrive Global India to issue a national call on the importance of staying well. This partnership aims to align Thrive Global India's vision of adequate rest, sleep and wellness with SPACES' product experiences in order to empower consumers to #StayWell. The collaboration will incorporate Thrive's science-based solutions and signature micro steps to focus on thoughtful living for the SPACES family, and help the brand stay true to its mission of inspiring well-being among its consumers.

Twinkle Khanna - Chief Style Officer
Spaces

Our first experiential zone in Mumbai, showcasing all our innovative products, is drawing massive response from consumers.

CONSUMER INTERACTION THROUGH BRAND ACTIVATION

Welspun upped its consumer interaction and brand engagement during the year with a series of brand activation campaigns to promote the Quik Dry towels' proposition – *Jaldi Sookhe, Jaldi Sukhaye*. A TVC campaign took a humorous spin on the Lok Sabha elections to showcase the brand's promise of superior quality at affordable prices while, at the same time, encouraging consumers to vote responsibly during the elections.

The Quik Dry towels also made a mark at the Kumbh Mela and at IPL, highlighting the mass appeal of the new product. This was Welspun's first foray at Kumbh, which proved to be an ideal platform to promote the USP of this new mass product. The brand also carried the campaign forward by collaborating with Kings XI Punjab as their official partner for IPL Season 12, to drive brand awareness among cricket fans across the country.

THE IMPACT

- Consumers get what they want, at price points they can afford
- Unique features make every brand and product distinct
- There is something for every type of consumer in Welspun brand portfolio

THE WAY FORWARD

Given the frantic pace of consumer evolution, we shall strengthen our focus further on deepening our analytical understanding of consumer aspirations and desires, and continue to expand our brand bouquet and align it even more intricately with these needs.

WELSPUN FLOORING

Welspun Flooring promises to revolutionise the flooring industry. The Company has big plans to become a one-of-its-kind flooring player in India, while looking at exports too. The overall size of the Indian tiles market is ₹ 35,0000 million per annum, of which 90% is for new construction and 10% is renovation. Our belief is that the renovation segment will grow significantly.

With an investment of over ₹ 11,000 million, the manufacturing facility is coming up in Hyderabad spread over a massive 600 acres, with a capacity of 27 mn sq mtr. Welspun Flooring aims to manufacture 10 million sq.mt. of flooring in the first phase targeting a turnover of ₹ 10,000 million in near future, rising to over 20,000 million at full capacity. The company has already built-up a significant presence with distributors across India, and is aiming for a total of 500 dealers and distributors by the end of 2019.

With an investment of over ₹ 11,000 million, the manufacturing facility is coming up in Hyderabad spread over a massive 600 acres, with a capacity of 27 Mn Sq Mtr.

The ace up our sleeves is our flagship product – Click N Lock tiles. Our revolutionary technology, which has individual tiles locking into one another, ensures flooring installation can be done in less than a day, making it easy and chaos free. And that's not all. Click N Lock tiles can be easily laid over existing flooring, saving the hassle of dismantling old flooring. Also, to allay any

concerns over durability, Welspun Flooring is committing to a 10-year warranty on the product, which will have thickness ranging from 4mm to 6mm.

The other offerings of the company are Carpet tiles, Broadloom Carpets (wall-to-wall), and Greens (artificial grass). In addition to the above, Welspun Flooring also has Fusion Flooring (Mix-n-Match), which offers the freedom to experiment and create signature designs, and a combination of hard and soft flooring for commercial purposes. With competitive pricing, customers can look forward to great value too.

This being just the start, Welspun Flooring aims to leave no stone unturned to disrupt the flooring market, and looks all set to usher in a much-needed flooring revolution!

CENTERING IMPACT AROUND THE CUSTOMER

Our research and insights tell us that, in today's increasingly competitive market environment, products and market strategies need to be structured to customer requirements. Besides ensuring sustained business success, this also helps in addressing the exclusive needs of our valuable niche customers, enabling impactful value creation at the retail end of the value chain.

Cognizant of the importance of customer-centricity to our business model, we make regular investments in developing unique products and solutions to deliver more value to such customers. We are constantly innovating to make our products smarter, our processes more efficient and our environment better.

HARNESSING TECHNOLOGY TO DRIVE CUSTOMER VALUE

Technology has emerged as a key enabler in helping us deconstruct the exclusive needs of our niche customers and deliver to those needs through our innovative products and solutions.

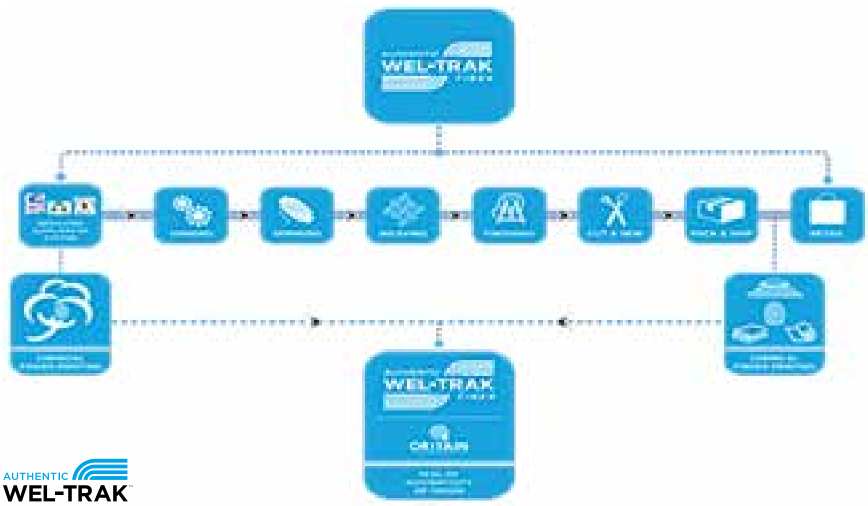
When we were looking for a solution to address the customer's need to use only 'responsibly sourced' products, we took to technology and used the blockchain concept to develop the proprietary supply chain traceability solution "Wel-Trak".

We used technology to identify the unique sensitivity of customers who need towels that are ultrasoft and get loftier with each wash, and bed linen that regulates temperature, to come out with our own patented HygroCotton technology.

Technology is also the propeller for our sustainability-led product offerings that use more sustainable fibers (BCI, Organic, Recycled Polyester, etc.), which many of our new-age customers seek.

AUGMENTING VALUE THROUGH INNOVATIVE SOLUTIONS

We have a track record of introducing new products in the market every six months, with each new product category offering an innovative edge, be it in construction, fiber or appearance.



Welspun's patented Wel-Trak™ process, supplemented by scientific traceability from Oritain™, is the most comprehensive end-to-end fiber tracking process. Wel-Trak™ allows consumers to track the fiber used in the product to the farm where it was produced. A huge differentiator for the company, this industry-defining solution for traceability gives our customers the desired comfort in terms of traceability and where the product is coming from. This global cotton integrity process, supplemented by scientific traceability from Oritain™, ensures fiber verification from the origin and at every stage of production, as well as rigorous process control of the fiber's physical parameters.

Wel-Trak's™ growing engagement with customers is a matter of satisfaction for us, at WIL. Considered by our customers as a breakthrough technology, providing them the desired comfort in terms of traceability and where the product is coming from, Wel-Trak™ is showing substantial traction, now contributing to almost 3% of our revenue. Its unique value proposition is encouraging customers to promote Wel-Trak™, with most of their private labels now being marked with the trusted Wel-Trak™ QR code.

A breakthrough, patented spinning technology, HygroCotton® has changed customer perception of towels and bed linen from being mere essentials to some of the most comforting things in life. The technology uses a hollow core cotton yarn to make fabric that is ultra-soft, ultra-absorbent and plumps up after every wash, thus maintaining its soft and plush feel. It also helps regulate the temperature of the fabric, making it an ideal all-weather sheeting product. Sheets and towels made from HygroCotton® are extremely popular in all markets.

Hygrocotton® is WIL's commercially most successful innovation, now contributing 17-18% of our total global revenues.

GOODNIGHTSLEEP™

A comfortable sleeping experience is something every customer vies for. Welspun's GoodnightSleep™ mattress pad with SoftShield™ Technology is a unique solution for a more comfortable sleep. It works by adding a silent water-resistant protection that lends an extra layer of comfort to the mattress, with its 100% cotton face giving it a soft and quiet moisture barrier and making it more breathable.

ADVANCED TEXTILES

The demand for specialized products in certain sectors necessitates a specialized product development approach, which is reflected in our Advanced Textiles, comprising solutions for consumer and industrial applications in Medical, FMCG, Filtration, Automotive, Thermal Insulation, Aero-Space, etc. The launch of copper and charcoal-infused products, which were well received in the US market, has made WIL the approved supplier for one of the largest players in wet wipes. Welspun's vision is to become global leader in advanced textiles by developing innovative products.

STRENGTHENING THE PROCESS VALUE CHAIN

We believe that customer-centricity is guided as much by innovative products and solutions as by process efficiencies, an agile supply chain, advanced systems, etc.

In line with this belief, we are making significant investments in Industry 4.0 technologies to improve our process efficiency through Digitization / Automation of business processes and RPA (Robotics Process Automation), to handle high volume of repeatable activities such as Accounts Payable, PO to SO process.

Our relentless focus on precise execution with 100% quality OTIF and lean, but agile supply chain, is helping improve turnaround time from factory to shelf.

To ensure 'First-Time Right' quality products and to avoid delays, Welspun has invested in specialized equipment on the shop floor.

OMNI-CHANNEL GROWTH TO SUPPORT CUSTOMERS

With customer at the heart of our strategic agenda, we are strengthening our capability in terms of teams, processes and advanced systems in CPFR (Collaborative Planning, Forecasting and Replenishment) to support Omni-channel growth for our customers like Walmart.

We have complete Omni-channel capabilities, right from Assortment to Analytics. We have a dedicated Supply chain team in Bentonville, which works closely with Walmart's onshore replenishment team on real-time analysis & inventory optimization. We touch base on a weekly basis on Sales reporting, Order management, Right fulfillment, and Leverage replenishment insights to drive POS. Precise execution is ensured through synchronization with Welspun's planning team.

Our warehousing facility in the US can support e-commerce business for drop shipments, with a dedicated global e-commerce team drawing talent from companies like Amazon. Our e-commerce team can support Walmart account on item set-up/ inventory, coordinating content and imaging, performance report reviews for dropship, and product appearance on retailer website.

Our average online customer rating is a high of 4.39, with all our programs launched online before being extended to the mainstream.

THE IMPACT

- Stronger customer connect
- Wider customer engagement
- Reduced time to market
- Business growth

THE WAY FORWARD

We are planning to launch our new innovation – FibroSplit Composite Fabric, developed using Welpun's patented technology. It is a highly flexible product that can be used for outdoor applications like canopies, blinds etc., performance apparel and home textile applications like filter media, technical packaging, acoustics and high-performance wiping, as well automotive acoustic applications.

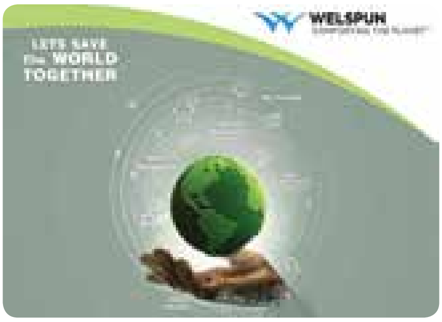
With increased focus on customer-led innovation, we aim to strengthen our presence in Hospitality, going forward.

ADVANCED TEXTILES

Advanced Textiles is the emerging segment of textile products which deals with innovative product applications. Welspun has diversified in this space with the objective of catering to futuristic requirements of consumers.

The technologies involve constructing fabric directly from fibers, without going through traditional stages of spinning and weaving/knitting. Welspun presently has 3 technologies – Spunlace, Needlepunch and Thermobond. Each of these has in-house downstream conversion unit, to manufacture value-added products as per customer requirements.

Spunlace non-wovens cater to medical disposables, hygiene, cosmetics and coating substrate applications. In the last year, our Spunlace brand called "AeroEaze" qualified for Aerospace Wiping applications, successfully tested for AMS (Aerospace Material



Standards) and BMS (Boeing Material Specification) and has generated international interest.

Needle punch non-wovens are used in high performance industrial & automotive filtration; presently Welspun products are used in reputed automotive brands like Jeep, Nissan and Renault. Welstrat and Welaer are new innovative product brands developed and launched for industrial filtration applications – for cement, mining and power industries.

Wet wipes is private label manufacturing business, which caters to Indian market and works for popular brands like Himalaya and Unilever and also works with retailers like Amazon.

During FY18-19, Advanced Textiles has successfully crossed the ₹ 2,000 million mark. Of this, higher value-add products constituted 30% of the total product basket. Presently over 70% of the business for advanced textiles comes from exports. With recent trade-war between the USA-China, there is further potential to widen the market reach in the US. By scaling-up capacities and adding newer technologies, this business is expected to generate a top-line of ₹ 10,000 million annually in the next 3-5 years.

IMPACTING THE COMMUNITIES

Our research and insights tell us that, in today's increasingly competitive market environment, products and market strategies need to be structured to customer requirements. Besides ensuring sustained business success, this also helps in addressing the exclusive needs of our valuable niche customers, enabling impactful value creation at the retail end of the value chain.

Our Corporate Social Responsibility (CSR) charter is designed to create value and deliver impact on the three Es of Education, Empowerment and Environment & Health.

EDUCATION
Project Gyankunj
Learning at the Right Level

ENVIRONMENT & HEALTH
Model Villages
Project Navchetna
Plantation

EMPOWERMENT
Super Sports Women
Menstrual Hygiene through Women Entrepreneurship

IMPACTING IN EDUCATION

Gyankunj

As part of our flagship project Gyankunj, we are working in collaboration with the Government of Gujarat to provide technology and training for the digitalization of classroom in the primary government schools. The program, covering 116 schools in the 3 districts of Valsad, Kutch and Bharuch in Gujarat, is aimed at enhancing the teaching and learning process for teachers and students through the use of technology.

THE IMPACT

- **223** classrooms digitalized
- **55,750** students educated
- **961** teachers trained
- **20%** improvement in attendance in government schools

Scripting a success story

The progress of our beneficiaries is the key motivational power for Welspun Foundation for Health & Knowledge, especially when the testimony of it comes from a beneficiary. Inayat Ali Sheikh, the principal of one of our beneficiary schools, Primary Municipal School No. 11 in Anjar, Kutch district of Gujarat, shared his views on the initiation of Project Gyankunj (our digital education initiative) in his school, where Welspun Foundation had installed two digital classrooms. With a projector and an interactive board, software for different academic subjects like Math, Science, and Technology & Social Science, along with technical training in each of these two classrooms, the Foundation transformed their overall teaching-learning experience. Encouraged by the success of the two digital classrooms, school authorities have expressed a keen interest to transform all classrooms in the primary school through digitalization under project Gyankunj

IMPACTING THROUGH EMPOWERMENT

We are engaged in promoting Indian women in Sports with the aim to support potential sportswomen from challenging backgrounds, and enable them to seek path-breaking career opportunities in sports. The program covers 11 Sports: Para Badminton, Swimming, Weight Lifting, Boxing, Long Jump, Taekwondo, Long Distance Running, Hockey, Para Power Lifter, Kick Boxing and Cycling.

THE IMPACT

- **14** Super Sports Women

WELSPUN RUN SCHOOLS

The Welspun Vidya Mandir is a CBSC - affiliated school with a vision to build an institute of excellence in all spheres, imparting holistic education with overall grooming of the children. Today, CBSE school is providing quality education to 1,800 students with 75 teachers.

The Gayatri Devi Public School is a State Board - affiliated English Medium School having classes from Class I to IX catering to 321 students with 16 teachers.

MENSTRUAL HYGIENE THROUGH WOMEN ENTREPRENEURSHIP

It is our endeavor to empower women from identified locations towards better reproductive health and sustainable livelihood, and to provide access to high quality sanitary pads at affordable rates. The program impact spans Anjar, UP, MP, Telangana, Bihar and Vapi. The program is focused on creating women entrepreneurs through distributorship model in villages to ensure that each woman and adolescent has access to sanitary pads.

THE IMPACT

- **20** villages
- **50** women entrepreneurs
- **6,750** sanitary pads sold
- **22,000** women helped

Entrepreneur: **Ms. Hetal Bambhaniya**
Village: **Chandhiya**

Hetal used a poster to explain about menstrual hygiene to two women in the village. She told them why it was advisable to use sanitary pads and why cloth should be discouraged. Both the women use red/maroon colored cloth during periods. After a long discussion, Ms. Hetal successfully convinced them to use pads and to stop usage of cloth. Now the women, along with other ladies in the house, use sanitary napkins. No one in their household uses cloth any more. Hetal is happy that her mentoring helped them in taking an important decision towards a healthy life

Entrepreneur: **Ms. Sneha M. Jaru**
Village: **Modvadar**

Sneha M. Jaru is an entrepreneur from Modvadar village. She sells sanitary napkins to women in her village. She makes sure to conduct follow-up visits with all women who have purchased napkins from her. She ensures that they are well-versed with the usage and disposal technique. She levies more focus on the right usage of the pads after discovering during a follow-up that a woman from her own village was placing the pad in the wrongful manner, Sneha quickly identified the problem and resolved the lady's doubts successfully

Entrepreneur: **Ms. Hansaben Damji Vankar**
Village: **Khambhara**

Hansaben visited the house of a woman to discuss about menstrual health. She wanted to know if the women in the household were aware of the right usage of sanitary pads and their disposal technique. The lady in the house mentioned that she was already using sanitary pads but when questioned about the disposal technique, she mentioned that the pads were thrown in the toilet. At this juncture, Hansaben corrected her and suggested wrapping the sanitary pads in newspaper or paper and then putting them inside a bio degradable polythene bag to be disposed of separately, so that it would not choke the drainage pipe of her home

Entrepreneur: **Ms. Radhaben Shambhubhai Kerasiya**
Village: **Satapar**

Sharing an experience, Radhaben said during a follow-up visit, there was an awareness session on menstrual health conducted in government school, Satapar. After the session, the impact was visible with numerous girls approaching her for purchasing sanitary napkins. She also visited the house of a woman to discuss about menstrual hygiene where a teenage girl from the neighborhood was also there. The girl had attended her awareness session and helped her to convince the woman along with Radhaben. The teenage girl also convinced her mother to use sanitary napkins and purchased pads for her mother as well and ensured that her mother started using sanitary pad

Entrepreneur: **Ms. Chandani Parmar**
Village: **Lohariya**

Chandani Parmar was using cloth during her periods prior to attending a session on menstrual hygiene. After attending the session, she switched to sanitary napkin. She has since also been approached by several women and girls to clarify their doubts regarding menstrual hygiene and problems they face during menstrual cycle. Since she was getting good response from the village women, she started selling pad to earn a livelihood and spreading awareness on menstrual health

Entrepreneur: **Ms. Hansaben Damji Vankar**
Village: **Khambhara**

During her visit to the house of a 55-year-old woman in her village, Hansaben discussed about menstrual health with the lady. The lady confessed that she had never used a sanitary pad. She mentioned that she used a cloth, as did her three daughters. Though her daughter-in-law was using sanitary pads, those were bought by her son, as a result she did not know about the usage or disposal of the pads. Hansaben showed the lady the right usage of sanitary pads and also stressed on the right way of disposing the pad. The lady immediately purchased three packets of sanitary pads and gifted them to all three daughters

MODEL VILLAGE

We are engaged in the development of Model Village as a sustainable rural community that is able to generate and maintain the resources necessary to improve its level of wellbeing and happiness without depleting economic, social & environmental values. The project is currently targeting Anjar, Vapi and Telangana regions. We have undertaken the development of model village through education, empowerment, vocational & livelihood skill trainings and health. The programs have a community-driven approach where we conduct meetings with the panchyat body and the community and collectively work towards improving the education, health, livelihood and environmental status of the village, essential civic projects are also taken up on case-to-case basis where we ensure there are proper services like drainage & sewage, disposal systems and streetlights.

The villages are high on quality of education and health index. We run programs on education, health and empowerment through which we are able to empower the community. From an environmental standpoint, the villagers have actively participated in creating green belts on public land and participated in many Swachh Bharat Abhiyan campaign run by the company.

THE IMPACT

- 5 villages
- 19,600 people

We are also impacting the communities through our fodder program, medical camps, plantation drives, pond cleaning, para teachers training, mobile ambulances, among others. We have planted 30,000 saplings so far in Anjar, Vapi and Dahej and built more than 6,000 sanitation blocks in Vapi and Anjar. Our mobile health vans are impacting 10 villages in Anjar.

LEARNING AT THE RIGHT LEVEL

The program targets students in the communities around our Vapi and Anjar facilities and seeks to increase the learning levels of students through Community Libraries & Learning Camp activities. It is also aimed at improving the reading, writing and basic arithmetic skills of the children in the age group of 6-14 years.

THE IMPACT

- 33 Villages
- 35 Schools
- 1,777 Students

PROJECT NAVCHETNA

We coordinate with ASHA, Anganwadi workers, CHC, PHCs and mobile ambulance services to improve female health from womb to puberty to motherhood. We are also working to reduce fetal, infant, child and maternal mortality rates in the female population through awareness sessions on vaccination, health and hygiene, school visits, home visits, health melas, nukkad nataks and rasoi shows.

THE IMPACT

- **10** villages in Anjar
- **5** villages in Vapi
- **33,264** beneficiaries

THE WAY FORWARD

We shall continue to strengthen our inclusive growth strategy, with more CSR initiatives to encompass more members of the communities around which we work. We remain holistically committed to building an equal society, where every member has equal opportunity to progress in life.

EMPOWERING PEOPLE TO BOOST IMPACT

Talent engagement and development is the core of our business philosophy. The Company is progressively investing to improve capabilities leading to talent productivity and thereby increasing efficiencies with an equal focus on overall welfare. The overarching objective of this is to increase the impact across the value chain.

NURTURING TALENT

We believe in our 20,000+ dedicated strong workforce to be a powerful engine of our growth and success. We make significant investments through the year in attracting, nurturing and retaining talent, and in developing the skills of Welspunites across levels. We assure career progression for our employees and enable opportunities to grow.

- Group leadership program – to create global leaders with the latest curriculum developed through tie-ups with Ivy league institutes and international faculties of repute
- E-learning platform - for our mid-level executives to ensure continuous upskilling
- Investment in supervisory development – along with upskilling/multi-skilling of workers and operators
- Trainee program – for hiring talent from leading colleges to ensure fresh flow of talent

DELIVERING INCLUSIVE IMPACT

Inclusion and diversity is an integral part of Welspun's DNA. Currently, 23% of our workforce comprises women, which we aim to take to 30%. We have recently developed a 700+ strong multi-operational facility at Anjar that is run solely by women. Welspun has also actively participated in Walmart's 'Women in Factories' program. Our employees have also been invited for overseas seminars on this topic as guest ambassadors.

Diversity is another driving fuel for us. We have a team of differently-abled individuals who get vocational training for the purpose of integration into our business. Our 200+ specially-abled associates are a strong element of our people power.

THE IMPACT

- 23% Women workforce

PROMOTING EMPLOYEE WELFARE

We have in place several impactful initiatives to ensure the holistic progress and welfare of our employees.

HealthifyMe

HealthifyMe is a health and wellness initiative aimed at promoting employee health and well-being. The app-based platform is equipped with features to check the employee's lifestyle and food habits. The program is designed to help employees build healthy lifestyle habits by including tasks around most essential elements of wellness i.e. nutrition, physical, social and emotional wellness. The team ran multiple fun initiatives like Step challenge, Lifestyle challenge on HealthifyMe app for all employees across India locations during the year.

E-Gurukul

Learning on the Go! Our E-Gurukul, a digital platform, has a library of digital learning modules which focus on Leadership, Digital mindset, Effective decision-making, analytical and problem-solving skills along with many other contemporary modules. Each course has byte-sized modules enabling on-the-go learning for employees. It allows learning at self-pace and priority. The platform was launched in January 2019 for about 1,300 employees of WIL across HO, Anjar, Vapi locations.

Associate Welfare Scheme

At Anjar, we rolled out an associate welfare scheme for blue collar workforce in FY 2018-19. The objective of the initiative was to provide financial assistance on medical exigencies. The scheme will help in nurturing a healthier workforce and provide an opportunity to avail financial assistance for their healthcare. As part of this initiative, a welfare fund has been created, to which the employees contribute on a monthly basis. The amount collected via this fund will be used for medical financial assistance for the associates at Anjar plant.

AYLP

'Achieving Your Leadership Potential' (AYLP) is our leadership development program for Mid-level managers, run in partnership with one of the leading B-Schools in Mumbai. The objective of this initiative is to create a customized learning journey and nurture the key talent in the organization to take up leadership roles in the future. The graduation ceremony for AYLP batch 1 (24 participants) was held in January 2019. The development journey for AYLP batch 2 (31 participants) kick-started in February 2019 and is in-progress.

Shared Services

In 2019, we rolled out shared services at our Vapi location in finance and logistics functions, with the aim to ensure that business divisions focus their limited resources on initiatives that drive business growth. This is done by centralizing transactional activities, thereby aiding better cost and process efficiencies. Business has invested in Technology, which is the backbone for a successful transition and implementation.

Enthusia

Enthusia, the first ever annual event for Sales and Merchandizing team, was conducted in March 2019. The theme of the event was - building successful teams through camaraderie and fun. The event witnessed a very energetic response from 75 team members.

360 feedback

We launched 360 feedback for critical role holders in the organization, to provide all-round feedback, from multiple stakeholders, to aid leadership development. This was followed by feedback sessions with the counselor to understand the areas of improvement for the employee. This initiative was completed for around 70 employees.

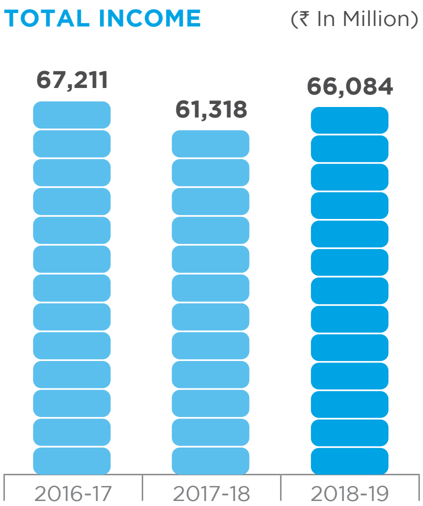
THE WAY FORWARD

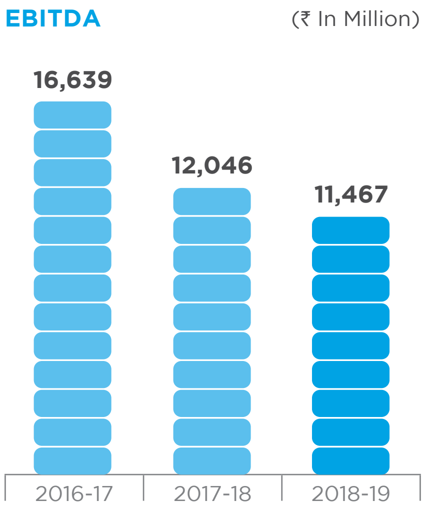
The empowerment of our people will remain a critical parameter of our success journey and we shall continue to invest in this facet of our business to ensure sustainable growth, across the value chain – from farm to retail.

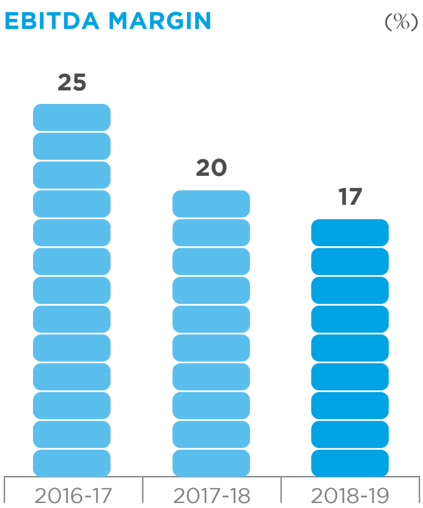
DELIVERING CONSISTENT VALUE TO INVESTORS

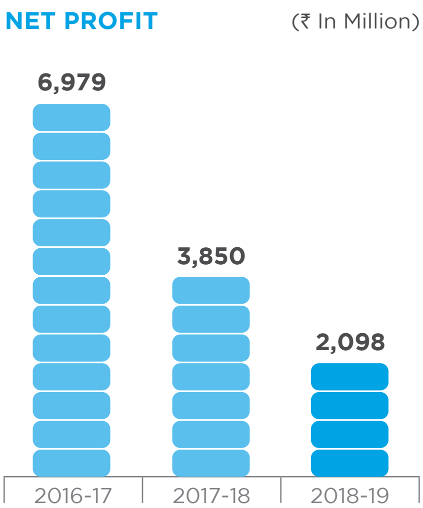
With consistent focus on free cash flow powering this value-driven journey, the Company has remained FCF positive for the past five years. We also have a consistent track record of dividend distribution to our shareholders.

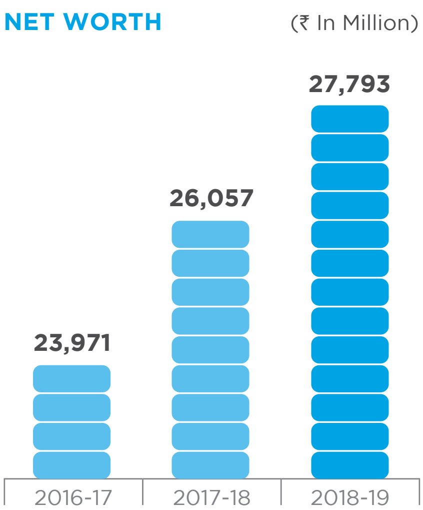
The investors might be the last rung of the value chain, but no less critical to the Company's efforts to boost progress – for itself and each of its stakeholders. The Company has been consistently delivering value to its investors, thus retaining their trust and confidence over the years.

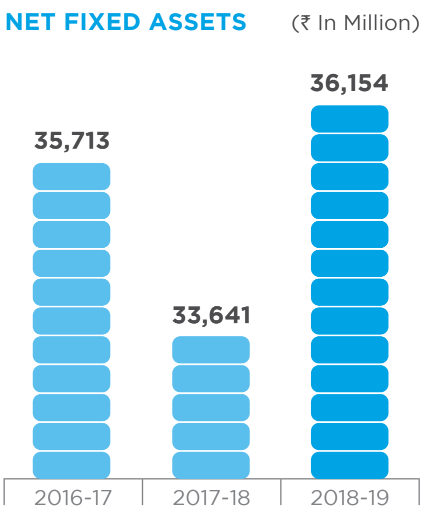

TOTAL INCOME
(₹ In Million)
67,211
61,318
66,084
2016-17
2017-18
2018-19


EBITDA
(₹ In Million)
16,639
12,046
11,467
2016-17
2017-18
2018-19


EBITDA MARGIN
(%)
25
20
17
2016-17
2017-18
2018-19


NET PROFIT
(₹ In Million)
6,979
3,850
2,098
2016-17
2017-18
2018-19

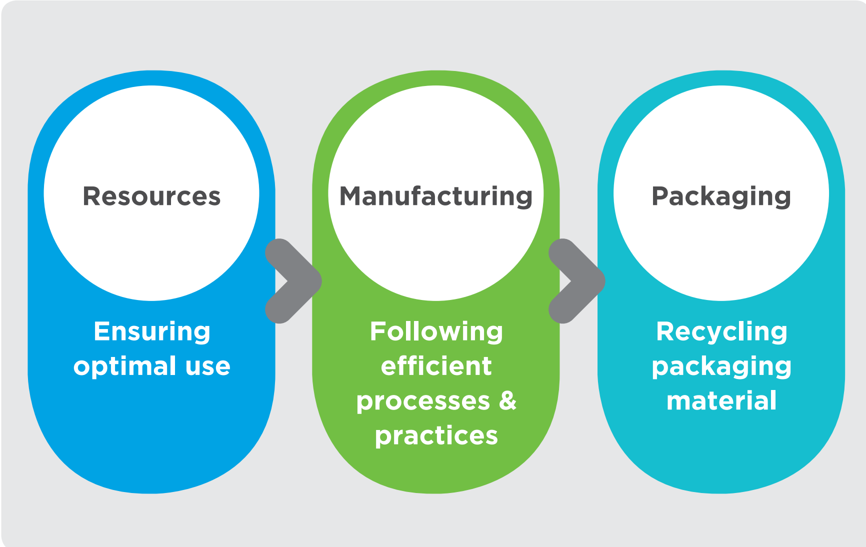

NET WORTH
(₹ In Million)
23,971
26,057
27,793
2016-17
2017-18
2018-19


NET FIXED ASSETS
(₹ In Million)
35,713
33,641
36,154
2016-17
2017-18
2018-19

SUSTAINABLE OPERATIONS DRIVE ENVIRONMENTAL VALUE

With sustainability embedded in every aspect of our business value chain – from farm to retail, we remain continuously engaged in building our operational excellence around initiatives to boost sustainable growth.

Seeking self-reliance with respect to resources and following sustainable practices in manufacturing helps us ensure efficient and optimal use of energy and water. We follow environment-friendly packaging systems to make our sustainability journey all-encompassing.



OPTIMAL RESOURCE UTILIZATION

Our initiatives are aligned to enable us to become self-reliant with respect to resource utilization. We have in place, efficient water management systems to ensure that operations at our plants are managed without intake of fresh water, which remains fully available to the local communities. Given the high level of water consumption in textile manufacturing, this is a noteworthy achievement that we are proud to own.

Using water recycling and reuse techniques such as STP, ETP and rainwater harvesting at Anjar, located in a desert region with low rainfall, we ensured recycling of 6,920 million KL water in 2018 - equivalent to New York's city water consumption for 5 years.

EFFICIENCY-LED MANUFACTURING PROCESSES

Endorsing our sustainability thrust are our manufacturing facilities, which score high on the environment index. Our plants are zero-discharge facilities with high water and energy efficiency. We undertake regular LCA studies to develop cleaner processes and design products that have minimal impact on the environment. Our operations are SA 8000 Certified for Socially Responsible Practices.

The Gate-to-Gate water consumption in our products is amongst the lowest, and we regularly track the sustainability indices of our products.

INVESTING IN ENVIRONMENT

GOING GREEN

- Our facilities are certified "Made in Green" & comply with Oexo-Tex and GOTS standards.
- We also use Higgs Index to constantly track sustainability performance.

CONSERVING ENERGY

- Reduction in energy consumption and pollution is ensured. Initiatives such as waste heat recovery, process modification & LED lights usage are undertaken to save energy.
- Green cover – We aim to have factory within a garden, with large-scale tree plantation and community awareness initiatives.
- Welspun is also active participant in Walmart Gigaton project.

ZERO DISCHARGE

- We are committed to zero impact on environment and full or better compliance with regards to all regulations.
- We meet and exceed Zero Discharge of Hazardous Chemicals guidelines in manufacturing.

PRIORITIZING SUSTAINABLE PACKAGING

Use of fabric bags, bio-packing, corrugated paper box, plastic recycling etc. is promoted extensively as part of our sustainable packaging initiatives. Recycling efforts in corrugated packaging and paper, as well as using bioplastic married with materials from responsibly managed forests, will further increase use of fabric bags, in place of PVC, for our products. We have converted both BHG T300 & BHG T400 programs from zippered PVC bag to self-fabric bag, at no extra cost, thus eliminating use of PVC bags for packaging.

Choosing sustainable modes of transportation with lower GHG emissions, such as water and rail transport, helps in optimization of logistics to further reduce our Carbon footprint.

Waste to Wealth

Our unique SPUN unit and brand creates products which makes use of pre-consumer waste from our factories.

CERTIFICATIONS & STANDARDS

THE IMPACT

- **50,000 Tons**
  GHG emissions prevented in 2018 through various energy-saving initiatives
- **6,500 million liters**
  Narmada water saved annually with 30 million liters/day STP capacity
- **85%**
  Water recovered from STP used at plant
- **9 million kWh**
  Energy saved annually

THE WAY FORWARD

As we move towards new product lines and new markets to expand our business, we shall augment our focus on sustainability across the entire framework of our operations to lower our carbon footprint even further, with more optimal resource utilization and more efficient work processes.

Welspun has a unique initiative on making something beautiful out of nothing but scrap material. Using a unique up-cycling technique, local women in Anjar (Gujarat) use waste fabric to create handcraft quilts, decorative pillows, and bedding accessories under our brand 'SPUN'.

In all, over 2, 00,000 products are created and distributed across the world each year. Thus proving, keeping sustainability at the core of our business ideology, we can create something beautiful out of nothing. Approximately 2 tons of waste from our factories is being used every month to make SPUN products which are entirely made from waste.

THE IMPACT

- 2 ton fabric waste utilized for production
- Livelihood created for 300 women
- Local communities engaged, enlivened and empowered

Walmart ProjectGigaton

GIGA-GURU STATUS FROM WALMART

- Project Gigaton is a Walmart initiative launched in 2017 to avoid 1 billion metric tons, or a Gigaton, of greenhouse gases from the global value chain by 2030
- Through Project Gigaton, suppliers can set goals for reducing emissions across 6 pillars and get Walmart recognition (Energy, waste, packaging, agriculture, forests, and product use)

- Welspun's recognition status has been updated to Giga-Guru
- Published at Walmart Sustainability Hub's supplier recognition page
- Featured alongside Unilever, Pfizer, Mars, J&J, etc.

Management Discussion and Analysis

> "We maintain our focus on the domestic market and building a strong B2C presence, while continuing to grow our export business.
>
> Our new initiatives such as flooring solutions and advanced textiles are contributing towards sustaining the growth momentum.
>
> Branding, innovation and sustainability continue to be the cornerstones of our differentiation strategy"

Rajesh R Mandawewala
Managing Director

The Management Discussion and Analysis (MDA) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun India Ltd ('Welspun' or 'WIL' or the 'Company'), and the notes thereto for the year ended 31st March, 2019. This MDA covers Welspun's financial position and operational performance for the year ended 31st March, 2019. Currency for this MDA is Indian Rupees unless otherwise indicated. The numbers for the year ending 31st March, 2019 as well as for the previous year are on a consolidated basis and regrouped and reclassified wherever necessary.

FORWARD-LOOKING STATEMENTS

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

WELSPUN INDIA LTD – BUSINESS OVERVIEW

Welspun India Limited ('Welspun' or 'WIL' or the 'Company'), part of the USD 2.3 billion Welspun Group, is one of the world's largest home textile manufacturers. The Company offers a wide spectrum of home textile products in bath, bedding and flooring solutions. It has been ranked the No. 1 home textile supplier to the US for five times in the preceding six years. The Company has established itself as a thought leader within the home textile industry over the years through its focus on innovation, branding and sustainability initiatives.

The Company has always focused on crafting innovations in products and solutions to enrich customer experiences, through various combinations of brands, products, technologies and channels. WIL is a differentiated, end-to-end solutions provider in home textiles, uniquely positioned for cross-selling, owing to wide customer reach, competitive manufacturing facilities, wide product portfolio and global delivery model. With a distribution network in more than 50 countries, the Company is the largest exporter of home textile products from India. The Company supplies to 17 of the Top 30 global retailers from its world-class manufacturing facilities at Anjar and Vapi, both in Gujarat, India.

“We are taking rapid strides in our B2C business through our own brands, licensed brands as well as ingredient brands.

We have launched value brand “Welspun” in the domestic market to complement our premium brand “Spaces”.

Our domestic revenues, which should contribute 20% of our overall revenues by 2023, will also be boosted by our flooring business under brand “Welspun””

Dipali Goenka
CEO & Jt. MD

About 95% of WIL’s revenue is derived from exports to various countries across the globe. The Company has a strong presence in key markets, such as USA, Canada and UK. Today, WIL has a dominant presence in the towel and bed linen market in US; and is present across every major store in UK. As part of its diversification strategy, the Company is continuously working on increasing its footprint in newer geographies including Continental Europe, Japan, Australia, the Middle East, China and particularly, in the Indian market. Further, the Company has been increasing its presence in new channels like hospitality, ecommerce etc. The Company has been introducing new products regularly to sustain its growth trajectory.

Around 17% of the Company’s revenue is contributed by its own brands such as Christy, and Spaces as well as ingredient brands like Hygro, Wel-Trak and licensed brands like Wimbledon, Disney, Minions, Royal Ascot, Manchester City and FCB. WIL’s strong and consistent emphasis on innovation is evident in the number of patents - 31 unique innovations, in its portfolio. Currently, about 38% of WIL’s total revenue comes from innovative products.

GLOBAL ECONOMIC OVERVIEW

The global economy continues to expand at a healthy pace. The global GDP grew by 3.7% in CY2018 even on the backdrop of weakening global financial market sentiment, trade policy uncertainty, and concerns about China’s outlook. During the year, the global financing conditions tightened, industrial production moderated, trade tensions remained elevated, and some large emerging market and developing economies experienced significant financial market stress.

In CY2018, economic activity in advanced economies grew at 2.3%, lower from CY2017. Bolstered by fiscal stimulus, the growth in the United States has remained solid by increasing to 2.9% from 2.2% year-on-year. In contrast, activity in the Euro Area has been somewhat weaker at 1.8% in CY2018 as compared to 2.4% last year. This is owing to several factors such as soft private consumption, weak industrial production, higher borrowing costs, negative impact of worker protests and prolonged uncertainty about the Brexit outcome.

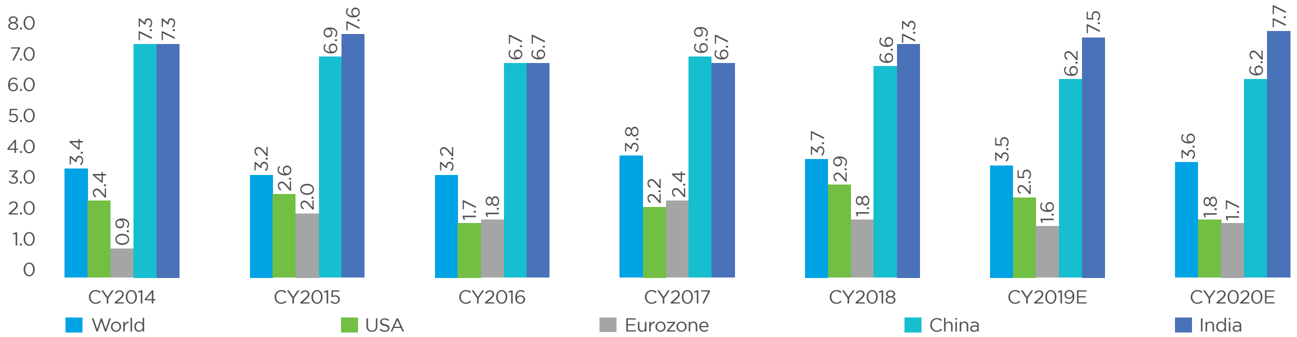
Also, Emerging Market & Developing Economies (EMDE) growth edged down to an estimated 4.2% in CY2018 as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. EMDE got majorly impacted by the volatile crude oil prices and depreciation of domestic currency. With the recent drop in oil prices, the emerging market economies' inflationary pressures are easing but it has been partially offset by the pass-through of currency depreciations to domestic prices. Central banks in many of these EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

Due to subdued demand from China, the prices of metals and agricultural commodities have softened slightly, posing renewed headwinds for commodity exporters.

As per IMF World Economic Outlook, the global growth is projected to moderate to 3.5% in CY2019 before picking up to 3.6% in CY2020. This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels, together with a temporary decline in the growth rate for EMDEs in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

Statistics Source: IMF World Economic Outlook January 2019, World Bank Global Economic Prospects January 2019

GDP GROWTH ACROSS REGION (%)



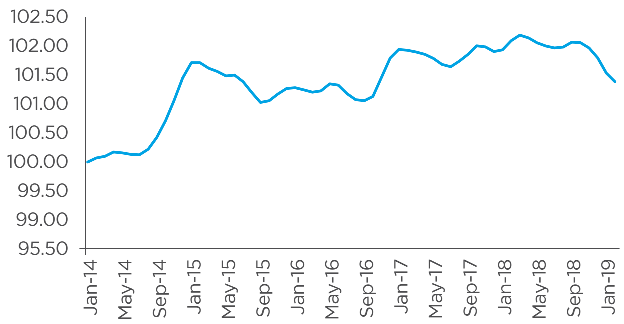
Source: IMF Report 2019, World Bank, RBI

DEVELOPMENTS IN KEY MARKETS

USA:

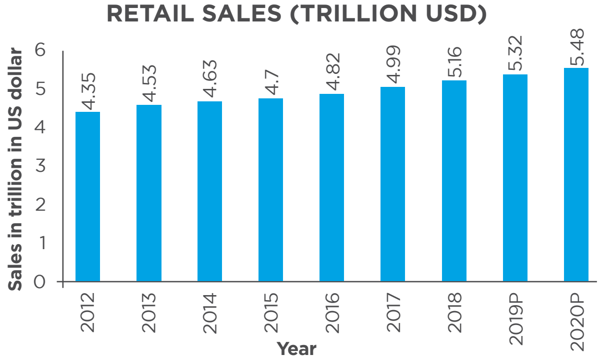
Supported by fiscal stimulus, the growth in United States continued during the year. Over the past few years, the US market has shown substantial increase in the consumer confidence index. This has led to increase in investment towards new homes and personal expenditure. These have, in turn, pushed new home sales and retail sales up respectively.

US CONSUMER CONFIDENCE INDEX



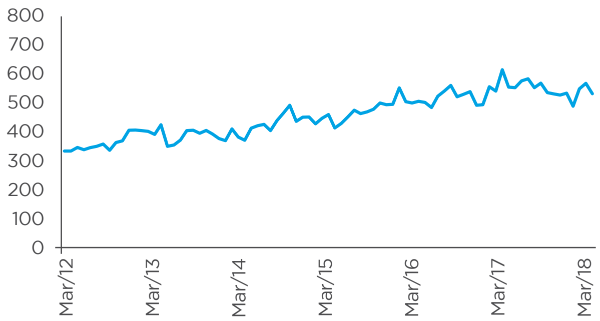
Source: Consumer Confidence Index (CCI) OECD 2019

RETAIL SALES (TRILLION USD)



Source: Statista

US NEW HOME SALES (THOUSANDS OF UNITS)



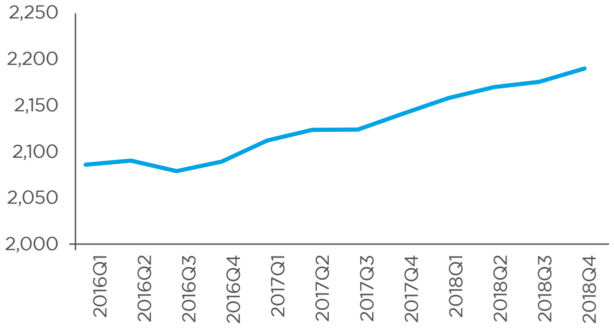
Source: United States Census Bureau

The US economy is forecasted to grow at a lower rate at 2.5% in 2019 and 1.8% in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest.

EUROPE:

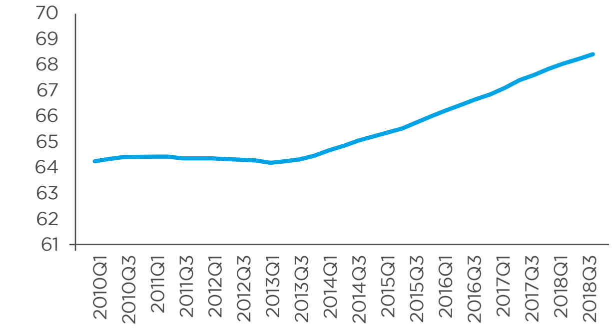
Over the past few years, Europe has seen improved consumer fundamentals mainly due to rising employment and real wage growth pushing personal consumption expenditure upwards. Impact of more money in hand and increased expenditure is also seen in the retail sales growth in the region.

PERSONAL CONSUMPTION EXP (EUR BN)



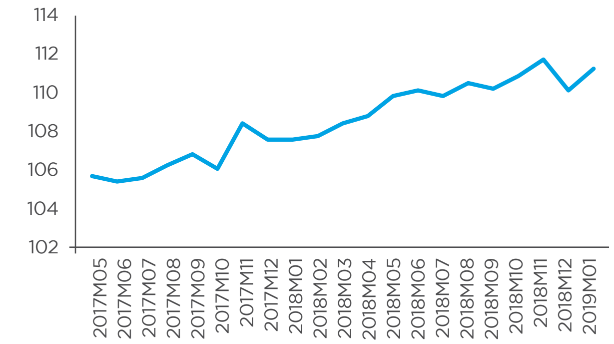
Source: Statista

EUROPE EMPLOYMENT RATE



Source: Statista

RETAIL SALES (2005 AS BASE 100)



Source: Eurostat

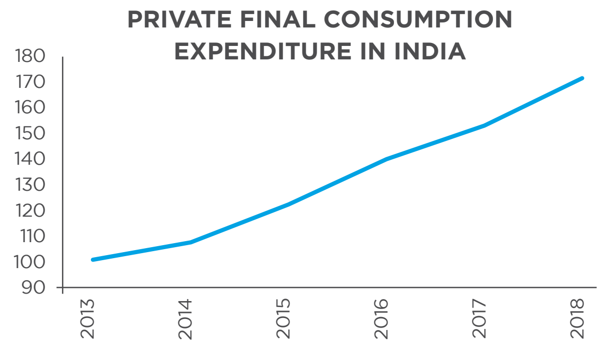
As per European Commission, the European economy is set to continue to benefit from improving labor market conditions, favorable financing conditions and a slightly expansionary fiscal stance. The economy is expected to grow for the seventh year in a row in 2019, with expansion forecast in every Member State. However, trade tensions and "Brexit" process remain the sources of uncertainty for the economy.

INDIA:

Indian economy witnessed a growth of 7.3% in 2018 as compared to 6.7% last year. In the last few years, the GDP growth rate trend of Indian economy has changed from being steady to strong and now to fastest in the world. According to the IMF, India is a bright spot in the global ecosystem and India's growth is looking very lucrative in the coming years.

This remarkable growth was achieved even at the backdrop of the several challenges faced during the year. The country got hit by the NBFC crisis and the liquidity crunch in the bond/debt market after the defaults by a major infrastructure financing company. The NBFC liquidity crunch came with the major public sectors banks already under RBI's Prompt Corrective Action (PCA). This reduced the growth in the economy in the second half.

Indian economic growth is fueled by the upswing in private consumption expenditure in the past few years. It is projected to remain robust and investment growth is also expected to continue as the benefits of recent policy reforms begin to materialize and credit rebounds.



Source: Ministry of Statistics & Program Implementation

Latest IMF data suggests that this growth trend will continue in 2019 and 2020 also as India is projected to grow at 7.5% in 2019 and 7.7% in 2020. The growth pickup can be attributed to the benefits from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. In addition to this, NITI Aayog expects India to grow at 9-10% by FY 2022-23 which would raise the size of the economy in real terms from USD 2.7 trillion in FY 2017-18 to nearly USD 4 trillion by 2022-23. Also, as per PwC's Global Economy Watch, India is likely to surpass the UK in the world's largest economy rankings in 2019.

The expected economic growth will be supported through further realization of efficiency gains from the newly adopted Goods and Services Tax (GST) and policy impetus expected in the first year of a new government after 2019 general elections.

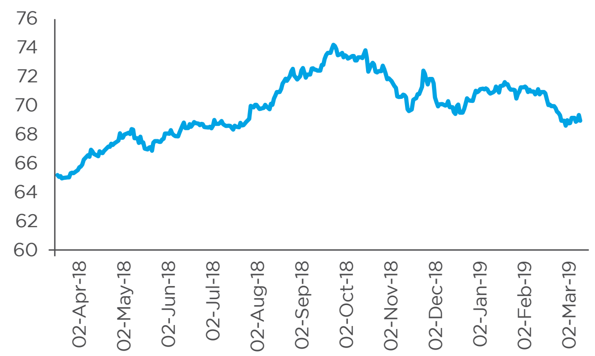
FOREIGN EXCHANGE

During FY 2019, India's currency saw substantial depreciation vis-à-vis the US dollar, particularly in the first half of the financial year, by falling nearly 14% during the period from April 2018 to October 2018. This was on account of investors dumping the local currency in the wake of global headwinds coupled with widening current account deficit led by higher crude oil prices. Adding to it, strong demand for the US currency from importers and foreign fund outflows also weighed on rupee movement.

The rupee opened the financial year at 65.13 vis-à-vis the US dollar in April 2018. From that level, the phase of massive depreciation started till it hit its all-time intra-day low of 74.45 against the US dollar on 11th Oct. The 74+ level was shortlived as the rupee appreciated and came back to settle at 70-72 levels against the dollar. It further appreciated in March 2019 to breach 70 levels and finally closed at 68.97 at 2019-end.

Below chart shows the fluctuation of USD INR during 2019.

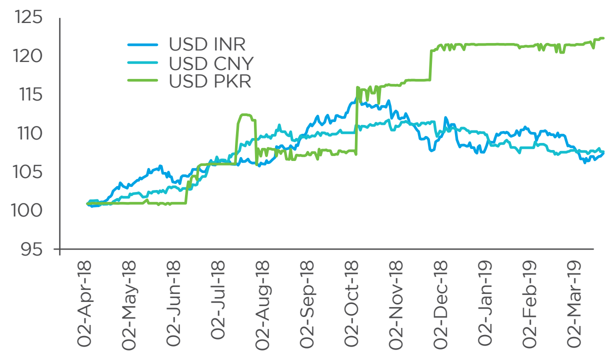
USD INR



Source: Bloomberg

Along with INR depreciation, 2019 also saw depreciation of Chinese Yuan (CNY) and Pakistani Rupee (PKR). While CNY followed a similar trend as that of INR, PKR witnessed major depreciation of more than 20% during the year. The PKR depreciation has helped Pakistan exporters in growing their business and becoming more competitive in the international market.

USD INR



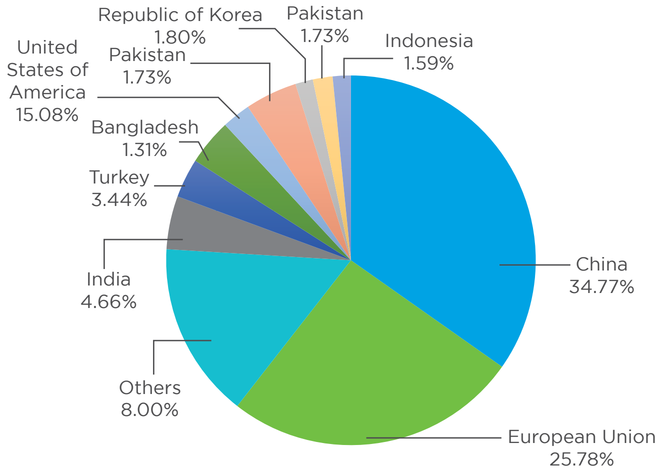
Source: Bloomberg

GLOBAL TEXTILE INDUSTRY AND TRADE

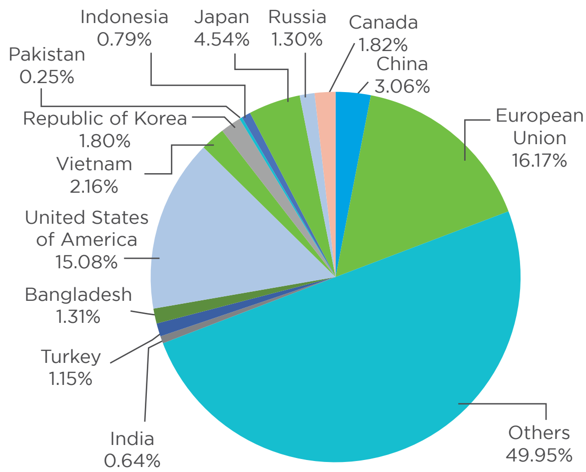
According to the latest WTO data, global textile trade has crossed USD 800 billion. Of the total trade, clothing and apparel reached USD 486 billion, while the remaining USD 317 billion was for textile trade.

Developing countries like China (34.77%), India (4.66%), Vietnam (4.56%) and Bangladesh (4.02%) lead the Textile and Apparel exports as major manufacturing activities are concentrated in these regions. Highest values stages of textile and apparel value chain such as designing, marketing and distribution are the focus areas for regions like the US and EU.

The global textile trade is expected to grow from the current levels of ~USD 800 billion to USD 1,000 billion in 2025, growing at a CAGR of 3.4%.



TEXTILE & CLOTHING EXPORTERS



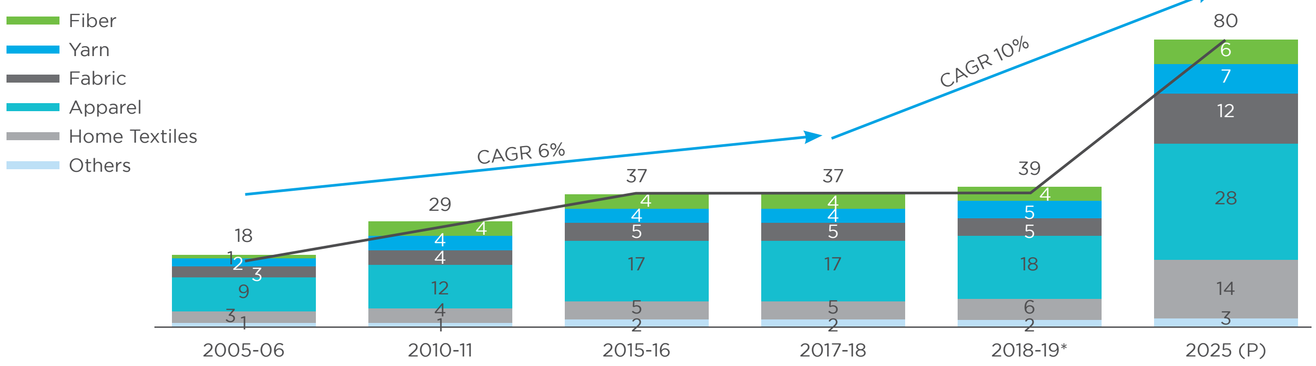
TEXTILE AND CLOTHING IMPORTERS

Source: WTO 2018 statistics for 2017

INDIAN TEXTILE INDUSTRY

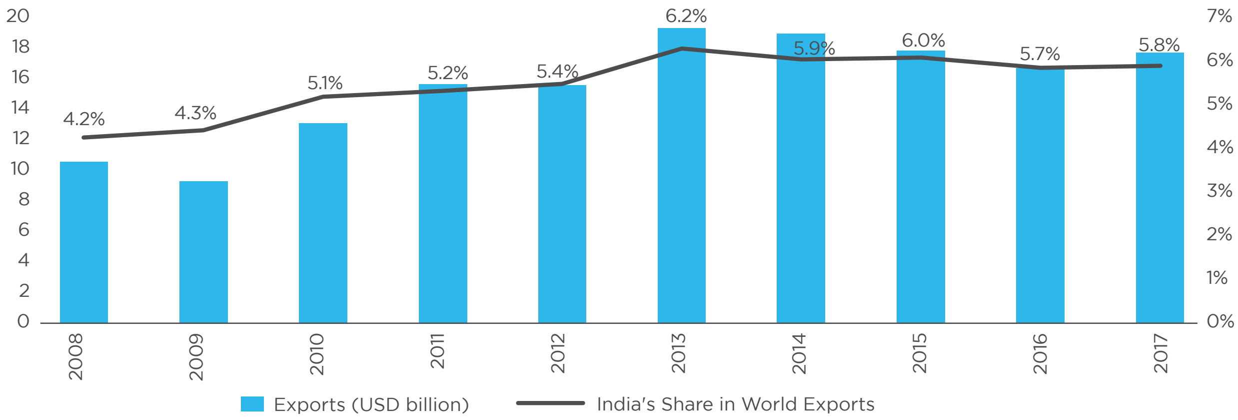
The Indian textile industry has a noteworthy presence in both the Indian economy and in the international textile economy. It is one of the oldest industries in India dating back several centuries. It works on the fundamental strength of strong production base of wide range of fibers / yarns - from natural fibers like cotton, jute, silk and wool to synthetic / manmade fibers like polyester, viscose, nylon and acrylic.

Textiles industry contributes more than 15% to the total Indian export earnings. India's textile and apparel exports are estimated at USD 39 billion in the FY 2018-19. The exports have grown at a 6% CAGR since FY 2005-06. India's textile and apparel exports are expected to expand to USD 80 billion by the year 2025, growing at a CAGR of 10%.



Data Source: Ministry of Textiles & Wazir Analysis
*Estimated

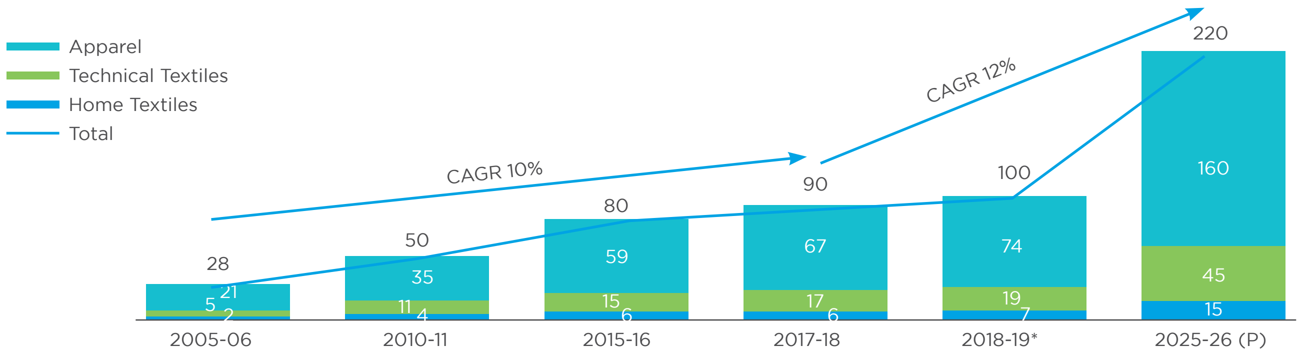
Currently, India is the third-largest exporter of textiles and apparels with about 4.66% market share (WTO data), which is behind only China and European Union. This shows the significance of India as a country for the global textiles and apparels industry. Considering only the global textile (non-clothing) trade, India's share has been even better, increasing its share in world exports from 4.2% in CY 2008 to 5.8% in CY 2017.



Source: WTO, 2018 report for Textiles

Apart from exports, even the Indian domestic textile and apparel market is also substantial at an estimated figure of USD 100 billion in FY 2018-19 growing at a CAGR of 10% since FY 2005-06. The growth in the disposable income of the middle and lower middle-class sections of the society has led to continuous growth of demand of textile and apparel in India. This growth in demand is expected to continue at 12% CAGR to reach USD 220 billion by 2025.

The growth is expected to be primarily driven by the organized sector. With the implementation of GST, the organized sector is expected to take market share from the unorganized sector. Also, with increasing disposable income and improved marketing and advertising by the large players creating a pull factor, consumption is expected to move towards branded products.



HOME TEXTILE MARKET

Home textile includes products such as bedsheets, pillow cases, blankets, terry towels, upholstery, table clothes, carpets and rugs. Global home textile trade is expected to increase to USD 57 billion by 2025 from USD 49 billion (2017). In India, the home textile industry is expected to more than double from current levels of USD 7 bn, by 2025-26.

INDIA COMPETITIVENESS IN COTTON HOME TEXTILE

At overall level, India is a cost-competitive manufacturing base for all types of products across the textile value chain. With several competitive advantages as compared to key competing nations, India provides a congenial business environment for the domestic players to have an edge in cost and quality.

Being a cotton surplus and net cotton exporter nation, India provides the cotton home textile manufacturers an edge over manufacturers in other countries in terms of quick and continuous cotton supply at a much competitive price.

World Cotton Balance Sheet FY 2018-19 March Estimate (in Million Metric Tons)

Country	Opening Stock	Output	Import	Consumption	Exports	Ending Stock
World	17.7	25.9		26.9		16.6
US	0.9	4.0	-	0.7	3.3	0.9
India	2.0	5.9	0.3	5.4	1.0	1.9
China	8.3	6.0	1.6	8.8	-	7.0
Pakistan	0.6	1.7	0.7	2.3	-	0.6

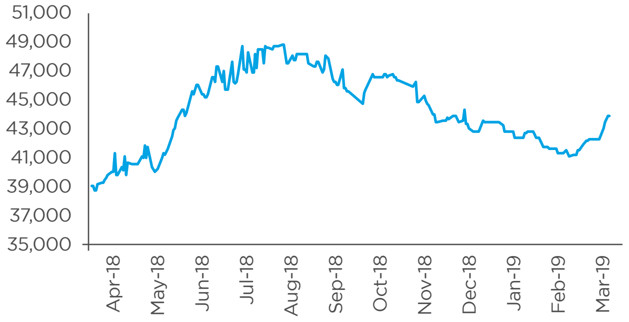
Source: USDA Cotton Incorporated

India's advantage of being one of the largest producers of cotton is expected to continue as India's cotton yield at present is 480 KG/HA which is much lower than the overall global average of about 600 KG/HA. This indicates a huge future potential to grow in terms of cotton yield and production.

The first half of financial year 2019 saw a steep increase in cotton prices caused by reduced output as well as the depreciation of the rupee. Depreciating rupee makes cotton export lucrative for the cotton producer than to sell the produce domestically. This situation increased the cotton exports and in turn reduced supply available for domestic consumption, causing the domestic cotton price to increase.

2019 started with Shankar-6 cotton prices of ₹ 39,000 per candy, but with the depreciating rupee, it touched price level of ₹ 48,000+ during August 2018. With the season start in the second half of the financial year, cotton prices corrected and reached ₹ 41,000 levels in early-March 2018 but quickly rebounded to ₹ 43,000-levels by end of the year.

SHANKAR-6 COTTON PRICE (₹ PER CANDY)



Source: Industry sources

India provides a cost-effective model of manufacturing for textile players. As compared to the key competing countries, India has competitive labor cost, power cost and water cost. The higher finance cost, compared to competing countries, is partially mitigated through various government policies, thus the effective cost of capital becomes comparable.

Factor Cost Comparison of India with Competing Countries

Cost Element	Unit	India	B'desh	China	Vietnam	Cambodia
Labor Cost*	USD/Month	160-180	100-110	550-600	170-190	180-190
Power Cost	USD/kWh	0.10-0.12	0.09-0.12	0.15-0.16	0.08-0.10	0.20-0.25
Lending Rate	%	11-12%	12-14%	5-6%	6-7%	14-16%
Watter Cost***	US Cents/m3	16-20	20-22	55-60	50-80	70-90

*Cost for semi-skilled labour: includes all benefits
**9 cents for EPZ units
***Water cost is based on the average tariff of the water supply companies of specific countries

Source: Wazir Advisors

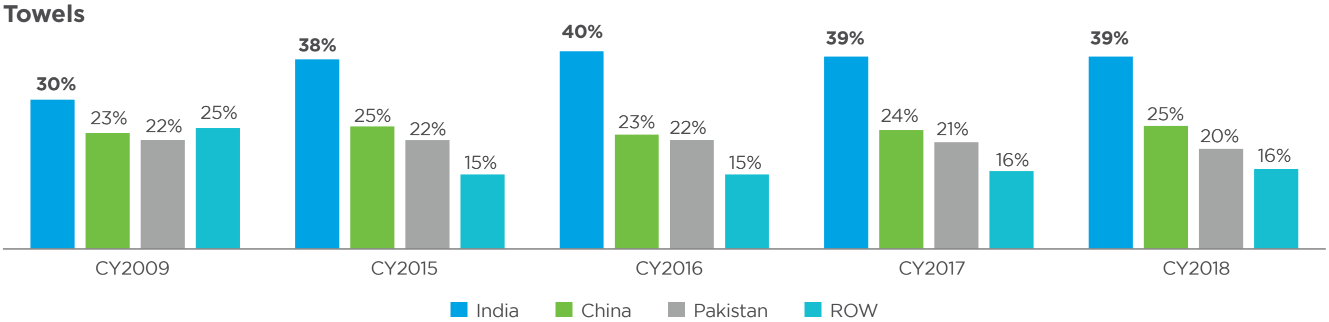
INDIA'S PRESENCE IN GLOBAL HOME TEXTILE INDUSTRY

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

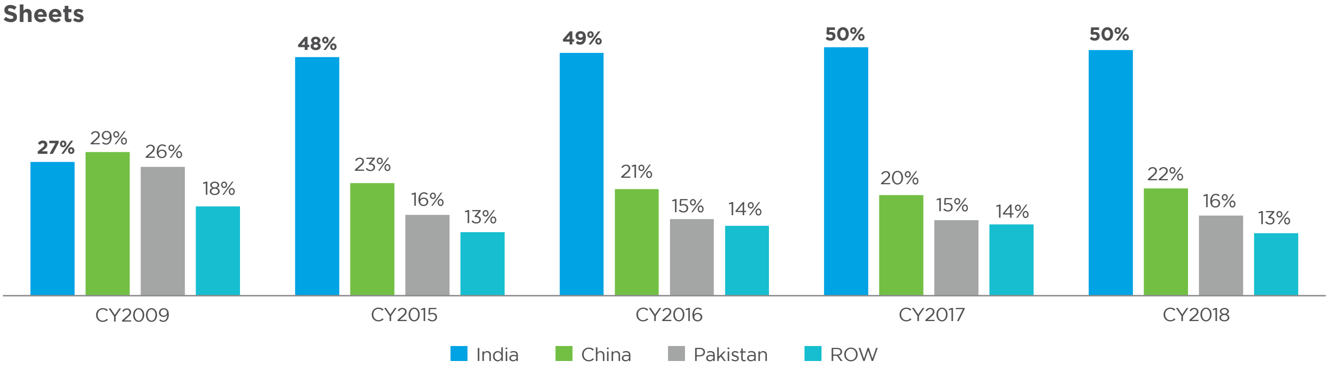
According to the Office of Textiles and Apparels (OTEXA) US, in 2018, India supplied about 39% of the imports of cotton towels to the US, which has grown significantly from the levels of 30% in 2009. Even in the cotton sheets segment, the Country supplied about 50% (2018) of the total import to the US, increasing from 27% (2009).

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

Towels

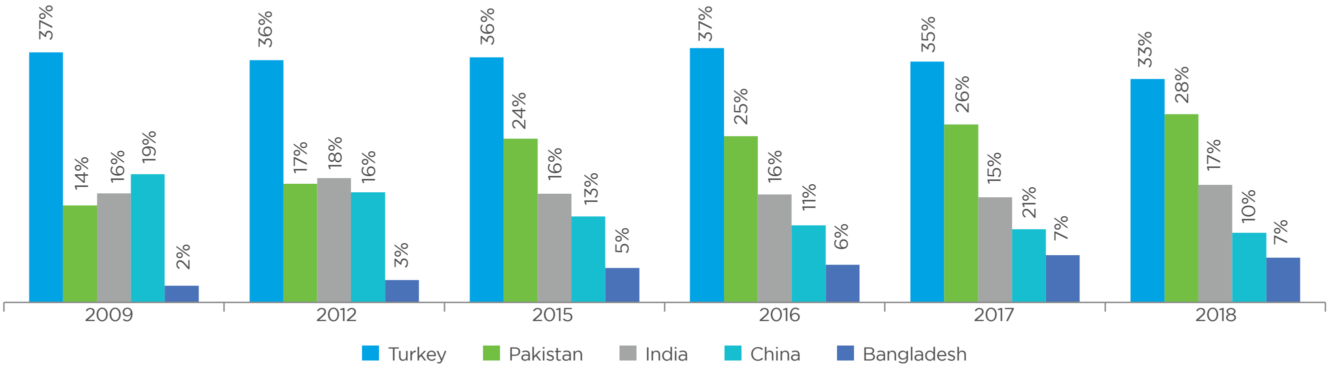


Sheets

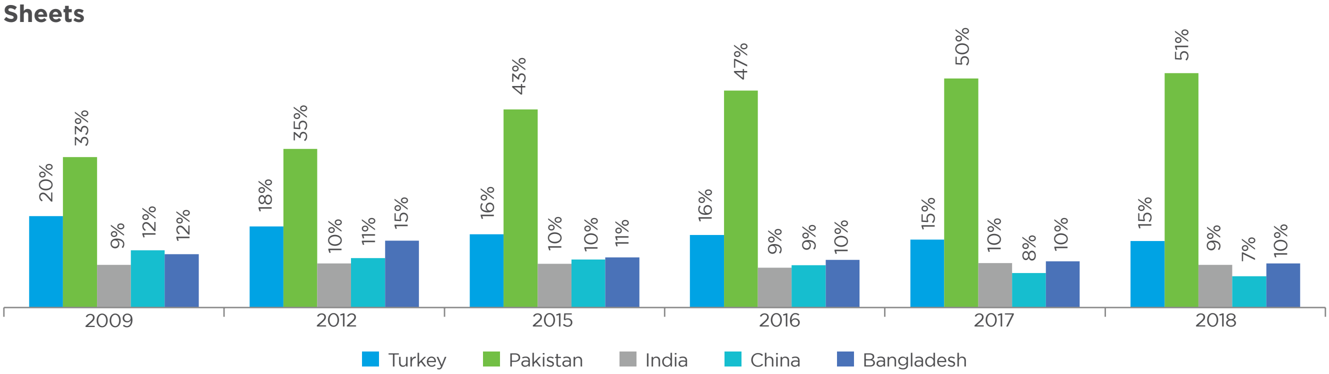


Similar to the US, Europe is an equally large market, but Indian players have low penetration due to duty disadvantage compared to countries like Pakistan, Turkey and Bangladesh which have preferential tariff rates granted by the European Union (EU). Indian exporters pay 9-10% duty on the home textile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

Towels



Sheets



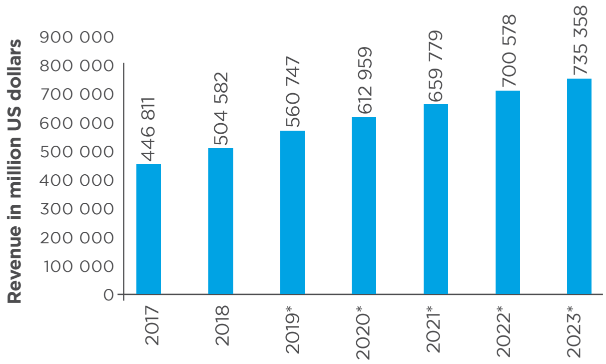
RECENT TRENDS IN RETAIL MARKETS

E-commerce and Omni-channel

E-commerce has been constantly evolving and growing over the past decade. More and more people are opting to shop online, while many new online businesses have penetrated the market.

Retail e-commerce sales in the United States are projected to grow at a fast pace in the coming years, going from 505 billion U.S. dollars in 2018 to over 735 billion US dollars in 2023. However, online sales still represent only a small share of all retail sales in the U.S. – about 9.6% as of the third quarter of 2018. Nonetheless, an estimate of 78% of internet users in the United States had purchased products online last year. In the same year, 32% of internet users in the U.S. stated purchasing items via internet at least once a month, and 29% said they shopped online once or twice per week. Online retailers and brand websites are popular channels to purchase goods online but online marketplaces are gaining in relevance among online shoppers.

RETAIL E-COMMERCE SALES IN THE UNITED STATES FROM 2017 TO 2023 (IN MILLION U.S. DOLLARS)



© Statista 2019

The emergence of E-commerce has posed few challenges as well as opportunities for the existing offline retailers. Most of the big box retailers have been working on having an omni-channel presence with online portal, warehousing, pick and pack, drop-ship and analytics. With innovations like Walmart's JetBlack, a personal shopping service, the retailer is creating AI that will enchant customers of all economic groups. Other retailers are also developing innovative ways to leverage their stores' inventory to create a better shopping experience for the final customer.

On the other hand, e-tailers are also looking at increasing their physical presence. For example, Amazon has opened Amazon 4-star, a new physical store where everything for sale is rated 4 stars and above, is a top seller, or is new and trending on Amazon.com.

Therefore, convergence of various channels is playing out in the retail sector and omni-channel presence is going to be important for retailers, in the future.

CIRCULAR ECONOMY & RECYCLING

Another trend in the developed markets is the growing importance of circular economy. A circular economy is an economic system aimed at minimizing waste and making the most of resources. The effort here is to move from the traditional take-make-dispose economy, to one that has a closed loop, where materials, nutrients, and data are continuously repurposed. By conserving materials embodied in high value products, or returning wastes to the economy as high-quality secondary raw materials, a circular economy would reduce the demand for primary raw materials. This trend is also getting stronger in textiles and home textiles.

TECHNICAL TEXTILE/ADVANCED TEXTILE MARKET

Technical or advance textiles are defined as products that are used for functional purposes. These textiles have applications in multiple areas of economic activity, such as aerospace, shipping, sports, agriculture, defense and health care. The technical textile industry is a high potential industry and is the fastest-growing textile segment at the global level.

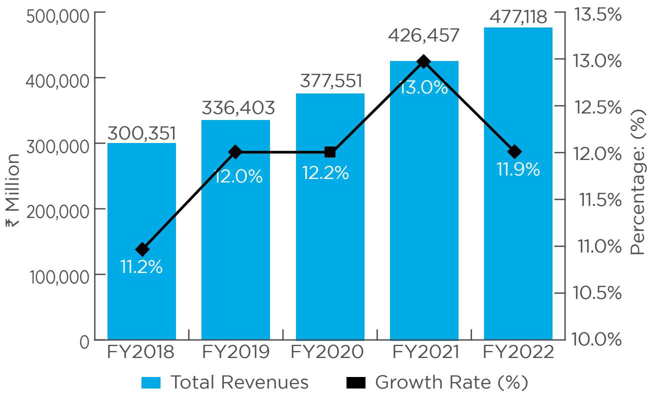
India is expected to be a key growth market for the technical textile sector due to cost-effectiveness, durability and versatility of technical textiles. The key growth drivers for Indian market include increasing consumer income levels, growing end user industries like Automobiles, Healthcare, Sports etc. and overall infrastructure and industrial development in India. The Government of India has assigned 207 Harmonized System Nomenclature (HSN) to promote India's technical textile industry and further increase its market size to ₹ 2 lakh crore (USD 27.72 billion) by FY 2020-21. The technical textile industry is expected to expand at a CAGR of 12% during FY 2018-23 to USD 32 billion in 2023. In 2018, it reached ₹ 116,000 crore (USD 18 billion) and is forecasted to grow significantly supported by various flagship schemes by the government.

INDIA FLOORING MARKET

India flooring market is more than ₹ 300 billion per year with more than 95% consisting of vitrified and ceramic tiles. It has been anticipated that the Indian Market will grow at a CAGR of 12% during FY 2017-22 to ₹ 477 billion levels due to rising number of residential units and commercial real estate spaces due to increased economic activity in the country.

The key customers for tiles include high-end residential construction, aviation, education and healthcare. Government initiatives to develop infrastructure in education sector and health sector is expected to have positive impact on the demand for tiles in future. On the residential side, the aspiration towards better standard of living, increasing salaries and transformation of rural areas into urban areas will grow the size of the tiles industry.

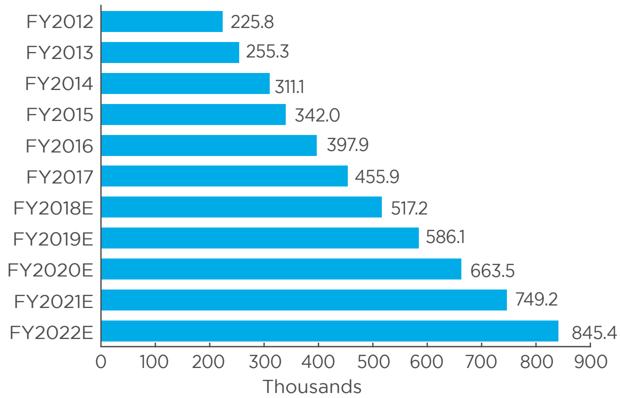
India Wall and Floor Tiles Market Future Projections



Source: Ken Research Analysis

It has been anticipated that number of new residential units will rise at a CAGR of another 10.0% during 2018 to 2022 to reach at 845,400 in 2022. The increase in the number of new residential units will result in the robust growth of the India Tiles Market.

Total Number of New Residential Units in India



Source: Ken Research Analysis

With the increased market opportunities in the industry, differentiation will be based on brand's visibility using innovative offerings, marketing techniques, distribution network and product visibility. Products like carpet tiles will account for higher share than current as customers might prefer it on account of ease of installation as they do not require the use of cement. Carpet tiles have gained popularity on account of their flexibility to be replaced without any noise and mess. Also, the Carpet tiles come in different styles and patterns and are environment friendly, giving the customers a range of choices that reflect the brand and aesthetic of an office.

WIL PRODUCT PORTFOLIO

BATH

- Towels
- Bath Robes
- Bath Rugs

BEDDING

- Bed Sheets
- Top of Beds
- Basic & Fashion Bedding

FLOORING

- Carpets
- Rugs
- Tiled Carpets
- Luxury Performance Tiles
- Greens

TECHNICAL TEXTILES

- Non-woven Spunlace
- Wet Wipes
- Needle Punch Products

FY 2018-19: KEY HIGHLIGHTS

FY2019 was a year of recovery after a challenging FY2018. With its differentiation strategy based on branding, innovation, sustainability and increased focus on domestic market, the Company achieved high single-digit revenue growth, predominantly volume driven. The Company saw recovery in its major market USA, which had faced severe destocking in 2018.

The year started on a high note when the Company launched Special Edition Wimbledon Towel and it sold out at stores in 1 hour and online in 4 hours in UK. During the year, the Company made Wel-Trak available on shelves across multiple fibers, products and geographies. Wel-Trak products now contribute about 3% to overall revenues for the Company.

Seeing huge potential in the domestic home textiles market, the Company increased its focus on 'Spaces' brand by launching new brand campaign during the year. In order to tap a larger pie of the domestic home textile market, the Company launched value brand 'Welspun' for affordable section of the market. The first product under this brand was 'Quik Dry Towel' with starting price of just ₹ 249.

During the year, the Company improved its technical textiles footing with major client addition for industrial filters and approval by one of the world's largest players in wet-wipes as a supplier.

During the year, WIL took a major initiative to understand what is important to the consumers so as to develop new innovative products and processes. This was achieved through an engaged, managed community of 2,700+ enthusiastic home textile consumers with diverse demographics called "Brain Trust". Through this initiative, WIL is able to capture several consumer insights which will help the Company in decision-making with regard to product development, consumer marketing and retailer assortments.

Welspun was also recognized as 'Giga-Guru' by Walmart for its sustainability processes. Giga-Gurus are the suppliers who are demonstrating results through Project Gigaton, Walmart's initiative to reduce emissions in the global value chain by 1 billion metric tons – a gigaton - by 2030.

Welspun has executed a settlement agreement that is intended to resolve litigation claims made against it in the United States concerning the marketing and labeling of its premium cotton home textile products. Welspun continues to deny the merits of these claims, does not admit to any liability in the settlement agreement, and stands by the high quality of its products. Nonetheless, Welspun believes this settlement agreement, which is subject to approval by the appropriate courts in the United States and regulators, is in the best interest of all stakeholders.

The Company's further growth strategy will be based on the five pillars of growth which are as follows:

INNOVATION | BRANDS | NEW MARKETS | NEW CHANNELS | NEW PRODUCTS

1. **Innovation & Patents**

   Welspun has always remained focused on innovations, this year being no different. The Company took its patented & innovative brand 'Wel-Trak' to retailers' shelves and now Wel-Trak contributes about 3% of the overall sales. During the year, the Company also launched Copper and Charcoal infused products as part of innovation portfolio. Company's most successful innovation, 'Hygrocotton', which contributes more than USD 175 million of sales annually, is gaining strong traction in the domestic market as well as hospitality segment.

   With sustained efforts, the Company increased the share of innovative products developed and owned by the Company to 38% of total sales, up from 37% in 2018. Also, during the year, the Company increased its portfolio to 31 unique innovations across the globe in the textile space.

2. **Brands**

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

   On the domestic market front, the Company launched its brand 'Welspun' to capture the value-conscious segment of the Indian customer base. This is in addition to the existing 'Spaces' brand catering to the premium market segment. The brand 'Welspun' was launched with the first offering as 'Quik Dry Towel' with starting price of just ₹ 249. The Company used a 360 degree marketing approach for the brand by reaching the masses through campaigns at Kumbh Mela, Mumbai local trains etc. The marketing campaigns were spread across the cricketing season (with

'Welspun Quik Dry Towel' being the Official Partner of Kings XI Punjab team of Indian Premier League) as well as the election season with a new series of election-related TV commercials.

The Company believes that the Indian market will be its next growth driver and has increased focus with its own brands as well as licenses, including Wimbledon, Minions, Disney, Manchester City and FCB. WIL has also successfully grown its "Spun" brand, which promotes sustainability and women empowerment.

During the year, the Company's own brand 'Christy' which is predominantly focused on the UK market, faced headwinds due to poor economic sentiment, primarily driven by Brexit uncertainty. The Company is working on improving efficiency across the business, optimizing retail operations and increasing focus on B2B business making efforts.

On the licenses front, WIL has added licenses like Canopy, Goodful and Scott Living into its portfolio.

WIL's ingredient brands ' Hygrocotton' and 'Wel-Trak' have also seen tremendous success since their respective launches in the international market.

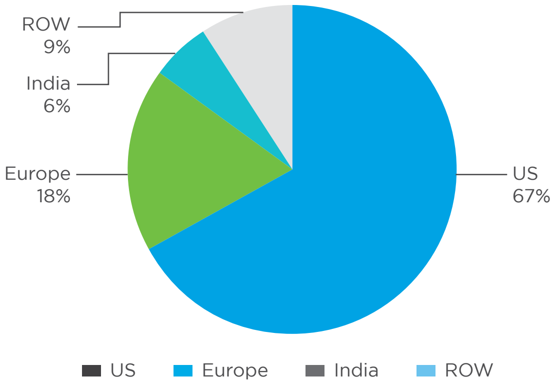
As a result of these efforts, share of branded products was 17% of total sales in 2019.

The Company's brand spectrum can be seen in the figure below:

3. **New Markets**

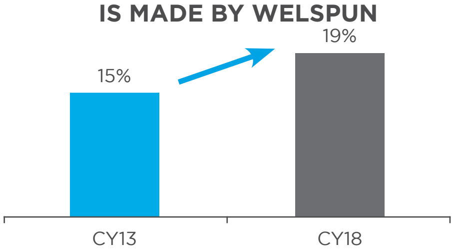
The Company's major revenue share comes from the United States, which constitutes around 2/3rd of its sales. The sales composition is as follows:

EXISTING GEOGRAPHIC DISTRIBUTION RANGE



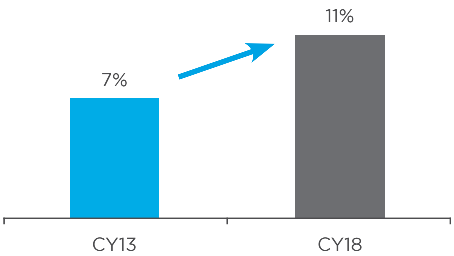
US has always been the Company's major focus area, as a result it has grown its market share in US towels market from 15% in 2013 to 19% in 2018 and in US sheets market from 7% in 2013 to 11% in CY18. This implies that every 5th towel and every 9th bedsheet sold in the US is made by Welspun. The Company is expected to continue growing its US business in the medium-to-long term.

EVERY 5TH TOWEL SOLD IN US IS MADE BY WELSPUN



Welspun's Market Share in US Towels Market

EVERY 9TH SHEET SOLD IN US IS MADE BY WELSPUN



Welspun's Market Share in US Sheets Market

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

In order to accelerate its growth and achieve geographical diversification, WIL has increased focus on expanding its international presence in subscale / new markets which includes Japan, Middle East, Australia, Russia and South Africa.

Currently, Indian domestic market is the biggest focus area for the Company. Indian market is very fragmented and majorly catered by the unorganized sector. With the implementation of GST, there is a level playing field for the organized and the unorganized players. This makes the market attractive to large players like Welspun. WIL is making inroads into the domestic market through a portfolio of different brands such as 'Welspun' and 'Spaces' as explained in the previous section.

Apart from the existing home textiles portfolio, the Company's foray in the flooring space will have major focus on the domestic market.

4. **New Channels**

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

WIL has enhanced its offering by providing an omni-channel support to the big-box retailers on Product Development, Warehousing, Pick and Pack, Drop-Ship and Analytics. WIL's warehouses in US, UK, Germany and India help in quickly responding to orders. The financial year saw a major client addition as WIL started supplying to one of the biggest e-commerce players in the world for their private label collection.

Apart from e-commerce, the Company is working on its hospitality channel as well. The financial year saw major business expansion in the Hospitality business in India as well as abroad by way of increased revenues and client additions. In order to tap the global wellness channel, WIL has partnered with Stay Well™ by being the exclusive supplier of home textiles to them. Stay Well™ infuses wellness into hotel rooms with features and programs to maximize the guest experience and minimize the impact that travel has on the human body. Apart from this, for its domestic Indian brand 'Spaces', WIL entered into a partnership with "Thrive Global India" to integrate WIL's world-class products with a thoughtfully designed experience that empowers consumers to lead a stress-free and healthier lifestyle.

5. **New Products**

WIL strives to add a new product to its portfolio every few years. In line with that, the Company has forayed into flooring solutions with an aim to become a one-stop provider for domestic and international markets. The residential flooring market is dominated majorly by vitrified tiles, while the commercial & institutional space is dominated by imports of soft carpet flooring. Thus, the existing market provides ample opportunities for innovative flooring solutions and import substitution. In order to capture this opportunity, the Company is investing ₹ 11 billion to manufacture area rugs, carpet tiles and other innovative flooring solutions. The facility will be located in the state of Telangana with a capacity of 27 million sq. meters p.a. and will be operational by Q3FY20. The Company has already started to build its brand presence in the segment by showcasing its product portfolio in exhibitions like AceTech across India as well as Domotex, Germany.

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

Sustainability and Inclusive Growth

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

The Company believes that sustained economic growth needs an equally sustained ecosystem, thus it weaves sustainability seamlessly into its value chain including sourcing of raw materials, manufacturing processes, supply chain and waste management.

It starts with the farm by using sustainable farming practices like educating and assisting cotton farmers in sustainable agronomic know-how, post-harvest handling and access to finance. In order to achieve sustainable sourcing, WIL procures BCI (Better Cotton Initiative) and Organic Cotton from certified external sources. Also, the verification and provenance is ensured through Welspun's patented Wel-Trak traceability solution.

Impact of Sustainable Farming Projects

- **92,500+** Acres
- **8,500+** Farmers benefited
- **620+** MT of cotton produced
- **50,000+** Farm workers impacted positively
- **250+** Villages benefited
- **619,395** Better Cotton Claim Unit - BCCU

At the factory level, WIL aims to be self-reliant with regards to the resources it uses and to improve the living conditions of communities working with it and around it. The Company achieves this with several measures like reduction of fresh water consumption in the textile manufacturing (which is known to be a high water consumption process), process modification and water heat recovery for energy conversation and adhering to Zero Discharge of Hazardous Chemicals (ZDHC) guidelines.

Impact of Water Management & Green efforts

- **30** million liters of water recycled every day
- Anjar plant run without any intake of Municipal water, river water or water from the aquifer
- **6,920,451,000** KL of recycled water in 2018 (Equal to New York City Water consumption for 5 years)
- **50%** decrease in water consumption in operations
- **225,000** trees planted; **600,000** shrubs planted; 635 acres green cover
- **68,441,528** kWh energy saved in 2018 (Equal to 80,000+ household energy consumption per month)

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

Impact of logistics optimizations

- **15%** drop in GHG emissions by choosing water transportation
- **6,131,567** tons of CO2 emissions reduced by choosing railways over roadways
- Recycled paper accounts for **85%** of Anjar factory's carbon usage

The Company creates products at local village centers with the objective of creating a global brand identity which is influenced by handicraft traditions of India and yet, contemporary at the same time. This initiative develops products under the brand "SPUN" and makes use of pre-consumer waste from Company's factories and provides employment opportunities for women in handloom products.

SPUN Initiatives

- **10** SPUN Centers
- **1,200+** women engaged across vocation centers
- **2.29** million meter products developed
- **3x** increase in women income

OUTLOOK

During 2019, the Company saw positive momentum in volumes across geographies which is expected to continue in 2020. The Company maintains its focus on the domestic market and building a strong B2C presence. All the basic building blocks for significant share of B2C business are in place for the Company and its retail business is gathering momentum. WIL will continue to pursue a differentiation strategy based on branding, innovation and sustainability.

WIL is seeing an uptick in revenue and margins in 2020 with higher realization on its forex hedges, thanks to the rupee depreciation in 2019. In addition to this, clarity on Government policies & incentives should augur well for the Company's margins in 2020.

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

Through "Vision 2022", the Company will remain focused on achieving:

- Revenue of USD 2 billion
- Debt-free (on a net debt basis)
- Branded and Innovative products share of revenues at 50%
- Domestic market share of revenue at 20%

KEY RISK FACTORS

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

Rising input costs

The Company secures a significant part of its cotton requirement during the cotton season. WIL's backward integration provides 70% of its yarn and fabric requirements. The Company's **80 MW** captive power plant at Anjar reduces power costs and provides continuous supply.

Labor availability

The Company is continuously providing its employees vocational training to improve their skill level. It is also focusing on improving labor retention and reducing attrition. WIL is actively employing more women to diversify its workforce. The Company has started skill development centers where it aims to train 100,000 people in five years.

Weak economic environment and consumer sentiment

The Company is trying to address this risk through geographic diversification into new markets, such as Europe, Australia and Japan as well as the domestic market.

Competition

Company's strategy of providing end-to-end solutions and innovative products, and maintaining strong relationship with clients helps in reducing competitive risks.

Currency movements

Hedges significant portion of its export revenues expected for the following year.

Change in Indian Government Policies

The Company continuously monitors Government policies and takes measures to minimize any adverse impact.

Trade Barriers

Geographic diversification to reduce impact of trade barriers imposed by any particular country.

HUMAN RESOURCE

The Company recognizes that human capital is its most important asset. WIL has 22,194 permanent employees on its payroll as on 31st March, 2019. The Company has implemented several measures to ensure a positive work environment for all its employees.

The key HR initiatives comprise the following:

HealthifyMe: HealthifyMe is a health and wellness initiative, that was launched by WIL to promote employee health and well-being. The platform is app based, with features to check the employee's lifestyle and food habits. The program is designed to help employees build healthy lifestyle habits by including tasks around most essential elements of wellness i.e. nutrition, physical, social and emotional wellness. The team ran multiple fun initiatives like Step challenge and Lifestyle challenge on HealthifyMe app for all employees across India locations.

E-Gurukul: E-Gurukul, the E-Learning platform, was launched in January 2019. The online platform has a library of digital learning modules which focus on Leadership, Presentation Skills, Interpersonal Skills, Analytical and Problem-Solving Skills, etc. Each course has byte-sized modules enabling on-the-go learning for employees. E-Gurukul lets the employees learn different courses/ modules at their own ease and pace. The platform was launched for about 1,300 employees across Mumbai, Anjar and Vapi locations.

Associate Welfare Scheme: WIL rolled out the associate welfare scheme for blue collar workforce at Anjar in FY 2018-19. The objective of the initiative was to provide financial assistance on medical exigencies. The scheme will help in nurturing a healthier workforce and provide an opportunity to avail financial assistance for their health care.

As a part of this initiative, a welfare fund is created in which the employees contribute on a monthly basis. The amount collected via this fund will be used for medical financial assistance for the associates at Anjar plant.

AYLP: Achieving Your Leadership Potential (AYLP) is the leadership development program for Mid-level managers that was initiated by WIL. The key objective of this initiative is to create a customized learning journey and nurture the key talent in the organization to take up leadership roles in the future at Welspun.

WIL partnered with SP Jain Institute of Management & Research (SPJIMR) for AYLP. The graduation ceremony for AYLP batch 1 (24 participants) was held in January 2019. The development journey for AYLP batch 2 (31 participants) kick-started in February 2018 and is on-going.

Shared Services: WIL rolled out shared services at Vapi location in FY 2018-19 for finance and logistics functions. The key objective of shared services is to ensure that business divisions focus their limited resources on initiatives that drive business growth. This is done by centralizing transactional activities, thereby aiding better cost and process efficiencies. WIL has invested in Technology, which is the backbone for successful shared services implementation in the organization.

Multiple recognition initiatives like Wel-Value Awards, PACE (Project Completion and commitment to excellence) awards, excellence and innovation in service delivery, best manager award, etc. have been launched in shared services division.

Enthusia: Enthusia, the first ever annual event for Sales and Merchandizing team, was conducted in March 2019. The theme of the event was on building successful teams through camaraderie and fun. The event witnessed very energetic response from 75 team members.

360 Degree Feedback: WIL launched 360 degree feedback for critical role holders in the organization. The key objective was to provide holistic feedback, from multiple stakeholders to aid leadership development. This was followed by feedback sessions with the counselor to understand the areas of improvement for the employee. This initiative was completed for around 70 employees of WIL.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

DISCUSSION OF FINANCIAL PERFORMANCE – 2019

2019 saw total income growth of 7.8%, predominantly volume driven. The total income was ₹ 65,266 million vs. ₹ 60,506 million in 208. The Company's EBITDA margin at 17.4% was lower 229 bps YoY, mainly due to higher input costs and lower forex realization due to hedging. This was the fifth consecutive year, where the Company generated Free Cash Flow. In 2019, the figure was ₹ 773 million as compared to 2018 figure of ₹ 907 million.

Herewith is the comparative analysis of Key Financial numbers of 2019 as compared to 2018:

Particulars	2019	% of Total Income	2018	% of Total Income
Revenue from Operations (Net)	65,266	98.76%	60,506	98.68%
Other Income	818	1.24%	812	1.32%
Total Income	66,084	100.00%	61,318	100.00%
Cost of materials	33,500	50.69%	30,235	49.31%
Manufacturing Expenses	7,919	11.98%	6,808	11.10%
Employee Cost	7,114	10.77%	6,754	11.01%
Selling Administration and Other Expenses	6,084	9.21%	5,474	8.93%
EBIDTA	11,467	17.35%	12,046	19.65%
Finance Costs	1,593	2.41%	1,408	2.30%
Depreciation and Amortization Expense	4,358	6.59%	5,042	8.22%
Taxes	607	0.92%	1,615	2.63%
Profit before exceptional item	4,909	7.43%	3,982	6.49%
Exceptional Items	-2,647	-4.01%	-	0.00%
Minority's Share of Profit/ (Loss) in Certain Subsidiary Companies	163	0.25%	132	0.22%
Net Profit (Loss)	2,098	3.18%	3,850	6.28%
EPS (Basic and Diluted)	2.09		3.83	

SALES VOLUME (MAJOR PRODUCTS):

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

Particulars	Unit	Capacity	FY 2018-19	FY 2017-18
Sales Volume (Approx.)				
Terry Towels	MT	**80,000**	71,000	62,000
Bed Linen Products	000 Mts	**90,000**	74,000	71,000
Rugs & Carpets	000 Sq m	**10,000**	6,900	6,300

The Effective Utilization levels (based on average annual capacity) in 2019 across products was 88% in Terry Towels, 82% in Bed Linen Products and 70% in Rugs & Carpets.

1. Revenue

a. Total Income

For 2019, total income was ₹ 66,084 million vs. ₹ 61,318 million in 2018, 7.8% up predominantly volume driven.

b. Other income

Income from other sources was ₹ 818 million in 2019, as against ₹ 812 million in 2018.

2. Expenditure

a. Cost of Materials

Consumption of raw materials stood at ₹ 33,500 million during the year. This accounts for 51% of total income for 2019. As a % of total income, this material cost has been higher by approximately 2% as compared to 2018 figure of 49% of total income due to the increase in input costs, mainly due to the appreciation of the US dollar as many of the input costs are linked to the dollar. Favorable impact of the rupee depreciation during 2019 will be evident in the revenue during the ongoing financial year – 2020.

b. Manufacturing Expenses

Manufacturing expense was at ₹ 7,919 million in 2019 as compared to ₹ 6,808 million in 2018. The manufacturing expense includes Power, Fuel and Water charges of ₹ 2,028 million, Dyes & Chemicals of ₹ 2,423 million and labor and job work charges of ₹ 1,283 million.

As a percent of total income, manufacturing expenses was at 11.98% in 2019 as compared to 11.10% in 2018.

c. Employee Cost

Employee cost stood at ₹ 7,114 million in FY19 as compared to ₹ 6,754 million in FY18. As a % of total income, it was 10.77% in FY19 as compared to 11.01% last year.

d. Selling, Administration and Other Expenses

Selling administration and other expenses was reported at ₹ 6,084 million in 2019 as compared to ₹ 5,474 million in 2018. The increase was primarily because of higher legal and professional fees and foreign exchange loss during the year.

e. Finance Costs

Financial Expenses in 2019 was ₹ 1,593 million. The corresponding figure in 2018 was ₹ 1,408 million. The increase was on account of processing charges relating to flooring project and other bank charges.

f. Depreciation and Amortization Expense

Depreciation was reported at ₹ 4,358 million in 2019 end as compared to ₹ 5,042 million in 2018.

3. PROFITABILITY

a. EBITDA

EBITDA in 2019 was reported at ₹ 11,467 million implying EBITDA margin of 17.4%, lower 229 bps mainly due to higher raw material costs and lower forex realization due to hedging.

b. Exceptional expense of ₹ 2,647 million during 2019 consists of ₹ 1,915 million provision related to settlement of pending US legal claims, ₹ 407 million on account of the legal expenses in US and ₹ 325 million for Welspun UK restructuring.

c. Profit After Tax (after exceptional loss)

Profit after Tax post minority interest stood at ₹ 2,098 million in 2019 as compared to ₹ 3,850 million in FY18. Net profit margin stood at 3.18% vs. 6.28% in 2018.

4. EARNINGS PER SHARE (BASIC)

Earnings per Share for the year ending 31st March, 2019 (Basic) stood at ₹ 2.09 per share as compared to ₹ 3.83 per share at the end of 31st March, 2018.

5. Table: Balance Sheet

(₹ in million)

Particulars	As At		
	31.03.2019	31.03.2018	Change
Net Worth	27,793	26,057	1,736
Short Term Loans	14,080	12,580	1,500
Long Term Loans	19,024	20,228	-1,204
of which Welspun Flooring debt	2,870	-	2,870
Gross Debt	33,104	32,807	297
Cash & Cash Equivalents	2,821	2,538	283
Net Debt	30,283	30,269	14
Net Debt excluding Flooring debt	27,412	30,269	-2,857
Net Fixed Assets (incl CWIP)	36,154	33,641	2,513
Net Current Assets*	22,210	23,734	-1,524

* Excluding short term debt and cash & cash equivalents

6. NET WORTH

Net worth of the Company stands at ₹ 27,793 million at 31st March, 2019 as against ₹ 26,057 million at 31st March, 2018.

Net sales to Net worth ratio is 2.35 times for the period ending 31st March, 2019 as compared to 2.32 times in 2018 end.

Book Value of Equity Shares stands at ₹ 27.66 per equity share as at March 31, 2019, which was 25.93 per equity share in FY18.

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

Share Capital

The Issued, Subscribed and Paid-up Share Capital as at March 31, 2019 stands at ₹ 1,004.73 million, unchanged over the FY18 figure.

Reserves and Surplus

i) Securities Premium account: The Securities Premium account stands at ₹ 3,238 million in 2019, which is same as the figure at the end of 2018.

ii) Capital Redemption Reserve: The balance as of March 31, 2019 amounted to ₹ 488 million, same as at the end of previous year

iii) Capital Reserve: The balance as of 31st March, 2019 amounted to ₹ 1,475 million, same as at the end of the previous year.

iv) Foreign exchange translation reserve as at 31 March 2019 stands at ₹ (175) million against ₹ (69) million in the previous year.

v) Profit and Loss account: The balance in the Profit and Loss Account as on March 31, 2019 was ₹ 20,103 from ₹ 18,952 million as on March 31, 2018.

7. LOAN FUNDS

Gross Debt as on March 31, 2019 stands at ₹ 33,104 million as against ₹ 32,807 million at end-2018. The Long-term debt stands at ₹ 19,024 million as against ₹ 20,228 million at end-2018.

Cash and cash equivalents of the company in 2019 stands at ₹ 2,821 million as against ₹ 2,538 million in the previous year.

Net Debt as on March 31, 2019 stands at ₹ 30,283 million after reducing the cash and bank balance and liquid investment. At the end of 2018, the net debt was ₹ 30,269 million. Net debt at 2019 end excluding flooring debt was at ₹ 27,412 million.

Net Debt to Equity stands at 1.09 times in 2019 (as compared to 1.16 times in 2018) while Net Debt / EBITDA stands at 2.64 times in 2019 (2.51 times in 2017).

8. FIXED ASSETS

Net block (including Capital Work in Progress) stood at ₹ 35,579 million vs. ₹ 33,157 million in 2018. This increase was mainly on account of capex for the flooring project.

9. INVENTORY

Inventory as on March 31, 2019 stood at ₹ 13,342 million as compared to ₹ 13,054 million in 2018 end. The inventory days were 75 days in 2019 as compared to 79 days in FY18. The Inventory turnover ratio stands at 4.9 times in 2019 as compared to 4.6 times at 2018 end.

10. DEBTORS

Sundry Debtors on March 31, 2019 was at ₹ 10,768 million as compared to ₹ 9,310 million at 2018 end. Receivable days/debtor days is 60 days in 2019 as compared to 56 days at 2018. Debtors turnover ratio stands at 6.1 times in 2019 as compared to 6.5 times at 2018 end.

11. CASH AND BANK BALANCES AND LIQUID INVESTMENT

Cash and Bank balances and liquid investments was reported at ₹ 2,821 million as on 31st March 2019. At the end of 2018, the corresponding figure was ₹ 2,538 million.

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

12. CURRENT LIABILITIES

- **Trade payables** stood at ₹ 7,041 million as of end-2019 as compared to ₹ 6,447 million in 2018 end. Trade Payables are at 39 days of net sales in 2019, same as that in 2018. The Payable turnover ratio stands at 9.4 times in 2019 same as that in 2018.
- **Short-Term Provisions** stood at ₹ 1,730 million at the end –2019 as compared to ₹ 235 million at end-2018.

13. CASH CONVERSION CYCLE

Cash conversion cycle for 2019 was 95 days as against 96 days in the previous year.

14. DIVIDEND

The Company has a stated dividend distribution policy, where the payout will be 25% of the standalone PAT. For 2019, total dividend stands at ₹ 0.30 per share.

15. RETURN ON NET WORTH (RETURN ON EQUITY)

Return on net worth stood at 7.8% vs. 15.4% in 2018, lower on account of the exceptional expenses.

Key Financial Indicators: (₹ in million except ratios)

Particulars		As at 31-Mar-19	As at 31-Mar-18
Total Income	₹ Million	66,084	61,318
EBITDA	₹ Million	11,467	12,046
EBIT	₹ Million	7,109	7,004
Net Profit after Tax	₹ Million	2,098	3,850
Net Worth	₹ Million	27,793	26,057
Net Debt	₹ Million	30,283	30,269
Net Debt/Equity	Times	1.09	1.16
Net Debt/ EBITDA	Times	2.64	2.51
Net Sales/ Net Worth	Times	2.35	2.32
Interest Coverage Ratio	Times	4.46	4.97
Current Ratio	Times	1.25	1.42
Return on Equity (ROE)	%	7.8	15.4
Inventory Days	Days	75	79
Receivable Days	Days	60	56
Payable Days	Days	39	39
Net Operating Cycle (Inventory Days + Receivable Days - Payable Days)	Days	95	96
Book Value per Share		27.66	25.93

Note : The days outstanding are calculated on the basis of the Closing numbers

Directors' Report

TO
THE MEMBERS,
WELSPUN INDIA LIMITED

Your Directors have pleasure in presenting the 34th Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS:

₹ Million

Particulars	Consolidated		Standalone	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Revenue from Operations	65,266	60,506	53,953	49,959
Other Income	818	812	830	556
Total Revenue	**66,084**	**61,318**	**54,783**	**50,514**
EBITDA	**11,467**	**12,046**	**8,779**	**9,492**
EBITDA Margin (%)	**17.35**	**19.65**	**16.02**	**19.00**
Finance Cost	1,593	1,408	925	880
Depreciation and amortization	4,358	5,042	4,015	4,673
Profit before exceptional items and tax	**5,516**	**5,597**	**3,839**	**3,939**
Exceptional items	(2,647)	0	(2,080)	0
Profit before tax	**2,869**	**5,597**	**1,759**	**3,939**
Tax Expense	607	1,615	341	898
Profit for the year	**2,262**	**3,982**	**1,418**	**3,041**
Earnings per share (Basic & Diluted)	**2.09**	**3.83**	**1.41**	**3.03**

2. PERFORMANCE AND OUTLOOK:

During the year under review, your Company's total revenue on standalone basis increased to ₹ 53,953 million, a growth of 7.99% and on consolidated basis it increased to ₹ 65,266 million, a growth of 7.87% over the previous year. The EBITDA on standalone basis was ₹ 8,779 million i.e. 7.51% lower than last year and on consolidated basis was ₹ 11,467 million i.e. 4.81% lower than last year. EBITDA margin was lower due to immediate impact of sharp rupee depreciation via-a-vis US$ on input costs whereas the impact of rupee depreciation on revenue was deferred due to currency hedges. The Company has been consistently following the forex hedging policy to cover 50% to 60% of net receivables in forward market on rolling 12 months basis. Profit before exceptional items and tax was ₹ 3,839 million i.e. 2.54% lower than last year on standalone basis and it was ₹ 5,516 million i.e. 1.45% lower than last year on consolidated basis. Exceptional items, in standalone results is towards provision relating to settlement of putative class action suits in the US and in consolidated results it includes the aforesaid provision as well as provision towards restructuring of one of its subsidiaries in the UK. Accordingly, exceptional item aggregating to ₹ 324.65 millions for the year ended March 31, 2019, represents costs in relation to the closure of specific stores, inventory impairment associated with the closures and severance. Profit after tax ("PAT") is ₹ 1,418 million i.e. 53.37 % lower than last year on standalone basis and ₹ 2,262 million i.e. 43.19% lower than last year on consolidated basis. You may refer to 'Management Discussion & Analysis' ("MDA") Section of this Report for further details of your Company's performance.

3. DIVIDEND:

i. Dividend Distribution Policy:

The Board of Directors approved Dividend Distribution Policy of the Company, as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations 2015"). The Board will endeavor to achieve distribution of 25% of PAT for a financial year, on standalone basis, with equity shareholders (including by way of dividend and Dividend Distribution Tax thereon). The Policy is attached as Annexure – 1 to this Report and it is also available on your Company's website and the web link thereto is as given below.

http://www.welspunindia.com/policy/WIL-Dividend%20Distribution%20Policy.pdf

ii. Dividend for Financial Year 2018-19:

Considering your Company's performance during the Financial Year ("FY") 2018-19, the Board of Directors has recommended, for approval of the members, a dividend of ₹ 0.30 per share (face value of ₹ 1 per share) for FY 2018-19. The dividend, if approved by the members, would result in cash outflow of ₹ 363.39 million including Dividend Distribution Tax ("DDT") i.e. 25.6% of standalone PAT.

Dividend will be paid to those members, who will hold shares on the last day of book-closure i.e. July 17, 2019.

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

₹ million

Financial Year	Total Dividend (%)	Cash Outflow (including DDT)
2017-18	65%	787
2016-17	65%	786
2015-16	130%	1,558

4. SUBSIDIARIES:

During the year, the Company's subsidiary in USA promoted TILT Innovations, Inc. with an objective to develop smart home-textile solutions. The Company formed a wholly owned subsidiary viz. Welspun Advanced Materials Limited, incorporated in India, with an objective to explore undertaking advanced textile project on a greater scale with focused management.

A report on the performance and financial position of each of the subsidiary companies of your Company is included in the consolidated financial statement presented in Form AOC-1 attached as Annexure – 2 to this Report. Your Company's policy on Material Subsidiary as approved by the Board is hosted on your Company's website and the web link thereto is as given below.

http://www.welspunindia.com/policy/material_subsidiary_policy.pdf

5. SCHEME OF AMALGAMATION:

The shareholders and creditors of the Company have on March 08, 2019 approved the Scheme of Amalgamation, presented under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules and regulations made thereunder, of Prasert Multiventure Private Limited (holding company of Welspun India Limited) ("Transferor Company / PMPL") with your Company ("Transferee Company / WIL") and their respective shareholders and creditors ("the Scheme"). The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench vide its order dated May 10, 2019 sanctioned the Scheme. The Scheme has become effective on May 21, 2019, being the date of filing e-form INC-28 with the Ministry of Corporate Affairs. Pursuant to the Scheme becoming effective, all the assets and liabilities of PMPL as on the Appointed Date of October 08, 2018 stood transferred to your Company. The existing equity shares held by PMPL in your Company shall be cancelled and in consideration thereof 679,078,913 fully paid up equity share of Re. 1 each of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in proportion to their holding in the Transferor Company. Further, pursuant to the Scheme, the authorized share capital of the Company stood increased to ₹ 155.55 Crore due to combination of the authorized share capital of the Transferor Company. Upon effectiveness of the Scheme, the promoters would continue to hold the same percentage of shares in your Company, pre and post the amalgamation and there will be no increase or decrease in the promoter shareholding of your Company.

6. AUDITORS AND AUDITORS' REPORT:

i. Statutory Auditors:

Your Company's Auditors, S R B C & CO LLP, who were appointed up to the conclusion of the 37th Annual General Meeting, have given their consent to continue to act as the Statutory Auditors of your Company for the remaining tenure. Members have at the 33rd Annual General Meeting ratified the appointment of the Auditors for the remaining tenure i.e. upto the 37th Annual General Meeting.. The Auditors are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' observation read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

ii. Cost Auditors:

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has reappointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of your Company for FY 2019-20 on the recommendations made by the Audit Committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the forthcoming Annual General Meeting.

As required under the Companies (Accounts) Rules, 2014, the cost accounting records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 are made and maintained by the Company.

iii. Secretarial Auditor:

The Secretarial Audit Report for FY 2018-19 is attached herewith as Annexure - 3 to this Report.

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

7. SHARE CAPITAL & LISTING:

During the year, no share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share. There were no stock options outstanding during the FY 2018-19.

8. DISCLOSURE OF SHARES HELD IN SUSPENSE ACCOUNT:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year		Remarks
No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	
3,831	1,354,060	4	4,240	2,345	1,019,040	1,486	335,020	During the year, 1,014,800 equity shares held by 2,341 shareholders were transferred to Investor Education and Protection Fund in accordance with provisions of Section 124(6) of the Act. The voting rights on these shares shall remain frozen until the shares have been claimed by and transferred to the rightful owner.

9. LISTING WITH THE STOCK EXCHANGES:

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

10. FINANCE:

i. Credit Rating:

During the year, CARE Ratings Limited ('CARE') has reaffirmed your Company's long term credit rating of 'AA' and short term credit rating of 'A1+'. India Ratings & Research, a Fitch Group company, has reaffirmed your Company's long-term issuer rating of 'IND AA-/Stable' and short-term credit rating of 'IND A1+'.

ii. Deposits:

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

11. BOARD OF DIRECTORS:

Your Company's Board comprises of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, marketing, brand management, general management and strategy. Except the nominee appointed by IDBI Bank and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Act. It is confirmed that, except for Balkrishan Goenka and Ms. Dipali Goenka who are husband and wife, there is no relationship between the directors inter-se. The details of the Directors, their meetings held during the year and the extracts of the Nomination and Remuneration Policy has been given in the Corporate Governance Report, which forms part of this Report.

i. Changes in Directors and Key Managerial Personnel:

During the year, IDBI Bank Limited, lender to the Company, withdrew its nomination of Ms. Padma Betai (holding Director Identification Number 00937921) from the Board of the Company and nominated Shalil Awale (holding Director Identification Number 06804536) in her place.

During the year, Ram Gopal Sharma (Late) (who was holding Director Identification Number 00026514) resigned as a director on October 22, 2018. On October 22, 2018, the Board appointed, subject to shareholders' approval, Ms. Anisha Motwani (who is holding Director Identification Number 06943493) as an independent director. Shareholders of the Company, by way of a resolution passed by way of postal ballot, results of which were announced on March 28, 2019, have approved the following:

(i) Re-appointment of Arun Todarwal (holding Director Identification Number 00020916) as independent director for the second consecutive term commencing from April 01, 2019 upto March 31, 2024;

(ii) Re-appointment of Arvind Kumar Singhal (holding Director Identification Number 00709084) as independent director for the second consecutive term commencing from April 01, 2019 upto March 31, 2024;

(iii) Appointment of Ms. Anisha Motwani as an independent director for a period of three years from October 22, 2018 to October 21, 2021.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Rajesh Mandawewala (holding Director Identification Number 00007179) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment. Tenure of Pradeep Poddar (holding Director Identification Number 00025199), independent director of the Company is expiring on September 14, 2019. He is proposed to be re-appointed for a second term of three years.

Details about the directors being appointed or re-appointed are given in the Notice of the forthcoming Annual General Meeting.

ii. Declaration by an Independent Director(s):
Your Company has received declarations from all the Independent Directors as per the provisions of Section 149(7) of the Act confirming that they meet the criteria of Independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on the date of this Report which may affect their respective status as an Independent Director.

iii. Directors' Evaluation:
In compliance with the Act and SEBI Regulations 2015, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors. The evaluation process invited graded responses to a structured questionnaire, which was largely in line with the SEBI Guidance Note on Board Evaluation, for each aspect of the evaluation. All the results were satisfactory.

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

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

http://www.welspunindia.com/policy/familiarisation_program.pdf.

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

12. LOANS, GUARANTEES AND INVESTMENTS:

Information of amounts of investments made, loans given, guarantees given and security provided by your Company as on March 31, 2019 is as given under:

₹ million

Particulars	Amount
Investments	10,790.70
Loans / Receivables	-
Guarantees	19,900.31
Security	-
Total	**30,691.01**

Corporate Guarantee of ₹ 2.20 billion was given to holders of non-convertible debentures (NCDs) issued by Welspun Captive Power Generation Limited ("WCPGL"), a subsidiary of your Company. Proceeds of NCDs were used by WCPGL in refinancing loan of equivalent amount which was availed for setting up of captive power plant. In previous years, WCPGL has redeemed NCDs of principal amount of ₹ 1.32 billion and NCDs of ₹ 880 million are outstanding which are redeemable on May 30, 2019. Corporate guarantees of GBP 4.25 million and GBP 8.51 million were issued, to Bank of Baroda, UK and Barclay's Bank respectively, by the Company to secure repayment of working capital facilities availed by CHT Holdings Limited, a subsidiary of your Company. Similarly, the Company has issued guarantee of ₹ 5 billion in favour of consortium of Bankers led by State Bank of India ("the Consortium") to secure repayment of working capital facilities extended by the Consortium to Welspun Global Brands Limited ("WGBL"), a subsidiary of your Company.

Additionally, the Company has issued guarantee of ₹ 400 million in favour of ICICI Bank to secure repayment of working capital facilities. The Company has issued guarantees of ₹ 8.15 billion in favour of the lenders of Welspun Flooring Limited ("WFL"), a wholly owned subsidiary of your Company to secure repayment of facilities extended by those lenders to WFL. Additionally, the Company has issued guarantee of ₹ 3 billion in favour of IndusInd Bank Limited to secure term loan facility availed by WFL. Disclosures pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI Regulations, 2015 is given at Note No. 37 of the audited financial statements.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business, to serve mutual needs and mutual interest. Except for contracts with WGBL and WCPGL, subsidiaries of your Company, there were no materially significant related party transactions made by your Company. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company's policy on Related Party Transactions as approved by the Board is hosted on your Company's website and a web link thereto is as given below:

http://www.welspunindia.com/policy/related_party_transaction_policy.pdf.

Disclosures as required under the Act are given in Form AOC-2 as Annexure – 4 to this Report.

The details of the related party transactions as required under IND-AS 24 are set out in Note 30(ii) to the Standalone financial statements forming part of this Report.

14. DETAILS OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(a) the ratio of the remuneration of each Executive Director and Key Managerial Personnel to the median remuneration of the employees of your Company for FY 2018-19 is as given below:

₹ million

Name and Designation	Remuneration (₹ million)	The percentage increase in remuneration	The ratio of the remuneration to the median remuneration of the employees (No. of times)
Rajesh Mandawewala Managing Director	32.29	(42.33%)	221.94
Ms. Dipali Goenka CEO and Joint Managing Director	34.73	(35.31%)	238.71
Altaf Jiwani Chief Financial Officer	28.50	(2.70%)	195.89
Shashikant Thorat Company Secretary	4.39	8.66%	30.17

(b) The percentage increase in the median remuneration of employees in FY 2018-19 was 2.35%.

(c) Your Company had 21,514 permanent employees on its payrolls as on March 31, 2019.

(d) Average percentage increase in the salaries of employees other than the managerial personnel in FY 2018-19 was 8%. The managerial remuneration decreased by 38.89% as a result of decrease in Commission payable.

The key parameters for any variable component of remuneration availed by the directors are as per the Nomination and Remuneration Policy. We affirm that the remuneration is as per the Nomination and Remuneration Policy of your Company.

ii. Details of the employees of your Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Name, Designation, Age, DOJ, Current CTC (₹ million), Qualification, Previous Company, Nature of Employment, % of Equity Shares held in the Company, Relative of any Director/ Manager of the Company

Altaf Jiwani, Chief Financial Officer, 51, 02.02.2015, 28.50, B.TECH, MMS, RPG Group, Permanent, 0, No; Amarsinh Dhanwade, Vice President, 42, 20.08.2018, 15.60, MBA, PGDM, L'Oreal, Permanent, 0, No; Ashok Kumar Joshi, Executive Director* & Business Head – Operations, 58, 02.07.2013, 25.22, B.TECH, Donear Industries Limited, Permanent, 0, No; Bhavin Purohit (Resigned during the year), Senior Vice President – IT, 43, 16.08.2017, 15.50, MBA, B.E., Arvind Limited, Permanent, No; Chintan Thaker, Senior Vice President – Corporate Affairs and Strategic Planning Cell, 41, 01.04.2003, 10.47, B.Sc., MBA (Marketing), N.A., Permanent, Dipali Goenka, CEO

& Joint Managing Director, 48, 01.04.2013, 34.73, B.A. (Psychology),N.A., Contractual, 0.07, Yes; Laxmi Narain Kaushik, Director* & Business Head – Operations, 52, 16.07.2018, 14.99, M.Tech., Spentex Industries Limited, Permanent, 0, No, Milind Hardikar, Executive Director* – Advanced Textile, 58, 24.04.2012, 22.50, BE (Mech), MMS, Arvind Limited, Permanent, 0, No; Rajesh Mandawewala, Managing Director, 55, 01.12.1985, 32.29, CA, N.A., Contractual, 0, No; Rajesh Padmanbhan, Director*-HCGA, 57, 01.02.2016, 39.42, MBA (Finance/HR), Vedanta Group, Permanent, 0, No.

* Not a member of the Board.

iii. Ms. Dipali Goenka, CEO & Joint Managing Director, who is receiving remuneration and commission from your Company, receives ₹ 25.20 million as remuneration (including variable pay) and commission of 2% of profits also from WGBL, a subsidiary of your Company.

iv. Details of managerial remuneration and payments to other directors are given in the Corporate Governance Report forming part of this Report.

15. EXTRACT OF THE ANNUAL RETURN:

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

http://www.welspunindia.com/investors_uploads/%20Annual%20Return.pdf

16. BUSINESS RESPONSIBILITY REPORT (BRR):

SEBI vide Notification No. SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015 had mandated top 500 listed entities, based on market capitalization, to include BRR in the annual report. Since the Company is one of the top 500 listed entities, it is pleased to present its 3rd BRR for the FY 2018-19 as per SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015 which is hosted on your Company's website and a web link thereto is as given below:

http://www.welspunindia.com/environment_management/BusinessResponsibiliyReport_2018-19.pdf

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is attached as Annexure – 6 to this Report.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

http://www.welspunindia.com/policy/csr_policy.pdf

The initiatives undertaken by your Company during FY 2018-19 in CSR have been detailed in this Report. Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 are given in Annexure – 7 to this Report.

19. INTERNAL CONTROLS:

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation of Section 134(5) of the Act, SEBI Regulations, 2015 and other relevant statutes applicable to your Company.

Your Company has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted by business needs. The Internal Auditors continuously monitor the efficiency of the internal controls / compliance with the SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the year ended March 31, 2019, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

20. RISK MANAGEMENT:

Your Company is exposed to risks across all levels and functions of the organisation. The Board has approved Enterprise Risk Management Policy (ERMP) to effectively address financial, operational, business, compliance and strategic risk. A structured enterprise risk management program has been formulated and implemented. Refer to the MDA Section in this Report for risks and threats applicable to your Company.

21. CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of corporate governance requirements as set out by SEBI. The Report on Corporate Governance as stipulated under SEBI Regulations, 2015 forms an integral part of this Report. The requisite Compliance Certificate is obtained from Uday Sohoni, Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of SEBI Regulations 2015, is annexed to the Corporate Governance Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The MDA Report on the operation of the Company as required under the SEBI Regulations, 2015, is provided in a separate section and forms part of this Report.

23. VIGIL MECHANISM:

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

24. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sections 134(3)(c) & 134(5) of the Act, your Directors hereby confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the FY 2018-19;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors have prepared the annual accounts on a going concern basis;

e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. MISCELLANEOUS:

During the year, there was no change in the general nature of business of your Company. No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. No amount was required to be transferred to General Reserve. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, based on the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace, the Internal Complaints Committee for each location of your Company informed that no case of sexual harassments was reported during the year under review. Your Company has not made any provision of money for the purchase of, or subscription for, shares of your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required. No fraud took place in the Company during the year and hence, no such reporting was made to the Audit Committee and the Board under Rule 13(3) of the Companies (Audit and Auditors) Rules, 2014.

26. ACKNOWLEDGEMENTS:

Your Directors thank the government authorities, financial institutions, banks, customers, suppliers, members, employees and other business associates of your Company, who through their continued support and co-operation, have helped as partners in your Company's progress and achievement of its objectives.

For and on behalf of the Board of Directors

May 24, 2019
Mumbai

Balkrishan Goenka
Chairman
DIN 00270175

Annexure – 1

Welspun India Limited

Dividend Distribution Policy

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

1. REGULATORY FRAMEWORK

The Securities and Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Welspun India Limited ("Company") being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVE & PHILOSOPHY

The objective of this Policy is to provide predictability of dividend to the investors and at the same time to enable them to plan for utilization of their income and to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this Policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. DIVIDEND DECLARATION – CIRCUMSTANCES AND FINANCIAL PARAMETERS

The Board will consider present situation of the Company, internal and external factors influencing performance of the Company, its strategy and business plan for the future. After considering such factors, the Board will endeavor to achieve distribution of 25% of Profit After Tax for a financial year, on standalone basis, with equity shareholders (including by way dividend and Dividend Distribution Tax thereon).

The shareholders may expect dividend in following circumstances:

1) The Board will assess the Company's financial requirement, including present and future organic and inorganic growth opportunities and other relevant factors.
2) In the circumstances where no material event has occurred affecting the long term business stability of the Company.
3) No event has happened which may have long term material effect on the business of the Company. In such circumstances, dividend may be recommended or declared at the discretion of the Board.

4. FACTORS FOR DETERMINING DIVIDEND

In determining the Company's dividend payout, the Board of Directors would consider a variety of factors, including:

A. Internal Factors

i) Stability / trends of earnings;

ii) Liquidity of funds;

iii) Need for additional capital;

iv) Acquisitions and/or any other potential strategic action;

v) Expansion of business;

vi) Past dividend trends;

vii) Dividend type and time of its payment.

B. External Factors

i) Prevailing legal requirements, tax rules, Government policies, Statutory conditions or restrictions as may be provided under applicable laws;

ii) State of the industry or economy of the country;

iii) Capital market scenario;

iv) Financial covenants stipulated by the lenders;

v) Covenants in agreement with shareholding group(s).

5. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHARES

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

6. UTILIZATION OF RETAINED EARNINGS

The earnings retained by the Company after distribution of dividend to the members may be used, inter alia, to:-

1. Maintain existing operations;
2. Acquisitions, expansion or diversification;
3. Funding organic and inorganic growth;
4. Short-term investment in risk-free instruments with moderate returns;
5. Repayment of borrowings;
6. Meet contingent and other liabilities;
7. Issue of Bonus Shares;
8. Investment in Subsidiaries;
9. Research and Development;
10. Innovation;
11. Acquisition of Intellectual Property Rights.

7. AMENDMENTS / MODIFICATIONS

1. This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
4. Any difficulty or ambiguity in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
5. When the company proposes to declare dividend on the basis of parameters other than what is mentioned in the policy or proposes to change its dividend distribution policy, the same along with the rationale shall be disclosed.

For Welspun India Limited
Sd/-
Rajesh Mandawewala
Managing Director
00007179

Date: January 31, 2017
Place: Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 24, 2019
Mumbai

Annexure – 2

Form AOC – 1

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

₹ Million

Sr. No.	1	2	3	4	5	6	7	8	9	10	11
Name of the Subsidiary company	WGBL	#WUSA	WCPGL	#CHL	WUL	CLL	CWG	WASEZ	WHTUKL	WZTL	WAML
Reporting period year ended	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Reporting currency and Exchange rate	INR NA	USD ₹ 69.16	INR NA	GBP ₹ 91.35	GBP ₹ 91.35	USD ₹ 69.16	Euro ₹ 77.59	INR NA	GBP ₹ 91.35	INR NA	INR NA
Share Capital	235.29	10.21	295.38	474.55	149.66	-	9.18	0.51	1,048.62	55.00	0.10
Reserves & Surplus	3,417.81	1,156.09	2,487.17	(293.37)	(10.76)	(161.71)	(2.30)	2,319.15	(398.18)	51.46	(0.50)
Total Assets	16,804.60	9,162.09	4,022.38	2,057.64	963.66	(116.80)	10.26	3,319.20	929.31	107.65	0.10
Total Liabilities	13,151.50	7,995.79	1,239.83	1,876.46	824.76	44.91	3.38	999.54	278.88	1.19	0.50
Investments (excluding investments in subsidiaries)	3.20	--	590.57	-	-	-	-	260.23	-	-	-
Turnover	54,825.95	18,319.54	4,649.07	2,913.14	2,574.51	154.64	44.66	-	-	-	-
Profit / (Loss) before Taxation	546.27	311.81	988.60	(447.73)	(329.27)	(70.45)	(1.97)	(4.34)	(0.33)	3.67	(0.50)
Provision for Taxation	198.29	29.82	4.07	0.55	-	(0.01)	(0.45)	3.36	-	0.72	-
Profit / (Loss) after Taxation	347.98	282.00	984.53	(448.28)	(329.27)	(70.44)	(1.52)	(7.70)	(0.33)	2.96	(0.50)
Proposed Dividend (Equity)	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.03	98.68	77.00	98.11	98.11	98.11	98.11	100.00	98.11	100.00	100.00

Consolidated figures of the Company are given.

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

WGBL = Welspun Global Brands Limited, WUSA = Welspun USA, Inc., WCPGL = Welspun Captive Power Generation Limited, CHL = CHT Holdings Limited, WUL = Welspun UK Limited, CLL = Christy Lifestyle LLC, CWG = Christy Welspun GmbH, WASEZ = Welspun Anjar SEZ, WHTUKL = Welspun Home Textiles UK Limited, WZTL = Welspun Zucchi Textiles Limited, WAML = Welspun Advanced Materials Limited.

Sr. No.	12	13	14	15	16	17	18	19	20	21	22	23
Name of the Subsidiary company	**CHT**	**NHT**	**WMEL**	**WHPL**	**ERK**	**BDI**	**AITP**	**WFL**	**CL**	**CUL**	**WNEX**	**TILT**
Reporting period year ended	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
Reporting currency and Exchange rate	GBP ₹ 91.35	MXN ₹ 3.58	USD ₹ 69.16	GBP ₹ 91.35	GBP ₹ 91.35	INR NA	INR NA	INR NA	GBP ₹ 91.35	GBP ₹ 91.35	USD ₹ 69.16	USD ₹ 69.16
Share Capital	149.26	53.22	16.54	2.99	0.20	0.10	0.10	2,352.18	-	-	269.30	-
Reserves & Surplus	(17.87)	(52.22)	37.08	764.53	52.89	(14.52)	(0.28)	(68.26)	774.67	2.33	2.19	3.43
Total Assets	135.45	-	53.97	768.27	53.07	1.16	0.34	5,817.56	774.67	2.33	271.49	3.43
Total Liabilities	4.06	-	0.35	0.75	(0.02)	15.58	0.52	3,533.64	-	-	-	-
Investments(excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) before Taxation	(11.06)	3.89	0.53	(0.72)	-	0.04	(0.03)	(35.89)	-	-	(0.33)	(31.35)
Provision for Taxation	-	-	-	-	-	0.01	-	10.50	-	-	-	-
Profit / (Loss) after Taxation	(11.06)	3.89	0.53	(0.72)	-	0.03	(0.03)	(46.39)	-	-	(0.33)	(31.35)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	98.11	98.03	98.03	98.11	98.11	100.00	100.00	100.00	98.11	98.11	100.00	100.00

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

CHT = Christy Home Textiles Limited, NHT = Novelty Home Textiles S A DE C V, WMEL = Welspun Mauritius Enterprises Limited, WHPL = Welspun Holdings Private Limited, ERK = E. R. Kingsley (Textiles) Limited, BDI = Besa Developers and Infrastructure Private Limited, AITP = Anjar Integrated Textile Park Developers Private Limited, WFL = Welspun Flooring Limited, CL = Christy 2004 Limited, CUL = Christy UK Limited, WNEX – Welspun Nexgen Inc., USA., TILT = TILT Innovation Inc.

Notes:
Anjar Integrated Textile Park Developers Private Limited is yet to commence business.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO & Joint Managing Director
DIN 00007199

May 24, 2019
Mumbai

Shashikant Thorat
Company Secretary
FCS – 6505

Altaf Jiwani
Chief Financial Officer

Annexure – 3

Form No. MR -3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

(i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

(ii) Acts as prescribed under Direct Tax and Indirect Tax;

(iii) Acts prescribed under prevention and control of pollution;

(iv) Acts prescribed under environmental protection;

(v) Land Revenues Act of respective States;

(vi) Labour Welfare Act of respective States; and

(vii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. During the year under report following changes were noted in the composition of directors:

(i) Resignation of Mr. Ram Gopal Sharma (Late) w.e.f. October 22, 2018;

(ii) Withdrawal of nomination of Ms. Padma Betai, Nominee Director, by IDBI Bank Limited w.e.f. September 29, 2018;

(iii) Appointment of Mr. Shalil Awale as Nominee Director w.e.f. September 29, 2018 and

(iv) Appointment of Ms. Anisha Motwani as Independent Director w.e.f. October 22, 2018.

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

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

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

I, further report that during the year under review:

(i) the Company declared and paid dividend of Re. 0.65 per equity share having nominal value of Re. 1/- each for the financial year ended on March 31, 2018.

(ii) Members & Creditors at the NCLT convened Meetings held on March 08, 2019 approved the amalgamation embodied in the Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL" or "Transferor Company") with Welspun India Limited ("WIL" or "Transferee Company" or "Company") and their respective shareholders and creditors.

(iii) Shareholders of the Company, by way of a resolution passed by way of postal ballot, results of which were announced on March 28, 2019, have approved the following:

  (a) Re-appointment of Arun Todarwal (holding Director Identification Number 00020916) as independent director for the second consecutive term commencing from April 01, 2019 upto March 31, 2024;

  (b) Re-appointment of Arvind Kumar Singhal (holding Director Identification Number 00709084) as independent director for the second consecutive term commencing from April 01, 2019 upto March 31, 2024;

  (c) Appointment of Ms. Anisha Motwani as an independent director for a period of three years from October 22, 2018 to October 21, 2021.

  (d) Revision in remuneration payable to Ms. Dipali Goenka, CEO & Joint Managing Director.

Uday Sohoni
Practising Company Secretary
FCS 9471, CP 10916
May 24, 2019
Mumbai

Annexure – 4

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto for financial year 2018-19.

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:** NIL

2. **DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:**

(a)	Name(s) of the related party and nature of relationship	Welspun Global Brands Limited	Welspun Captive Power Generation Limited
(b)	Nature of contracts/ arrangements/transactions	Sale of products of the Company	Purchase of power and steam
(c)	Duration of the contracts / arrangements/transactions	Perpetual	Perpetual
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The price for sale of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.	As may be mutually agreed periodically considering prevalent market conditions.
(e)	Date(s) of approval by the Board	July 30, 2014	July 30, 2014
(f)	Amount paid as advances, if any	N.A.	N.A.

Note: The above transactions are material as per SEBI Regulations, 2015. Other transactions which are not material transactions but entered into in the ordinary course of business and on arm's length basis are mentioned in the Note No. 30(ii) of the audited financial statements.

For and on behalf of the Board of Directors

May 24, 2019
Mumbai

Balkrishan Goenka
Chairman
DIN 00270175

Annexure – 5

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L17110GJ1985PLC033271
ii)	Registration Date	January 17, 1985
iii)	Name of the Company	Welspun India Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110 Contact: The Company Secretary, Tel.: +91 22 - 66136000; Email: Companysecretary_WIL@welspun.com
vi)	Whether listed company Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** Unit : Welspun India Limited C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400 083 Email – rnt.helpdesk@linkintime.co.in Tel. No.: +91-22-49186000 Fax No. : +91-22–49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
5	Christy Lifestyle LLC (USA) 3901, Gantz Road, Grove City, OH 43123	-	Subsidiary	98.10	2(87)(ii)
6	Christy UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
7	Christy Welspun GmbH (Germany) Obere Breite 14, 72336 Balingen	-	Subsidiary	98.11	2(87)(ii)
8	CHT Holdings Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
9	E. R. Kingsley (Textiles) Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
10	Novelty Home Textiles S.A. de C.V. (Mexico) Boulevard Zaragoza 1650, Colonia Salvacar, Ciudad Juarez, Chihuahua 32574	-	Subsidiary	98.03	2(87)(ii)
11	Prasert Multiventures Private Limited Welspun House, 7th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	U51901GJ2017PTC100255	Holding	67.59	2(46)
12	TILT Innovations Inc. (USA) Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	98.68	2(87)(ii)
13	Welspun Advanced Materials Limited Survey No. 675, Welspun City, Anjar, Gujarat – 370110	U17309GJ2018PLC103955	Subsidiary	100.00	2(87)(ii)
14	Welspun Anjar SEZ Limited Welspun City, P.O. Versamedi, Taluka Anjar, Gujarat – 370110	U22210GJ1995PLC027871	Subsidiary	100.00	2(87)(ii)
15	Welspun Captive Power Generation Limited Welspun City, Village Versamedi, Taluka Anjar, Gujarat – 370110	U40100GJ2010PLC060502	Subsidiary	77.00	2(87)(ii)
16	Welspun Flooring Limited Survey No. 76, Village Morai, Vapi Valsad, Gujarat – 396191	U17291TG2016PLC132327	Subsidiary	100.00	2(87)(ii)
17	Welspun Global Brands Limited Survey No. 675, Welspun City, Anjar, Gujarat – 370110	U71210GJ2004PLC045144	Subsidiary	98.03	2(87)(ii)
18	Welspun Holdings Private Limited (Cyprus) 10, Diomidous Avenue, Building Alphamega – Acropolis, 3rd Floor, Office 401, 2024 Nicosia, Cyprus	-	Subsidiary	98.10	2(87)(ii)
19	Welspun Home Textiles UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
20	Welspun Mauritius Enterprises Limited (Mauritius) Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	-	Subsidiary	98.03	2(87)(ii)
21	Welspun Nexgen Inc. (USA) 251, Little Falls Drive, Wilmington, Delaware 19808	-	Subsidiary	100.00	2(87)(ii)
22	Welspun UK Limited (UK) Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	98.11	2(87)(ii)
23	Welspun USA, Inc. (USA) Suite No. 1118, 11th Floor, Textile Building, 5th Avenue, New York, NY – 10016, USA	-	Subsidiary	98.68	2(87)(ii)
24	Welspun Zucchi Textiles Limited Welspun House, 6th Floor, Kamala Mills Compound, S B Marg, Lower Parel, Mumbai – 400013	U18101MH1997PLC107982	Subsidiary	100.00	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	3,538,000	-	3,538,000	0.35%	3,538,000	-	3,538,000	0.35%	-
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	684,502,933	-	684,502,933	68.13%	684,502,933	-	684,502,933	68.13%	-
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any other(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A1)	**688,040,933**	**-**	**688,040,933**	**68.48%**	**688,040,933**	**-**	**688,040,933**	**68.48%**	**-**
(2) Foreign									-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total(A2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A)= (A1)+(A2)	**688,040,933**	**-**	**688,040,933**	**68.48%**	**688,040,933**	**-**	**688,040,933**	**68.48%**	**-**
B. Public shareholding									
1. Institutions									
a) Mutual Funds	59,231,295	112,100	59,343,395	5.91%	98,930,586	112,100	99,042,686	9.86%	3.95%
b) Banks / FI	621,918	2,500	624,418	0.06%	800,368	2,500	802,868	0.08%	0.02%
c) Central Government	845,746	-	845,746	0.08%	-	-	-	-	(0.08)%
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternate Investment Funds	3,201,410	-	3,201,410	0.32%	3,768,095	-	3,768,095	0.38%	0.06%
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Foreign Portfolio Investors	92,156,512	-	92,156,512	9.17%	83,358,583	-	83,358,583	8.30%	(0.87)%
i) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
j) Others (Specify) – UTI	-	140	140	0.00%	-	140	140	0.00%	(0.00)%
Sub-Total (B1)	**156,056,881**	**114,740**	**156,171,621**	**15.54%**	**186,857,632**	**114,740**	**186,972,372**	**18.61%**	**3.07%**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-institutions									
a) Bodies Corporate									
i. Indian	42,033,029	25,190	42,058,219	4.19%	33,533,271	25,190	33,558,461	3.34%	(0.85)%
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	80,841,198	4,297,900	85,139,098	8.47%	52,877,382	3,875,200	56,752,582	5.65%	(2.82)%
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	20,291,830	-	20,291,830	2.02%	29,760,211	-	29,760,211	2.96%	0.94%
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d) Any Other (specify)									
i. Clearing member	2,353,916	-	2,353,916	0.23%	1,023,690	-	1,023,690	0.10%	(0.13)%
ii. Non Resident Indians	5,311,498	194,630	5,506,128	0.55%	2,398,291	189,390	2,587,681	0.26%	(0.29)%
iii. Unclaimed Shares Demat Suspense Account	1,354,060	-	1,354,060	0.13%	335,020	-	335,020	0.03%	(0.01)%
iv. Hindu Undivided Family	3,775,010	-	3,775,010	0.38%	3,521,079	-	3,521,079	0.35%	(0.03)%
v. Directors / Relatives	2,510	-	2,510	0.00%	2,500	-	2,500	0.00%	0.00%
vi. Trust	31,825	-	31,825	0.00%	1,235	-	1,235	0.00%	0.00%
Sub-Total (B2)	**155,994,876**	**4,517,720**	**160,512,596**	**15.97%**	**125,622,065**	**4,089,780**	**129,711,845**	**12.91%**	**(3.06)%**
Total Public Shareholding (B)= (B1)+(B2)	**312,051,757**	**4,632,460**	**316,684,217**	**31.51%**	**312,479,697**	**4,204,520**	**316,684,217**	**31.52%**	**0.01%**
TOTAL (A)+(B)	**1,000,092,690**	**4,632,460**	**1,004,725,150**	**100.00%**	**1,000,520,630**	**4,204,520**	**1,004,725,150**	**100.00%**	**-**
C. Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A)+(B)+(C)	**1,000,092,690**	**4,632,460**	**1,004,725,150**	**100.00%**	**1,000,520,630**	**4,204,520**	**1,004,725,150**	**100.00%**	**-**

ii. **Shareholding of Promoters**

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

iii. Change in Promoter Groups' shareholding

Sr. No	Constituent of the Promoter Group	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	688,040,933	68.48%	688,040,933	68.48%
	Increase / decrease in Promoter Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	N.A.			
2	At the end of the year	688,040,933	68.48%	688,040,933	68.48%

iv. Top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders*	Shareholding at the beginning of the year		Changes in the Shareholding during the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	DSP Blackrock Small Cap Fund	44,197,843	4.40	6,306,901	-	50,504,744	5.03
2	L&T Mutual Fund Trustee Limited – L&T Emerging Business Fund	-	-	26,240,650	2.61	26,240,650	2.61
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	11,885,600	1.18	9,603,300	-	21,488,900	2.14
4	Vanguard Total International Stock Index Fund, A Series of Vanguard International Equity Index Fund	6,783,833	0.68	326,751	-	7,110,584	0.71
5	Templeton Global Smaller Companies Fund	0	-	6,157,807	-	6,157,807	0.61
6	Vanguard Total International Stock Index Fund	5,257,348	0.52	372,716	-	5,630,064	0.56
7	Anil Kumar Goel	5,500,000	0.55	-	-	5,500,000	0.55
8	Aditya Birla Sun Life Insurance Company Limited	5,026,528	0.50	408,829	-	5,435,357	0.54
9	ICG Q Limited	4,500,000	0.45	500,000	-	5,000,000	0.50
10	Templeton Institutional Funds – Foreign Smaller Companies Series	-	-	4,510,743	-	4,510,743	0.45

* Top ten Shareholders of the Company as on March 31, 2019 has been considered for the above disclosure.

The Shares of the Company are traded on daily basis and hence, the date wise increase / decrease in shareholding is not indicated.

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

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

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

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

V. INDEBTEDNESS

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

₹ million

		Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	23,952.69	3,255.60	-	27,208.29
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	101.73	0.94	-	102.67
Total (I + ii + iii)		**24,054.42**	**3,256.54**	**-**	**27,310.96**
Change in indebtedness during the financial year					
•	Addition	-	-	-	-
•	(Reduction)	(1,003.66)	(1,129.38)	-	(2,133.04)
Net change		**(1,003.66)**	**(1,129.38)**	**-**	**(2,133.04)**
Indebtedness at the end of the financial year					
i.	Principal Amount	22,992.38	2,110.57	-	25,102.95
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	58.38	16.59	-	74.97
Total (i+ii+iii)		**23,050.76**	**2,127.16**	**-**	**25,177.92**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ million

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Rajesh Mandawewala	Ms. Dipali Goenka	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.00	19.50	36.50
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	0.06	-	0.06
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat equity	-	-	-
4	Commission			
	- As % of profit	15.23	15.23	30.46
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**32.29**	**34.73**	**67.02**
	Ceiling as per the Act	76.17	76.17	152.34

B. Remuneration to other directors

₹ in million

Sr. No.	Particulars of Remuneration	Name of Directors					Total amount
1.	Independent Directors	Arvind Kumar Singhal	Arun Todarwal	Pradeep Poddar	*Ms. Anisha Motwani	IDBI Bank (Nominee Director)	
	• Fee for attending board /	0.29	1.17	1.00	0.14	0.19	2.79
	committee meetings and	-	-		-	-	-
	general meetings	-	-		-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	**0.29**	**1.17**	**1.00**	**0.14**	**0.19**	**2.79**
2.	Other Non Executive Directors	Balkrishan Goenka					
	• Fee for attending board / committee and general meetings	-					-
	• Commission	15.23					15.23
	• Others, please specify (Advisory Fees)	-					-
	Total (2)	**15.23**					**15.23**
	Total (B) = (1 + 2)						**18.02**

* With effect from October 22, 2018

C. Total Managerial Remuneration

₹ in million

Total Managerial Remuneration (A+B)	85.04
Overall Ceiling as per the Act	167.57

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

₹ in million

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	28.50	4.39	32.89
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify			
5	Others, please specify	-	-	-
	Total	**28.50**	**4.39**	**32.89**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 2013: NIL

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 24, 2019
Mumbai

Annexure – 6

Conservation of energy, technology absorption and foreign exchange earnings and outgo

(i) The steps taken or impact on conservation of energy:

The Company is continuously engaged in the process of energy conservation through continuous improvements in operational and maintenance practice. Through our continuous effort to improve energy efficiency in FY 2018-19, cumulatively, we have saved more than 31,000 MT of coal, energy cost of ₹ 41.29 million. For more details on energy efficiency and saving, you may refer to the 'Caring for the Environment' Section in the BRR Report which is hosted on your Company's website and a web link thereto is as given below.

http://www.welspunindia.com/environment_management/BusinessResponsibiliyReport_2018-19.pdf

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

(iii) the capital investment on energy conservation equipments: ₹ 151.29 million

Technology Absorption

(i) The efforts made towards technology absorption:

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

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

In FY 2018-19, Welspun India Limited and its subsidiaries has 31 unique inventions. These inventions have been applied for patent protection in major markets like USA and Europe.

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

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

We have developed an innovative range of products to attract new business and customers and maintain leadership in market. Upgradation of products to new requirements has been possible because of R&D done in your Company on a continuous basis. We remain closely connected with today's families through research which is central to our Product development and Innovation process. Understanding what is important to them allows us to provide them with solutions for everyday living.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

(iv) the expenditure incurred on Research and Development.

	₹ million
Capital	32.75
Recurring	298.17
Total	330.92
Total R&D expenditure as a percentage of total turnover	0.61

Foreign Exchange and Earnings Outgo:
Refer to Notes No. 42 to 43 and 45 to 46 of the audited financial statements for details.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 24, 2019
Mumbai

Annexure – 7

Corporate Social Responsibility (CSR)

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

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

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

   i) Education;

   ii) Empowerment of women; and

   iii) Environment & Health.

   These 3E's are implemented through:

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

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

   http://www.welspunindia.com/policy/csr_policy.pdf

2. The Composition of the CSR Committee:

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

3. Average net profit of the Company for last three financial years: ₹ 5,543.27 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 110.87 million.

5. Details of CSR spent during the financial year:

   a. Total amount to be spent for the financial year: ₹ 110.87 million

   b. Amount unspent, if any: NIL

c. Manner in which the amount spent / committed during the financial year is detailed below:

(₹ million)

Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the date of reporting	Amount spent : Direct or through implementing agency
1.	Gyan Kunj Project in 200 schools	Promoting Education including provision of vocation skills	Gujarat	-	13.70	108.29	Through Welspun Foundation for Health and Knowledge
2.	Para Teacher Program		Anjar, Kutch, Gujarat		2.65		
3.	Teaching at right level program with Pratham foundation		Anjar, & Vapi, Gujarat		1.08		
4.	Upgradation of infrastructure at school in Anjar				0.94		
5.	Providing scholarships to students				0.17		
6.	Providing education kits for government schools		Anjar, Kutch, Gujarat		0.20		
7.	Construction of Vedshala & promoting studies of vedas				6.77		
8.	Administrative support to school				1.54		
9.	Donation to - Lakhi Foundation, Orphanages, Society		Gujarat and Maharashtra		14.68		
10.	Career Guidance program at Ratnal Village		Kutch, Gujarat		0.75		
11.	Development of sustainable farming		Vardha, Maharashtra and Kutch, Gujarat		34.71		
12.	Development of Infrastructure for CSR Promotion		Anjar, Kutch, Gujarat		0.16		
13.	PMKVY Project		Gujarat		0.36		
14.	Donation to girls hostel, CSR centre activities		Vapi, Gujarat	-	1.45		
15.	Development of Sanitary Napkin Project at Saharanpur, Dewas, Anjar and Vapi	Empowering Women	Gujarat, Madhya Pradesh, Uttar Pradesh		0.09		
16.	Mal-nutrition Navchetna Project	Empowerment of socially backward	Vapi, Gujarat	-	0.54		
17.	Model village project at Village Ajapar & Khaara pasparia, Chandanveli and Taluka Anjar		Anjar, Kutch, Gujarat	-	19.83		
18.	Sujlaam Suflam Jal Abhiyaan	Environment Sustainability	Anjar, Kutch, Gujarat	-	0.14		
19.	Tree plantation			-	1.58		

Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the date of reporting	Amount spent : Direct or through implementing agency
20.	Promoting Health	Promoting Healthcare	Anjar, Kutch, Gujarat	-	2.28		
21	Donation to - Adani foundation, Soliji Yoga Foundation, Kerala Floods		Bhuj, Gujarat, Vadodara, Gujarat, Kerala		4.67		
			Total Direct Expenditure		**108.29**		
			Staff Salaries, staff welfare and other administrative expenses		5.25		
			-				
			Grand Total		**113.54**		

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

Arun Todarwal
Chairman of CSR Committee
DIN: 00020916

Rajesh Mandawewala
Member of CSR Committee
DIN: 00007179

May 24, 2019
Mumbai

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

May 24, 2019
Mumbai

Corporate Governance Report

I. PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board believes that Corporate Governance is about sustainably maximizing shareholder value. The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the Company, its members and other stakeholders. The Board supports the broad principles of Corporate Governance and believes that sound corporate governance is critical to enhancing and retaining investor trust. In order to attain the highest-level of Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS:

The Company's Board comprises of mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, brand building, general management and strategy.

a) Composition:

The composition and category of directors and relevant details relating to them are given below:

Name of the Director	Category	Board Meetings Attended during the Year 2018-19	Attendance at the Last AGM	No. of other Directorship			Chairman / Member in No. of Board/ Committees including other Companies @	Number of Shares held
				Pub.	Pvt.	Other Body Corporate		
(01) Balkrishan Goenka	C, P, NE	5/6	No	9	-	9	1C,1M	490,660
(02) Arun Todarwal	NE, I	6/6	Yes	8	3	3	4C, 6M	2,500
(03) Pradeep Poddar	NE, I	6/6	No	5	0	1	2C, 4M	-
(04) Arvind Kumar Singhal	NE, I	5/6	No	4	6	2	-	-
(05) *Ms. Anisha Motwani	NE, I	2/2	No	7	1	-	7M	-
(06) #Shalil Awale	NE, NI, L	1/2	No	1	-	1	-	-
(07) Rajesh Mandawewala	P, E	6/6	Yes	8	3	2	5M	1,030
(08) Ms. Dipali Goenka	P, E	5/6	No	7	5	13	-	750,400

* Appointed w.e.f. October 22, 2018

Appointed w.e.f. September 29, 2018

@ Chairmanship/Membership of Audit Committee and Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee considered of both listed and public limited companies.

Abbreviations:

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

b) Names of the listed entities where the person is a directors and the category of directorship:

Sr. No.	Name of Director	Name of Listed Companies	Category of Directorship
1.	Balkrishan Goenka	Welspun India Limited Welspun Corp Limited Welspun Enterprises Limited RMG Alloy Steel Limited	Chairman, Non-Executive Chairman, Non-Executive Chairman, Executive Chairman, Non-Executive
2.	Arun Todarwal	Welspun India Limited Anuh Pharma Limited Hindustan Zinc Limited Sterlite Technologies Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
3.	Pradeep Poddar	Welspun India Limited Uflex Limited Monsanto India Limited Polycab India Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
4.	Arvind Kumar Singhal	Welspun India Limited Greaves Cotton Limited Blue Star Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
5.	Ms. Anisha Motwani	Welspun India Limited Prataap Snacks Limited Abbott India Limited	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director
6.	Shalil Awale	Welspun India Limited	Non-Executive, Nominee Director
7.	Rajesh Mandawewala	Welspun India Limited Welspun Corp Limited Welspun Enterprises Limited AYM Syntex Limited	Managing Director, Executive Director Non-Executive Director Non-Executive Director Chairman, Non-Executive Director
8.	Ms. Dipali Goenka	Welspun India Limited	CEO & Joint Managing Director, Executive Director

c) Key Board qualifications, expertise and attributes:

The Board of the Company is comprised of qualified members who bring in the required skills, competencies and expertise that allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Company's Board is in compliance with the highest standards of corporate governance. The Board has identified core skills, expertise, competencies, as given below, required for the Company's business to enable the Company to function effectively and all of these core skills, expertise, competencies are available with the Board.

- Global Business, Government Policies
- Commodity (cotton) and Currency market
- Textiles, Advanced Textiles, Flooring solutions businesses
- Sales, Marketing, Retail, Brand Building
- Corporate Governance
- Financial
- Innovation / Sustainability

d) During FY 2018-19, six meetings of the Board of Directors were held on the following dates: May 16, 2018 (two meetings were held on this day), July 27, 2018, September 21, 2018, October 22, 2018 and February 04, 2019.

e) In addition to the above, a meeting of the Independent Directors was held on March 14, 2019 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 ("the Act") and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations, 2015"). The said meeting was attended by Arun Todarwal, Pradeep Poddar, Arvind Singhal and Ms. Anisha Motwani.

f) Ram Gopal Sharma (Late), Independent Director of the Company resigned w.e.f. October 22, 2018 due to continued indifferent health and he further confirmed in his resignation letter dated October 22, 2018 that there were no other material reasons other than those mentioned above.

g) The Board of the Company hereby confirms that the independent directors fulfill the conditions as specified in these SEBI Regulations, 2015 and are independent of the management.

h) **Relationships inter-se directors:**

Ms. Dipali Goenka is spouse of Balkrishan Goenka. None of the other directors are related to any other director on the Board.

III. AUDIT COMMITTEE:

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 of the SEBI Regulations, 2015 and Section 177 of the Act.

The Committee comprises of 2 (Two) Independent Directors and 1 (One) Executive Director. The Committee met 16 times during the year. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Chairman / Member	Number of Meetings Attended
Arun Todarwal	Chairman	16/16
Ram Gopal Sharma@	Member	4/10
Rajesh Mandawewala#	Member	0/6
Pradeep Poddar	Member	16/16

@ Resigned w.e.f October 22, 2018

Appointed w.e.f. October 22, 2018

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

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

IV. NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference: To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

The Committee comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. The Committee met 9 times during the year. The Composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Chairman / Member	Number of Meetings Attended
Ram Gopal Sharma@	Member	1/5
Arun Todarwal	Chairman	9/9
Balkrishan Goenka#	Member	1/4
Pradeep Poddar	Member	9/9

@ Resigned w.e.f October 22, 2018

Appointed w.e.f. October 22, 2018

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

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

Nomination and Remuneration Policy:

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

Appointment of Directors:

- While identifying persons who may be appointed as a director(s), the Committee shall consider business of the Company, strength, weakness, opportunity and threat to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act, SEBI Regulations, 2015 and any other laws as applicable.
- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel:

- The Non-Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- The Non-Executive Directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders. There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

The remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to assess if there is a need for revision in remuneration for retaining the talent. The non-executive Directors may be paid commission after complying with required provisions of the Act. Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, the growth of business, profitability, Company's business plan and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

Directors Remuneration:

Sr No.	Particulars	Balkrishan Goenka Non-Executive Chairman	Rajesh Mandawewala Managing Director	Ms. Dipali Goenka CEO & Joint Managing Director
1.	Salary	-	₹ 17.00 Million	₹ 21.00 Million@
2.	Performance Linked Incentives	-	-	₹ 4.20 Million@*
3.	Commission	1% of the profit	1% of the profit	1% of the profit
4.	Service Contract/Term of Approval	April 1, 2016 to March 31, 2021	April 1, 2017 to March 31, 2022	April 1, 2016 to March 31, 2021
5.	Notice Period	N.A.	3 months	3 months
6.	Severance Fees	N.A.	NIL	NIL
7.	Stock Options	N.A.	NIL	NIL

@ With effect from July 1, 2018

* Performance Linked Criteria: As per the Company's Variable Pay Policy all AVP and above employees are eligible for variable pay which is calculated as 20% of their fixed CTC (except for few functions which are mentioned in the policy). Target Variable Pay also depends on two components - Individual performance, Organisation/SBU performance and min and max pay out scale. Organisation's performance will be assessed based on three parameters - Total sales turnover, EBIDTA and Inventory in days. Ms. Goenka will be eligible for earning variable pay only if overall score for organisational performance is equal or more than 85% (weighted average of the above three parameters).

Apart from above and except for related party transactions appearing in the financial statements, there is no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.

V. THE STAKEHOLDERS' RELATIONSHIP, SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE:

The Stakeholders' Relationship, Share Transfer and Investors' Grievance Committee is formed in accordance with Section 178 of the Act and Regulation 20 of the SEBI Regulations, 2015 required to examine complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and to review the functioning of the investors' grievance redressal system.

The Committee comprises of 3 (Three) members and the Chairman of the Committee is Non-Executive Director. The Committee met 4 times during the year. The composition of the Committee is given hereunder:

Name of the Member	Chairman / Member	Number of Meetings Attended
Ram Gopal Sharma@	Chairman	2/2
Balkrishan Goenka	Chairman*	4/4
Rajesh Mandawewala	Member	2/4
Arun Todarwal#	Member	2/2

@ Resigned w.e.f October 22, 2018

Appointed w.e.f. October 22, 2018

*Appointed as Chairman of the Committee w.e.f. October 22, 2018, before that he was member of the Committee

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

Number of Shareholders complaints / requests received during the year:

During the year under review, total 41 complaints from shareholders' were received. Break-up and number of complaints received under different category is given hereunder:

Sr. No.	Nature of Grievances	Nos
1	Non-receipt of Share Certificate	16
2	Non-receipt of Dividend Warrants	1
3	Non-receipt of Bonus Certificate	1
4	Non-receipt of Rejected Demat Request Form	7
5	Complaints received from SEBI	13
6	Others	3
Total		**41**

All complaints/requests received during the year under report were resolved within the stipulated time to the satisfaction of the investors/shareholders except for 4 complaints which were pending as at March 31, 2019. Securities received for transfer/transmission were transferred / transmitted and no transfer was pending as at March 31, 2019.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

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

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

Name of the Member	Chairman / Member	Whether Meeting Attended
Ram Gopal Sharma@	Member	No
Rajesh Mandawewala	Member	No
Ms. Dipali Goenka	Member	Yes
Arun Todarwal#	Chairman	Yes

@ Resigned w.e.f October 22, 2018

Appointed w.e.f. July 27, 2018

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

VII. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee is formed in accordance with Regulation 21 sub-regulation 5 of the SEBI Regulations, 2015.

Terms of reference: Monitoring and reviewing of the risk, management plan, review of cyber security etc.

Composition of the Committee: The Committee comprises of 5 (Five) members. The Committee is formed to be effective from April 01, 2019.

Name of Member	Chairman / Member	Meeting Attended
Arun Todarwal	Chairman	
Pradeep Poddar	Member	
Rajesh Mandawewala	Member	
Altaf Jiwani – Chief Financial Officer	Member	N.A.*
Shreeram Phanse – Head, Internal Audit	Member	

* Committee is formed to be functional with effect from April 1, 2019. Hence no meeting was held during FY-2018-19.

The Company Secretary of the Company, Shashikant Thorat, will act as the Secretary of the Committee.

VIII. GENERAL BODY MEETINGS:

The details of General Meetings held and the special resolutions passed in the last three years are given hereunder:

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
31st Annual General Meeting	Monday, July 27, 2016	11.30 a.m.	Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110	• Confirmation of Arvind Kumar Singhal as an Independent Director. • Payment of Commission to Balkrishan Goenka. • Ratification of remuneration payable to Cost Auditors. • Re-appointment of Ms. Dipali Goenka as Joint Managing Director.
32nd Annual General Meeting	Wednesday, September 20, 2017	12.00 noon	Same as above	• Appointment of Pradeep Poddar as an Independent Director • Ratification of remuneration payable to Cost Auditors. • Appointment of Rajesh Mandawewala as Managing Director for a period of 5 years w.e.f April 1, 2017
33rd Annual General Meeting	Tuesday, August 14, 2018	11.00 a.m.	Same as above	• Ratification of remuneration payable to Cost Auditors. • Alteration of Object Clause by insertion of sub-clauses 1A and 1B after the existing sub-clause 1 of Part A of Clause III of Memorandum of Association.

(i) Details of voting pattern on the resolutions, proposed through the court convened meeting held on March 08, 2019 is as under:

Sr. No.	Resolution	Type of Resolution	No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against	Scrutinizer
1.	Approval of the Scheme of Amalgamation of Prasert Multiventures Private Limited ("PMPL" or "Transferor Company") with Welspun India Limited ("WIL" or "Transferee Company") and their respective shareholders and creditors.	Special	844,836,484	844,828,181	8,303	100.00	0.00	Mr. Sanjay Risbud of M/s. SS Risbud & Co., Practicing Company Secretary

- **During the year under Report, resolutions which were passed through postal ballot are as follows:**

(ii) Details of voting pattern on the resolutions, proposed through Postal Ballot Notice dated March 28, 2019 were as under:

Sr. No.	Resolution	Type of Resolution	No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against	Who conducted the postal ballot exercise
1.	Re-appointment of Mr. Arun Todarwal (DIN: 00020916) as an Independent Director for the second term of five consecutive years with effect from April 1, 2019.	Special	855,269,459	852,393,251	2,876,208	99.66	0.34	Mr. Uday Sohoni, Practicing Company Secretary
2.	Re-appointment of Mr. Arvind Kumar Singhal (DIN: 00709084) as an Independent Director for the second term of five consecutive years with effect from April 1, 2019.	Special	855,269,459	852,815,774	2,453,685	99.71	0.29	
3.	Appointment of Ms. Anisha Motwani (DIN: 06943493) as an Independent Director for a term of three years from October 22, 2018 to October 21, 2021.	Ordinary	855,269,309	855,261,580	7,729	100.00	0.00	
4.	Revision in remuneration of Ms. Dipali Goenka (DIN: 00007199), Chief Executive Officer and Joint Managing Director.	Ordinary	851,732,429	851,460,256	272,173	99.97	0.03	

Procedure for postal ballot:

Procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 was followed. The postal ballot and all other papers relating to postal ballot including voting by electronic means, remained under the safe custody of the scrutinizer till the Chairman considered, approved and signed the minutes and thereafter, the scrutinizer returned the ballot papers and other related papers and register to the Company for preservation. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company.

IX. DISCLOSURE:

a. **Related Party Transactions:**

For material related party transactions, refer Note 30(ii) of Notes to Accounts annexed to the Financial Statements and Annexure 4 to the Directors' Report. The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is given below. **http://www.welspunindia.com/policy/related_party_transaction_policy.pdf**

b. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

c. **Code of Conduct:**

The Company has framed the Code of Conduct for Board members and senior management personnel. A copy of the Code has been hosted on the Company's website and a web link thereto is given below. http://www.welspunindia.com/policy/code_conduct.pdf.

All Board members and senior management personnel have affirmed compliance of the same.

A declaration signed by the Chief Executive Officer & Joint Managing Director of the Company with respect to Compliance of Code of Conduct is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

Dipali Goenka
CEO & Joint Managing Director

d. Whistleblower Policy and Vigil Mechanism:

Refer point no. 23 of the Directors' Report.

e. Policy for determining 'material' subsidiaries:

The Company's policy on determining material subsidiaries as required under SEBI Regulations, 2015 is hosted on the Company's website and a web link thereto is given below. **http://www.welspunindia.com/policy/material_subsidiary_policy.pdf**

f. Corporate Governance Compliance:

The Company is in compliance with the mandatory requirements mentioned under Regulation 27 of SEBI Regulations, 2015 to the extent applicable and in addition the Company at its discretion adopted requirements mentioned at (C) – "Modified Opinion(s) in Audit Report", (D) – "Separate posts of chairperson and chief executive officer" and (E) – "Reporting of Internal Auditor" of Part E of Schedule II to the SEBI Regulations, 2015.

The Company is in compliance with Corporate Governance requirements as specified in Regulation 17 to 29 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Regulations, 2015.

g. Disclosure related to familiarization programme imparted to independent directors:

Refer point no. 11(iv) of the Directors' Report.

h. Criteria for making payments to non-executive directors is hosted on the Company's website on - **http://www.welspunindia.com/policy/Criteria%20of%20making%20payments%20to%20non%20executive%20directors.pdf**

Further, for details regarding payments made to non-executive directors can be referred at Annexure – 5 of the Directors' Report under MGT-9 (Extracts of Annual Return) and the extracts of Annual Return is also hosted on the Company's website on - **http://www.welspunindia.com/investors-uploads%20Annual%20Return.pdf**

i. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. No. of complaints filed during the financial year: NIL

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

c No. of complaints pending as on end of the financial year: NIL

j. Commodity price risk or foreign exchange risk and hedging activities:

Detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is given below. Also refer to the Management Discussion and Analysis.

1 Risk management policy of the Company with respect to commodities:

Risk management policy of the Company with respect to commodities: Cotton forms significant portion of the cost of products for the Company. The Company's Cotton procurement policy is in alignment with Business Plan of the Company for respective year. The Company procures around 70% to 75% of the annual requirement during cotton season. The Company is also exploring cotton hedging through commodity derivatives at the exchanges.

2 Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the Company to commodities in ₹ 8,877.18 million.

b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity ₹ (Mn)	Exposure in Quantity terms towards the particular commodity (MT)	% of such exposure hedged through commodity derivatives: Domestic market OTC	Domestic market Exchange	International market OTC	International market Exchange	Total
Cotton	8,877.18	69,169	-	1.21%	-	-	1.21%

c. Commodity risks faced by the listed entity during the year and how they have been managed: The Company estimates the cotton requirement for the year. Majority of the procurement is done during the cotton season (October to February). The Company continuously monitors requirement vis-à-vis procurement.

k. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year under Report is ₹ 26.94 million.

X. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited/audited financial results in Kutch Mitra (Gujarati edition) and Financial Express (English Edition).

These results are simultaneously hosted on the website of the Company at **http://www.welspunindia.com/investor-corner.php.**
The official press release and the presentations made to institutional investors / analyst are also available on the website of the Company.

XI. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting shall be held on Monday, August 12, 2019 at 10.30 a.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110.

2. Financial Year of the Company is April 1 of a year to March 31 of the following year.

3. Date of Book Closure: Monday, July 15, 2019 to Wednesday, July 17, 2019 (both days inclusive).

4. Dividend payment date: August 12, 2019 or thereafter

5. Listing on Stock Exchanges: The Equity Shares of the Company are listed on:

   (i) National Stock Exchange of India Limited (NSE)

   Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

   (ii) Bombay Stock Exchange Limited (BSE)

   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

   The Annual listing fees for the FY 2019-20 have been paid to NSE and BSE.

6. Stock Code/Symbol for equity shares:

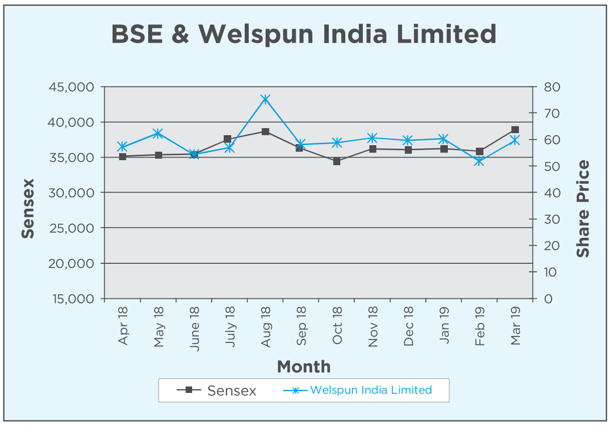
The National Stock Exchange of India Limited	:	WELSPUNIND; Series: EQ
Bombay Stock Exchange Limited	:	514162
ISIN No. (For dematerialized shares)	:	INE192B01031

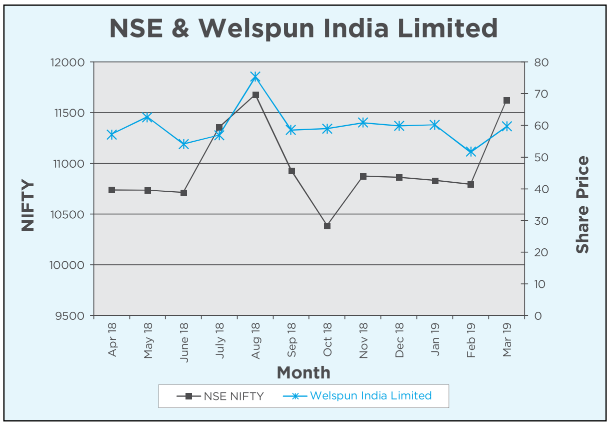
7. **Stock Market data of high and low price of equity shares on National Stock Exchange of India Limited and Bombay Stock Exchange Limited is under:**

	NSE		BSE	
Month	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**
Apr – 2018	62.00	50.55	62.15	50.00
May-2018	68.95	56.65	68.90	56.75
Jun-2018	62.85	52.25	62.95	52.15
Jul-2018	58.50	48.80	58.50	48.90
Aug-2018	77.40	55.80	77.45	55.90
Sep-2018	78.25	56.30	78.20	55.50
Oct-2018	71.00	54.30	71.00	54.00
Nov-2018	64.20	59.00	64.10	59.15
Dec-2018	64.00	56.10	64.00	56.60
Jan-2019	65.00	54.40	64.90	54.30
Feb-2019	60.80	46.20	60.75	46.25
Mar-2019	66.00	51.55	66.05	51.80

8. **Performance in comparison to broad-based indices i.e. NSE - S&P Nifty and BSE - Sensex is as under:**

Month	NSE (S&P Nifty)	Closing price of Share (₹)	BSE Index (Sensex)	Closing price of Share (₹)
Apr-2018	10,739.00	57.25	35,160.00	57.10
May-2018	10,736.00	62.70	35,322.00	62.45
Jun-2018	10,714.00	54.15	35,423.00	54.30
Jul-2018	11,357.00	56.90	37,607.00	56.95
Aug-2018	11,681.00	75.25	38,645.00	75.45
Sep-2018	10,930.00	58.55	36,227.00	58.10
Oct-2018	10,387.00	58.95	34,442.00	58.80
Nov-2018	10,877.00	60.85	36,194.00	60.70
Dec-2018	10,863.00	59.80	36,068.00	59.70
Jan-2019	10,831.00	60.20	36,257.00	60.30
Feb-2019	10,793.00	51.55	35,867.00	51.80
Mar-2019	11,624.00	59.65	38,927.00	59.65





9. Registrar and Transfer Agent: Registrar and Transfer Agent of the Company handles the share transfer work and the complaints of shareholders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

   Link Intime India Private Limited
   Unit : Welspun India Limited
   C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
   Email - rnt.helpdesk@linkintime.co.in Tel: +91-22-49186000 Fax: +91-22–49186060

10. Share Transfer System: The Company's Registrar and Transfer Agent registers shares received from the shareholders for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Securities under objection are returned within two weeks.

11. **Distribution of Shareholding:**

Number of Shares	No. of shareholders	Percentage of Shareholders	Total Shares for the range	Percentage of Issued Capital
Upto – 500	50,878	70.69%	7,903,060	0.79%
501-1,000	10,367	14.40%	8,642,565	0.86%
1,001-2,000	5,157	7.17%	7,980,867	0.79%
2,001-3,000	1,965	2.73%	4,978,203	0.50%
3,001-4,000	781	1.09%	2,797,104	0.28%
4,001-5,000	718	1.00%	3,425,169	0.34%
5,001-10,000	1,037	1.44%	7,817,857	0.78%
10,001 and above	1,067	1.48%	961,180,325	95.67%
Total	**71,970**	**100.00%**	**1,004,725,150**	**100.00%**

12. De-materialization of shares and liquidity: As on March 31, 2019, 99.58% equity shares have been dematerialized and have reasonable liquidity on NSE and BSE.

13. Outstanding Employee Stock Options, conversion date and likely impact on equity share capital: NIL

14. Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

    Refer to point no. 8 of the Directors' Report.

15. The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

16. Plant locations of the Company:

    (i) Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370 110

    (ii) Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396191

17. Address for correspondence:

    The Company Secretary,
    Welspun India Limited
    7th Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
    Tel: +91-22-66136000; +91-22-24908000,
    Fax: +91-22-24908020 /21
    E-mail: CompanySecretary_WIL@welspun.com

18. Credit Ratings: Refer to point no. 10(i) of the Directors' Report.

Certificate of Practicing Company Secretary on Corporate Governance Report

To
The Members
WELSPUN INDIA LIMITED

I have examined the compliance of conditions of Corporate Governance by Welspun India Limited for the financial year ended March 31, 2019, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") in particular the Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Regulations.

I have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Regulations.

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

In my opinion and to the best of my information and according to the explanation provided to me by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations during the financial year ended March 31, 2019.

I state that such compliance is neither an assurance as to future viability of the Company nor to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Uday Sohoni
Practicing Company Secretary
FCS 9471
CP 10916

Date : May 24, 2019
Place : Mumbai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
WELSPUN INDIA LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun India Limited bearing CIN L17110GJ1985PLC033271 and having registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Balkrishan Gopiram Goenka	00270175	17/01/1985
2	Rajesh Rameshkumar Mandawewala	00007179	26/10/1989
3	Dipali Balkrishan Goenka	00007199	01/04/2013
4	Arun Lalchand Todarwal	00020916	07/12/2012
5	Pradeep Narendra Poddar	00025199	15/09/2016
6	Arvind Kumar Singhal	00709084	27/01/2014
7	Shalil Mukund Awale	06804536	29/09/2018
8	Anisha Motwani	06943493	22/10/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Uday Sohoni
Practicing Company Secretary
FCS 9471
CP 10916

Date : May 24, 2019
Place : Mumbai

Independent Auditor's Report

To the Members of Welspun India Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Welspun India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 25 of the Standalone Ind AS financial statements regarding the putative class action suits filed in the United States of America with respect to provenance of fibre and the exceptional costs recorded, in the Statement of Profit and Loss, on estimated basis, relating to the settlement of such putative class action suits, subject to court and other regulatory approvals. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of government grant in respect of incentive under Gujarat Textile policy (the 'Policy')	

Under the Policy, the Company is eligible to claim government grant in the form of reimbursement of State Goods and Service Tax (SGST) collected on end product sold /intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period.
 	
As disclosed in note 2.23(vii) to the standalone financial statements, for measurement of such government grants, significant estimates and judgements are made by the management. The estimates, inputs and judgements used by the management includes:
• Future sales growth rate;
• Mix of inter and intra state purchases and Corresponding input credit;
• Input tax credit utilization;
• SGST rates on the products;
• Period of eligibility.
 	
During the current year the authorities have issued the modalities to claim reimbursement of SGST under the Policy, which has been factored by the management for computation of government grant.
 	
Considering the above, this is determined as key audit matter.
	We performed following procedures, among others:
	• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants.
	• We evaluated the forecast in respect of sales and purchase used by the management in computation of government grant with respect to reimbursement of SGST ('computation').
	• We compared the forecast in respect to sales and purchase to the business plan and previous forecast to the actual results.
	• We compared the inputs used in the computation of government grant to external data, including the modalities to claim the reimbursement of SGST under the Policy.
	• We focused our analysis on management assumptions in respect of:
	    • Future sales growth rate;
	    • Mix of inter and intra state purchases and Corresponding input credit, and
	    • Input tax credit utilisation,
	• We evaluated the arithmetical accuracy of the computation of government grant.

Impairment of Investments	
The Company has Non-current investment in subsidiaries of ₹ 10,633.88 million which are carried at cost. These investments are tested for impairment using discounted cash-flow models by which recoverable value of each investment is compared to the carrying value as at balance sheet date. A deficit between the recoverable value and the carrying value would result in impairment. The Key inputs and assumptions used in the model are following: • Sales growth rate; • Operating margins (%); • Pre-tax discount rate (%); and • Perpetuity growth rate (%) Considering the above, this is determined as key audit matter.	For sample selected, we performed following procedures, among others: • We evaluated the forecast of future cash flows used by the management in the model to compute the recoverable value. • We compared the forecast of future cash flows to business plan and previous forecasts to the actual results and analyzed results for material differences, if any. • We compared the inputs in the model to internal and external data. • We focused our analysis on management assumptions in respect of future sales growth rate, operating margins, perpetuity growth rate and discount rate used to compute the recoverable value. • We involved valuation experts to assist in evaluating the key assumptions and methodologies used by the Company in computing the Recoverable amount. • We re-calculated estimates using management models.

Other Information

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

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31(a) to the standalone Ind AS financial statements;

        ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The company did not have any long derivative contracts as at March 31, 2019;

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

For **S R B C & CO LLP**

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759

Place of Signature: Mumbai
Date: May 24, 2019

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

Re: Welspun India Limited

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

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

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

(b) The Company granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest for the loan granted has been stipulated. Before the end of stipulated term, the loan was converted into 8% Non-Cumulative Compulsorily Convertible Preference Shares on March 29, 2019 as per the terms of Memorandum of Understanding entered between the Company and the wholly owned subsidiary.

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

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

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

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

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

Name of the statute	Nature of the dues	Amount (₹ in million) **	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demand including penalty	491.36	AY 2005-06 to AY 2012-13	Income Tax Appellate Tribunal
		484.12	AY 2013-14	CIT-(Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax including penalty and interest	15.47	FY 2000-01, FY 2003-04, FY 2004-05	Jt. Comm. of Sales Tax (Appeals - 2), Vadodara
		4.00	FY 2004-15	Jt. Comm. (Appeals), Rajkot
Central Excise Act, 1944	Excise Duty	17.07	Sep 2005 to July 2006	Joint Secretary, Ministry of Finance, Department of Revenue
		429.11	Apr 2009 to Feb 2015	Comm. of Central Excise, Kutch
	CENVAT Credit	0.12	May 2010 to Nov 2010, Feb 2010 to Nov 2010	Superintendent, Central Excise Vapi.
		0.07	Mar 2011 to Jun 2011	Comm.-Appeal Daman
	CENVAT including penalty	5.28	FY 2002-03 to FY 2005-06	Comm.-Appeals, Valsad Commissionerate
		30.96	Aug 2005 to Apr 2010	Comm. of Central Excise, Daman
		0.69	FY 2008-09 -FY 2010-11, Dec 2010 to Oct 2011, Aug 2015 to Mar 2017	CESTAT Ahmedabad
		0.21	Aug 2015	Dy. Comm., GST and Central Excise Division-Vapi
Maharashtra Value Added Tax, 2002	VAT including interest and penalty	0.15	FY 2010-11	Deputy Commissioner (Sales Tax)

**Net of amount paid under protest

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

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

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

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

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

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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

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

per **Anil Jobanputra**
Partner
Membership Number: 110759

Place of Signature: Mumbai
Date: May 24, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WELSPUN INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Welspun India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Anil Jobanputra**
Partner
Membership Number: 110759

Place of Signature: Mumbai
Date: May 24, 2019

Balance Sheet
As at March 31, 2019

₹ in Million

	Note	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	25,740.05	27,494.26
Capital work-in-progress	3	272.95	517.35
Intangible assets	4	508.58	267.92
Intangible assets under development	4	13.58	181.97
Equity investment in subsidiaries	5	8,442.06	6,548.66
Financial assets			
- Investments	6 (a)	2,202.58	2,126.35
- Loans	6 (b)	0.06	0.31
- Other financial assets	6 (c)	329.93	239.19
Non-current tax assets	7	396.19	-
Other non-current assets	8	295.21	289.38
Total non-current assets		**38,201.19**	**37,665.39**
Current assets			
Inventories	9	8,924.65	9,264.76
Financial assets			
- Investments	6 (a)	146.06	353.20
- Trade receivables	6 (d)	8,459.22	7,327.23
- Cash and cash equivalents	6 (e)	725.19	869.29
- Bank balances other than cash and cash equivalents above	6 (f)	99.53	139.44
- Loans	6 (b)	1.46	2.48
- Other financial assets	6 (c)	4,253.62	4,031.65
Other current assets	8	1,827.91	2,831.41
Total current assets		**24,437.64**	**24,819.46**
Total assets		**62,638.83**	**62,484.85**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 (a)	1,004.73	1,004.73
Other equity			
- Reserves and surplus	10 (b)	23,886.60	23,274.51
- Other reserves	10 (c)	4.57	11.45
Total equity		**24,895.90**	**24,290.69**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	12,500.50	15,907.07
- Other financial liabilities	11 (b)	34.23	0.51
Non-current tax liabilities	12	1,323.85	1,313.29
Deferred tax liabilities (Net)	15	1,811.61	1,838.81
Other non-current liabilities	16	830.37	888.83
Total non-current liabilities		**16,500.56**	**19,948.51**
Current liabilities			
Financial Liabilities			
- Borrowings	11 (a)	9,994.89	8,102.15
- Trade payables	11 (c)		
(a) Total outstanding dues of micro enterprises and small enterprises		34.67	50.05
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,586.40	5,216.48
- Other financial liabilities	11 (b)	3,171.56	3,624.44
Provisions	13	1,555.99	233.55
Employee benefit obligations	14	619.93	651.66
Other current liabilities	16	278.93	367.32
Total current liabilities		**21,242.37**	**18,245.65**
Total liabilities		**37,742.93**	**38,194.16**
Total equity and liabilities		**62,638.83**	**62,484.85**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Statement of Profit and Loss

For the year ended March 31, 2019

₹ in Million

	Note	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from operations	17	53,952.64	49,958.73
Other Income	18	830.40	555.50
Total income		**54,783.04**	**50,514.23**
EXPENSES			
Cost of materials consumed	19	27,621.82	24,122.85
Purchases of stock-in-trade		679.00	303.96
Changes in inventory of finished goods, work-in-progress and stock-in-trade	20	684.96	708.09
Excise duty		-	192.76
Employee benefits expense	21	4,870.26	4,966.72
Depreciation and amortization expense	22	4,015.44	4,673.23
Other expenses	23	12,148.06	10,727.71
Finance costs	24	924.99	880.12
Total expenses		**50,944.53**	**46,575.44**
Profit before exceptional items and tax		**3,838.51**	**3,938.79**
Exceptional Items	25	2,080.24	-
Profit before tax		**1,758.27**	**3,938.79**
Income tax expense	26		
- Current Tax		358.04	727.77
- Deferred Tax		(17.42)	169.94
Total Income Tax Expense		**340.62**	**897.71**
Profit for the year		**1,417.65**	**3,041.08**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Change in fair value of FVOCI equity instruments Gain/(Loss)	10 (c)	(6.88)	(5.37)
Remeasurement of post employment benefit obligation Gain/(Loss)	21	(28.00)	47.31
Income tax effect	26	9.78	(16.37)
Other comprehensive income/(loss) for the year, net of tax		**(25.10)**	**25.57**
Total Comprehensive Income for the year		**1,392.55**	**3,066.65**
Earnings Per Share (₹) [Nominal value per share : ₹ 1 (March 31, 2018 : ₹ 1)]	34		
- Basic		1.41	3.03
- Diluted		1.41	3.03
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors

Per Anil Jobanputra
Partner
Membership No. 110759

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

Statement of Changes In Equity

For the year ended March 31, 2019

A. Equity Share Capital

₹ in Million

Equity shares of ₹ 1 each issued, subscribed and fully paid	No. of shares	Amount
At April 1, 2017	1,004,725,150	1,004.73
At March 31, 2018	1,004,725,150	1,004.73
At March 31, 2019	**1,004,725,150**	**1,004.73**

B. Other Equity

₹ in Million

Particulars	Notes	Reserves and Surplus						Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2017		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**15,085.92**	**20,988.53**	**16.82**	**21,005.35**
Add:									
Profit for the year		-	-	-	-	3,041.08	3,041.08	-	3,041.08
Other Comprehensive Income	10(b), 10(c)	-	-	-	-	30.94	30.94	(5.37)	25.57
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**3,072.02**	**3,072.02**	**(5.37)**	**3,066.65**
Transactions with owners in their capacity as owners									
Less:									
Dividends paid	29 (b)	-	-	-	-	653.07	653.07	-	653.07
Dividend distribution tax paid	29 (b)	-	-	-	-	132.97	132.97	-	132.97
Balance as at March 31, 2018		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,371.90**	**23,274.51**	**11.45**	**23,285.96**

₹ in Million

Particulars	Notes	Reserves and Surplus						Other Reserve	Total Other Equity
		Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Total	FVOCI equity instruments	
Balance as at April 1, 2018		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,371.90**	**23,274.51**	**11.45**	**23,285.96**
Add:									
Profit for the year		-	-	-	-	1,417.65	1,417.65	-	1,417.65
Other Comprehensive Income	10(b), 10(c)	-	-	-	-	(18.22)	(18.22)	(6.88)	(25.10)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**1,399.43**	**1,399.43**	**(6.88)**	**1,392.55**
Transactions with owners in their capacity as owners									
Less:									
Dividends paid	29 (b)	-	-	-	-	653.07	653.07	-	653.07
Dividend distribution tax paid	29 (b)	-	-	-	-	134.27	134.27	-	134.27
Balance as at March 31, 2019		**478.38**	**1,474.72**	**3,238.12**	**711.39**	**17,983.99**	**23,886.60**	**4.57**	**23,891.17**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Statement of Cash Flows

For the year ended March 31, 2019

₹ in Million

		Year ended March 31, 2019	Year ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	1,758.27	3,938.79
	Adjustments for :		
	Depreciation and amortisation expenses	4,015.44	4,673.23
	Amortisation of government grants	(479.15)	(414.82)
	Unrealised foreign exchange differences	(0.79)	(8.87)
	Loss/(Profit) on disposal of property, plant and equipment	(11.57)	2.81
	Changes in fair value of financial assets at fair value through profit or loss	137.20	(52.32)
	Unwinding of discount on security deposits	(3.00)	(4.93)
	Gain on sale of investments (net)	(238.28)	(36.19)
	Liabilities Written Back as no Longer Required	(15.89)	(25.87)
	Provision for doubtful loans and advances/debts	18.71	2.29
	Interest income classified as investing cash flows	(289.34)	(329.40)
	Finance expenses	924.99	880.12
	Operating Profit Before Working Capital Changes	**5,816.59**	**8,624.84**
	Adjustments for changes in working capital :		
	(Increase) / Decrease in trade receivables	(1,127.77)	78.28
	Increase / (decrease) in trade payables	457.69	(949.22)
	Increase / (decrease) in provisions	1,322.44	(616.92)
	Increase / (decrease) in employee benefit obligations	(59.73)	194.04
	Decrease in other current liabilities	(88.39)	(470.26)
	Increase/ (decrease) in other non current liabilities	(30.59)	219.09
	(Increase)/decrease in inventories	340.11	(283.79)
	(Increase) / decrease in other financial assets	356.06	(846.82)
	(Increase)/decrease in other non-current assets	73.57	(28.82)
	Increase in other current assets	1,003.50	(140.13)
		2,246.89	(2,844.55)
	Cash Flow Generated from Operations	8,063.48	5,780.29
	Income tax paid	(743.67)	(866.83)
	Net Cash Inflow from Operating Activities	**7,319.81**	**4,913.46**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(2,133.54)	(2,916.72)
	Sale of property, plant and equipment	65.39	42.44
	Receipt of capital subsidy	52.19	108.38
	Realisation/ (investment) in fixed deposit and margin money (net)	(14.45)	188.37
	Repayment from employees and related parties	1.27	0.35
	Sales/ (Purchase) of Investment (Net)	48.04	439.30
	Equity investment in subsidiaries	(1,639.78)	(1,122.13)
	Interest received	222.30	328.79
	Net Cash outflow from Investing Activities	**(3,398.58)**	**(2,931.22)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings - Non Current	-	278.77
	Repayment of borrowings - Non Current	(3,998.08)	(1,427.55)
	Proceeds/(Repayment) from borrowings - Current (net)	1,890.46	977.03
	Dividend paid	(653.07)	(653.07)
	Tax on dividend paid	(134.27)	(132.97)
	Interest paid	(1,170.37)	(885.26)

Statement of Cash Flows

For the year ended March 31, 2019

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Net Cash inflow / (outflow) from Financing Activities	**(4,065.33)**	**(1,843.05)**
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	**(144.10)**	**139.19**
Cash and Cash Equivalents at the beginning of the year	869.29	730.10
Cash and Cash Equivalents at the end of the year	725.19	869.29
Net increase/(decrease) in Cash and Cash Equivalents	**(144.10)**	**139.19**
Cash and cash equivalents comprise of:		
Cash on Hand	0.06	0.02
Bank balances		
- In current accounts	719.68	754.42
Fixed deposits with Banks with original maturity period of less than three months	5.45	114.85
Total	**725.19**	**869.29**

Change in Liability arising from financing activities

₹ in Million

	April 1, 2018	Cash flow	Foreign exchange	March 31, 2019
Borrowing-Non Current [Refer Note 11 (a)]	19,106.14	(3,998.08)	-	15,108.06
Borrowing-Current [Refer Note 11 (a)]	8,102.15	1,890.46	2.28	9,994.89
	27,208.29	**(2,107.62)**	**2.28**	**25,102.95**

Notes:

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

The accompanying notes are an integral part of these financial statements

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
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DIN 00270175

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Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

1. Corporate Information

Welspun India Limited (herein referred to as "WIL" or "the Company") is public limited company incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist. Kutch, Gujarat - 370110, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs. The financial statements were authorized for issue by the board of directors on May 24, 2019.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, except as disclosed in Note 2.22.

2.1 Basis of preparation of financial statements

The standalone financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities that is measured at fair value as stated in subsequent policies.

2.2 Foreign currency translation

a. Functional and presentation currency

The financial statements of the Company are presented in INR, which is also its functional currency and all items included in the financial statements of the Company are measured using the same functional currency.

b. Transactions and balances

Foreign currency transactions are translated and recorded into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.3 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.23.

Sale of goods

For sale of goods, revenue is recognized when control of the goods has transferred at a point

Notes

To The Financial Statements For The Year Ended March 31, 2019

in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 30-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with rebates (including mark-downs, chargebacks etc.). The rights of return and rebates give rise to variable consideration.

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

Contract balances :

Trade receivables

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

Contract liabilities

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

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract and cost to fulfill a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (under Other Expenses) because the amortization period of the asset that the Company otherwise would have used is less than one year.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Export Incentives

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme and other eligible export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income'. (Revenue from operation).

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

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

2.4 Government grants
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating income" (Revenue from operation) or are deducted in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to Statement of Profit and Loss over the periods and in proportions in which depreciation expense on those assets is recognized.

2.5 Income Tax
The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current income tax
Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

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

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

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

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the

Notes

To The Financial Statements For The Year Ended March 31, 2019

differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence.

2.6 Exceptional items

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

2.7 Leases

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.8 Property, plant and equipment

Property Plant and equipment except for freehold land are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any. The cost of property plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes(other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. The company has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

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

Assets	Estimated Useful Life (years)
Office Equipment	5
Furniture and fixtures	10
Computers and Servers	3 to 6
Vehicles	5
Electrical installation	10
Factory Building	28
Residential and other Buildings	58

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

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

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

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

2.9 Intangible assets

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

Amortisation methods and periods

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

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Inventories

Raw materials and stores, work in progress, traded and finished goods

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

2.12 Investment in compound financial instruments issued by subsidiary

Company considers issuance of non-market rate redeemable preference shares by subsidiary as compound instrument comprising a loan with market terms and a capital injection and hence treat the difference between the cash paid and fair value on initial recognition as an addition to the investment in the subsidiary and presented separately as 'Equity component of Preference shares' under 'Investment in subsidiaries'. Equity component is not subsequently re-measured.

2.13 Financial Instruments

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

Financial Assets

A. Classification

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

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

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

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

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

B. Initial Recognition and Measurement

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

C. Subsequent Measurement

Debt Instruments

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

i. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such assets are subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

ii. **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

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

Equity Investments

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

The Company subsequently measures all other equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Cash and cash equivalents

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

Trade receivable

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

D. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount;

- For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

E. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

F. Income recognition

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Dividends

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

Financial liabilities

A. Initial Recognition and Measurement:

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

B. Subsequent Measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

Trade and other payables

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

Financial guarantee contracts

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

Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

- Derivatives that are not designated as hedges

The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded Derivatives

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

Embedded foreign currency derivatives

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

i. the functional currency of any substantial party to that contract;

ii. the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world;

iii. a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

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

C. Derecognition

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

Offsetting financial instruments

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

2.14 Borrowing costs

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

2.15 Employee benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit or Loss as past service cost.

Defined contribution plans

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

The Contribution towards provident fund, ESIC, pension fund and Social Security Funds for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

Bonus Plan

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Provisions and contingent liabilities

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

2.17 Contributed Equity

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

2.18 Dividends

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

2.19 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (Note 34)

Diluted earnings per share

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

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

2.20 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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

2.21 Rounding of amounts

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

2.22 Changes in accounting policies and disclosures

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the company.

2.23 Significant accounting judgements, estimates and assumptions:

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

Critical estimates and judgements

i) Current tax expense and deferred tax

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

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. (Refer Note 15).

ii) Provisions & Contingent Liabilities.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 31).

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

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

iv) Provision for Inventory

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

v) Impairment for equity Investments in Subsidiaries

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

vi) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

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

vii) Government Grants

The Company has accrued income for Government grant related to fixed assets, in the ratio of related expenses, based on eligibility amount. Critical judgement is involved in determining whether the Company has fulfilled the conditions related to the grant. Estimates are involved in calculation of grant income where the eligibility amount is not confirmed by the government but application is made and the Company is complying all terms & conditions for eligibility. Further, key assumptions used in calculation of government grant to be recognized as revenue, receivables and deferred income include, the future sales growth rate, mix of inter and intra state purchases and corresponding input tax credit, utilization of input tax credit, indirect tax rates on the products, period of eligibility etc. Changes in the assumptions selected by the management could significantly affect the recognition of revenue, receivables and deferred income related to such government grants.

viii) Fair value of Financial Instruments.

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

ix) Exceptional items

Exceptional items are expense items recorded in the year in which they have been determined by management as being material by their size or incidence in relation to the financial statements and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items will affect the presentation of profit for the year and requires a degree of judgement. Details relating to exceptional items reported during the year are set out in Note 25.

x) Revenue recognition

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

Costs 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.

xi) 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 carrying value at which investments are accounted in these separate financial statements of the Company considering that investments in entities where the Company has control / significant influence are carried at cost and other investments are carried at fair value through profit and loss / other comprehensive income. Refer note 5 & 6(a).

Note 3 : Property, Plant and Equipment

₹ in Million

	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computers	Total	Capital Work in Progress
Cost or valuation										
At April 1, 2017										
Opening gross carrying amount	462.59	7,517.10	29,067.48	49.05	161.57	300.75	15.14	136.84	37,710.52	316.99
Additions	-	331.89	1,712.48	19.37	15.61	26.00	-	88.76	2,194.11	2,331.50
Disposals	-	-	(180.58)	(2.08)	(0.31)	(0.04)	-	(0.69)	(183.70)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	(2,131.14)
At March 31, 2018 (A)	**462.59**	**7,848.99**	**30,599.39**	**66.34**	**176.87**	**326.71**	**15.14**	**224.91**	**39,720.93**	**517.35**
Depreciation										
At April 1, 2017	**-**	**377.79**	**7,199.61**	**17.58**	**40.26**	**68.07**	**10.46**	**22.59**	**7,736.36**	**-**
Depreciation charge during the year	-	247.26	4,247.74	10.99	33.50	34.25	2.24	52.78	4,628.76	-
Disposals	-	-	(136.09)	(1.74)	(0.21)	(0.04)	-	(0.37)	(138.45)	-
At March 31, 2018 (B)	**-**	**625.05**	**11,311.26**	**26.83**	**73.55**	**102.28**	**12.70**	**75.00**	**12,226.67**	**-**
Net book value at March 31, 2018 (A-B)	**462.59**	**7,223.94**	**19,288.12**	**39.51**	**103.32**	**224.43**	**2.44**	**149.91**	**27,494.26**	**517.35**
Cost or valuation										
At April 1, 2018										
Opening gross carrying amount	462.59	7,848.99	30,599.39	66.34	176.87	326.71	15.14	224.91	39,720.93	517.35
Additions	-	313.27	1,855.72	9.31	24.71	20.39	-	13.63	2,237.03	1,961.53
Disposals	-	(0.98)	(159.74)	(1.17)	(0.77)	(0.10)	-	(0.52)	(163.28)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	-	(2,205.93)
At March 31, 2019 (A)	**462.59**	**8,161.28**	**32,295.37**	**74.48**	**200.81**	**347.00**	**15.14**	**238.01**	**41,794.68**	**272.95**
Depreciation										
At April 1, 2018	**-**	**625.05**	**11,311.26**	**26.83**	**73.55**	**102.28**	**12.70**	**75.00**	**12,226.67**	**-**
Depreciation charge during the year	-	254.67	3,526.62	13.28	33.25	32.41	-	59.64	3,919.87	-
Disposals	-	(0.01)	(89.82)	(1.04)	(0.62)	(0.01)	-	(0.41)	(91.91)	-
At March 31, 2019 (B)	**-**	**879.71**	**14,748.06**	**39.07**	**106.18**	**134.68**	**12.70**	**134.23**	**16,054.63**	**-**
Net book value at March 31, 2019 (A-B)	**462.59**	**7,281.57**	**17,547.31**	**35.41**	**94.63**	**212.32**	**2.44**	**103.78**	**25,740.05**	**272.95**

Notes:

(i) Property, plant and equipment pledged as security - Refer to note 11(a) for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual obligations - Refer to note 32 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Additions to fixed assets during the year include capital expenditure of ₹ 32.75 million (Previous Year : ₹ 31.28 million) incurred on in-house Research and Development activities [Refer Note 39]

(iv) The Company has given certain assets on operating lease, details of which are given below:

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	1.21	29.04	1.21	35.18
Accumulated depreciation	0.34	27.59	0.32	32.74
Net book value	0.87	1.45	0.89	2.44
Depreciation for the year	0.02	-	0.02	0.18

Note 4 : Intangible assets

₹ in Million

	Computer Software	Intangible assets under development
Cost or valuation		
At April 1, 2017		
Opening gross carrying amount	163.14	162.23
Additions	195.96	209.29
Transfers/Capitalised	-	(189.55)
At March 31, 2018 (A)	**359.10**	**181.97**
Amortisation		
At April 1, 2017		
Opening accumulated amortisation	46.71	-
Amortisation charge during the year	44.47	-
At March 31, 2018 (B)	**91.18**	**-**
Net book value at March 31, 2018 (A-B)	**267.92**	**181.97**
Cost or valuation		
At April 1, 2018		
Opening gross carrying amount	359.10	181.97
Additions	336.23	118.26
Transfers/Capitalised	-	(286.65)
At March 31, 2019 (A)	**695.33**	**13.58**
Amortisation		
At April 1, 2018		
Opening accumulated amortisation	91.18	-
Amortisation charge during the year	95.57	-
At March 31, 2019 (B)	**186.75**	**-**
Net book value at March 31, 2019 (A-B)	**508.58**	**13.58**

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 5 : Non-current equity investment in subsidiaries

₹ in Million

		As At March 31, 2019	As At March 31, 2018
Unquoted			
10,000	(March 31, 2018 : 10,000) Equity Shares of ₹ 10 each fully paid up of BESA Developers and Infrastructure Private Limited	0.10	0.10
10,000	(March 31, 2018 : 10,000) Equity Shares of ₹ 10 each fully paid up of Anjar Integrated Textile Park Developers Private Limited	0.10	0.10
50,700	(March 31, 2018 : 50,700) Equity Shares of ₹ 10 each fully paid up of Welspun Anjar SEZ Limited	2,200.00	2,200.00
23,065,503	(March 31, 2018 : 23,065,503) Equity Shares of ₹ 10 each fully paid up of Welspun Global Brands Limited	1,281.34	1,281.34
22,744,215	(March 31, 2018 : 22,744,215) Equity Shares of ₹ 10 each fully paid up of Welspun Captive Power Generation Limited	509.25	256.05
742	(March 31, 2018 : 668,706) Equity Shares of US $ 0.10 each, fully paid up of Welspun USA Inc.	182.51	146.88
1,500	(March 31, 2018 : 1,500) Equity Shares of GBP 1 each, fully paid up of Welspun Holdings Private Limited, Cyprus	29.73	29.73
5,500,000	(March 31, 2018 : 5,500,000) Equity Shares of ₹ 10 each fully paid up of Welspun Zucchi Textiles Limited	92.13	92.13
65,000,000	(March 31, 2018 : 3,429,800) Equity Shares of ₹ 10 each fully paid up of Welspun Flooring Limited	650.00	34.30
4,250	(March 31, 2018 : 4,250) Equity Shares of USD 1,000 each fully paid up of Welspun Nexgen Inc.	269.30	269.30
100,000	(March 31, 2018: Nil) Equity Shares of ₹ 10 each fully paid up of Welspun Advanced Materials Limited	0.10	-
		5,214.56	**4,309.93**
Equity Component of investment in preference shares of subsidiaries			
	Welspun Anjar SEZ Limited	232.45	204.75
	Welspun Global Brands Limited	1,000.46	1,000.46
	Welspun Captive Power Generation Limited	292.41	292.41
	Welspun Flooring Limited	1,702.18	-
		3,227.50	**1,497.62**
Equity Share Application pending allotment			
	Welspun Flooring Limited	-	741.11
Total		**8,442.06**	**6,548.66**

Note 6 : Financial assets
6 (a) : Non-current investment

₹ in Million

			As At March 31, 2019	As At March 31, 2018
Investment in equity shares (fully paid up)				
Quoted - Equity investment at FVOCI				
283,500	(March 31, 2018 : 283,500) Equity Shares of ₹ 10 each of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)		10.16	17.05
80	(March 31, 2018 : 80) Equity Shares of ₹ 1 each of Khaitan Chemicals and Fertilizers Limited		*	*
Total (equity instruments)		**(A)**	**10.16**	**17.05**
Investment in preference shares (fully paid)				
Unquoted - Preference shares at amortised cost				
13,464,800	(March 31, 2018 : 13,464,800) 0% Redeemable Cumulative Preference Shares of ₹ 10 each of Welspun Global Brands Limited		113.66	104.46
1,389,575	(March 31, 2018 : 1,389,575) 0% Redeemable Preference Shares of ₹ 10 each of Welspun Global Brands Limited		799.34	735.68
Unquoted - Preference shares at FVPL				
1,000,000	(March 31, 2018 : 1,000,000) 1% Redeemable Cumulative Preference Shares of ₹ 10 each of Welspun Global Brands Limited		5.47	5.17
75,818,663	(March 31, 2018 : 75,818,663) 10% Non-cumulative Redeemable Preference Shares of ₹ 10 each of Welspun Captive Power Generation Limited		762.40	790.71
71,042,000	(March 31, 2018 : 62,132,000) 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited		510.95	459.82
Total (preference shares)		**(B)**	**2,191.82**	**2,095.84**
Preference Share Application pending allotment				
	Welspun Anjar SEZ Limited		-	11.40
Others - FVPL		**(C)**	**0.60**	**2.06**
Total		**(A+B+C)**	**2,202.58**	**2,126.35**
	Aggregate amount of quoted investments and market value thereof		10.16	17.05
	Aggregate amount of unquoted investments		2,192.42	2,109.30

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

Notes

To The Financial Statements For The Year Ended March 31, 2019

6 (a) : Current investments

₹ in Million

		As At March 31, 2019	As At March 31, 2018
Investment in bonds at FVPL (quoted)			
-	(March 31, 2018 : 8) 9.51% Corporation Bank Limited Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	8.24
100	(March 31, 2018: Nil) 9.05% Infrastructure Leasing & Financial Services Limited (Series I) 27/06/2023 Bonds of Face Value of ₹ 10,00,000 each	-	-
13,000	(March 31, 2018 : Nil) 9.10% Dewan Housing Finance Corporation Limited 04/06/2028 Bonds of Face Value of ₹ 1,000 each	11.81	-
4,000	(March 31, 2018 : Nil) 8.90% Dewan Housing Finance Corporation Limited 04/06/2028 Bonds of Face Value of ₹ 1,000 each	3.64	-
80	(March 31, 2018 : Nil) 8.91% Nagpur Seoni Express Way Limited 01/02/2027 Bonds of Face Value of ₹ 1,00,000 each	7.70	-
7,000	(March 31, 2018 : Nil) 9.00% Muthoot Finance Limited 19/04/2023 Bonds of Face Value of ₹ 1,000 each	6.61	-
-	(March 31, 2018 : 120) 9.90% Industrial Finance Corporation of India Limited 05/11/2037 Bonds of Face Value of ₹ 25,000 each	-	3.20
-	(March 31, 2018 : 2) 7.98% Andhra Bank Limited 24/10/2027 Bonds of Face Value of ₹ 1,000,000 each	-	2.00
-	(March 31, 2018 : 61) 9% Yes Bank Limited Perpetual Bonds (Base III Tier I) of Face Value of ₹ 1,000,000 each	-	61.01
-	(March 31, 2018 : 3) 8.97% Uttar Pradesh Power Corporation Limited 15/02/2023 Bonds of Face Value of ₹ 1,000,000 each	-	3.10
-	(March 31, 2018 : 27) 9.20% IL and FS Transportation Networks Limited Primary NCD 15/04/2022 of Face Value of ₹ 1,000,000 each	-	27.42
4,130	(March 31, 2018 : 4,130) 8.70% Indiabulls Housing Finance Limited 26/09/2019 Bonds of Face Value of ₹ 1,000 each	4.12	4.20
58	(March 31, 2018 : 213) 9.10% Reliance General Insurance Company Limited 17/08/2026 Bonds of Face Value of ₹ 1,000,000 each	56.70	214.51
-	(March 31, 2018 : 3) 11.95% United Bank of India Perpetual Bonds of Face Value of ₹ 1,000,000 each	-	3.18
Investment in mutual funds at FVPL (unquoted)			
-	(March 31, 2018 : 6,238) Reliance Liquid Fund - Treasury Plan-Growth Plan - Growth Option	-	26.34
5,000,000	(March 31, 2018 : Nil) Reliance Nivesh Lakshya Fund-Direct Growth Plan	55.48	-
Total		**146.06**	**353.20**
	Aggregate amount of quoted investments and market value thereof	90.58	326.86
	Aggregate amount of unquoted investments	55.48	26.34

Notes
To The Financial Statements For The Year Ended March 31, 2019

6 (b) : Non-current loans

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Unsecured		
Considered doubtful		
Loans to related parties	15.56	15.56
Less : Allowance for Doubtful Loans	15.56	15.56
	-	-
Loan to employees	0.06	0.31
Total	**0.06**	**0.31**

6 (b) : Current loans

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Loan to employees	1.46	2.48
Total	**1.46**	**2.48**

6 (c) : Other non-current financial assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Security Deposits to Related Parties	26.60	30.68
Security Deposits to Others	159.12	158.67
Advances Recoverable in Cash		
- Considered Good	-	-
- Considered Doubtful	43.50	43.50
	43.50	43.50
Less : Allowance for Doubtful Advances	43.50	43.50
	-	-
Fixed deposits with Banks with maturity period more than twelve months	88.70	31.92
Margin Money Deposit Accounts	2.01	2.01
Interest Accrued on Fixed Deposits	19.79	15.91
Guarantee Commission Receivable from Related Parties	33.71	-
Total	**329.93**	**239.19**

6 (c) : Other current financial assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Security Deposits to Related Parties	7.80	7.80
Security Deposits to Others	2.93	0.11
Advances to Related Parties	21.97	13.54
Government Grants Receivable	2,991.33	3,383.83
Technology Upgradation Fund Credit Receivable	792.75	572.39
Interest Receivable under Subvention Scheme	11.24	13.92
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	0.28
Interest Accrued on Bonds/ Certificate of Deposits	5.44	15.82
Interest Accrued on Fixed Deposits	5.27	8.28
Insurance Claim Receivable	414.89	15.68
Total	**4,253.62**	**4,031.65**

Notes

To The Financial Statements For The Year Ended March 31, 2019

6 (d) : Trade receivables

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Receivables from related parties [Refer Note 30 (ii)]	8,303.99	7,233.14
Receivables from others	161.15	97.04
Less : Impairment allowance	(5.92)	(2.95)
Total receivables	**8,459.22**	**7,327.23**
Current portion	8,459.22	7,327.23
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	8,459.22	7,327.23
Trade receivables which has significant increase in credit risk	-	-
Trade receivables-credit impaired	5.92	2.95
Total	**8,465.14**	**7,330.18**
Impairment allowance	5.92	2.95
Total trade receivables	**8,459.22**	**7,327.23**

6 (e) : Cash and cash equivalents

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Balances with banks		
- In current accounts	719.68	754.42
Fixed deposits with Banks with original maturity period of less than three months	5.45	114.85
Cash on Hand	0.06	0.02
Total	**725.19**	**869.29**

6 (f) : Bank balances other than cash and cash equivalents

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Other Bank balances		
- Fixed deposits [Refer note (a) below]	78.52	120.85
- Unpaid dividend account [Refer note (b) below]	21.01	18.59
Total	**99.53**	**139.44**

Notes:

(a) Fixed Deposits of ₹ Nil (March 31, 2018 : ₹ 114.58 million) are earmarked for repayment of Current Maturities of Long Term Borrowings.

(b) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 7 : Non-current tax assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Non-current tax assets	396.19	-
Total	**396.19**	**-**

Note 8 : Other non-current assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Capital Advances to Related Parties	75.00	75.00
Capital Advances to Others	216.04	117.93
- Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	2.19	94.47
- Considered Doubtful	7.72	56.57
	9.91	**151.04**
Less : Provision for Doubtful Balances	7.72	56.57
	2.19	**94.47**
Statusholder Incentive Scrips in Hand	1.98	1.98
Total	**295.21**	**289.38**

Note 8 : Other current assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	1,307.06	2,161.32
- Considered Doubtful	12.50	12.50
	1,319.56	**2,173.82**
Less : Allowance for Doubtful Balances	12.50	12.50
	1,307.06	**2,161.32**
Prepaid Expenses	91.28	108.23
Advance to Vendors	425.11	551.41
Advance to Employees	4.46	3.00
Gratuity (Net) (Refer Note 21)	-	7.45
Total	**1,827.91**	**2,831.41**

Note 9 : Inventories (at lower of cost or net realisable value)

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Raw Materials (Includes in transit ₹ 94.22 million; March 31, 2018 : ₹ 194.53 million)	4,635.93	4,092.37
Work-in-Progress	2,768.33	3,567.96
Finished Goods	919.45	804.78
Packing Materials	175.60	218.99
Stores, Spares, Dyes and Chemicals	425.34	580.66
Total	**8,924.65**	**9,264.76**

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 10 : Equity share capital and other equity

10 (a) : Equity share capital

(i) Authorised equity share capital

₹ in Million

	Number of Shares	Amount
As at April 1, 2017	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2018	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2019	**1,555,000,000**	**1,555.00**
Equity Shares of ₹ 1 each (March 31, 2018 : ₹ 1 each)		

(ii) Issued equity share capital

₹ in Million

	Number of Shares	Amount
As at April 1, 2017	**1,004,725,150**	**1,004.73**
As at March 31, 2018	**1,004,725,150**	**1,004.73**
As at March 31, 2019	**1,004,725,150**	**1,004.73**
Equity Shares of ₹ 1 each (March 31, 2018 : ₹ 1 each fully paid up)		

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

₹ in Million

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Prasert Multiventure Private Limited (PMPL)	679,078,913	679.08	679,078,913	679.08
	679,078,913	**679.08**	**679,078,913**	**679.08**

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

₹ in Million

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Prasert Multiventure Private Limited	679,078,913	67.59	679,078,913	67.59

(v) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹ 1 per share (March 31, 2018 : ₹ 1). Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

10 (b) : Reserves and surplus

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Capital Redemption Reserve		
Balance as at the beginning of the year	478.38	478.38
Add : Additions during the year	-	-
Balance as at the end of the year	478.38	478.38
Capital Reserve		
Balance as at the beginning of the year	1,474.72	1,474.72
Add : Additions during the year	-	-
Balance as at the end of the year	1,474.72	1,474.72
Securities Premium		
Balance as at the beginning of the year	3,238.12	3,238.12
Add : Additions during the year	-	-
Balance as at the end of the year	3,238.12	3,238.12
General Reserve		
Balance as at the beginning of the year	711.39	711.39
Add : Additions during the year	-	-
Balance as at the end of the year	711.39	711.39
Retained earnings		
Balance as at the beginning of the year	17,371.90	15,085.92
Add : Profit for the year	1,417.65	3,041.08
	18,789.55	**18,127.00**
Less : Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	18.22	(30.94)
Dividends		
Final dividend on Equity Shares	653.07	653.07
Dividend distribution tax on Final dividend on Equity Shares	134.27	132.97
Balance as at the end of the year	17,983.99	17,371.90
Total	**23,886.60**	**23,274.51**

10 (c) : Other Reserve

₹ in Million

	As At March 31, 2019	As At March 31, 2018
FVOCI - Equity investments		
Balance as at the beginning of the year	11.45	16.82
Add : Change in fair value of FVOCI equity instrument (Refer Note (e) below)	(6.88)	(5.37)
Balance as at the end of the year	**4.57**	**11.45**

Note: Nature and purpose of reserves and surplus and other reserves

(a) Capital Redemption Reserve

Capital Redemption Reserve is created 1) when preference shares are redeemed out of profits of the Company, a sum equal to the nominal amount of the shares to be redeemed has to be transferred to this reserve and 2) when company purchases its own shares out of free reserves, a sum equal to the nominal value of shares so purchased has to be transferred to this reserve. This reserve may be used for paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

Notes

To The Financial Statements For The Year Ended March 31, 2019

(b) Capital Reserve

Out of total, Capital Reserve of ₹ 1,426.54 million related to Gujarat high court approved composite scheme of arrangement between group companies. Balance ₹ 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

(c) Securities Premium

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

(d) General Reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Company's securities. It was created by transfer of amounts out of distributable profits.

(e) FVOCI equity investments

The management has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The management transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note 11 : Financial liabilities
Note 11 (a) : Non-current borrowings

₹ in Million

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
				Coupon/ Interest Rate* (%)	Amount	Coupon/ Interest Rate* (%)	Amount
1	**Term Loans - From Banks**						
	(Secured, Measured at amortised cost)						
(a)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in April 2019.	Repayable in 30 quarterly instalments commencing from January 2012.	11.15	35.84	9.51	734.69
(b)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in March 2020.	Repayable in 28 quarterly instalments commencing from June 2013	-	-	9.25	293.83
(c)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in December 2021.	Repayable in 32 quarterly instalments commencing from April 2014	-	-	9.25	190.43
(d)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2021.	Repayable in 28 quarterly instalments commencing from December 2014	10.30	1,792.24	10.05	2,538.02
(e)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in October 2021.	Repayable in 28 quarterly instalments commencing from January 2015	9.92	589.05	9.25	863.86
(f)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company. FCNR (B) Dollar loan amounting to ₹ 239.77 million as on March 31, 2015 has been converted into Rupee loan during the previous year.	Last instalment due in March 2021.	Rupee term loan repayable in 28 quarterly instalments commencing from June 2014. FCNR Dollar loan was repayable in 28 quarterly instalments commencing from March 2015	9.63	100.93	9.50	151.31
(g)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in June 2023.	Repayable in 30 quarterly instalments commencing from January 2016.	9.68	6,263.64	9.92	7,438.15

Notes
To The Financial Statements For The Year Ended March 31, 2019

₹ in Million

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2019		As at March 31, 2018	
				Coupon/ Interest Rate* (%)	Amount	Coupon/ Interest Rate* (%)	Amount
(h)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2024.	Repayable in 31 quarterly instalments commencing from March 2017	10.39	3,010.82	10.38	3,272.87
(i)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in May 2025.	Repayable in 30 quarterly instalments commencing from February 2018	9.88	805.85	9.00	842.81
(j)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2025.	Repayable in 31 quarterly instalments commencing from March 2018	9.86	2,428.52	9.80	2,570.94
(k)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2025.	Repayable in 28 quarterly instalments commencing from September 2018	9.32	139.55	9.25	310.96
	Total Non-current borrowings				**15,166.44**		**19,207.87**
	Less : Current maturities of long-term debt [included in Note 11 (b)]				2,607.56		3,199.07
	Less : Interest accrued but not due [included in Note 11 (b)]				58.38		101.73
	Non-current borrowings (as per balance sheet)				**12,500.50**		**15,907.07**

* The rate of interest on the Non-current borrowings in the table above are in the range of 9.32% to 11.15% (March 31, 2018 : 9.25% to 10.38%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

Note 11 (a) : Current borrowings

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Secured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	7,884.32	4,846.55
Unsecured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	-	375.54
- Supplier financing [Refer Note (ii) below]	2,127.16	2,381.00
- Commercial Paper [Refer Note (iii) below]	-	500.00
Total current borrowings	**10,011.48**	**8,103.09**
Less : Interest accrued but not due [included in Note 11 (b)]	16.59	0.94
Total	**9,994.89**	**8,102.15**

Notes :

(i) The working capital loans, which includes cash credit and packing credit from banks, are secured by hypothecation of raw materials, stock-in-process, finished goods, semi finished goods, stores, spares and book debts and other current financial assets of the Company and second charge on entire fixed assets of the Company.

(ii) The bills of the vendors evidencing supply of material are discounted on presentation and the vendors are directly paid by the banks and the Company bears the discounting charge upfront. Later on the due date (depending on the tenor of financing), the Company pays the discounting bank the principal amount. This financing is unsecured and therefore there is no hypothecation against stock or debtors.

(iii) Commercial paper is an unsecured short term debt instrument issued by the Company generally for 90 days to meet the regular working capital requirements.

Note 11 (b) : Other non-current financial liabilities

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Security deposits	0.52	0.51
Financial guarantee obligation	33.71	-
Total	**34.23**	**0.51**

Note 11 (b) : Other current financial liabilities

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note below and Note 11(a)]	2,607.56	3,199.07
Interest Accrued but not due on Borrowings	74.97	102.67
Security Deposits	138.87	87.43
Creditors for Capital Purchases	289.70	182.21
Derivatives not designated as hedges		
- Foreign exchange forward cover	0.80	-
Book Overdraft	7.36	-
Unpaid dividends	21.01	18.59
Other Payables	31.29	34.47
Total	**3,171.56**	**3,624.44**

Note:

Fixed Deposits of ₹ Nil (March 31, 2018 : ₹ 114.58 million) are earmarked for repayment of the above Current Maturities of Long Term Loans.

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 11 (c) : Trade payables

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 38]	34.67	50.05
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Acceptances	-	27.38
- Others	5,586.40	5,189.10
Total	**5,621.07**	**5,266.53**

Note 12 : Non-current tax liabilities

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Taxation	1,323.85	1,313.29
Total	**1,323.85**	**1,313.29**

Note 13 : Current provisions

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Provision for exceptional items (Refer Note below)	1,555.99	233.55
Total	**1,555.99**	**233.55**

₹ in Million

Particulars	Provision for exceptional items
As at April 1, 2017	**850.46**
Charged/ (credited) to profit or loss	-
Provisions utilised/adjusted during the year	616.91
As at March 31, 2018	**233.55**
Charged/ (credited) to profit or loss	2,080.24
Provisions utilised/adjusted during the year	757.80
As at March 31, 2019	**1,555.99**

Note : The opening provision which was fully utilised during the year was towards return of goods by the customers, refund to the customers, cost of rework, inventory write-down, legal fees and other related expenses relating to the traceability issue. Refer Note 25 “Exceptional Items-Expense” with respect to provision made during the year and closing balance as at March 31, 2019.

Note 14 : Current employee benefit obligations

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Provision for Compensated Absences (Refer Note 21)	174.43	149.63
Provision for Gratuity (Refer Note 21)	22.84	-
Employee Benefits Payable**	422.66	502.03
Total	**619.93**	**651.66**

** Includes salary, wages, bonus, leave travel allowance and director commission

Note 15 : Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to:

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Deferred Tax Liabilities arising on account :		
- Property, plant, equipment and Intangible Assets	3,215.23	3,137.57
- Government Grants	114.54	-
Deferred Tax Asset arising on account of :		
- Minimum Alternate Tax Credit Entitlement	973.14	1,087.36
- Provision for Doubtful Debts/ Advances	29.77	45.80
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	91.61	60.62
- Government Grants	-	62.10
- Provision for Employee Benefits	72.13	9.71
- Expenses inadmissible under Section 40(a) of the Income Tax Act, 1961	18.41	9.47
- Expenses allowed on payment basis (including provision for exceptional items)	326.23	-
- Others	6.87	23.70
Total	**1,811.61**	**1,838.81**

The Company has tax loss(Long Term Capital Loss) of ₹ 431.85 million which are available for offsetting up to two years against furture taxable profits. Deferred tax assets has not been recognised in respect of these losses due to lack of reasonably certainty with respect of utilisation of these losses against future long term capital losses.

Movement in deferred tax liabilities/(assets)

₹ in Million

Particulars	Property, plant and equipment	Defined Benefit Obligation	Government grants	MAT Credit entitlement	Provisions*	Expenses allowed on payment basis	Other items	Total
April 1, 2017	2,090.49	(42.19)	28.21	(196.81)	(94.80)	-	(132.40)	1,652.50
(Charged) / Credited :								
Statement of Profit and Loss	(1,047.08)	(16.11)	90.31	890.55	11.62	-	(99.23)	(169.94)
Other Comprehensive Income	-	(16.37)	-	-	-	-	-	(16.37)
March 31, 2018	3,137.57	(9.71)	(62.10)	(1,087.36)	(106.42)	-	(33.17)	1,838.81
(Charged) / Credited :								
Statement of Profit and Loss	(77.66)	52.64	(176.64)	(114.22)	14.96	326.23	(7.89)	17.42
Other Comprehensive Income	-	9.78	-	-	-	-	-	9.78
March 31, 2019	**3,215.23**	**(72.13)**	**114.54**	**(973.14)**	**(121.38)**	**(326.23)**	**(25.28)**	**1,811.61**

* Provisions includes provision for doubtful debts/advances and provision for unpaid statutory dues under section 43B of the Income Tax Act, 1961

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 16 : Other non-current liabilities

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Deferred Income (Refer Note below)	830.37	888.83
Total	**830.37**	**888.83**

Note 16 : Other current liabilities

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Advances from Customers	36.62	51.27
Statutory dues	86.97	112.75
Deferred Income (Refer Note below)	155.34	203.30
Total	**278.93**	**367.32**

Note :

Deferred income relates to government grant for the purchase of property, plant and equipment and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Note 17 : Revenue from operations

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sale of Products		
Finished Goods	50,378.69	45,577.23
Traded Goods	702.86	312.66
Sub Total	**51,081.55**	**45,889.89**
(b) Other operating income		
Sale of Scrap	620.09	604.51
Job Work and Processing Charges	0.39	1.38
Government Grant:		
VAT/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	1,732.45	2,249.65
Export Benefits [Refer Note (ii) below]	518.16	1,213.30
Sub Total	**2,871.09**	**4,068.84**
Total	**53,952.64**	**49,958.73**

(i) **Value Added Tax (VAT)/State Goods and Service Tax (SGST) Concession:** Reimbursement of VAT/SGST collected on end product/intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per the Scheme.

(ii) **Merchandise Export Incentive Scheme (MEIS):** Company is entitled for reward under MEIS computed at specified rates on FOB value of exports to specified countries.

(iii) Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Million

Revenue	Year ended March 31, 2019	Year ended March 31, 2018
India	51,436.05	46,269.81
Outside India	265.98	225.97
Total revenue from contracts with customers	**51,702.03**	**46,495.78**

2) Contract balances

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

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Trade receivables*	8,459.22	7,327.23
Contract liabilities (advances from customers)	36.62	51.27

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

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

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per contracted price	51,724.39	46,520.47
Less: Rebates, discounts, chargebacks, markdowns, etc.	22.36	24.69
Revenue from contracts with customers	**51,702.03**	**46,495.78**

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

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Revenue from operations	53,952.64	49,958.73
Less: VAT/State Goods and Service Tax Incentive	1,732.45	2,249.65
Export Benefits	518.16	1,213.30
Revenue from contracts with customers	**51,702.03**	**46,495.78**

Note 18 : Other income

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	16.93	20.42
On Loans given to related parties and others	4.09	26.54
On Preference shares	72.87	67.05
Interest income from financial assets measured at fair value through profit or loss		
On Bonds	101.39	184.75
Interest income on Others	94.06	30.64
Unwinding of discount on security deposits	3.00	4.93
Net gain on financial assets measured at fair value through profit or loss	-	52.32

Notes

To The Financial Statements For The Year Ended March 31, 2019

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	22.28	24.48
Insurance Claim	0.35	8.23
Liabilities Written Back as no Longer Required	15.89	25.87
Profit on Redemption/ Sale of Units in Mutual Funds	18.77	29.45
Profit on Sale of Bonds/ Certificate of Deposits	-	6.74
Profit on Sale of Shares	253.62	-
Profit on Sale of Fixed Assets	11.57	-
Income on Statusholder Incentive Scrips	-	9.84
Exchange Gain (Net)	12.85	2.15
Service Charges	8.30	6.40
Commission on Corporate Guarantees Issued	24.92	17.39
Miscellaneous	169.51	38.30
Total	**830.40**	**555.50**

Note 19 : Cost of materials consumed

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Raw material consumed		
Opening inventory	4,092.37	3,243.86
Add: Purchases (net)	25,576.35	22,411.36
Less : Inventory at the end of the year	4,635.93	4,092.37
	25,032.79	**21,562.85**
Packing material consumed		
Opening inventory	218.99	226.27
Add : Purchases (net)	2,545.64	2,552.72
Less : Inventory at the end of the year	175.60	218.99
	2,589.03	**2,560.00**
Total	**27,621.82**	**24,122.85**

Note 20 : Changes in inventory of finished goods, work-in-progress and stock-in-trade

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods	919.45	804.78
Work-in-Progress	2,768.33	3,567.96
Total A	**3,687.78**	**4,372.74**
Less : Stock at the beginning of the year :		
Finished Goods	804.78	829.19
Work-in-Progress	3,567.96	4,250.06
Stock-in-trade	-	1.58
Total B	**4,372.74**	**5,080.83**
(Increase) / decrease in Stocks (A-B)	**684.96**	**708.09**

Note 21 : Employee benefits expense

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages, Allowances and Other Benefits	4,161.76	4,141.54
Gratuity and ex-gratia	152.70	190.45
Contribution to Provident and Other Funds	314.78	319.53
Managerial Remuneration	82.26	148.37
Staff and Labour Welfare	158.76	166.83
Total	**4,870.26**	**4,966.72**

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

I. Defined Contribution Plans

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:		
- Employers' Contribution to Provident Fund*	122.92	124.28
- Employers' Contribution to Employees' State Insurance *	44.59	41.03
- Employers' Contribution to Employees' Pension Scheme*	145.20	152.38
- Employers' Contribution to Superannuation Scheme*	2.07	1.84
	314.78	**319.53**

* Included in Contribution to Provident and Other Funds

II. Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The Company operates a gratuity plan through the "Welspun India Limited Employees Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Risk exposure

These defined benefit plans expose the Company to actuarial risk such as longitivity risks, interest rate risks, market (investment) risks.

a) Major Assumptions

	As At March 31, 2019	As At March 31, 2018
	% p.a.	% p.a.
Discount Rate	7.77	7.88
Salary Escalation Rate @	7.00% p.a. for the next 2 years, 6.00% for the next 3 years & 5.00% p.a. thereafter, starting from the 6th year	7.00% p.a. for the next 2 years, 6.00% for the next 3 years & 5.00% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	For service 0 years and below 35%, for service 1-2 years 10%, for service 3-4 years 6% and 4% thereafter	For service 0 years and below 38%, for service 1-2 years 10%, for service 3-4 years 7% and 5% thereafter
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

Notes
To The Financial Statements For The Year Ended March 31, 2019

b) Change in the Present Value of Obligation

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Opening Present Value of Obligation	340.38	308.35
Current Service Cost	76.88	81.25
Past Service Cost	-	7.00
Interest Cost	26.82	22.39
Total amount recognised in profit or loss	**103.70**	**110.64**
Remeasurements		
(Gain)/Loss from change in demographic assumptions	(11.30)	-
(Gain)/Loss from change in financial assumptions	4.33	(25.71)
Experience (Gains)/Losses	29.72	(26.70)
Total amount recognised in other comprehensive income	**22.75**	**(52.42)**
Benefit/ Exgratia paid	(40.05)	(26.18)
Closing Present Value of Obligation	**426.78**	**340.38**

c) Change in Fair Value of Plan Assets

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Opening Fair Value of Plan Assets	347.83	292.86
Interest Income	27.41	21.26
Total amount recognised in profit or loss	**27.41**	**21.26**
Remeasurements		
Return on Plan Assets, Excluding Interest Income	(5.25)	(5.11)
Total amount recognised in other comprehensive income	**(5.25)**	**(5.11)**
Contributions	74.00	65.00
Benefits paid	(40.05)	(26.18)
Closing Fair Value of Plan Assets	**403.94**	**347.83**

d) Balance Sheet Reconciliation

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Opening Net (Liability)/ Asset	7.45	(15.49)
Expenses Recognized in Statement of Profit or Loss	(76.29)	(89.37)
Expenses Recognized in OCI	(28.00)	47.31
Employer's Contribution	74.00	65.00
Net (Liability)/ Asset Recognised in the Balance Sheet	(22.84)	7.45

e) Amount recognised in the Balance sheet

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Present value of Obligation	(426.78)	(340.38)
Fair Value of Plan Assets	403.94	347.83
Funded Status ((Surplus/ (Deficit))	(22.84)	7.45
Net (Liability)/ Asset Recognised in the Balance Sheet	(22.84)	7.45

f) Expenses Recognised in the Statement of Profit and Loss

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	76.88	81.25
Past Service Cost	-	7.00
Interest Cost	26.82	22.39
Interest Income	(27.41)	(21.26)
Total Expenses recognized in the statement of profit and loss*	**76.29**	**89.38**

* Included in Employee Benefits Expense

g) Expenses recognized in the Other Comprehensive Income

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	22.75	(52.42)
Return on Plan Assets, Excluding amounts included in Interest Income	5.25	5.11
Net (Income)/Expenses for the Period Recognized in OCI	**28.00**	**(47.31)**

h) Sensitivity Analysis

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Projected Benefit Obligation on Current Assumptions	426.78	340.38
Delta Effect of +1% Change in Rate of Discounting	(36.60)	(27.48)
Delta Effect of -1% Change in Rate of Discounting	43.25	32.30
Delta Effect of +1% Change in Rate of Salary Increase	43.79	31.26
Delta Effect of -1% Change in Rate of Salary Increase	(37.61)	(27.16)
Delta Effect of +1% Change in Rate of Employee Turnover	11.20	8.97
Delta Effect of -1% Change in Rate of Employee Turnover	(12.93)	(10.30)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability/ asset recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) The major categories of plans assets are as follows:

₹ in Million

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount	%	Amount	%
Insurer Managed funds	403.94	100.00	347.83	100.00

j) Defined benefit liability and employer contributions

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

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 103.50 million.

The weighted average duration of the defined benefit obligation is 11 years (March 31, 2018 : 10 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ in Million

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	11 years and above	Total
March 31, 2019						
Defined benefit obligation (gratuity)	30.06	29.90	93.88	178.06	805.91	1,137.81
Total	**30.06**	**29.90**	**93.88**	**178.06**	**805.91**	**1,137.81**
March 31, 2018						
Defined benefit obligation (gratuity)	29.97	27.24	83.57	135.10	595.76	871.64
Total	**29.97**	**27.24**	**83.57**	**135.10**	**595.76**	**871.64**

III Other Employee Benefit

The liability for compensated absences as at year end is ₹ 174.43 million (March 31, 2018 : ₹ 149.63 million).

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 22 : Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	3,919.87	4,628.76
Amortisation of intangible assets	95.57	44.47
Total depreciation and amortization expense	**4,015.44**	**4,673.23**

Note 23 : Other Expenses

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and Spares Consumed	1,009.45	634.96
Dyes and Chemicals Consumed	2,422.81	2,348.89
Contract Labour Charges	534.33	482.56
Job Work Expenses	1,282.87	1,141.10
Power, Fuel and Water Charges	4,947.63	4,490.66
Repairs and Maintenance:		
Plant and Machinery	148.69	124.61
Factory Building	43.55	37.56
Others	211.23	196.73
Brokerage and Commission	1.22	3.50
Freight, Forwarding and Coolie Charges	135.57	101.78
Directors' Sitting Fees	3.42	2.74
Rent (Refer Note 36)	84.97	80.51
Rates and Taxes	20.28	19.94
Printing and Stationery	13.83	9.87
Travelling and Conveyance	186.80	161.83
Legal and Professional Charges	395.85	307.87
Security Expenses	38.79	42.92
Insurance	93.89	119.47
Communication	23.73	17.75
Postage and Courier	8.28	9.92
Loss on Sale/ Discarding of Fixed Assets (Net)	-	2.81
Loss on Sale of Bonds/ Certificate of Deposits	34.11	-
Provision for Doubtful Loans and Advances/Debts	18.71	2.29
Net loss on financial assets measured at fair value through profit or loss	137.20	-
Loss on Cancellation of Forward/ Swap Contracts	19.86	10.95
Design and Development Expenses	29.22	32.68
Advertising and Sales Promotion	86.26	99.83
Donations	2.07	8.05
Corporate Social Responsibility Expenses [Refer Note 23 (b) below]	113.71	110.01
Payments to auditors [Refer Note 23 (a) below]	9.14	7.52
Miscellaneous	90.59	118.40
Total Other Expenses	**12,148.06**	**10,727.71**
Note :		
Expenses capitalised as a part of Capital Work-in-progress		
Employee Costs	-	13.25
Other Expenses	-	-
Total	**-**	**13.25**

Note 23 (a) : Details of Payments to auditors

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Payments to auditors		
As auditor:		
Audit fee	6.83	5.89
Tax audit fee	0.43	0.43
Certification fees	1.20	1.04
Re-imbursement of expenses	0.68	0.16
Total payments to auditors	**9.14**	**7.52**

Note 23 (b) : Details of CSR expenditure

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
(i) Gross amount required to be spent by the Company during the year	110.87	134.10
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	113.71	110.01

Note 24 : Finance costs

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	190.55	170.05
(net of interest subsidy of ₹ 1,550.26 million, Previous Year : ₹ 1,732.44 million)		
- Short term borrowings	526.30	542.80
- Interest to Others	10.34	16.17
Discounting and Bank Charges	197.80	151.10
	924.99	**880.12**

Note 25 : Exceptional Items-Expense

The Company has been facing litigation in the United States surrounding the Company's premium cotton home textile products, including the consolidated putative class action suit (consolidated during the quarter ended December 31, 2016). To avoid the burden, cost, and uncertainty of continued litigation in the United States surrounding the provenance of its premium cotton home textile products, the Company have entered into a settlement agreement subsequent to year end. The settlement agreement provides monetary payments to settlement class members not to exceed an aggregate US Dollars 36 million. The Exceptional Item, aggregating to ₹ 2,080.24 million and ₹ Nil for the year ended March 31, 2019 and March 31, 2018 respectively, represents a provision for the settlement costs that have been estimated by the management based on expert advise which includes monetary payments or vouchers for all class members in the U.S. who submit claims subject to validation by an independent third party, fees payable to legal counsel, and costs related to the administration of the settlement. The settlement agreement is subject to approval by the appropriate courts in the United States and regulators, and is intended to resolve legal claims in the United States concerning the past marketing and labelling of the Company's premium cotton home textile products.

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.

Notes
To The Financial Statements For The Year Ended March 31, 2019

a) Statement of Profit and Loss

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense		
Current Tax		
Current Tax on profits for the year.	358.04	727.77
Total current tax expense	**358.04**	**727.77**
Deferred Tax		
Relating to originating and reversal of temporary differences	(17.42)	169.94
Total deferred tax expense/(credit)	**(17.42)**	**169.94**
Income tax expense	**340.62**	**897.71**

b) Other Comprehensive Income (OCI)

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Net loss/(gain) on remeasurement of defined benfit plans	9.78	(16.37)

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

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year before income tax expense	1,758.27	3,938.79
Tax at the Indian tax rate @ 34.94% (Previous year : 34.61%)	**614.34**	**1,363.22**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Donation	-	4.03
Corporate social responsibility expenditure	19.87	55.01
Deduction under section 80 IA and 80 JJAA	(182.12)	-
Research and Development Expenditure	(46.31)	(228.62)
Other Items	(65.16)	(295.93)
Income tax expense	**340.62**	**897.71**

Note 27 : Fair value measurements

Financial instruments by category

₹ in Million

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	10.16	-	-	17.05	-
- Preference shares	1,278.82	-	913.00	1,255.70	-	840.14
- Bonds and debentures	90.58	-	-	326.86	-	-
- Mutual funds	55.48	-	-	26.34	-	-
- Others	0.60	-	-	13.46	-	-
Trade receivables	-	-	8,459.22	-	-	7,327.23
Loans	-	-	1.52	-	-	2.79
Cash and cash equivalents	-	-	725.19	-	-	869.29
Bank balance other than Cash and cash equivalents	-	-	99.53	-	-	139.44
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	-	-	-	-	0.28

₹ in Million

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Security deposits	-	-	196.45	-	-	197.26
Fixed deposit with bank	-	-	90.71	-	-	33.93
Interest accrued on fixed deposit, bonds and certificates	-	-	30.50	-	-	40.01
Government Grant & TUF	-	-	3,784.08	-	-	3,956.22
Interest Receivable under Subvention Scheme	-	-	11.24			13.92
Others financial assets	-	-	470.57	-	-	29.22
Total financial assets	**1,425.48**	**10.16**	**14,782.01**	**1,622.36**	**17.05**	**13,449.73**
Financial liabilities						
Borrowings and interest accrued thereon	-	-	25,177.92	-	-	27,310.96
Trade payables	-	-	5,621.07	-	-	5,266.53
Security Deposits	-	-	139.39	-	-	87.94
Creditors for Capital Purchases	-	-	289.70	-	-	182.21
Other financial liabilities	-	-	94.16	-	-	53.06
Total financial liabilities	**-**	**-**	**31,322.24**	**-**	**-**	**32,900.70**

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

₹ in Million

	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
- Preference Shares	913.00	857.45	840.14	808.70
Loans	1.52	1.52	2.79	2.79
Security deposits	196.45	196.45	197.26	197.26
Fixed deposits with Banks with maturity period more than twelve months	90.71	90.71	33.93	33.83
Interest Accrued on Deposits	30.50	30.50	40.01	40.01
Government Grant ,TUF & Incentive	3,795.32	3,795.32	3,970.14	3,970.14
Others	9,754.51	9,754.51	8,365.46	8,365.46
Total	**14,782.01**	**14,726.46**	**13,449.73**	**13,418.19**
Financial liabilities				
Borrowings	25,177.92	25,177.92	27,310.96	27,310.96
Security deposits more than 12 months	0.52	0.52	0.51	0.51
Others	6,143.80	6,143.80	5,589.23	5,589.23
Total	**31,322.24**	**31,322.24**	**32,900.70**	**32,900.70**

The carrying amount of trade receivable, current loans, current portion of interest accrued on fixed deposit, bonds and certificates, cash and cash equivalents, bank balances other than cash and cash equivalents, government grants, TUF and incentive, trade payable, capital creditors, current security deposits (liability) and other current financial liabilities are considered to be approximately same as their fair value, due to their short-term nature and have been classified as level 3 in the fair value hierarchy.

The fair value for loans, security deposits, advance recoverable in cash, fixed deposit with bank, interest accrued on fixed deposit and investments in preference shares is calculated based on cash flows discounted using a current lending rates. Further, security deposits, advance recoverable in cash and investments in preference

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share are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value for long term security deposits are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of long term borrowings is approximately equal to it's fair value since the borrowings are at floating rate of interest. Also, the carrying amount of short term borrowing is considered to be approximately same as it's fair value due to it's short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability 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 Million

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets :					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	1,278.82	1,278.82
Investment-Others	6 (a)	-	0.60	-	0.60
Listed Bonds and Government Securities	6 (a)	90.58	-	-	90.58
Mutual funds - Dividend plan	6 (a)	-	55.48	-	55.48
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	10.16	-	-	10.16
Total financial assets		**100.74**	**56.08**	**1,278.82**	**1,435.64**

₹ in Million

Financial assets and liabilities measured at amortised cost for which fair value are disclosed At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Preference shares	6 (a)	-	-	857.45	857.45
Loans	6 (b)	-	-	1.52	1.52
Security deposits for more than 12 months	6 (c)	-	-	196.45	196.45
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	90.71	90.71
Interest Accrued on Deposits	6 (c)	-	-	30.50	30.50
Government Grant ,TUF & Incentive	6 (c)	-	-	3,795.32	3,795.32
Others		-	-	9,754.51	9,754.51
Total financial assets		**-**	**-**	**14,726.46**	**14,726.46**
Financial Liabilities					
Borrowings	11 (a)	-	-	25,177.92	25,177.92
Security deposits for more than 12 months	11 (b)	-	-	0.52	0.52
Others		-	-	6,143.80	6,143.80
Total financial liabilities		**-**	**-**	**31,322.24**	**31,322.24**

₹ in Million

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	1,255.70	1,255.70
Investment-Others	6 (a)	-	13.46	-	13.46
Listed Bonds and Government Securities	6 (a)	326.86	-	-	326.86
Mutual funds - Dividend plan	6 (a)	-	26.34	-	26.34
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	17.05	-	-	17.05
Total financial assets		**343.91**	**39.80**	**1,255.70**	**1,639.41**
Financial liabilities					
Foreign exchange forward cover at FVPL		-	-	-	-
Total financial liabilities		-	-	-	-

₹ in Million

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Preference shares	6 (a)	-	-	808.70	808.70
Loans	6 (b)	-	-	2.79	2.79
Security deposits for more than 12 months	6 (c)	-	-	197.26	197.26
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	33.83	33.83
Interest Accrued on Deposits	6 (c)	-	-	40.01	40.01
Government Grant ,TUF & Incentive			-	3,970.14	3,970.14
Others			-	8,365.46	8,365.46
Total financial assets		-	-	**13,418.19**	**13,418.19**
Financial Liabilities					
Borrowings	11 (a)	-	-	27,310.96	27,310.96
Security deposits for more than 12 months	11 (b)	-	-	0.51	0.51
Others				5,589.23	5,589.23
Total financial liabilities		-	-	**32,900.70**	**32,900.70**

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.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted preference shares and security deposits included in level 3.

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2 and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

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iii) Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- NAV quoted by mutual funds
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3) for FVPL instruments

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

₹ in Million

Particulars	Preference shares
As at April 1, 2017	**1,010.57**
Acquisitions	192.81
Gains/losses recognised in profit or loss	52.32
As at March 31, 2018	**1,255.70**
Acquisitions	61.41
Gains/losses recognised in profit or loss	(38.29)
As at March 31, 2019	**1,278.82**

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted

₹ in Million

Particulars	Fair Value (₹ million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Preference Shares	1,278.82	1,255.70	Discount Rate	9% to 10%	9% to 10%	March 31, 2019 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 45.96 million and decrease in discount rate by 50 bps would increase fair value by ₹ 48.38 million. March 31, 2018 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 47.48 million and decrease in discount rate by 50 bps would increase fair value by ₹ 50.14 million.

vi) Valuation processes :

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

Discussions of valuation processes and results are held between the CFO, and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs for preference shares used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management team.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 28 : Financial Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

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The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Concentrations of credit risk with respect to trade receivables are limited, due to major customers being subsidiaries of the Company which in turn have a large and diverse customer base. The following table gives details in respect of percentage of revenue generated from the top ten customers.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top 10 Customers	97.81%	97.33%

Expected credit loss for trade receivables as at March 31, 2019 is ₹ 5.92 million (March 31, 2018: ₹ 2.95 million)

As at March 31, 2019

₹ in Million

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	7,701.56	384.66	378.92	8,465.14
Expected loss rate	-	-	1.56%	0.07%
Allowance for doubtful debts	-	-	5.92	5.92
Carrying amount of trade receivables (net of impairment)	**7,701.56**	**384.66**	**373.00**	**8,459.22**

As at March 31, 2018

₹ in Million

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	5,213.35	799.73	1,317.10	7,330.18
Expected loss rate	-	-	0.22%	0.04%
Allowance for doubtful debts	-	-	2.95	2.95
Carrying amount of trade receivables (net of impairment)	**5,213.35**	**799.73**	**1,314.15**	**7,327.23**

During the year and previous years, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

Other financial assets

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

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Million

	As at March 31, 2019	As at March 31, 2018
Floating rate		
Expiring within one year (packing credit, bank overdraft and other facilities)	2,055.11	4,058.06
Expiring beyond one year (Term Loans)	-	2,441.50
	2,055.11	**6,499.56**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of Financial liabiliities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

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As at March 31, 2019

₹ in Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	10,378.20	697.20	1,527.05	3,309.60	8,595.68	595.22	25,102.95
Trade payables	3,357.66	727.02	1,536.39	-	-	-	5,621.07
Other financial liabilities	429.19	4.87	148.60	14.76	-	-	597.42
Total non-derivative liabilities	**14,165.05**	**1,429.09**	**3,212.04**	**3,324.36**	**8,595.68**	**595.22**	**31,321.44**
Derivatives (net settled)							
Foreign exchange forward contracts	0.80	-	-	-	-	-	0.80
Total derivative liabilities	**0.80**	**-**	**-**	**-**	**-**	**-**	**0.80**

As at March 31, 2018

₹ in Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	8,707.47	825.90	1,767.84	3,350.13	10,503.58	2,053.37	27,208.29
Trade payables	4,506.63	293.88	457.72	8.29	-	-	5,266.52
Other financial liabilities	304.11	-	-	-	0.51	-	304.62
Total non-derivative liabilities	**13,518.21**	**1,119.78**	**2,225.56**	**3,358.42**	**1,054.90**	**2,053.37**	**32,779.43**
Derivatives (net settled)							
Foreign exchange forward contracts	-	-	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(C) Market risk

(i) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/ payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period in India Rupees are as follows :

₹ in Million

Foreign Currency	March 31, 2019			March 31, 2018		
	USD	EUR	Others*	USD	EUR	Others*
Financial Assets						
Trade Receivables	186.23	-	11.90			
Net exposure to foreign currency risk (assets)	**186.23**	**-**	**11.90**	**-**	**-**	**-**
Financial liabilities						
Borrowing	150.96	-	-	479.23	-	-
Trade payables and provisions	2,227.28	62.48	11.13	152.57	81.13	7.46
Other financial liabilities	-	-	-	5.37	60.61	-
Foreign exchange forward contracts	(25.27)	-	-	(107.30)	-	-
Net exposure to foreign currency risk (liabilities)	**2,352.98**	**62.48**	**11.13**	**529.87**	**141.74**	**7.46**
Net open exposures (assets-liabilities) - assets /(liabilities)	**(2,166.74)**	**(62.48)**	**0.77**	**(529.87)**	**(141.74)**	**(7.46)**

* Others consists of JPY, CHF & GBP

(b) Foreign currency sensitivity

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

₹ in Million

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
USD sensitivity		
USD - INR - Increase by 5 % (March 31, 2018 - 3%)*	(108.34)	(15.90)
USD - INR - Decrease by 5 % (March 31, 2018 - 3%)*	108.34	15.90
EURO sensitivity		
EURO - INR - Increase by 4 % (March 31, 2018 - 3%)*	(2.50)	(4.25)
EURO - INR - Decrease by 4 % (March 31, 2018 - 3%)*	2.50	4.25

(EURO sensitivity also calculated for EURO/USD forward contracts outstanding as on March 31, 2019)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in Million

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	9,994.89	8,102.15
Floating rate borrowings	15,108.06	19,106.14
Total borrowings	**25,102.95**	**27,208.29**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Foreign Currency	March 31, 2019			March 31, 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	9.94%	15,108.06	60%	9.96%	19,106.14	70%
Net exposure to cash flow interest rate risk	**-**	**15,108.06**	**-**	**-**	**19,106.14**	**-**

(b) Sensitivity

Profit or (loss) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Increase by 25 basis points (March 31, 2018 - 25 basis points)*	(37.77)	(47.77)
Decrease by 25 basis points (March 31, 2018 - 25 basis points)*	37.77	47.77

* Holding all other variables constant including change in interest subsidy

(iii) Price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Increase in price 0.75% (March 31, 2018- 0.75%)	1.10	2.65
Decrease in price 0.75% (March 31, 2018 - 0.75%)	(1.10)	(2.65)

* Holding all other variables constant

Note 29 : Capital management

(a) Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

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

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises of all components including other equity.

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

The following table summarizes the capital of the Company:

₹ in Million

	March 31, 2019	March 31, 2018
Non-current borrowings	12,500.50	15,907.07
Current maturities of long term debt	2,607.56	3,199.07
Current borrowings	9,994.89	8,102.15
Less: cash and cash equivalent	725.19	869.29
Net debt	**24,377.76**	**26,339.00**
Total equity	**24,895.90**	**24,290.69**
Gearing ratio	**0.98**	**1.08**

(i) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- the approved range for gearing ratio is 2 times to 2.57 times, and
- the ratio of Debt Service Coverge Ratio (DSCR) must be atleast 1.2 times.

The Company has complied with these covenants throughout the reporting period. As at 31 March 2019, the DSCR ratio was 1.90 times (March 31, 2018 : 2.15 times).

(b) Dividend

	March 31, 2019	March 31, 2018
Equity Share		
Final dividend for the year ended March 31, 2018 of ₹ 0.65 (March 31, 2017 of ₹ 0.65) per fully paid share (Dividend distribution tax for the year ended March 31, 2018 : ₹ 134.27 million, March 31, 2017 : ₹ 132.97 million)	653.07	653.07
Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.30 per fully paid equity share (March 31, 2018 of ₹ 0.65). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	301.42	653.07

Note 30 : Related Party Disclosures

(i) Relationships

(a) Enterprises where control exists	
Holding company	Prasert Multiventure Private Limited (PMPL)
Subsidiary companies	Besa Developers and Infrastructure Private Limited (BESA) Welspun Global Brands Limited (WGBL) Welspun Holdings Private Limited, Cyprus (WHPL) Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL) Welspun UK Limited (WUKL) (Held through CHTL) CHT Holdings Limited (CHTHL) (Held through WHTUKL) Welspun USA Inc., USA (WUSA) Welspun Captive Power Generation Limited (WCPGL) Anjar Integrated Textile Park Developers Private Limited (AITPDPL) Welspun Anjar SEZ Limited (WASEZ) Welspun Mauritius Enterprises Limited (WMEL) Novelty Home Textiles SA de CV (NHTSC) (Held through WMEL) Christy Home Textiles Limited (CHTL) (Held through CHTHL) Christy 2004 Limited (CHT 2004) (Held through WUKL) Christy Welspun GmbH (CWG) (Held through WUKL) Christy UK Limited (CUKL) (Held through CHTL) ER Kingsley (Textiles) Limited (ERK) (Held through CHTL) Christy Lifestyle LLC, USA (CLL) (Held through WUKL) Welspun Flooring Limited (WEFL) Welspun Zucchi Textiles Limited (WZTL) Welspun Nexgen Inc. (WNI) (with effect from January 8, 2018) Welspun Advanced Material Limited (WAML) (with effect from September 6, 2018) Tilt Innovation Inc., USA (TII) (Held through WUSA) (with effect from January 22, 2019)

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(b)	Key Management Personnel	**Name**	**Nature of relationship**
		Balkrishan Goenka	Director & Chairman
		Rajesh Mandawewala	Managing Director
		Dipali Goenka	CEO & Joint Managing Director
		Arun Todarwal	Independent Director
		Arvind Singhal	Independent Director
		Padma Betai	Independent Director (till September 29,2018)
		Ramgopal Sharma	Independent Director (till October 22, 2018)
		Pradeep Poddar	Independent Director
		Anisha Motwani	Independent Director (w.e.f. October 22, 2018)
		Shalil Awale	Independent Director (w. e. f. September 29,2018)
		Altaf Jiwani	Chief Financial Officer
		Shashikant Thorat	Company Secretary
(c)	Relatives of Key Management Personnel	Radhika Goenka	
(d)	List of entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	For listing of parties, refer disclosure in Note 30(ii)	

(i) Terms and conditions:

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

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

₹ in Million

PARTICULARS	Holding company	Subsidiary companies												Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year							
	PMPL	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WEFL	WNI	WAML	WZTL	Welspun Corp Limited	Welspun Steel Limited	Technopak Advisors Private Limited	AYM Syntex Limited	Welspun Realty Private Limited	Mertz Estates Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Transactions during the year																						
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	312.00	-	-	-	0.02	-	-	-	-	-	-	312.02
	-	-	-	-	-	-	-	-	-	-	(717.22)	-	-	-	-	-	-	-	-	-	-	(717.22)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.80	-	-	7.80
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.80)	-	-	(7.80)
Purchase of Goods/ MEIS Licenses	-	-	5.85	-	-	-	-	3,052.72	-	-	-	-	-	-	122.86	397.04	-	447.77	-	-	-	4,026.24
	-	-	-	-	-	-	-	(3,025.90)	-	-	-	-	-	-	(10.11)	(187.68)	-	(796.48)	-	-	-	(4,020.17)
Purchase of Services/ Expenses incurred	-	-	69.82	-	-	-	-	-	-	0.69	-	-	-	39.93	16.69	8.76	0.29	-	15.60	-	-	151.78
	-	-	(32.14)	-	-	-	-	-	-	-	-	-	-	(24.98)	(12.45)	(8.55)	(0.43)	-	(16.19)	-	-	(94.74)
Exceptional Expense (Claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(109.10)	(9.88)	-	(32.20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(151.18)
Sale of Goods/ DEPB Licenses *	-	-	53,397.68	-	-	265.98	-	53.64	-	-	6.44	-	-	-	102.81	23.69	-	0.16	-	-	-	53,850.40
	-	-	(47,565.48)	-	-	(228.38)	-	(27.53)	-	-	-	-	-	-	(47.99)	(2.98)	-	(25.14)	-	-	-	(47,897.50)
Sale of Services/ Expenses incurred	1.04	-	8.43	-	-	-	-	0.03	-	-	10.33	-	-	-	10.10	0.41	-	-	-	-	-	30.34
	-	-	(8.65)	-	-	-	-	(#)	-	-	(0.48)	-	-	-	(9.86)	(0.04)	-	-	-	-	-	(19.03)
Sale of Fixed Assets	-	-	-	-	-	-	-	35.39	-	-	11.20	-	-	-	-	-	-	-	-	-	-	46.59
	-	-	-	-	-	-	-	-	-	-	(0.32)	-	-	-	-	-	-	-	-	-	-	(0.32)
Purchase of Fixed Assets / Capital Goods	-	-	0.13	-	-	-	-	1.47	-	-	-	-	-	-	10.09	-	-	-	-	-	-	11.69
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.44)	-	-	-	-	-	-	(13.44)
Interest Income	-	-	-	-	-	-	-	-	-	-	4.09	-	-	-	-	-	-	-	-	-	-	4.09
	-	-	-	-	-	-	-	-	-	-	(26.54)	-	-	-	-	-	-	-	-	-	-	(26.54)
Claims, Discount and Rebate	-	-	10.05	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	10.05
	-	-	(65.89)	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	(65.89)
Remuneration and Commission++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	441.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	441.40
	(441.40)	-	-	-	-	-	-	-	-	-	-	-	-	(#)	-	(#)	-	(0.01)	-	-	-	(441.41)
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year	-	-	-	-	-	35.63	-	-	-	77.70	1,576.78	-	0.10	-	-	-	-	-	-	-	-	1,690.21
	-	-	-	-	-	-	-	-	-	(265.35)	(24.00)	(269.30)	-	-	-	-	-	-	-	-	-	(558.65)
Purchase of shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	383.77	-	-	-	-	-	-	383.77
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of shares of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384.19	-	-	-	-	-	-	384.19
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Given	-	-	530.00	-	-	-	-	-	-	-	5,100.00	-	-	-	-	-	-	-	-	-	-	5,630.00
	-	-	(400.00)	-	(891.61)	-	-	-	-	-	(6,050.00)	-	-	-	-	-	-	-	-	-	-	(7,341.61)

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To The Financial Statements For The Year Ended March 31, 2019

₹ in Million

PARTICULARS	Holding company	Subsidiary companies												Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year								Balance Carried Forward
	PMPL	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WEFL	WNI	WAML	WZTL	Welspun Corp Limited	Welspun Steel Limited	Technopak Advisors Private Limited	AYM Syntex Limited	Welspun Realty Private Limited	Mertz Estates Limited	Wel-treat Enviro Management Organisation Limited	
Commission on Corporate Guarantee Given @	-	-	-	-	9.87	-	-	7.04	-	-	8.01	-	-	-	-	-	-	-	-	-	-	24.92
	-	-	-	-	(10.35)	-	-	(7.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.39)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance																						
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00	2.40	-	-	-	-	-	-	12.40
	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.00)	(2.40)	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	1.04	15.66	0.43	-	11.90	-	-	-	0.50	-	8.01	-	-	-	0.02	-	-	-	33.68	-	75.00	146.24
	-	(15.56)	-	-	(12.93)	-	-	-	(0.50)	-	-	-	-	(0.84)	(1.36)	-	-	-	(38.48)	-	(75.00)	(144.67)
Provision for diminution in value of Loans/ Advances	-	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	-	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	8,087.56	-	-	186.23	-	-	-	-	14.09	-	-	-	0.45	15.66	-	-	-	-	-	8,303.99
	-	-	(7,233.14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,233.14)
Trade and other payables	-	-	54.41	10.03	-	12.24	-	613.30	-	0.55	-	-	-	14.46	3.99	73.73	-	0.15	-	-	-	782.86
	-	-	(293.65)	(9.95)	-	(11.54)	-	(484.27)	-	-	(1.21)	-	-	(15.00)	-	(15.09)	-	(66.55)	-	(#)	-	(897.26)
Investments	-	-	3,200.27	-	-	182.51	111.52	1,564.05	0.10	2,943.40	2,352.18	269.30	0.10	92.13	-	-	-	10.16	-	-	-	10,725.72
	-	(0.10)	(3,127.10)	-	-	(146.88)	(111.52)	(1,339.17)	(0.10)	(2,864.57)	(34.30)	(269.30)	-	(92.13)	-	(#)	-	(17.05)	-	-	-	(8,002.22)
Provision for diminution in value in investment	-	-	-	-	-	-	81.79	-	-	-	-		-	-	-	-	-	-	-	-	-	81.79
	-	-	-	-	-	-	(81.79)	-	-	-	-		-	-	-	-	-	-	-	-	-	(81.79)
Corporate Guarantee Given	-	-	5,400.00	-	1,150.31	-	-	2,200.00	-	-	11,150.00	-	-	-	-	-	-	-	-	-	-	19,900.31
	-	-	(4,870.00)	-	(1,648.03)	-	-	(2,200.00)	-	-	(6,050.00)	-	-	-	-	-	-	-	-	-	-	(14,768.03)
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	(11.40)	(741.11)	-	-	-	-	-	-	-	-	-	-	(752.51)

Previous year figures are given in brackets

* Amount is inclusive of taxes

** As the liabilities for defined benefit plans and compensated absences are provided on acturial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.

@ Amount is exclusive of taxes

\+ Dividend paid of Financial Year 2017-18

++ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka

\# Amount is below the rounding norms adopted by the Company

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To The Financial Statements For The Year Ended March 31, 2019

₹ in Million

PARTICULARS	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year										Key Management Personnel **										Relatives of Key Management Personnel	₹ Million
	Balance Brought Forward	Methodical Investment and Trading Company Private Limited	Welspun Tradewel Limited (Formerly Welspun Finance Limited)	Welspun Foundation for Health and Knowldege	Welspun Enterprises Limited	MGN Agro Properties Private Limited	WS Alloy Holding Private Limited	RMG Alloy Steel Ltd	Welspun Multiventure LLP	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Ramgopal Sharma	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Shashikant Thorat	Radhika Goenka	TOTAL
Transactions during the year																						
Loans, Advances and Deposits given	312.02	-	-	-	-	-	-	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-	312.72
	(717.22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(717.22)
Repayment of Loans, Advances and Deposits given	7.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.80
	(7.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.80)
Purchase of Goods/ FPS Licenses	4,026.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,026.24
	(4,020.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,020.17)
Purchase of Services/ Expenses incurred	151.78	-	-	-	0.41	-	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	-	152.27
	(94.74)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94.74)
Exceptional Expense (Claims)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(151.18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(151.18)
Sale of Goods/ DEPB Licenses *	53,850.40	-	-	-	-	-	-	0.76	-	-	-	-	-	-	-	-	-	-	-	-	-	53,851.16
	(47,897.50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(47,897.50)
Sale of Services/ Expenses incurred	30.34	-	-	-	0.09	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	30.46
	(19.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19.03)
Sale of Fixed Assets	46.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.59
	(0.32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.32)
Purchase of Fixed Assets / Capital Goods	11.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.69
	(13.44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.44)
Interest Income	4.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.09
	(26.54)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26.54)
Claims, Discount and Rebate	10.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.05
	(65.89)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65.89)
Remuneration and Commission++	-	-	-	-	-	-	-	-	-	-	15.23	32.29	34.73	-	-	-	-	-	28.50	4.39	-	115.14
	-	-	-	-	-	-	-	-	-	-	(38.69)	(55.99)	(53.69)	-	-	-	-	-	(29.29)	(4.04)	-	(181.70)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	0.29	0.40	1.11	0.14	-	-	-	3.14
	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.89)	(0.21)	(0.82)	(0.63)	-	-	-	-	(2.55)
Equity Dividend Paid +	441.40	-	3.53		-	-	-	-	-	-	0.51	#	0.49	-	-	-	-	-	-	-	1.31	447.23
	(441.41)	(0.05)	(3.53)		-	(32.65)	-	-	-	-	(0.44)	(#)	(0.49)	-	-	-	-	-	-	-	(1.31)	(479.88)
Corporate Social Responsibility Expenses	-	-	-	112.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112.50
	-	-	-	(108.22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(108.22)
Investment Made during the year	1,690.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,690.21
	(558.65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(558.65)
Purchase of shares of subsidiaries	383.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	383.77
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of shares of subsidiaries	384.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384.19
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes
To The Financial Statements For The Year Ended March 31, 2019

₹ in Million

PARTICULARS	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year										Key Management Personnel **										Relatives of Key Management Personnel	₹ Million
	Balance Brought Forward	Methodical Investment and Trading Company Private Limited	Welspun Tradewel Limited (Formerly Welspun Finance Limited)	Welspun Foundation for Health and Knowledge	Welspun Enterprises Limited	MGN Agro Properties Private Limited	WS Alloy Holding Private Limited	RMG Alloy Steel Ltd	Welspun Multiventure LLP	Welspun India Limited Employee Gratuity Fund	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Ramgopal Sharma	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Shashikant Thorat	Radhika Goenka	TOTAL
Corporate Guarantee Given	5,630.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,630.00
	(7,341.61)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,341.61)
Commission on Corporate Guarantee Given @	24.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.92
	(17.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.39)
Contributions	-	-	-	-	-	-	-	-	-	74.00	-	-	-	-	-	-	-	-	-	-	-	74.00
	-	-	-	-	-	-	-	-	-	(65.00)	-	-	-	-	-	-	-	-	-	-	-	(65.00)
Closing Balance																						
Loans, Advances and Deposits received	12.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.40
	(12.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.40)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	146.24	-	-	-	0.09	-	-	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-	147.03
	(144.67)	-	-	-	(0.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(144.78)
Provision for diminution in value of Loans/ Advances	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivable (Net of Bills Discounted with Banks)	8,303.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,303.99
	(7,233.14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,233.14)
Trade Payable	782.86	-	-	-	-	-	-	-	-	-	15.23	15.23	15.23	-	-	-	-	-	-	-	-	828.55
	(897.26)	-	-	-	(0.40)	-	-	-	-	-	(38.69)	(38.69)	(38.69)	-	-	-	-	-	-	-	-	(1,013.74)
Investments	10,725.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,725.72
	(8,002.22)	-	-	-	-	-	(#)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,002.22)
Provision for diminution in value in investment	81.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.79
	(81.79)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81.79)
Corporate Guarantee Given	19,900.31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,900.31
	(14,768.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,768.03)
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(752.51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(752.51)

Previous year figures are given in brackets
* Amount is inclusive of taxes
** As the liabilities for defined benefit plans and compensated absences are provided on acturial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.
@ Amount is exclusive of taxes
+ Dividend paid of Financial Year 2017-18
++ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

Notes
To The Financial Statements For The Year Ended March 31, 2019

Note 31 : Contingent Liabilities

a. Description on matters considered as contingent liabilities:

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Excise, Customs and Service Tax Matters	38.96	318.24
Income Tax Matters	46.04	45.04
Stamp Duty Matter	4.46	4.46
Sales Tax	15.67	15.67
Claims against Company not acknowledged as debts	2.74	2.74
Corporate Guarantees (Refer Note 33)	5,271.29	3,237.71

(i) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

Note 32 : Capital and Other Commitments

(a) Capital Commitments

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	379.73	808.20

(b) Other Commitments

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Commitment for purchase of power from Welspun Captive Power Generation Limited over the next three years.	8,541.23	7,957.66

Note 33

The Company has issued corporate guarantees aggregating ₹ 19,900.31 million as at the year end March 31, 2019 (March 31, 2018: ₹ 14,768.03 million) on behalf of Welspun Global Brands Limited (WGBL), Welspun Captive Power Generation Limited (WCPGL), CHT Holdings Limited (CHTHL) and Welspun Flooring Limited (WEFL). Liability outstanding in the books of above-mentioned companies for which corporate guarantees have been issued aggregates ₹ 5,271.29 million as at March 31, 2019 (March 31, 2018: ₹ 3,237.71 million)

Note 34 : Earnings per Share

Particulars	As at March 31, 2019	As at March 31, 2018
Profit after Tax (A) (₹ million)	1,417.65	3,041.08
Weighted average number of equity shares outstanding during the year (B)	1,004,725,150	1,004,725,150
Number of Shares for Diluted Earnings Per Share (C)	1,004,725,150	1,004,725,150
Basic earnings per share (A)/(B)	1.41	3.03
Diluted earnings per share (A)/(C)	1.41	3.03
Nominal value of an equity share (₹)	1.00	1.00

Notes

To The Financial Statements For The Year Ended March 31, 2019

Note 35 : Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2019 and March 31, 2018 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2019 and March 31, 2018.

Note 36 : Leases

Where the Company is a lessee:

Operating Lease

The Company has taken various residential, office premises, godowns, equipment and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

The Company has non-cancellable leases for office premises. Future minimum lease rentals payable under non-cancellable leases as at March 31 are as follows:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	13.30	22.80
Later than 1 year and not later than 5 years	-	13.30
Later than 5 years	-	-

The aggregate rental expenses of all the operating leases for the year are ₹ 84.97 million (Previous Year: ₹ 80.51 million).

Note 37 : Disclosure pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI listing Regulations, 2015.

₹ in Million

		Balance as at March 31, 2019	Maximum amount outstanding during the year ended March 31, 2019	Balance as at March 31, 2018	Maximum amount outstanding during the year ended March 31, 2018
i	Loans and advances in the nature of loans to subsidiary (excluding interest accrued)				
	- Besa Developers and Infrastructure Private Limited	15.56*	-	15.56*	-
	- Welspun Flooring Limited	-**	312.00	-**	717.22
ii.	Loans and advances in the nature of loans to associates	-	-	-	-
iii	Loans and advances in the nature of loans to firms/ companies in which directors are interested	-	-	-	-
iv	Investments by the Loanee in the shares of the Company as at March 31, 2019	-	-	-	-

* Provision for doubtful loans and advance of ₹ 15.56 million (March 31, 2018: ₹ 15.56 million) has been made.

** Loan of ₹ 312 million has been converted in to 3,12,00,000 8% Non-cumulative Compulsory Convertible Preference Shares of ₹ 10 each on March 29, 2019.

Note 38 : Disclosure for Micro and Small Enterprises:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal	33.81	48.88
- Interest	0.03	0.07
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	141.73	306.07
- Interest	1.15	1.26
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	0.83	1.10
The amount of interest accrued and remaining unpaid at the end of year	0.86	1.17

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.

Note 39 : Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Material Consumption	157.36	175.56
Employee benefits expenses	73.24	104.04
Others	67.57	54.90
Total	**298.17**	**334.50**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Plant and Machinery	32.75	31.28
Total	**32.75**	**31.28**

Note 40 : Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 – Leases

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Ind AS 12 - Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company does not expect any significant impact of the amendment on its financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. The Company does not expect this amendment to have any impact on its financial statements.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. Since the Company does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its financial statements.

Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the company but may apply to future transactions.

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the company but may apply in future.

Notes

To The Financial Statements For The Year Ended March 31, 2019

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the company but may apply in future.

Note 41 : As per Ind AS 108 - "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.

Note 42 : CIF Value of Imports

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw Materials	4,931.72	5,924.96
Stores & Spares and Dyes & Chemicals	356.53	339.68
Capital Goods	476.26	903.46
Packing Material	20.74	30.41
Total	**5,785.25**	**7,198.51**

Note 43 : Expenditure in Foreign Currency

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling and conveyance	3.40	9.50
Repairs and Maintenance	17.83	7.74
Legal and Professional Charges	68.86	67.48
Membership and Subscription	1.43	0.96
Advertisement and Sales Promotion	35.34	36.87
Claims, Discounts and Rebate	22.36	24.67
Exceptional Items	2,080.24	-
Others	6.49	17.93
Total	**2,235.95**	**165.15**

Note 44 : Details of Consumption and Purchases

(a) Details of Raw Materials and Packing Materials consumed

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cotton Yarn	10,978.32	8,485.93
Cotton	8,877.18	8,470.09
Fabric	762.96	577.14
Others	451.34	348.58
Bed Linen Fabrics	2,483.62	2,594.55
Fiber	1,479.37	1,086.57
Packing Materials	2,589.03	2,559.99
Total	**27,621.82**	**24,122.85**

Notes
To The Financial Statements For The Year Ended March 31, 2019

(b) Value of Imported and Indigenous Raw Materials, Packing Materials and Stores, Spare Parts Consumed and Percentage

1) Raw Materials and Packing Materials

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	₹ million	%	₹ million
Imported	15.91%	4,395.49	18.83%	4,543.29
Indigenous	84.09%	23,226.33	81.17%	19,579.56
Total	**100.00%**	**27,621.82**	**100.00%**	**24,122.85**

2) Stores, Spares, Dyes and Chemicals

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	₹ million	%	₹ million
Imported	9.06%	310.87	7.64%	227.94
Indigenous	90.94%	3,121.39	92.36%	2,755.91
Total	**100.00%**	**3,432.26**	**100.00%**	**2,983.85**

Note 45 : Dividend remitted in foreign exchange

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Number of non-resident shareholders	242	245
Number of shares on which dividend is remitted	188,880	195,112
Year to which dividend relates	2017-18	2016-17
Amount remitted (₹ million)	0.12	0.13

Note 46 : Earnings in foreign currency

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Exports on FOB basis	255.40	213.28
Commission on Corporate Guarantee	9.87	10.35
Total	**265.27**	**223.63**

Note 47 : Events occurring after the reporting date:

(a) 'The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide it's order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL") with Welspun India Limited ("WIL"). The amalgamation of PMPL with WIL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for, effective from the date of filing of the Order with MCA.

(b) Refer note 29(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 48 : The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Independent Auditor's Report

To the Members of Welspun India Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Welspun India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 23(a) of the Consolidated Ind AS financial statements regarding the putative class action suits filed in the United States of America with respect to provenance of fiber and the exceptional costs recorded, in the Statement of Profit and Loss, on estimated basis, relating to the settlement of such putative class action suits, subject to court and other regulatory approvals. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of government grant in respect of incentive under Gujarat Textile policy (the 'Policy')	

Under the Policy, the Holding Company is eligible to claim government grant in the form of reimbursement of State Goods and Service Tax (SGST) collected on end product sold /intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period.
 	
As disclosed in note 2.25(vi) to the consolidated financial statements, for measurement of such government grants, significant estimates and judgements are made by the management. The estimates, inputs and judgements used by the management includes:
• Future sales growth rate;
• Mix of inter and intra state purchases and Corresponding input credit;
• Input tax credit utilisation;
• SGST rates on the products;
• Period of eligibility.
 	
During the current year the authorities have issued the modalities to claim reimbursement of SGST under the Policy, which has been factored by the management for computation of government grant.
 	
Considering the above, this is determined as key audit matter.
	We performed following procedures, among others:
	• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants.
	• We evaluated the forecast in respect of sales and purchase used by the management in computation of government grant with respect to reimbursement of SGST ('computation').
	• We compared the forecast in respect to sales and purchase to the business plan and previous forecast to the actual results.
	• We compared the inputs used in the computation of government grant to external data, including the modalities to claim the reimbursement of SGST under the Policy.
	• We focused our analysis on management assumptions in respect of:
	  ◦ Future sales growth rate;
	  ◦ Mix of inter and intra state purchases and Corresponding input credit, and
	  ◦ Input tax credit utilisation,
	• We evaluated the arithmetical accuracy of the computation of government grant.

Impairment of Goodwill	
The Holding Company has Goodwill of ₹ 1,792.44 million in the consolidated financial statements for the year ended March 31, 2019. These goodwill balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the net assets. A deficit between the recoverable value and the CGU's net assets would result in impairment. As disclosed in note 4 to the consolidated financial statements, the Group uses a discounted cash flow model ('model') to determine value in use. The Key inputs and assumptions used in the model are following: • Sales growth rate; • Operating cash profit (%); • Pre-tax discount rate (%); and • Perpetuity growth rate (%) Considering the above, this is determined as key audit matter.	For sample selected, we performed following procedures, among others: • We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated. • We evaluated the forecast of future cash flows used by the management in the model to compute the CGU's recoverable value. • We compared the forecast of future cash flows to business plan and previous forecasts to the actual results and analyzed results for material differences, if any. • We compared the inputs in the model to internal and external data. • We focused our analysis on management assumptions in respect of future sales growth rate, operating cash profit, perpetuity growth rate and discount rate used to compute the CGU's recoverable value. • We involved valuation experts to assist in evaluating the key assumptions and methodologies used by the Holding Company in computing the CGU's recoverable value. • We re-calculated estimates using management models. • We assessed the disclosures made in the financial statements. Refer to the critical accounting estimates and judgements and disclosures of impairment tests for goodwill in Note 4 to the consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Measurement of income tax deductions during tax holiday period and utilisation of Minimum Alternate tax credits	
A subsidiary of the Holding Company has claimed deduction under section 80IA of the Income Tax Act, 1961 (the 'Act'), pursuant to which the subsidiary company will get benefit of tax holiday period for 10 consecutive years including current year. The subsidiary is liable to pay Minimum Alternate Tax (MAT) for entire tax holiday period of 10 years. The subsidiary company as at March 31, 2019 has recorded MAT as deferred tax assets aggregating to ₹ 453 million, as the subsidiary company's management believes that the subsidiary company would have sufficient taxable income post tax holiday period. The tax deduction computation and recoverability of the deferred tax involves making estimates and judgement in respect of following key items: • Selling price of power and steam; • Purchase of goods and services from vendors • Forecast of taxable income post tax holiday period of 10 years, including assumptions in respect of sales growth rate and operating margins Considering the above, this is determined as key audit matter. Also, refer note 2.25 (i) to the consolidated financial statements.	Our procedures over tax deduction under section 80IA of the Act included the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls related to procurement and sales process. • We focused our analysis on management assumptions in respect of prices for sales and purchase of goods and services. • We involved tax experts to assist in evaluating the computation of deduction. Our procedures over recoverability of the deferred tax asset included the following: • We evaluated the forecast of future taxable income post tax holiday period of 10 years prepared by the management to assess the recoverability of deferred tax asset. • We compared the forecast of future taxable income to business plan and previous forecasts to the actual results and analyzed results for material differences, if any. • We evaluated the arithmetical accuracy of the model used to compute the recoverability of deferred tax asset. We assessed the disclosures made in the financial statements.
Business restructuring provision	

Welspun UK Limited ("WUK"), subsidiary of the Holding Company in United Kingdom, has approved and announced restructuring of its operations and has developed detailed formal business plan. Accordingly, restructuring provision aggregating to ₹ 324.65 million, which mainly includes costs in respect of closure of a few stores, Inventory write down and severance cost. Also, refer note 23(b) of the consolidated financial statements.
 	
The auditors of WUK, have reported restructuring provision as a key audit matter as this provision includes significant judgements and estimations.
	We performed following procedures:
	• Obtained and read the financial statements of WUK to understand the undergoing business transformation plan.
	• We have evaluated the independence and professional competency of the auditors of WUK.
	• We enquired about the audit procedures performed by the auditors of WUK and they confirmed that they have performed the following procedures, among others:
	  • Obtained an understanding of the methodology applied by management for the recognition and measurement of provision for compliance with the GAAP;
	  • Tested underlying evidence on sample basis with inputs used in the calculation;
	  • Reviewed estimations for reasonableness;
	  • Tested evidence of estimated net realizable value of inventories, where relevant;
	  • Compared carrying value of inventories held in USA and UAE with the sale agreements negotiated with customers;
	• Evaluated the disclosures made in the financial statements.

Other Information

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

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 14 subsidiaries whose Ind AS financial statements include total assets of ₹ 6,308.26 million as at March 31, 2019, and total revenues of ₹ 2,971.73 million and net cash inflows of ₹ 355.33 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 929.32 million as at March 31, 2019, and total revenues of ₹ 3.89 million and net cash inflows of ₹ 0.45 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 35(a) to the consolidated Ind AS financial statements;

    ii. The Group did not have any material foreseeable losses in long-term contracts during the year ended March 31, 2019. The group did not have any long term derivative contracts as at March 31, 2019;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2019.

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

per **Anil Jobanputra**
Partner
Membership Number: 110759

Place of Signature: Mumbai
Date: May 24, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WELSPUN INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Welspun India Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Welspun India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

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

per **Anil Jobanputra**
Partner
Membership Number: 110759

Place of Signature: Mumbai
Date: May 24, 2019

Consolidated Balance Sheet

as at March 31, 2019

₹ in Million

	Note	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	30,717.16	32,528.56
Capital work-in-progress	3	4,861.87	628.75
Goodwill on Consolidation	4	1,792.44	1,786.27
Other Intangible assets	4	547.64	283.89
Intangible assets Under Development	4	27.33	199.98
Financial assets			
- Investments	5 (a)	272.49	277.62
- Loans	5 (b)	2.17	4.89
- Other financial assets	5 (c)	455.33	441.92
Non-current tax assets (net)		506.16	103.97
Defered Tax Assets (net)	6	598.92	378.73
Other non-current assets	7	1,335.36	506.21
Total non-current assets		**41,116.87**	**37,140.79**
Current Assets			
Inventories	8	13,342.29	13,053.80
Financial assets			
- Investments	5 (a)	996.86	1,004.77
- Trade receivables	5 (d)	10,768.06	9,309.90
- Cash & cash equivalents	5 (e)	1,543.66	1,191.25
- Bank balances other than cash and cash equivalents above	5 (f)	187.52	465.01
- Loans	5 (b)	4.58	5.78
- Other financial assets	5 (c)	5,643.27	5,159.37
Current tax assets (net)		26.33	18.34
Other current assets	7	3,793.31	4,899.56
Total current assets		**36,305.88**	**35,107.78**
Total assets		**77,422.75**	**72,248.57**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9 (a)	1,004.73	1,004.73
Other Equity			
- Reserves and surplus	9 (b)	26,235.45	25,010.85
- Other reserves	9 (c)	553.02	41.14
Equity attributable to owners of Welspun India Limited		27,793.20	26,056.72
Non-controlling Interests		709.44	467.00
Total Equity		**28,502.64**	**26,523.72**
LIABILITIES			
Non-current liabilities			
Financials liabilities			
- Borrowings	10 (a)	15,536.69	17,028.48
- Other financial liabilities	10 (b)	35.74	23.17
Non-current tax liabilities (net)		1,331.46	1,330.07
Provisions	11	24.66	23.41
Deferred tax liabilities (net)	13	2,008.02	1,744.78
Other non-current liabilities	14	1,048.80	888.83
Total non-current liabilities		**19,985.37**	**21,038.74**
Current liabilities			
Financials liabilities			
- Borrowings	10 (a)	14,080.21	12,579.56
- Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	10 (c)	34.67	50.10
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10 (c)	7,006.59	6,396.43
- Other financial liabilities	10 (b)	4,479.33	3,638.08
Provisions	11	1,730.49	234.56
Employee benefit obligations	12	721.26	733.42
Current Tax Liabilities(net)		60.88	-
Other Current Liabilities	14	821.31	1,053.96
Total current liabilities		**28,934.74**	**24,686.11**
Total liabilities		**48,920.11**	**45,724.85**
Total Equity and Liabilities		**77,422.75**	**72,248.57**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

Consolidated Statement of Profit and Loss
For the year ended March 31, 2019

₹ in Million

	Note	Year ended March 31, 2019	Year ended March 31, 2018
INCOME			
Revenue from Operations	15	65,266.15	60,505.75
Other Income	16	818.20	812.21
Total Income		**66,084.35**	**61,317.96**
Expenses			
Cost of materials consumed	17	29,766.79	26,098.80
Purchases of stock-in-trade		3,623.43	3,460.78
Changes in inventory of finished goods, work-in-progress and stock-in-trade	18	109.93	675.65
Employee benefits expense	19	7,114.26	6,753.87
Depreciation and amortization expense	20	4,357.60	5,041.71
Other expenses	21	14,003.16	12,282.66
Finance costs	22	1,592.76	1,407.63
Total expenses		**60,567.93**	**55,721.10**
Profit before exceptional items and tax		**5,516.42**	**5,596.86**
Exceptional Items - Expenses	23	2,646.98	-
Profit before tax		**2,869.44**	**5,596.86**
Income tax expense	24		
- Current Tax		896.60	1,225.23
- Deferred Tax		(288.91)	389.71
Total Income Tax Expense		**607.69**	**1,614.94**
Profit for the year		**2,261.75**	**3,981.92**
Other Comprehensive Income			
A (i) Items that may be reclassified to profit or loss			
Exchange loss in translation of foreign operation	9 (c)	(107.13)	(46.17)
Deferred gain / (loss) on cash flow hedges	9 (c)	982.70	(1,485.72)
(ii) Income tax effect	24	(343.35)	506.27
		532.22	**(1,025.62)**
B (i) Items that will not be reclassified to profit or loss			
Gain / (loss) due to Change in fair value of FVOCI equity instruments	9 (c)	(6.88)	(5.37)
Gain / (loss) due to Remeasurement of post employment benefit obligation	19	(32.68)	49.05
(ii) Income tax effect	24	11.42	(16.97)
Other comprehensive income / (Loss) for the year, net of tax		**504.08**	**(998.91)**
Total Comprehensive Income for the year		**2,765.83**	**2,983.01**
Profit is attributable to			
- Owners of Welspun India Limited		2,098.31	3,849.67
- Non-controlling interests		163.44	132.25
Other comprehensive income / (Loss) is attributable to:			
- Owners of Welspun India Limited		490.64	(978.39)
- Non-controlling interests		13.44	(20.52)
Total Comprehensive Income is attributable to			
- Owners of Welspun India Limited		2,588.95	2,871.28
- Non-controlling interests		176.88	111.73
Earnings Per Share (₹) [Nominal value per share : Re.1 (March 31, 2018 : Re.1)]	33		
- Basic		2.09	3.83
- Diluted		2.09	3.83
Summary of significant accounting policies	2		
The accompanying notes are an integral part of these consolidated financial statements			

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Consolidated Statement of Changes In Equity

For the year ended March 31, 2019

A. Equity Share Capital

₹ in Million

Equity shares of ₹ 1 each issued, subscribed and fully paid	No. of shares	Amount
Balance as at April 1, 2017	**1,004,724,050**	**1,004.73**
Changes during the year*	1,100	-
Balance as at March 31, 2018	**1,004,725,150**	**1,004.73**
Balance as at March 31, 2019	**1,004,725,150**	**1,004.73**

* 1100 Equity Shares held by one of Subsidiary has been sold during the previous year

B. Other Equity

₹ in Million

Particulars	Note	Reserves and Surplus							Other Reserves				Total other equity	Non-controlling interests	Total
		Capital redemption reserve	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Total	FVOCI Equity instruments	Hedging reserve	Foreign currency translation reserve	Total			
Balance as at April 1, 2017		**488.38**	**1,474.73**	**3,238.12**	**99.31**	**711.39**	**15,903.22**	**21,915.15**	**16.82**	**1,058.77**	**(23.99)**	**1,051.60**	**22,966.75**	**355.27**	**23,322.02**
Profit for the year		-	-	-	-	-	3,849.67	3,849.67	-	-	-	-	3,849.67	132.25	3,981.92
Other Comprehensive Income	9(b),9(c)	-	-	-	-	-	32.07	32.07	(5.37)	(960.16)	(44.93)	(1,010.46)	(978.39)	(20.52)	(998.91)
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**3,881.74**	**3,881.74**	**(5.37)**	**(960.16)**	**(44.93)**	**(1,010.46)**	**2,871.28**	**111.73**	**2,983.01**
Transactions with owners in their capacity as owners :															
Dividends paid	27 (b)	-	-	-	-	-	(653.07)	(653.07)	-	-	-	-	(653.07)	-	(653.07)
Dividend distribution tax paid	27 (b)	-	-	-	-	-	(132.97)	(132.97)	-	-	-	-	(132.97)	-	(132.97)
Transfer to Debenture Redemption Reserve	9 (b)	-	-	-	46.80	-	(46.80)	-	-	-	-	-	-	-	-

Consolidated Statement of Changes In Equity

For the year ended March 31, 2019

₹ in Million

Particulars	Note	Reserves and Surplus							Other Reserves				Total other equity	Non-controlling interests	Total
		Capital redemption reserve	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Total	FVOCI Equity instruments	Hedging reserve	Foreign currency translation reserve	Total			
Balance as at March 31, 2018		**488.38**	**1,474.73**	**3,238.12**	**146.11**	**711.39**	**18,952.12**	**25,010.85**	**11.45**	**98.61**	**(68.92)**	**41.14**	**25,051.99**	**467.00**	**25,518.99**
Balance as at April 1, 2018		**488.38**	**1,474.73**	**3,238.12**	**146.11**	**711.39**	**18,952.12**	**25,010.85**	**11.45**	**98.61**	**(68.92)**	**41.14**	**25,051.99**	**467.00**	**25,518.99**
Profit for the year		-	-	-	-	-	2,098.31	2,098.31	-	-	-		2,098.31	163.44	2,261.75
Other Comprehensive Income	9(b),9(c)	-	-	-	-	-	(21.24)	(21.24)	(6.88)	624.37	(105.61)	511.88	490.64	13.44	504.08
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**2,077.07**	**2,077.07**	**(6.88)**	**624.37**	**(105.61)**	**511.88**	**2,588.95**	**176.88**	**2,765.83**
Transactions with owners in their capacity as owners :															
Dividends paid	27 (b)	-	-	-	-	-	(653.07)	(653.07)	-	-	-	-	(653.07)	-	(653.07)
Dividend distribution tax paid	27 (b)	-	-	-	-	-	(134.27)	(134.27)	-	-	-	-	(134.27)	-	(134.27)
Transfer to Debenture Redemption Reserve	9 (b)	-	-	-	73.89	-	(73.89)	-	-	-	-	-	-	-	-
Transactions with non-controlling interests	29 (c)	-	-	-	-	-	(65.13)	(65.13)	-	-	-	-	(65.13)	65.56	0.43
Balance as at March 31, 2019		**488.38**	**1,474.73**	**3,238.12**	**220.00**	**711.39**	**20,102.83**	**26,235.45**	**4.57**	**722.98**	**(174.53)**	**553.02**	**26,788.47**	**709.44**	**27,497.91**

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Consolidated Statement of Cash Flows
For the year ended March 31, 2019

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,869.44	5,596.86
Adjustments for :		
Depreciation and amortisation expense	4,357.60	5,041.71
Amortisation of government grants	(479.15)	(414.82)
Unrealised Foreign Exchange Differences	19.79	(3.89)
Loss / (Gain) on disposal of property, plant and equipment	2.27	(10.74)
Profit on Redemption/ Sale of Units of Mutual Funds (Net)	(24.51)	(43.61)
Profit / (Loss) on Sale of Bonds/ Certificate of Deposits (Net)	32.82	(7.59)
Unwinding of discount on security deposits	(17.33)	(18.81)
Net gain on financial assets measured at fair value through profit or loss	(168.16)	(9.07)
Liabilities Written Back as no Longer Required	(15.89)	(26.51)
Provision for Doubtful Debts/ Advances (net)	69.00	11.77
Debts/ Advances Written off	0.05	2.54
Interest income classified as investing cash flows	(286.82)	(269.95)
Finance expenses	1,592.76	1,407.63
Operating Profit Before Working Capital Changes	**7,951.87**	**11,255.52**
Adjustments for changes in working capital :		
(Increase) / decrease in trade receivables	(1,675.11)	219.32
Increase / (decrease) in trade payables	618.24	(1,032.63)
Increase / (decrease) in provisions	1,497.18	(615.41)
Increase / (decrease) in employee benefit obligations	(33.40)	176.18
Increase / (decrease) in other current liabilities	(136.29)	(583.67)
Increase/ (decrease) in other non current liabilities	200.42	221.90
(Increase) in inventories	(288.49)	(243.78)
(Increase) / decrease in other financial assets	1,108.69	(914.39)
(Increase) / decrease in other non-current assets	137.85	(206.27)
(Increase) / decrease in other current assets	1,106.25	(1,484.02)
	2,535.34	(4,462.77)
Cash Flow Generated from Operations	**10,487.21**	**6,792.75**
Taxes Paid (net of refunds)	(1,244.48)	(1,342.54)
Net Cash Flow from Operating Activities	**9,242.73**	**5,450.21**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(7,396.73)	(3,378.20)
Sale of property, plant and equipment	67.18	66.54
Receipt from capital subsidy	52.19	108.38
Realisation/ (investment) in fixed deposit and margin money (net)	256.55	(93.67)
Sales/ (Purchase) of Investment (Net)	166.01	29.82
Interest received	282.85	252.08
Net Cash Flow used in Investing Activities	**(6,571.95)**	**(3,015.05)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

₹ in Million

	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings - Non Current	2,870.44	475.60
Repayment of borrowings - Non Current	(4,074.24)	(1,640.98)
Proceeds from / (Repayment of) borrowings - Current (Net)	1,502.93	862.41
Transactions with non-controlling interests	0.43	-
Dividends Paid	(653.07)	(650.44)
Tax on Dividends Paid	(134.27)	(132.97)
Interest and Other Expenses	(1,831.32)	(1,413.21)
Net Cash Flow used in Financing Activities	**(2,319.10)**	**(2,499.59)**
Net increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**351.68**	**(64.43)**
Cash and Cash Equivalents at the beginning of the year	1,191.25	1,238.01
Effects of exchange rate changes on cash and cash equivalents	0.73	17.67
Cash and Cash Equivalents at the end of the year	1,543.66	1,191.25
Net Increase / (Decrease) in Cash and Cash Equivalents	**351.68**	**(64.43)**
Cash and cash equivalents comprise of:		
Cash on Hand	4.10	12.86
Money in Transit	316.71	-
Bank balances		
- In current accounts	1,161.75	1,063.14
- Fixed deposits with Banks with original maturity period of less than three months	61.10	115.25
Total	**1,543.66**	**1,191.25**

Change in Liability arising from financing activities

₹ in Million

Particulars	April 1, 2018	Cash flow	Foreign exchange movement	March 31, 2019
Borrowing-Non Current [Refer Note 10 (a)]	20,227.55	(1,203.80)	-	19,023.75
Borrowing-Current [Refer Note 10 (a)]	12,579.56	1,502.93	(2.28)	14,080.21
	32,807.11	**299.13**	**(2.28)**	**33,103.96**

Notes:

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

The accompanying notes are an integral part of these financial statements

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of the Board of Directors

Per Anil Jobanputra
Partner
Membership No. 110759

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

1 Corporate Information

The consolidated financial statements comprise financial statements of Welspun India Limited (the group) and its subsidiaries (collectively, the Group) for the year ended 31 March 2019. The Group is a public limited group which is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and is incorporated and domiciled in India. The address of its registered office is “Welspun City”, Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India. The Group is a leading manufacturer of wide range of home textile products, mainly terry towels, bed linen products and rugs. These Group’s consolidated financial statements were approved for issue by the board of directors on May 24, 2019.

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented except as disclosed in Note 2.24. The financial statements are for the Group consisting of the Group and its subsidiaries.

2.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time).The financial statements have been prepared on the accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities that is measured at fair value as stated in subsequent policies.

2.2 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and

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- acquisition-date fair value of any previous equity interest in the acquired entity

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

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

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The management of the group assesses the financial performance and position of the group, and makes strategic decisions.

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss

c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.6 Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.25 (ix).

Sale of goods

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

Sale of power and steam

Revenue from supply of power and steam is recognized for each unit of electricity/steam delivered at the pre-determined contracted price during the period.

Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with rebates (including mark-downs, chargebacks etc.). The rights to rebates give rise to variable consideration.

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

Contract balances:

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note no. 2.15 Financial Instruments – Financial Assets.

Contract liabilities

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

Refund liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract and cost to fulfill a contract
The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (under Other Expenses) because the amortization period of the asset that the Group otherwise would have used is less than one year.

Costs to fulfill a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Rendering of service
Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

(ii) Other Revenue

Export Incentives
In case of sale made by the Group as Support Manufacturer, export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme and other applicable export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income'. (Revenue from operation).

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

2.7 Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating income" or are deducted in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to profit or loss over the periods and in proportions in which depreciation expense on those assets is recognized.

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

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

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

substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liability not recognised if they arise from initial recognition of goodwill.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, (a) the Group has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The respective company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more entities in the group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary

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differences which originate first are considered to reverse first

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence.

2.9 Exceptional items

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

2.10 Leases

As a lessee

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.11 Property, plant and equipment

Property Plant and equipment except for freehold land held are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any. The cost of property plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes(other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected cost of decommissioning. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. The group has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term.

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

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

Assets	Estimated Useful Life (years)
Office Equipment	5
Furniture and fixtures	10
Computer	3 -6
Vehicles	5- 10
Electrical installation	10
Factory Building	28
Residential and other Buildings	30-58
Road, Fencing, etc	3-5

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

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

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

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

2.12 Intangible assets

a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

b) Other intangible assets

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

Amortisation methods and periods

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

2.13 Impairment of non-financial assets

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

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Inventories

Raw materials and stores, work in progress, traded and finished goods

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

2.15 Financial Instruments

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

Financial Assets

A. Classification

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

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

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

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

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

B. Initial Recognition and Measurement

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

C. Subsequent Measurement

Debt Instruments

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

i. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such assets are subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

ii. **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

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

Equity Investments

The Group subsequently measures all other equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Cash and cash equivalents

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

Trade receivable

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

D. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

ii. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount;
- For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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E. Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

F. Income recognition

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Dividends

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

Financial liabilities

A. Initial Recognition and Measurement:

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

B. Subsequent Measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

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

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

Interest related to the liability component of compound instrument is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

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

Derivatives and hedging activities
In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument

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is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

• With respect to gain or loss relating to the effective portion of the change in face value of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Derivatives that are not designated as hedges

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

Embedded Derivatives

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

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

(i) the functional currency of any substantial party to that contract,

(ii) the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

(iii) a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

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

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

2.16 Borrowing costs

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

2.17 Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after

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the reporting period, regardless of when the actual settlement is expected to occur.

c) **Post-employment obligations**

The group operates the following post-employment schemes:

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

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

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

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

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

Defined contribution plans

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

The Contribution towards provident fund, ESIC, pension fund and Social Security Funds for certain employees is made to the regulatory authorities where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations apart from the contributions made on a monthly basis.

Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Group where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

d) **Bonus Plan**

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18 Provisions and contingent liabilities

a) **Provisions** for legal claims, service warranties, volume discounts and returns are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

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

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

b) **Contingent liabilities** are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

c) **Contingent Assets** are disclosed, where an inflow of economic benefits is probable.

2.19 Contributed Equity

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

2.20 Dividends

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

2.21 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.(Refer note 33)

Diluted earnings per share

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

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

2.22 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

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- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

2.23 Rounding of amounts

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

2.24 Changes in accounting policies and disclosures

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

2.25 Significant accounting judgements, estimates and assumption:

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

Critical estimates and judgements

i) Current tax expense and deferred tax

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Further a subsidiary company has claimed deduction under section 80IA of the Income Tax Act, 1961 which involves significant estimates and judgements in respect of sales price of power and steam, purchase of goods and services from vendors (Refer note 24)

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets in respect of mat credit entitlement is expected to be utilized after the tax holiday period of ten years. There is significant management judgement involved in determination of forecast of future taxable profits beyond the ten years tax holiday (which also involves key assumptions like future growth rate, profit margins etc.) against which the the aforesaid MAT credit entitlement is expected to be utilised. Any changes to these assumptions could significantly affect the recoverability of deferred tax asset on account of MAT credit entitlement. (Refer notes 6 and 13).

ii) Provisions & Contingent Liabilities.

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer note 35).

iii) Useful life of Property, Plant and Equipment and intangible assets

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

iv) Provision for Inventory

The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices, age and condition / quality of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed. Refer note 8 for details of inventory and provisions.

v) Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 19 for the details of the assumptions used in estimating the defined benefit obligation.

vi) Government Grant

The group has accrued income for Government grant related to fixed assets, in the ratio of related expenses, based on eligibility amount. Critical judgement is involved in determining whether the Group has fulfilled the conditions related to the grant. Estimates are involved in calculation of grant income where the eligibility amount is not confirmed by the government but application is made and the Group is complying all terms & conditions for eligibility. Further, key assumptions used in calculation of government grant to be recognized as revenue, receivables and deferred income include, the future sales growth rate, mix of inter and intra state purchases and corresponding input tax credit, utilization of input tax credit, indirect tax rates on the products, period of eligibility etc. Changes in the assumptions selected by the management could significantly affect the recognition of revenue, receivables and deferred income related to such government grant.

vii) Fair value of Financial Instruments.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The key judgement includes selection of valuation methodology and key assumptions include the discount rates etc. Changes to the valuation methodology, discount rates etc. could have a significant impact on the valuation of these financial instruments. Refer Note 25.

viii) Exceptional items:

Exceptional items are expense items recorded in the year in which they have been determined by management as being material by their size or incidence in relation to the financial statements and are presented separately within the results of the Group. The determination of which items are disclosed as exceptional items will affect the presentation of profit for the year and requires a degree of judgement. Details relating to exceptional items reported during the year are set out in Note 23.

ix) Revenue recognition

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

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

x) Determination of control/significant influence:

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

Note 3 : Property, Plant and Equipment

₹ in Million

	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computers	Total	Capital Work in Progress
Cost or valuation										
At April 1, 2017										
Gross carrying amount										
Opening gross carrying amount	3,007.42	8,223.43	31,537.07	49.12	191.06	352.17	21.17	190.56	43,572.00	401.31
Additions	277.99	394.59	1,658.26	19.37	39.72	48.15	7.29	114.02	2,559.39	2,463.91
Disposals	(0.18)	-	(195.73)	(2.08)	(0.46)	(0.04)	-	(3.01)	(201.50)	-
Transfers	-	-	-	-	-	-	-	-	-	(2,236.47)
Exchange Differences	0.06	-	0.25	-	1.06	4.89	0.03	1.99	8.28	-
At March 31, 2018 (A)	**3,285.29**	**8,618.02**	**32,999.85**	**66.41**	**231.38**	**405.17**	**28.49**	**303.56**	**45,938.17**	**628.75**
Depreciation										
At April 1, 2017	**-**	**437.75**	**7,909.56**	**17.61**	**53.39**	**83.85**	**13.07**	**45.70**	**8,560.93**	**-**
Depreciation charge during the year	-	296.70	4,517.65	10.99	41.34	51.13	5.43	67.77	4,991.01	-
Disposals	-	-	(141.08)	(1.74)	(0.35)	(0.04)	-	(2.43)	(145.64)	-
Exchange Differences	-	-	(0.04)	-	0.68	1.45	0.01	1.21	3.31	-
At March 31, 2018 (B)	**-**	**734.45**	**12,286.09**	**26.86**	**95.06**	**136.39**	**18.51**	**112.25**	**13,409.61**	**-**
Net book value at March 31, 2018 (A-B)	**3,285.29**	**7,883.57**	**20,713.76**	**39.55**	**136.32**	**268.78**	**9.98**	**191.31**	**32,528.56**	**628.75**
Cost or valuation										
At April 1, 2018										
Opening gross carrying amount	3,285.29	8,618.02	32,999.85	66.41	231.38	405.17	28.49	303.56	45,938.17	628.75
Additions	4.79	438.48	1,860.10	9.31	42.51	26.80	94.50	33.59	2,510.08	6,545.71
Disposals	-	(0.98)	(142.18)	(1.17)	(1.35)	(33.25)	(1.81)	(0.58)	(181.32)	-
Transfers	-	-	-	-	-	-	-	-	-	(2,313.27)
Exchange Differences	(0.01)	-	(0.03)	-	1.86	(0.38)	0.79	2.02	4.25	0.68
At March 31, 2019 (A)	**3,290.07**	**9,055.52**	**34,717.74**	**74.55**	**274.40**	**398.34**	**121.97**	**338.59**	**48,271.18**	**4,861.87**

(All amounts are in ₹ millions, unless otherwise stated)

₹ in Million

	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Computers	Total	Capital Work in Progress
Depreciation										
At April 1, 2018	-	734.45	12,286.09	26.86	95.06	136.39	18.51	112.25	13,409.61	-
Depreciation charge during the year	-	299.85	3,752.26	13.29	43.75	47.64	19.51	78.84	4,255.14	-
Disposals	-	(0.01)	(89.83)	(1.04)	(1.15)	(17.56)	(1.81)	(0.49)	(111.89)	-
Exchange Differences	-	-	(0.02)	-	0.39	(0.14)	0.35	0.58	1.16	-
At March 31, 2019 (B)	**-**	**1,034.29**	**15,948.50**	**39.11**	**138.05**	**166.33**	**36.56**	**191.18**	**17,554.02**	**-**
Net book value at March 31, 2019 (A-B)	**3,290.07**	**8,021.23**	**18,769.24**	**35.44**	**136.35**	**232.01**	**85.41**	**147.41**	**30,717.16**	**4,861.87**

Notes:

(i) Property, plant and equipment pledged as security - Refer to note 10(a) for information on property, plant and equipment pledged as security by the Group.

(ii) Contractual obligations - Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress mainly comprises of new plant and machinery for flooring plant being constructed in India.

(iv) Capital work-in-progress includes Employee Benefit Expenses, Professional charges, Travelling Expenses & Other expenses of ₹ 34.02 million as at March 31, 2019 directly attributable to project.

(v) Additions to Property, plant and equipment during the year include capital expenditure of ₹73.88 million (Previous Year : ₹ 31.28 million) incurred on in-house Research and Development activities [Refer note 36]

(vi) Borrowing Costs aggregating ₹108.27 million (Previous Year: ₹ 11.22 million) attributable to the acquisition or construction of qualifying assets are capitalised during the year as part of the cost of such assets.

(vii) The Company has given certain assets on operating lease, details of which are given below:

	March 31, 2019		March 31, 2018	
	Building	Plant and Equipment	Building	Plant and Equipment
Cost or valuation	1.21	29.04	1.21	35.18
Accumulated Depreciation	0.34	27.59	0.32	32.74
Net book value	0.87	1.45	0.89	2.44
Depreciation for the year	0.02	-	0.02	0.18

Note 4 : Intangible assets

₹ in Million

	Goodwill on consolidation	Computer software	Intangible assets under development
Cost or valuation			
At April 1, 2017			
Opening gross carrying amount	1,741.17	195.40	162.23
Exchange differences	45.10	0.01	-
Additions	-	196.50	227.30
Disposals	-	(0.01)	-
Transfers	-	-	(189.55)
At March 31, 2018 (A)	**1,786.27**	**391.90**	**199.98**
Amortisation			
At April 1, 2017			
Opening accumulated amortisation	-	57.31	-
Amortisation charge during the year	-	50.70	-
Disposals	-	(0.01)	-
Exchange differences	-	0.01	-
At March 31, 2018 (B)	**-**	**108.01**	**-**
Net book value at March 31, 2018 (A-B)	**1,786.27**	**283.89**	**199.98**
Cost or valuation			
At April 1, 2018			
Opening gross carrying amount	1,786.27	391.90	199.98
Exchange differences	6.17	0.18	-
Additions	-	366.17	113.99
Disposals	-	-	-
Transfers	-	-	(286.64)
At March 31, 2019 (A)	**1,792.44**	**758.25**	**27.33**
Amortisation			
At April 1, 2018			
Opening accumulated amortisation	-	108.01	-
Amortisation charge during the year	-	102.46	-
Disposals	-	-	-
Exchange differences	-	0.14	-
At March 31, 2019 (B)	**-**	**210.61**	**-**
Net book value at March 31, 2019 (A-B)	**1,792.44**	**547.64**	**27.33**

Notes : Intangible assets under development mainly comprises of software development expenses.

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

(i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment which is the only reportable segment.

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Home Textile Segment	**1,792.44**	**1,786.27**

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of five year and applies perpetuity growth rate ranging from 3% to 4% from 5th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

₹ in Million

Assumption	As At March 31, 2019	As At March 31, 2018
Sales Growth (% annual growth rate)	3% to 16%	4% to 13%
EBITDA (%)	3% to 10%	2% to 7%
Pre-tax discount rate (%)	10% to 16%	9% to 16%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations of market development.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segments and the countries in which they operate.

Note 5 (a) : Non-current investment

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Investment in equity instruments (fully paid up)		
a) Quoted - Equity investment at FVOCI		
283,500 (March 31, 2018 : 283,500) Equity Shares of ₹ 10 each fully paid up of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	10.16	17.05
80 (March 31, 2018 : 80) Equity Shares of Re. 1 each fully paid up of Khaitan Chemicals & Fertilizers Limited	*	*
b) Unquoted - Equity investment at FVPL fully paid up	258.53	254.40
Total (equity instruments)	**268.69**	**271.45**
Others Investments at FVPL	3.80	6.17
Total Non Current Investments	**272.49**	**277.62**
Aggregate amount of quoted investments and market value thereof	10.16	17.05
Aggregate amount of unquoted investments	262.33	260.57

*Amount is below the rounding norms adopted by the Company

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 5 (a) : Current investments

₹ in Million

	As At March 31, 2019	As At March 31, 2018
Preference shares at FVPL (unquoted)	-	194.84
Investments in Mutual Funds at FVPL (unquoted)	447.52	483.07
Investments in Bonds at FVPL (quoted)	549.34	326.86
Total	**996.86**	**1,004.77**
Aggregate amount of quoted investments and market value thereof	549.34	326.86
Aggregate amount of unquoted investments	447.52	677.91

Note 5 (b) : Non-current Loans

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Loan to Employees	2.17	4.89
Total	**2.17**	**4.89**

Note 5 (b) : Current Loans

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Loan to Employees	4.58	5.78
Total	**4.58**	**5.78**

Note 5 (c) : Other non-current financial assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Security Deposits to		
- Related Parties (Refer Note 30)	165.23	192.85
- Others	166.52	160.88
Advances Recoverable in Cash		
- Considered Good	-	-
- Considered Doubtful	43.50	43.50
	43.50	**43.50**
Less : Provision for Doubtful Advances	43.50	43.50
	-	-
Fixed deposits with Banks with maturity period more than twelve months	91.21	70.27
Margin Money Deposit Accounts	2.01	2.01
Interest Accrued on Fixed Deposits	30.36	15.91
Total	**455.33**	**441.92**

Note 5 (c) : Other current financial assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Security Deposits to	-	
- Related Parties (Refer Note 30)	17.17	17.17
- Others	26.16	22.49
Advances to Related Parties (Refer Note 30)	0.76	1.55
Government Grants Receivable	3,216.44	4,326.91
Technology Upgradation Fund Credit Receivable	792.75	572.39
Interest Receivable under Subvention Scheme	11.24	13.92
Mark-to-Market gain (Net) on Forward/ Swap Contracts	1,130.47	148.05
Interest Accrued on Bonds/ Certificate of Deposits	22.28	26.01
Interest Accrued on Deposits	7.08	11.15
Insurance Claim Receivable	418.92	19.73
Total	**5,643.27**	**5,159.37**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 5 (d) : Trade receivables

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured, considered good		
- Trade receivables	10,427.57	9,257.31
- Receivables from related parties (Refer Note 30)	379.43	77.90
Less : Allowance for Doubtful Debts	38.94	25.31
Total	**10,768.06**	**9,309.90**
Current portion	10,768.06	9,309.90
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	10,768.06	9,309.90
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - Credit impaired	38.94	25.31
Allowance for doubtful debts	(38.94)	(25.31)
Total	**10,768.06**	**9,309.90**

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

Note 5 (e) : Cash and cash equivalents

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Cash on Hand	4.10	12.86
Money in Transit	316.71	-
Balances with banks		
- In Current Accounts	1,161.75	1,063.14
Fixed deposits with Banks with original maturity period of less than three months	61.10	115.25
Total	**1,543.66**	**1,191.25**

Note 5 (f) : Bank balances other than cash and cash equivalents

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Fixed Deposits (Refer note (a) below)	155.62	436.46
In Margin Money Deposit Accounts	10.89	9.96
Unpaid Dividend Account (Refer note (b) below)	21.01	18.59
Total	**187.52**	**465.01**

Notes:

(a) Includes the following balances which are not available for use by the Company:
- Fixed Deposits of ₹ Nil (March 31,2018 : ₹114.58 million) are earmarked for repayment of Current Maturities of Long Term Loans
- Fixed Deposits of ₹ Nil (March 31,2018 : ₹274.64 million) are held as Lien against LC limit.
- Fixed Deposits include ₹ 0.04 million (March 31, 2018 : ₹ 0.04 million) under lien with sales tax authorities

(b) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Note 6 : Deferred tax assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	1.68	-
- Provision for Employee Benefits	1.91	1.37
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	6.90	2.81
- Provision for Inventory	262.63	184.05
- Unabsorbed Depreciation and Business Losses	-	4.85
- Classification of investment in preference shares on FVPL	-	79.80
- Others	39.75	29.62
Minimum Alternate Tax Credit Entitlement	453.26	247.71
Deferred Tax Liabilities arising on account of temporary differences in :		
- Property, plant, equipment and Intangible Assets	139.42	116.84
- Hedging reserves	-	-
- Preference shares	27.79	54.64
Total	**598.92**	**378.73**

Note: The Group's subsidiary has recognised deferred tax asset in respect of Minimum Alternate Tax (MAT) Credit of ₹ 453.26 million which is expected to be utilised after the tax holiday period of ten years. The management based on the projections prepared for a period of fifteen years expects to fully utilise the MAT credit entitlement. Also refer Note 2.25 (i).

₹ in Million

Particulars	Property, plant, equipment and Intangible Assets	Hedging reserves	Preference shares	Minimum Alternative Tax Credit Entitlement	Provision for Doubtful debts/ Advances	Provision for unpaid statutory dues	Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	Provision in Inventory	Unabsorbed depreciation and Business Losses	Classification of investment in preference shares on FRV	Other items	Total
April 01, 2017	**(159.18)**	**(115.34)**	**(42.71)**	**178.04**	**2.51**	**0.87**	**7.59**	**468.69**	**229.92**	**100.51**	**31.26**	**702.16**
(Charged) / Credited :												-
to Statement of Profit and Loss	42.34	-	(11.93)	69.67	(2.51)	0.50	(4.78)	(284.64)	(225.07)	(20.71)	(1.64)	(438.77)
to Other Comprehensive Income	-	115.34	-	-	-	-	-	-	-	-	-	115.34
March 31, 2018	**(116.84)**	**-**	**(54.64)**	**247.71**	**-**	**1.37**	**2.81**	**184.05**	**4.85**	**79.80**	**29.62**	**378.73**
(Charged) / Credited :												-
to Statement of Profit and Loss	(22.58)	-	26.85	205.55	1.68	0.54	4.09	78.58	(4.85)	(79.80)	10.13	220.19
to Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2019	**(139.42)**	**-**	**(27.79)**	**453.26**	**1.68**	**1.91**	**6.90**	**262.63**	**-**	**-**	**39.75**	**598.92**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 7 : Other Non-current assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Capital Advances to Related Parties		
- Related Parties (Refer Note 30)	75.00	75.00
- others	1,229.22	304.25
Security Deposits to Others	23.91	22.72
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	5.25	102.21
- Considered Doubtful	7.72	56.57
	12.97	**158.78**
Less : Provision for Doubtful Balances	7.72	56.57
	5.25	**102.21**
Status Holder Incentive Scrip in Hand	1.98	2.03
Total	**1,335.36**	**506.21**

Note 7 : Other Current assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured considered good, unless otherwise stated :		
Others		
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	2,997.39	3,920.86
- Considered Doubtful	12.50	12.50
	3,009.89	**3,933.36**
Less : Provision for Doubtful Balances	12.50	12.50
	2,997.39	**3,920.86**
Gratuity Fund (Refer Note 19)	-	8.96
Prepaid Expenses	147.59	172.36
Advance to vendors	628.94	767.14
Advance to Employees	19.39	30.24
Total	**3,793.31**	**4,899.56**

Note 8 : Inventories

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Raw Materials (at cost)	4,764.12	4,119.32
Work-in-Progress (at cost)	2,768.33	3,567.96
Finished Goods and Traded Goods (including in transit) [at lower of cost or net realisable value]	5,177.90	4,488.20
Packing Materials (at cost)	175.61	218.99
Stores, Spares, Dyes and Chemicals (at cost)	456.33	659.33
Total	**13,342.29**	**13,053.80**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 9 (a) : Equity share capital

(i) Authorised equity share capital

₹ in Million

Particulars	Equity Shares of ₹ 1 each	
	Number of Shares	Amount
As at April 1, 2017	1,555,000,000	1,555.00
As at March 31, 2018	1,555,000,000	1,555.00
As at March 31, 2019	1,555,000,000	1,555.00
Equity Shares of ₹ 1 each (March 31, 2018 : ₹ 1 each)		

(ii) Issued, subscribed and paid up

₹ in Million

Particulars	Equity Shares of ₹ 1 each	
	Number of Shares	Amount
As at April 1, 2017	1,004,724,050	1,004.73
Changes during the year*	1,100	-
As at March 31, 2018	1,004,725,150	1,004.73
As at March 31, 2019	1,004,725,150	1,004.73
Equity Shares of ₹ 1 each (March 31, 2018 : ₹ 1 each)		

*1100 Equity Shares held by one of Subsidiary has been sold during the previous year

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

₹ in Million

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Prasert Multiventure Private Limited (PMPL)	679,078,913	679.08	679,078,913	679.08
	679,078,913	**679.08**	**679,078,913**	**679.08**

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

₹ in Million

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Prasert Multiventure Private Limited	679,078,913	67.59	679,078,913	67.59

(v) Rights, preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of ₹ 1 per share (March 31, 2018 : ₹ 1). Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 9 (b) : Reserves and surplus

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Capital Redemption Reserve		
Balance as at the beginning of the year	488.38	488.38
Add : Additions during the year	-	-
Balance as at the end of the Year	**488.38**	**488.38**
Capital Reserve		
Balance as at the beginning of the year	1,474.73	1,474.73
Add : Additions during the year	-	-
Balance as at the end of the year	**1,474.73**	**1,474.73**
Debenture Redemption Reserve		
Balance as at the beginning of the year	146.11	99.31
Add : Additions during the year	73.89	46.80
Balance as at the end of the year	**220.00**	**146.11**
Securities Premium		
Balance as at the beginning of the year	3,238.12	3,238.12
Add : Additions during the year	-	-
Balance as at the end of the year	**3,238.12**	**3,238.12**
General Reserve		
Balance as at the beginning of the year	711.39	711.39
Add : Additions during the year	-	-
Balance as at the end of the year	**711.39**	**711.39**
Retained earnings		
Balance as at the beginning of the year	18,952.12	15,903.22
Less :Adjustment for transaction with non-controlling interest [Refer note 29 (c)]	65.13	-
Add : Profit for the year	2,098.31	3,849.67
	20,985.30	**19,752.89**
Add : Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(21.24)	32.07
Less : Dividend		
Final dividend on Equity Shares [Refer note 27 (b)]	653.07	653.07
Dividend distribution tax on Final dividend on Equity Shares [Refer note 27 (b)]	134.27	132.97
Less : Appropriations		
Transfer to Debenture Redemption Reserve	73.89	46.80
Balance as at the end of the year	**20,102.83**	**18,952.12**
Total	**26,235.45**	**25,010.85**

Note 9 (c) : Other reserves

₹ in Million

Particulars	FVOCI - Equity Investments (Refer note (f) below)	Hedging reserve (Refer note (g) below)	Foreign currency Translation reseve (Refer note (h) below)	Total other reserves
As at April 1, 2017	**16.82**	**1,058.77**	**(23.99)**	**1,051.60**
Change in fair value of FVOCI equity instrument	(5.37)	-	-	(5.37)
Amount recognised in Hedging Reserve during the year	-	861.13	-	861.13
Gain transferred to Statement of Profit and Loss	-	(2,325.56)	-	(2,325.56)
Deferred tax	-	504.27	-	504.27
Foreign currency translation differences	-	-	(44.93)	(44.93)
As at March 31, 2018	**11.45**	**98.61**	**(68.92)**	**41.14**
Change in fair value of FVOCI equity instrument	(6.88)	-	-	(6.88)
Amount recognised in Hedging Reserve during the year	-	33.51	-	33.51
Gain transferred to Statement of Profit and Loss	-	927.45	-	927.45
Deferred tax	-	(336.59)	-	(336.59)
Foreign currency translation differences	-	-	(105.61)	(105.61)
As at March 31, 2019	**4.57**	**722.98**	**(174.53)**	**553.02**

Note: Nature and purpose of reserves and surplus and other reserves

(a) Capital Redemption Reserve

Capital Redemption Reserve is created 1) when preference shares are redeemed out of profits of the Group, a sum equal to the nominal amount of the shares to be redeemed has to be transferred to this reserve and 2) when Group purchases its own shares out of free reserves, a sum equal to the nominal value of shares so purchased has to be transferred to this reserve. This reserve may be used for paying up unissued shares of the Group to be issued to members of the Group as fully paid bonus shares.

(b) Capital Reserve

Out of total, Capital Reserve of ₹ 1,426.55 million related to Gujarat high court approved composite scheme of arrangement between group companies. Balance ₹ 48.18 million was accrued on Forfeiture of Share warrants. Capital reserve is not available for distribution.

(c) Debenture redemption reserve

The group is required to create a debenture redemption reserve out of distrubutable profits for the purpose of redemption of debentures.

(d) 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.

(e) General Reserve

General Reserve is a free reserve and is available for distribution as dividend, issue of bonus shares, buyback of the Group's securities. It was created by transfer of amounts out of distributable profits.

(f) FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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(g) Hedging reserve

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described within note 26. For hedging foreign currency risk, the group uses foreign currency forward contracts and foreign currency option contracts, both of which are designated as cash flow hedges.To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g.inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

The group designates the spot component of foreign currency forward contracts and the intrinsic value of foreign currency option contracts as hedging instruments in cash flow hedge relationships. The group defers changes in the forward element of foreign currency forward contracts and the time value element of foreign currency option contracts in the costs of hedging reserve. The deferred costs of hedging are included in the initial cost of the related inventorywhen it is recognised or reclassified to profit or loss when the hedged item affects profit or loss.

(h) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Note 10 : Financial liabilities
Note 10 (a) : Non-current borrowings

₹ in Million

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
1	**Secured Loans:**				
	Measured at amortised cost				
(A)	**Debentures**				
	9.84% Redeemable Non-convertible Debentures.[Refer Note (aa) below]			879.50	877.27
(B)	**Term Loans**				
(i)	**- From Banks**				
(a)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in April 2019.	Repayable in 30 quarterly instalments commencing from January 2012.	35.84	734.69
(b)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in March 2020.	Repayable in 28 quarterly instalments commencing from June 2013	-	293.83
(c)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in December 2021.	Repayable in 32 quarterly instalments commencing from April 2014	-	190.43
(d)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2021.	Repayable in 28 quarterly instalments commencing from December 2014	1,792.24	2,538.02
(e)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in October 2021.	Repayable in 28 quarterly instalments commencing from January 2015	589.05	863.86
(f)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company. FCNR (B) Dollar loan amounting to ₹ 239.77 million as on March 31, 2015 has been converted into Rupee loan during the previous year.	Last instalment due in March 2021.	Rupee term loan repayable in 28 quarterly instalments commencing from June 2014. FCNR Dollar loan was repayable in 28 quarterly instalments commencing from March 2015	100.93	151.31
(g)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in June 2023.	Repayable in 30 quarterly instalments commencing from January 2016.	6,263.64	7,438.15
(h)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in September 2024.	Repayable in 31 quarterly instalments commencing from March 2017	3,010.82	3,272.87

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₹ in Million

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
(i)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due in May 2025.	Repayable in 30 quarterly instalments commencing from February 2018	805.85	842.81
(j)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2025.	Repayable in 31 quarterly instalments commencing from March 2018	2,428.52	2,570.94
(k)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company	Last instalment due in June 2025.	Repayable in 28 quarterly instalments commencing from September 2018	139.55	310.96
(l)	Rupee term loan is secured by first pari passu charge over the present and future fixed assets, all movable and immovable properties and second pari passu charge over current assets of the Company.	Last instalment due on in Quarter ending March FY 2029.	Reapyable in 33 quarterly instalments commencing from Quarter ending March FY 2021	2,872.57	-
(m)	Long Term Working Capital loan in a subsidary is secured against a charge registered on Companies House .	Last instalment due in July 2020.	Repayable in 39 quarterly instalments commencing from May 2017.	110.98	196.83
(n)	A subsidary had financed equipment payable to a bank, collateralized by the equipment financed.	Last instalment due in May 2020	The equipment payable is financed over a term of 36 months	0.94	-
2	**Unsecured Loans :**				
	Measured at amortised cost				
	Loans from Others				
(a)	Liability component of compound financial instruments (Refer note (ab) below)			53.82	47.81
	Total borrowings			**19,084.25**	**20,329.78**
	Less : Current maturities of long-term debt (included in Note 10(b))			3,487.06	3,199.07
	Less : Interest accrued but not due (included in Note 10 (b))			60.50	102.23
	Total			**15,536.69**	**17,028.48**

The rate of interest on the Non-current borrowings in the table above are in the range of 9.25 % to 10.42 % (March 31, 2018 : 9.25 % to 11.20 %). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

Notes :

(aa) Nature of security and terms of repayment for secured debentures :

On March 30, 2016, the Company's subsidiary Welspun Captive Power Generation Limited (WCPGL) issued 2,200 rated, listed, secured, redeemable, Non-Convertible Debentures of ₹ 10 lacs each aggregating to ₹ 2,200,000,000. The debentures bear an interest at an agreed upon annual rate of 9.84% compounded monthly and payable annually. The debentures are guaranteed by The Company . These Debentures were subsequently listed on the Wholesale Debt Market Segment of the National Stock Exchange (NSE) on April 13, 2016. The subsidiary has redeemed 1,320 secured, redeemable, Non-Convertible Debentures of ₹ 10 lacs each aggregating to ₹ 1,320,000,000 upto March 31, 2019.

Structure and Redemption of Non Convertible Debentures are set out as below:

₹ in Million

Sr. No.	Redemption Date	Amount
1	At the end of the 38th month from date of allotment i.e. May 30, 2019.	880.00

(ab) 10% Non- Cumulative Redeemable Preference Shares

Preference shares will be redeemable at the expiry of 19 years from the date of allotment or at the option of the subsidiary. The Option may be exercised in full or in part by the subsidiary. The Shares shall neither be converted into Equity Shares of the subsidiary nor shall carry any voting rights in the subsidiary except as provided under section 47 of the Companies Act, 2013 to the extent applicable.

Persuant to the Board Resolution dated February 29, 2016 and approval of shareholders in an extraordinary general meeting dated March 09, 2016, 98,462,012 6% Non-Cumulative Redeemable Preference Shares were converted into 98,462,012 10% Non-Cumulative Redeemable Preference Shares of ₹ 10 each with effect from April 01, 2015.

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Fair Value of 10% Non- Cumulative Redeemable Preference Shares	226.46	226.46
Equity Component of 10% Non- Cumulative Redeemable Preference Shares	(199.66)	(199.66)
	26.80	**26.86**
Interest expense	27.02	21.01
Non Current Borrowings	**53.82**	**47.80**

Note 10 (a) : Current borrowings

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Secured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	11,118.00	7,812.70
Unsecured :		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	-	375.54
- Supplier financing [Refer Note (ii) below]	2,127.16	2,381.00
- Commercial Paper [Refer note (iii) below]	-	500.00
- Export bills discounted	859.52	1,511.26
Total current borrowings	**14,104.68**	**12,580.50**
Less : Interest accrued but not due [included in Note 10 (b)]	24.47	0.94
Total	**14,080.21**	**12,579.56**

Notes :

(i) The working capital loans, which includes cash credit and packing credit from banks, are generally secured by hypothecation of raw materials, stock-in-process, finished, semi finished goods, stores, spares and book debts and current financial assets of borrowing companies and second charge on entire fixed assets of borrowing companies and by corporate guarantees issued by certain companies within the Group.

(ii) The bills of the vendors evidencing supply of material are discounted on presentation and the vendors are directly paid by the banks and the Group bears the discounting charge upfront. Later on the due date (depending on the tenor of financing), the Group pays the discounting bank the principal amount. This financing is unsecured and therefore there is no hypothecation against stock or debtors.

(iii) Commercial paper is an unsecured short term debt instrument issued by the Group generally for 90 days to meet the regular working capital requirements.

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Note 10 (b) : Other non-current financial liabilities

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Security deposits	35.74	23.17
Total	**35.74**	**23.17**

Note 10 (b) : Other current financial liabilities

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note below and Note 10(a)]	2,607.56	3,199.07
- Debentures Redeemable within One Year [Refer note 10 (a)]	879.50	-
Interest Accrued but not due on Borrowings	84.97	102.67
Interest Accrued but not due on Debentures	-	0.50
Security Deposits	128.87	77.43
Creditors for Capital Purchases	657.25	182.96
Provision for mark-to-market losses on derivatives	0.80	-
Book Overdraft	31.86	-
Unpaid Dividends	21.01	18.59
Other Payables	67.51	56.86
Total	**4,479.33**	**3,638.08**

Note:

Fixed Deposits of ₹ Nil million (March 31, 2018 : ₹ 114.58 million,) are earmarked for repayment of the above Current Maturities of Long Term Loans.

Note 10 (c) : Trade payables

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Acceptances	-	27.38
Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	34.67	50.10
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	7,006.59	6,369.05
Total	**7,041.26**	**6,446.53**

Note 11 : Non-current provisions

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Provision for litigation [Refer note (b) below]	24.66	23.41
Total	**24.66**	**23.41**

Note 11 : Current provisions

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Provision for litigation [Refer note (c) below]	1.60	1.01
Provision for exceptional items [Refer note (a) below]	1,728.89	233.55
Total	**1,730.49**	**234.56**

₹ in Million

Particulars	Provision for exceptional items [Refer note (a) below]	Provisions for litigation - Non Current and Current [Refer note (b) & (c) below]
As at March 31, 2017	**850.46**	**22.92**
Charged/ (credited) to profit or loss	-	1.50
Provisions utilised/adjusted during the year	616.91	-
As at March 31, 2018	**233.55**	**24.42**
Charged/ (credited) to profit or loss**	2,322.33	1.84
Provisions utilised/adjusted during the year	826.99	-
As at March 31, 2019	**1,728.89**	**26.26**

**Pertains only to the exceptional item specified in Note 23(a)

Note :

(a) The opening provision which was fully utilised during the year was towards return of goods by the customers, refund to the customers, cost of rework, inventory write-down, legal fees and other related expenses relating to the traceability issue. Refer Note 23 (a) "Exceptional Items-Expense" with respect to provision made during the year and closing balance as at March 31, 2019.

(b) Provision for litigation - non current is for litigation and disputes towards legal notices received for non-payment of rent in case of stores taken on lease.

(c) Provision for litigation - current is for Indirect Taxes towards likely demands that may arise on completion of assessments.

Note 12 : Current employee benefit obligations

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Provision for Compensated Absences [Refer Note 19]	216.16	182.21
Provision for Gratuity [Refer Note 19]	32.73	-
Employee Benefits Payable**	472.37	551.21
Total	**721.26**	**733.42**

** Includes salary, wages, bonus, leave travel allowance and director commission

Note 13 : Deferred tax liabilities

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities arising on account of temporary differences in :		-
- Property, Plant and Equipment and Intangible assets	3,220.11	3,137.59
- Hedging reserves	394.98	51.88
- Valuation of current investments	0.94	1.74
- Government grants	114.54	-
Deferred Tax Asset arising on account of temporary differences in:		
- Provision for Doubtful Debts/ Advances	38.53	49.88
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	91.61	60.62
- Provision for Employee Benefits	90.73	43.25
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	25.01	14.24
- Government grants	-	62.12
- Expenses allowed on payment basis (including provision for exceptional items)	362.47	-
- Provision for Inventory	89.94	74.63
- Unabsorbed Depreciation and Business Losses of Subsidiaries	24.87	54.23
- Others	22.77	0.10
Minimum Alternate Tax Credit Entitlement	976.62	1,087.36
Total	**2,008.02**	**1,744.78**

Note:

(i) The Group has tax loss (Long Term Capital Loss) of ₹ 431.85 million which are available for offsetting up to two years against furture taxable profits. Deferred tax assets has not been recognised in respect of these losses due to lack of reasonably certainty with respect of utilisation of these losses against future long term capital losses.

(ii) The Group has not recognised deferred tax liabilities for taxes amounting to ₹ 662.35 million (March 31, 2018 - ₹ 350.98 Million) that would be payable on the Group's share in unremitted earnings of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

₹ in Million

Particulars	Property, Plant and Equipment and Intangible assets	Hedging reserves	Valuation of current investments	Minimum Alternative Tax Credit Entitlement	Provision for Doubtful debts/ Advances	Provision for unpaid statutory dues	Employee Benefits Expenses	Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	Provision in Inventory	Expenses allowed on payment basis	Unabsorbed Depreciation and Business Losses	Government grants	Other items	Total
April 01, 2017	**2,197.38**	**450.73**	**1.09**	**(196.81)**	**(32.87)**	**(54.55)**	**(49.42)**	**(23.20)**	**62.64**	**-**	**(232.53)**	**47.61**	**(2.27)**	**2,167.80**
(Charged) / Credited :														-
to Statement of Profit and Loss	940.21	-	0.65	(890.55)	(17.01)	(6.07)		8.96	(137.27)		178.30	(109.73)	(16.55)	(49.06)
to Other Comprehensive Income	-	(398.85)	-	-	-	-	6.17	-	-		-	-	18.72	(373.96)
March 31, 2018	**3,137.59**	**51.88**	**1.74**	**(1,087.36)**	**(49.88)**	**(60.62)**	**(43.25)**	**(14.24)**	**(74.63)**		**(54.23)**	**(62.12)**	**(0.10)**	**1,744.78**
(Charged) / Credited :														-
to Statement of Profit and Loss	82.52	(0.25)	(0.80)	110.74	11.35	(30.99)	(36.06)	(10.77)	(15.31)	(362.47)	29.36	176.66	(22.67)	(68.69)
to Other Comprehensive Income	-	343.35	-	-	-	-	(11.42)	-	-		-	-		331.93
March 31, 2019	**3,220.11**	**394.98**	**0.94**	**(976.62)**	**(38.53)**	**(91.61)**	**(90.73)**	**(25.01)**	**(89.94)**	**(362.47)**	**(24.87)**	**114.54**	**(22.77)**	**2,008.02**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 14 : Other non-current liabilities

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Deferred Income [Refer Note below]	1,004.46	888.83
Others	44.34	-
Total	**1,048.80**	**888.83**

Note 14 : Other current liabilities

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Advances from Customers	96.88	74.84
Amounts due to Related Parties	395.87	595.87
Unearned Revenue	5.46	6.05
Statutory dues	166.39	173.78
Deferred Income (Refer Note below)	155.34	203.30
Others	1.37	0.12
Total	**821.31**	**1,053.96**

Note :

Deferred income relates to government grant for the purchase of property, plant and equipment and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Note 15 : Revenue from operations

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sale of Products		
Finished Goods and Traded Goods	57,178.58	52,655.86
Power & Steam	974.19	646.78
Sub Total	**58,152.77**	**53,302.64**
(b) Other operating income		
Government Grant:		
VAT/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	1,732.45	2,249.65
Export Benefits [Refer Note (ii) below]	4,044.80	4,319.44
Sale of Coal	712.09	25.64
Sale of Scrap	623.65	607.00
Job Work and Processing Charges	0.39	1.38
Sub Total	**7,113.38**	**7,203.11**
Total	**65,266.15**	**60,505.75**

Notes:

(i) Value Added Tax (VAT)/State Goods and Service Tax (SGST) Concession: Reimbursement of VAT/SGST collected on end product/intermediate product to the extent of the eligible capital investments in plant and machinery for the specified period as per the Scheme.

(ii) Merchandise Export Incentive Scheme (MEIS): Company is entitled for reward under MEIS computed at specified rates on FOB value of exports to specified countries.

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

(iii) Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Million

Revenue	Year ended March 31, 2019	Year ended March 31, 2018
India	6,299.81	4,164.71
Outside India	53,189.09	49,771.95
Total revenue from contracts with customers	**59,488.90**	**53,936.66**

2) Contract balances

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

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Trade receivables*	10,768.06	9,309.90
Contract liabilities (advances from customers)	96.88	74.84
Refund liabilities (Rebates, discounts, chargebacks, markdowns, etc.)	720.57	519.71

* Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

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

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per contracted price	62,630.12	56,146.74
Less: Rebates, discounts, chargebacks, markdowns, etc.	3,141.22	2,210.08
Revenue from contracts with customers	**59,488.90**	**53,936.66**

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

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Revenue from operations	65,266.15	60,505.75
Less: VAT/State Goods and Service Tax Incentive	1,732.45	2,249.65
Export Benefits	4,044.80	4,319.44
Revenue from contracts with customers	**59,488.90**	**53,936.66**

Note 16 : Other income

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	37.97	26.20
Interest income from financial assets measured at fair value through profit or loss		
On Bonds and Certificate of Deposits	118.78	212.83
Interest income on Others	130.07	30.92
Rent	49.08	43.49
Unwinding of discount on security deposits	17.33	18.81
Net gain on financial assets measured at fair value through profit or loss	264.83	9.07
Liabilities Written Back as no Longer Required	15.89	26.51
Provision for Doubtful Debts Written Back	6.12	0.13
Profit on Redemption/ Sale of Units in Mutual Funds	24.51	43.61
Profit on Sale of Bonds/ Certificate of Deposits	1.29	7.59
Profit on Sale of Shares	-	0.07
Profit on Sale/ Discarding of Property , Plant and Equipments (Net)	-	13.80
Exchange Gain (Net)	-	289.11
Income on Statusholder Incentive Scrip	-	9.84
Miscellaneous	152.33	80.23
Total	**818.20**	**812.21**

Note 17 : Cost of materials consumed

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw material consumed		
Opening inventory	4,119.32	3,344.96
Add: Purchases (net)	27,822.56	24,313.16
Less : Inventory at the end of the year	4,764.12	4,119.32
	27,177.76	**23,538.80**
Packing material consumed		
Opening inventory	218.99	226.27
Add : Purchases (net)	2,545.65	2,552.72
Less : Inventory at the end of the year	175.61	218.99
	2,589.03	**2,560.00**
Total	**29,766.79**	**26,098.80**

Note 18 : Changes in inventory of finished goods, work-in-progress and stock-in-trade

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(Increase)/ decrease in Stocks		
Stock at the end of the year :		
Finished Goods and Traded Goods	5,177.90	4,488.20
Work-in-Process	2,768.33	3,567.96
Total A	**7,946.23**	**8,056.16**
Less : Stock at the beginning of the year :		
Finished Goods and Traded Goods	4,488.20	4,481.75
Work-in-Process	3,567.96	4,250.06
Total B	**8,056.16**	**8,731.81**
(Increase) / decrease in Stocks (A-B)	**109.93**	**675.65**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 19 : Employee benefits expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages, Allowances and Other Benefits	6,537.00	6,184.59
Contribution to Provident and Other Funds	384.14	376.78
Staff and Labour Welfare	193.12	192.50
Total	**7,114.26**	**6,753.87**

I. Defined Contribution Plans

₹ in Million

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Provident Fund & Pension Scheme	305.45	307.21
Employers' Contribution to Employees' State Insurance	46.74	42.90
Employers' Contribution to Superannuation Scheme	4.99	5.75
Other social security funds	26.95	20.92
Total	**384.14**	**376.78**

Note: ₹ 6.19 million is included in capital work in progress

II. Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

Certain Companies operate gratuity plan through the Employees Trusts. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

a) Major Assumptions

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
	% p.a.	% p.a.
Discount Rate	7.76 - 7.78	7.56 - 7.88
Salary Escalation Rate @	5.00 to 7.00	5.00 to 7.00

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

b) Change in the Present Value of Obligation

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Opening Present Value of Obligation	393.46	353.37
Current Service Cost	90.96	87.97
Past Service Cost	20.17	13.83
Interest Cost	30.85	25.59
Total amount recognised in profit or loss	**141.98**	**127.39**
Remeasurements		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic assumptions	(14.30)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial assumptions	3.13	(28.58)
Actuarial (Gains)/Losses on Obligations - Due to Experience assumptions	38.51	(26.07)
Total amount recognised in other comprehensive income	**27.34**	**(54.65)**
Benefit/ Exgratia paid	(50.63)	(32.64)
Closing Present Value of Obligation	**512.15**	**393.47**

c) Change in Fair Value of Plan Assets

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Opening Fair Value of Plan Assets	402.43	336.94
Interest Income	31.55	24.40
Total amount recognised in profit or loss	**31.55**	**24.40**
Remeasurements		
Return on Plan Assets, Excluding amounts included in Interest Income	(5.33)	(5.61)
Total amount recognised in other comprehensive income	**(5.33)**	**(5.61)**
Contributions	101.40	79.34
Benefits paid	(50.63)	(32.64)
Closing Fair Value of Plan Assets	**479.42**	**402.43**

d) Balance Sheet Reconciliation

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Opening Net (Liability)/ Asset	8.96	(16.43)
Expenses Recognized in Statement of Profit or Loss*	(110.42)	(102.99)
Expenses Recognized in OCI	(32.67)	49.04
Employer's Contribution	101.40	79.33
Net (Liability)/ Asset Recognised in the Balance Sheet	**(32.73)**	**8.96**

*Expenses amounting to ₹ 6.19 million is included in capital work in progress

e) Amount recognised in the Balance sheet

₹ in Million

Particulars	As At March 31, 2019	As At March 31, 2018
Present value of Obligation	512.15	393.47
Fair Value of Plan Assets	479.42	402.43
Funded Status [Surplus/ (Deficit)]	(32.73)	8.96
Expense recognised in statement of profit or loss	-	-
Net (Liability)/ Asset Recognised in the Balance Sheet	**(32.73)**	**8.96**

f) Expenses Recognised in the Statement of Profit and Loss

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	90.95	87.97
Net Interest Cost	(0.70)	1.19
Past Service Cost	20.17	13.83
Total Expenses recognized in the statement of profit and loss*	**110.42**	**102.99**

* Included in Employee Benefits Expense & ₹ 6.19 million in capital work in progress

g) Expenses recognized in the Other Comprehensive Income

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement		
Return on Plan Assets	5.33	5.61
Net Actuarial Loss/(gain) recognised in the year	27.35	(54.66)
Net (Income)/Expenses for the Period Recognised in OCI	**32.68**	**(49.05)**

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

h) Sensitivity Analysis

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected Benefit Obligation on Current Assumptions	512.15	393.47
Delta Effect of +1% Change in Rate of Discounting	(43.35)	(31.13)
Delta Effect of -1% Change in Rate of Discounting	51.05	36.48
Delta Effect of +1% Change in Rate of Salary Increase	51.68	35.48
Delta Effect of -1% Change in Rate of Salary Increase	(44.56)	(30.90)
Delta Effect of +1% Change in Rate of Employee Turnover	12.89	9.78
Delta Effect of -1% Change in Rate of Employee Turnover	(14.83)	(11.22)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability / asset recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) The major categories of plans assets are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	(₹ million)	%	(₹ million)	%
Insurer Managed funds	479.43	100.00	402.43	100.00

j) Defined benefit liability and employer contributions

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

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 118.41 million.

The weighted average duration of the defined benefit obligaiton is 10-11 years (March 31, 2018: 8-12 years). The expected maturity analysis of gratuity is as follows:

₹ in Million

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	11 years and above	Total
March 31, 2019						
Defined benefit obligation (gratuity)	35.21	34.88	117.69	210.19	937.40	1,335.37
Total	**35.21**	**34.88**	**117.69**	**210.19**	**937.40**	**1,335.37**
March 31, 2018						
Defined benefit obligation (gratuity)	34.50	31.61	99.40	157.47	658.29	981.27
Total	**34.50**	**31.61**	**99.40**	**157.47**	**658.29**	**981.27**

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹216.16 million (March 31, 2018: ₹182.21 million).

Note 20 : Depreciation and amortization expense

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	4,255.14	4,991.01
Amortisation of intangible assets	102.46	50.70
Total depreciation and amortization expense	**4,357.60**	**5,041.71**

Note 21 : Other Expenses

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Stores and Spares Consumed	1,204.38	800.39
Dyes and Chemicals Consumed	2,422.81	2,348.89
Contract Labour Charges	631.21	613.75
Job Work Expenses	1,283.14	1,147.47
Power, Fuel and Water Charges	2,027.99	1,585.61
Excise Duty	-	5.90
Repairs and Maintenance:		
Plant and Machinery	159.76	148.55
Factory Building	189.85	157.77
Others	312.39	307.64
Brokerage and Commission	485.21	511.41
Freight, Forwarding and Coolie Charges	1,414.15	1,309.13
Directors' Sitting Fees	6.14	5.14
Rent	489.04	453.72
Rates and Taxes	83.73	52.00
Printing and Stationery	22.15	15.87
Travelling and Conveyance	423.30	391.48
Legal and Professional Charges	607.36	456.10
Security Expenses	40.94	45.44
Insurance	152.17	183.70
Communication	82.68	53.10
Postage and Courier	61.96	72.60
Loss on Sale/ Discarding of Property , Plant and Equipments (Net)	2.27	3.06
Loss on Sale of Bonds/ Certificate of Deposits	34.11	-
Provision for Doubtful Debts/Advances	75.12	11.77
Loss on Cancellation/ Settlement of Forward Contracts (Net)	19.86	14.45
Exchange Loss (Net)	130.26	-
Debts/ Advances Written off	0.05	2.54
Design and Development Expenses	127.88	129.59
Royalty	169.49	89.85
Advertising and Sales Promotion	900.59	1,026.20
Donations	5.34	15.62
Corporate Social Responsibility Expenses (Refer note 21(b) below)	143.11	126.71
Payments to auditors (Refer note 21(a) below)	24.80	21.20
Net loss on financial assets measured at fair value through profit or loss	96.67	-
Miscellaneous	173.25	176.01
Total Other Expenses	**14,003.16**	**12,282.66**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 21 (a) : Details of Payments to auditors

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payments to auditors		
As auditor:		
Audit fee	21.17	16.43
Tax audit fee	1.02	2.74
Company law matters	-	0.13
Certification fees	1.48	1.62
Re-imbursement of expenses	1.13	0.28
Total payments to auditors	**24.80**	**21.20**

The above fee includes the fee of statutory auditors of subsidiary companies who are different from auditors of the holding company.

Note 21 (b) : Corporate Social Responsibility Expenses

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Gross amount required to be spent by the Company during the year	137.82	156.91
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	143.11	126.71

Note 22 : Finance costs

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss (net of interest subsidy of ₹ 1,550.26 million, Previous Year : ₹ 1,732.44 million)	202.62	182.86
Interest on short term borrowings	744.15	702.98
Interest on Debentures	93.34	116.34
Interest to Others	22.36	31.25
Discounting and Bank Charges	530.29	374.20
Total finance cost	**1,592.76**	**1,407.63**

Note 23 : Exceptional Items-Expense

a) The Company and its subsidiaries have been facing litigation in the United States surrounding the Company's premium cotton home textile products, including the consolidated putative class action suit (consolidated during the quarter that ended December 31, 2016). To avoid the burden, cost, and uncertainty of continued litigation in the United States surrounding the provenance of its premium cotton home textile products, the Company and it's subsidiaries have entered into a settlement agreement subsequent to year end. The settlement agreement provides monetary payments to settlement class members not to exceed an aggregate US Dollars 36 million. The Exceptional Item, aggregating to ₹ 2322.33 millions and ₹ Nil for the year ended March 31, 2019 and March 31, 2018 respectively, represents a provision for the settlement costs that have been estimated by the management based on expert advise which includes monetary payments or vouchers for all class members in the U.S. who submit claims subject to validation by an independent third party, fees payable to legal counsel, and costs related to the administration of the settlement. The settlement agreement is subject to approval by the appropriate courts in the United States and regulators, and is intended to resolve legal claims in the United States concerning the past marketing and labelling of the Company's premium cotton home textile products.

b) The Company's subsidiary, Welspun UK Limited, has approved a detailed formal business plan to achieve long term sustainable profitable growth and as part of this has commenced a restructuring process of its operations. Accordingly, exceptional item aggregating to ₹324.65 Millions for the year ended March 31, 2019, represents costs in relation to the closure of specific stores, inventory impairment associated with the closures and severance. The related outflows are expected within the next financial year.

Note 24 : Income tax expense

This note provides an analysis of the Group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

a) Statement of Profit and Loss

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax		
Current Tax on profits for the year.	896.60	1,225.23
Total current tax expense	**896.60**	**1,225.23**
Deferred Tax		
Relating to originating and reversal of temporary differences	(288.91)	389.71
Total deferred income tax expense/(benefit)	**(288.91)**	**389.71**
Income tax expense	**607.69**	**1,614.94**

b) Other Comprehensive Income (OCI)

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred gain on cash flow hedges	(343.35)	506.27
Net loss/(gain) on remeasurement of defined benfit plans	11.42	(16.97)
Total	**(331.93)**	**489.30**

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

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year before income tax expense	**2,869.44**	**5,596.86**
Tax at the Indian tax rate @ 34.94% (previous year 34.61%)	**1,002.58**	**1,936.96**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Donation	0.76	4.44
Corporate social responsibility expenditure	30.36	61.49
Research and Development Expenditure	(46.31)	(228.62)
Deduction under section 80 IA and 80 JJAA	(562.87)	-
Interest on loan given to subsidiary	(25.26)	(23.30)
Other Items	185.00	(148.08)
Difference in Overseas tax rate	23.43	12.05
Income tax expense	**607.69**	**1,614.94**

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 25 : Fair value measurements

Financial instruments by category

₹ in Million

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	258.53	10.16	-	254.40	17.05	-
- Preference shares	-	-	-	194.84	-	-
- Bonds and debentures	549.34	-	-	326.86	-	-
- Mutual funds	447.52	-	-	483.07	-	-
- Others	3.80	-	-	6.17	-	-
Trade receivables	-	-	10,768.06	-	-	9,309.90
Loans	-	-	6.75	-	-	10.67
Cash and cash equivalents	-	-	1,543.66	-	-	1,191.25
Bank balance other than Cash and cash equivalents	-	-	187.52	-	-	465.01
Security deposits	-	-	375.08	-	-	393.39
Government Grants Receivable			3,216.44			4,326.91
Technology Upgradation Fund Credit Receivable			792.75			572.39
Interest Receivable under Subvention Scheme			11.24			13.92
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	1,130.47	-	-	148.05	-
Other financial assets	-	-	572.62	-	-	146.64
Total financial assets	**1,259.19**	**1,140.63**	**17,474.12**	**1,265.34**	**165.10**	**16,430.07**
Financial liabilities						
Borrowings including interest there on	-	-	33,188.93	-	-	32,910.28
Trade payables	-	-	7,041.26	-	-	6,446.53
Security Deposits	-	-	164.61	-	-	100.60
Creditors for Capital Purchases	-	-	657.25	-	-	182.96
Foreign exchange forward cover		0.80	-		-	-
Other financial liabilities	-	-	120.38	-	-	75.45
Total financial liabilities	**-**	**0.80**	**41,172.43**	**-**	**-**	**39,715.82**

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

₹ in Million

Particulars	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade receivables	10,768.06	10,768.06	9,309.90	9,309.90
Loans	6.75	6.75	10.67	10.75
Cash and cash equivalents	1,543.66	1,543.66	1,191.25	1,191.25
Bank balance other than Cash and cash equivalents	187.52	187.52	465.01	465.01
Security deposits	375.08	375.08	393.39	393.39
Government Grants Receivable	3,216.44	3,216.44	4,326.91	4,326.91
Technology Upgradation Fund Credit Receivable	792.75	792.75	572.39	572.39
Interest Receivable under Subvention Scheme	11.24	11.24	13.92	13.92
Other financial assets	572.62	572.62	146.64	146.55
Total	**17,474.12**	**17,474.12**	**16,430.07**	**16,430.06**
Financial liabilities				
Borrowings including interest there on	33,188.93	33,208.34	32,910.28	32,920.95
Trade payables	7,041.26	7,041.26	6,446.53	6,446.53
Security Deposits	164.61	164.61	100.60	100.69
Creditors for Capital Purchases	657.25	657.25	182.96	182.96
Other financial liabilities	120.38	120.38	75.45	75.45
Total	**41,172.43**	**41,191.84**	**39,715.82**	**39,726.58**

The carrying amount of trade receivable, current loans, current portion of interest accrued on fixed deposit, bonds and certificates, cash and cash equivalents, bank balances other than cash and cash equivalents, government grants, TUF and incentive, trade payable, capital creditors, current security deposits (liability) and other current financial liabilities are considered to be approximately same as their fair value, due to their short-term nature and have been classified as level 3 in the fair value hierarchy.

The fair value for loans, security deposits, advance recoverable in cash, fixed deposit with bank, interest accrued on fixed deposit and investments in preference shares is calculated based on cash flows discounted using a current lending rates. Further, security deposits, advance recoverable in cash and investments in preference share are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value for long term security deposits are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amount of long term borrowings is approximately equal to it's fair value since the borrowings are at floating rate of interest. Also, the carrying amount of short term borrowing is considered to be approximately same as it's fair value due to it's short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(ii) Fair value hierarchy

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

Notes

To The Consolidated Financial Statements For The Year Ended March 31, 2019

₹ in Million

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets :					
Financial Investments at FVPL					
Equity instruments	5 (a)			258.53	258.53
Preference shares	5 (a)	-	-	-	-
Bonds and debentures	5 (a)	549.34	-	-	549.34
Mutual funds	5 (a)	-	447.52	-	447.52
Others	5 (a)	3.80	-	-	3.80
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	5 (c)	-	1,130.47	-	1,130.47
Financial Investments at FVOCI					
Listed Equity Investment	5 (c)	10.16	-	-	10.16
Total financial assets		**563.30**	**1,577.99**	**258.53**	**2,399.82**

₹ in Million

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	5 (d)	-	-	10,768.06	10,768.06
Loans	5 (b)	-	-	6.75	6.75
Cash and cash equivalents	5 (e)	-	-	1,543.66	1,543.66
Bank balance other than Cash and cash equivalents	5 (f)	-	-	187.52	187.52
Security deposits	5 (c)	-	-	375.08	375.08
Government Grants Receivable	5 (c)	-	-	3,216.44	3,216.44
Technology Upgradation Fund Credit Receivable	5 (c)	-	-	792.75	792.75
Interest Receivable under Subvention Scheme	5 (c)	-	-	11.24	11.24
Other financial assets	5 (c)	-	-	572.62	572.62
Total financial assets		**-**	**-**	**17,474.12**	**17,474.12**
Financial Liabilities					
Financial Liabilities					
Borrowings including interest there on	10 (a)	-	-	33,208.34	33,208.34
Trade payables	10 (c)	-	-	7,041.26	7,041.26
Security Deposits	10 (b)	-	-	164.61	164.61
Creditors for Capital Purchases	10 (b)	-	-	657.25	657.25
Other financial liabilities	10 (b)	-	-	120.38	120.38
Total financial liabilities		**-**	**-**	**41,191.84**	**41,191.84**

₹ in Million

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Equity instruments	5 (a)			254.40	254.40
Preference shares	5 (a)	-	-	194.84	194.84
Bonds and debentures	5 (a)	326.86	-	-	326.86
Mutual funds	5 (a)	-	483.07	-	483.07
Others	5 (a)	6.17	-	-	6.17
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	5 (c)	-	148.05	-	148.05
Financial Investments at FVOCI					
Listed Equity Investment	5 (c)	17.05	-	-	17.05
Total financial assets		**350.08**	**631.12**	**449.24**	**1,430.44**

₹ in Million

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Trade receivables	5 (d)	-		9,309.90	9,309.90
Loans	5 (b)	-		10.75	10.75
Cash and cash equivalents	5 (e)	-		1,191.25	1,191.25
Bank balance other than Cash and cash equivalents	5 (f)	-		465.01	465.01
Security deposits	5 (c)	-		393.39	393.39
Government Grants Receivable	5 (c)	-		4,326.91	4,326.91
Technology Upgradation Fund Credit Receivable	5 (c)	-		572.39	572.39
Interest Receivable under Subvention Scheme	5 (c)	-		13.92	13.92
Other financial assets	5 (c)	-		146.55	146.55
Total financial assets			**-**	**16,430.06**	**16,430.06**
Financial Liabilities					
Borrowings including interest there on	10 (a)	-		32,920.95	32,920.95
Trade payables	10 (c)	-		6,446.53	6,446.53
Security Deposits	10 (b)	-		100.69	100.69
Creditors for Capital Purchases	10 (b)	-		182.96	182.96
Other financial liabilities	10 (b)			75.45	75.45
Total financial liabilities		**-**	**-**	**39,726.58**	**39,726.58**

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.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives. Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.The mutual funds, bonds and debentures are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Valuations of Level 2 instruments can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

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

There are no transfers between levels 1 and 2 during the period. The group's policy is to recognise transfers into and transfers out of fair value hirerchy level as at the end of reporting period and transfers out of fair value hirerchy level as at the end of reporting period.

iii) Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- NAV quoted by mutual funds
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iv) Fair value measurements using significant unobservable inputs (level 3) for FVPL instruments

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

₹ in Million

Particulars	Equity Share	Preference shares
As at April 1, 2017	-	185.38
Gains recognised in Statement of Profit and Loss	-	9.46
Investment made during the year	254.40	-
As at March 31, 2018	**254.40**	**194.84**
Gains recognised in Statement of Profit and Loss	-	264.83
Amount Received on redemption	-	459.67
Investment made during the year	4.13	-
As at March 31, 2019	**258.53**	**-**

v) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted

₹ in Million

Particulars	Fair Value		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Equity Shares	258.53	254.40	Revenue Multiples	1.80 to 2.20	2.60 to 3.10	March 31, 2019 : Increase in revenue multiple by 10 basis points (bps) would increase fair value by ₹ 13.58 million and decrease in revenue multiple by 10 bps would decrease fair value by ₹ 13.58 million.
Preference Shares	-	194.84	Discount Rate	-	10.0%	March 31, 2018 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 7.80 million and decrease in discount rate by 50 bps would increase fair value by ₹ 8.16 million.

vi) Valuation processes :

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

Discussions of valuation processes and results are held between the CFO, and the valuation team at least once every three months, in line with the Group's quarterly reporting periods.

The main level 3 inputs for preference shares used by the Group are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management team.
- Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 26 : Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects of the financial performance of the Group, derivatives financial instruments, such as foreign exchange contracts, foreign currency swap contracts are entered to hedge certain foreign currency risk exposure and interest rate swap to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

This note explain the sources of risk which the Group is exposed to and how the Group manages the risk and impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts, plain Vanilla Foreign currency options
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by the Risk Management committee, under policies approved by the Board of Directors. Group Risk Management committee identifies, evaluates and hedge financial risk in close cooperation with Group companies. The Board provides policy for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Group determines default by considering the business environment in which the Group operates and other macro-economic factors. The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. The following table gives details in respect of percentage of revenue generated from the top ten customers.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top ten customers	63.95%	58.25%

Expected credit loss for trade receivables as at March 31, 2019 is ₹ 38.93 million (March 31, 2018: ₹ 21.45 million)

Ageing of Trade receivable is as follows

As at March 31, 2019 ₹ in Million

Ageing	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Gross Carrying Amount	9,665.43	883.92	257.64	**10,806.99**
Expected Loss Rate	0.12%	0.00%	10.52%	**0.36%**
Allowance for Doubtful	11.84	-	27.09	**38.93**
Carrying amount of trade receivables (net of impairment)	9,653.59	883.92	230.55	**10,768.06**

As at March 31, 2018 ₹ in Million

Ageing	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Gross Carrying Amount	6,262.92	1,393.27	1,675.16	**9,331.35**
Expected Loss Rate	-	1%	0.01	**0%**
Allowance for Doubtful	-	9.75	11.70	**21.45**
Carrying amount of trade receivables (net of impairment)	6,262.92	1,383.52	1,663.46	**9,309.90**

Reconciliation of loss allowance provision - Trade receivables

₹ in Million

	Amount
Allowance for doubtful debts on March 31, 2018	21.45
Change in Allowance for doubtful debts	17.48
Allowance for doubtful debts on March 31, 2019	**38.93**

Other financial assets

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

B. Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Million

	As at March 31, 2019	As at March 31, 2018
Expiring with one year (Export bills discounting, Bank overdraft etc.)	6,845.59	8,197.06
Expiring beyond one year (bank loans)	5,229.20	2,441.50
TOTAL	**12,074.79**	**10,638.56**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of Financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2019

₹ in Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non derivatives							
Borrowings	15,370.77	711.07	1,652.47	3,283.19	9,112.37	2,974.09	33,103.96
Trade payables	2,046.91	2,960.85	2,031.15	2.35	-	-	7,041.26
Other financial liabilities	852.57	-	138.87	1.35	35.22	-	1,028.01
Total non derivatives liabilities	**18,270.25**	**3,671.92**	**3,822.49**	**3,286.89**	**9,147.59**	**2,974.09**	**41,173.24**
Derivatives							
Forward contracts	0.80	-	-	-	-	-	0.80
Total derivatives liabilities	**0.80**	**-**	**-**	**-**	**-**		**0.80**

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As at March 31, 2018

₹ in Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non derivatives							
Borrowings	10,796.99	846.99	4,134.66	4,311.25	10,615.76	2,101.46	32,807.11
Trade payables	4,899.93	870.53	667.67	8.42	-	-	6,446.55
Other financial liabilities	441.90	-	0.50	-	19.77	-	462.17
Total non derivatives liabilities	**16,138.82**	**1,717.52**	**4,802.83**	**4,319.67**	**10,635.53**	**2,101.46**	**39,715.83**
Derivatives							
Forward contracts	-	75.19	67.67	-	-	-	142.86
Total derivatives liabilities	**-**	**75.19**	**67.67**	**-**	**-**	**-**	**142.86**

C. Market risk

(i) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's risk management policy and procedures.

(a) Foreign currency risk exposure

The Group exposure to foreign currency risk at the end of the reporting period in Indian Rupees (millions) as follows

As at	March 31, 2019				March 31, 2018			
Foreign Currency	**USD**	**EUR**	**GBP**	**Others***	**USD**	**EUR**	**GBP**	**Others***
Financial Assets								
Trade Receivables	13,339.16	48.55	217.39	-	11,518.17	493.85	9.67	-
Less: Hedged through derivatives								
Foreign exchange forward contracts	(6,877.08)	(39.62)	(29.51)	-	(7,308.50)	(75.25)	(9.42)	-
Net exposure to foreign currency risk (assets)	**6,462.08**	**8.93**	**187.88**	**-**	**4,209.67**	**418.60**	**0.25**	**-**
Financial liabilities								
Borrowings	2,827.34	-	661.35	-	4,315.80	-	838.47	-
Trade payables and provision	5,059.82	62.48	73.03	4.64	5,466.86	81.13		7.71
Other financial liabilities	-	-	-	-	5.37	60.61	-	-
Forward Contracts	-	-	-	-	-	-	-	-
Less: Hedged through derivatives								
Foreign exchange forward contracts	(25.27)	-	-	-	(107.30)	-	-	-
Net exposure to foreign currency risk (liabilities)	**7,861.89**	**62.48**	**734.38**	**4.64**	**9,680.73**	**141.74**	**838.47**	**7.71**

*Others consists of JPY and CHF foreign currencies.

(b) Foreign currency sensitivity

The sensitivity of other component of equity arises from foreign forward exchange contracts.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2018 - 3%)*	(69.99)	(273.55)
INR/USD - Decrease by 5% (March 31, 2018 - 3%)*	69.99	273.55
EURO sensitivity		
INR/EURO - Increase by 4% (March 31, 2018 - 3%)*	(2.14)	13.84
INR/EURO - Decrease by 4% (March 31, 2018 - 3%)*	2.14	(13.84)
GBP sensitivity		
INR/GBP - Increase by 2% (March 31, 2018 - 3%)*	(10.93)	(41.91)
INR/GBP - Decrease by 2% (March 31, 2018 - 3%)*	10.93	41.91

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in Million

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	15,209.48	13,700.97
Floating rate borrowings	17,894.48	19,106.14
Total	**33,103.96**	**32,807.11**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	March 31, 2019			March 31, 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings -Term Loan	9.03%	17,894.48	54%	9.96%	19,106.14	57%
Net exposure to cash flow interest rate risk	**-**	**17,894.48**	**-**	**-**	**19,106.14**	**-**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Increase by 50 basis points (March 31, 2018 - 50 basis points)*	(89.47)	(95.53)
Decrease by 50 basis points (March 31, 2018 - 50 basis points)*	89.47	95.53

* Holding all other variables constant including change in interest subsidy

(iii) Price risk

(a) Exposure

The Group is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
Increase in price 0.75% (March 31, 2018 - 0.75%)*	7.48	4.54
Decrease in price 0.75% (March 31, 2018 - 0.75%)*	(7.48)	(4.54)

* Holding all other variables constant

Impact of hedging activities

Disclosure of effects of hedge accounting on financial positions:

March 31, 2019	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedging Ratio	Weighted average strike price/rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
	Assets	Assets					
Cash flow hedge							
Foreign exchange risk							
Forward contracts (USD-INR)	29,949.14	1,130.55	01-Apr-19 to 29-Mar-20	1:1	73.41	33.51	(33.51)
Forward contracts (EURO-INR)	79.06	0.13	01-Apr-19 to 31-Jul-19	1:1	79.06	-	-
Forward contracts (GBP-INR)	87.72	0.70	01-Apr-19 to 31-Jul-19	1:1	92.34	-	-

March 31, 2018	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedging Ratio	Weighted average strike price/rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
	Assets	Assets					
Cash flow hedge							
Foreign exchange risk							
Forward contracts (USD-INR)	26,526.72	154.25	01-Apr-18 to 29-Mar-19	1:1	66.88	861.13	(861.13)

Disclosure of effects of hedge accounting on financial performance

March 31, 2019 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	33.51	0.91	927.55	Revenue

March 31, 2018 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				
Foreign exchange risk	861.13	6.48	2,325.56	Revenue

The Group's hedging policy allows for effective hedge relationship to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedge item and hedging instrument. The Group uses hypothetical derivative method to assess effectivenes.

Movement in cash flow hedging reserve

₹ in Million

Risk category	Foreign currency risk	Total
Derivative instruments	**Forward contracts**	
(i) Cash flow hedging reserve		
As at 31 March, 2017	**1,058.77**	**1,058.77**
Add: Gain recognised in other comprehensive income during the year	861.13	861.13
Less: Amounts reclassified to profit or loss	(2,325.56)	(2,325.56)
Less: Deferred tax relating to above	504.27	504.27
As at 31 March, 2018	**98.61**	**98.61**
Add: Gain recognised in other comprehensive income during the year	33.51	33.51
Add: Amounts reclassified to profit or loss	927.45	927.45
Less: Deferred tax relating to above	(336.59)	(336.59)
As at 31 March, 2019	**722.98**	**722.98**

Note 27 : Capital management

(a) Risk Management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Group's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

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

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components including other equity.

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

The following table summarizes the capital of the Group:

₹ in Million

	March 31, 2019	March 31, 2018
Non current borrowings	15,536.69	17,028.48
Current borrowings	14,080.21	12,579.56
Current maturities of long term debt and finance lease obligations	3,487.06	3,199.07
Less: cash and cash equivalent	1,543.66	1,191.25
Net debt	**31,560.30**	**31,615.86**
Total equity	**28,502.64**	**26,523.72**
Gearing ratio	1.11	1.19

(i) Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the approved range for gearing ratio is 2 times to 2.57 times, and
- the ratio of Debt Service Coverge (DSCR) Ratio must be atleast 1.2 times.

The Group has complied with these covenants throughout the reporting period. As at 31 March 2019, the DSCR ratio was 1.9 times (March 31, 2018 : 2.35 times).

(b) Dividend

	March 31, 2019	March 31, 2018
Equity Share		
Final dividend for the year ended March 31, 2018 of Re. 0.65 (March 31, 2017 of ₹ 0.65) per fully paid share (Dividend distribution tax for the year ended March 31, 2018 : ₹ 134.27 million, March 31, 2017 : ₹ 132.97 million)	653.07	653.07
Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.30 per fully paid equity share (March 31, 2018 of ₹ 0.65). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	301.42	653.07

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Note 28 : Segment Information

i) Identification of Segments:

The Group is engaged in the business of Home Textiles which includes towels , bath robes, barth rugs/ mats, area rugs, carpet, bedsheets, utility bedding and fashion bedding and generation of Power.

The chief operational decision maker monitors the operating results under single operating segment viz., "Home Textiles" for the purpose of making decision about profit or loss in the financial statements. As per requirement of Ind-AS 108 " Operating Segments" no disclosure is required as the Group is operating in single segment namely "Home Textiles"

ii) Geographical Information:

₹ in Million

	India		Outside India		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
External Revenue	8,565.65	7,627.65	56,700.50	52,878.10	65,266.15	60,505.75
Carrying Amount of Segment Assets*	61,016.74	58,542.21	15,274.60	13,205.32	76,291.34	71,747.53
Capital Expenditure	6,852.00	3,134.39	116.22	76.95	6,968.22	3,211.34

* Carrying Amount of Segment Assets are excluding the Tax Assets.

Notes:

(a) The segment revenue in the geographical information considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India, earnings outside India and export benefits on sales made to customers located outside India.

(b) Segment Revenue and assets include the respective amounts identified to country of domicile viz India and other countries viz out side india and amounts allocated on a reasonable basis.

(c) Revenue from two customer amounted to ₹ 20,682.10 millions (March 31, 2018: ₹ 17,989.44 millions)

Note 29 : Interests in other entities

(a) Subsidiaries

The list of group's subsidiaries is stated below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	
		%	%	%	%	
Anjar Integrated Textile Park Developers Private Limited (AITP)	India	100.00	100.00	-	-	Development of Textile Park
Welspun Anjar SEZ Limited (WASEZ)	India	100.00	100.00	-	-	Development of Industrial Park
Besa Developers and Infrastructure Private Limited (BESA)	India	100.00	100.00	-	-	Real Estate
Welspun Global Brands Limited (WGBL)	India	98.03	98.03	1.97	1.97	Trading in Home Textile Product
Welspun USA Inc. (WUSA)	U.S.A.	98.68	98.64	1.32	1.36	Trading in Home Textile Product

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Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	
		%	%	%	%	
Welspun Captive Power Generation Limited (WCPGL)	India	77.00	77.00	23.00	23.00	Power Generation
Welspun Holdings Private Limited (WHPL)	Cyprus	98.11	98.17	1.89	1.83	Investment
Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)	U.K.	98.11	98.17	1.89	1.83	Investment
CHT Holdings Limited (CHTHL) (Held through WHTUKL)	U.K.	98.11	98.17	1.89	1.83	Investment
Christy Home Textiles Limited (CHTL) (Held through CHTHL)	U.K.	98.11	98.17	1.89	1.83	Investment
Christy Welspun GmbH (Held through CWG)	Germany	98.11	98.17	1.89	1.83	Trading in Home Textile Product
Welspun UK Limited (WUKL) (Held through CHTL)	U.K.	98.11	98.17	1.89	1.83	Trading in Home Textile Product
Christy 2004 Limited (Held through WUKL)	U.K.	98.11	98.17	1.89	1.83	Trading in Home Textile Product
Christy Lifestyle LLC (Held through WUKL)	U.S.A.	98.11	98.17	1.89	1.83	Trading in Home Textile Product
Christy UK Limited (CUKL) (Held through CHTL)	U.K.	98.11	98.17	1.89	1.83	Trading in Home Textile Product
ER Kingsley (Textiles) Limited (Held through CHTL)	U.K.	98.11	98.17	1.89	1.83	Trading in Home Textile Product
Welspun Mauritius Enterprises Limited (WMEL)	Mauritius	98.03	98.03	1.97	1.97	Investment
Novelty Home Textiles S A DE C V (Held through WMEL)	Mexico	98.03	98.03	1.97	1.97	Manufacturing of Textile Products
Welspun Zucchi Textiles Limited (WZTL)	India	100.00	100.00	-	-	Manufacturing of bathrobes
Welspun Flooring Limited (WFL)	India	100.00	100.00	-	-	Manufacturing of Home Textile Product
Welspun Advanced Materials Limited (WAML)*	India	100.00	-	-	-	Manufacturing of Home Textile Product
Welspun Nexgen Inc. (WNI)	U.S.A.	100.00	100.00	-	-	Investment
TILT Innovations Inc. (TII)** (Held through WUSA)	U.S.A.	98.68	-	1.32	-	Trading in Innovative Home Textile Product

* On September 06, 2018, Welspun Advanced Materials Limited (WAML) was Incorporated as 100% Subsidiary Company.

** On January 22, 2019, TILT Innovations Inc. (TII) became 100% Subsidiary of Welspun USA Inc.(WUSA)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for Welspun Captive Power Generation Limited that has non-controlling interests that is material to the group.The amounts disclosed for subsidiary is before inter-company eliminations.

₹ in Million

Summarised Balance Sheet	Welspun Captive Power Generation Limited	
	As at March 31, 2019	As at March 31, 2018
Current assets	1,969.02	1,048.20
Current liabilities	1,000.77	205.21
Net current assets	**968.25**	**842.99**
Non-current assets	2,053.36	2,046.25
Non-current liabilities	239.06	1,089.66
Net non-current assets	**1,814.30**	**956.59**
Net assets	**2,782.55**	**1,799.58**
Accumulated NCI	**639.99**	**413.91**

₹ in Million

Summarised statement of profit and loss	Welspun Captive Power Generation Limited	
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Revenue	4,649.07	3,634.85
Profit for the year	**984.53**	**540.50**
Other comprehensive income (Loss)	(1.56)	0.14
Total comprehensive income	**982.97**	**540.64**
Profit allocated to NCI	160.88	124.32
Dividends paid to NCI	-	-

₹ in Million

Summarised cash flows	Welspun Captive Power Generation Limited	
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Cash flows from operating activities	534.35	700.40
Cash flows from investing activities	(399.17)	(213.54)
Cash flows from financing activities	(103.52)	(460.20)
Net increase/ (decrease) in cash and cash equivalents	**31.66**	**26.66**

(c) Transactions with non-controlling interests

The Group had 77% stake in Welspun Captive Power Generation Limited on April 1, 2018. On November 15, 2018, the group acquired an additional 18% stake for ₹383.77 million. Immediately prior to the purchase, the carrying amount of the existing 18% non-controlling interest was ₹433.15 million. The group recognised a decrease in non-controlling interests of ₹433.15 million and an increase in equity attributable to owners of the parent of ₹49.38 million.

On March 26, 2019, the group sold 18% stake for ₹ 384.20 million. Immediately prior to the purchase, the carrying amount of the existing 18% stake was ₹498.71 million. The group recognised a increase in non-

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controlling interests of ₹497.52 million and a decrease in equity attributable to owners of the parent of ₹114.51 million. The effect on the equity attributable to the owners of The Company is summarised as follows:

₹ in Million

	Year Ended 31 March, 2019
Consideration received from non-controlling interests (Net)	0.43
Carrying amount of non-controlling interests acquired (Net)	65.56
Transfer of share of reserves to non-controlling interests (Net)	(65.13)

Note 30 : Related Party Disclosures

(i) Relationships

(a)	**Enterprises where control exists**		
	Holding Company	Prasert Multiventure Private Limited (PMPL)	
(b)	**Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year**	Welspun Corp Limited (WCL) AYM Syntex Limited (AYMSL) (Formerly known as Welspun Syntex Limited) (WSL) Welspun Enterprises Limited (WENL) Welspun Realty Private Limited (WRPL) RMG Alloy Steel Limited (RMGL) Welspun Steel Limited (WPSL) Welspun Tradings Limited (WTL) Welassure Private Limited (WPL) Welspun Multiventure LLP (WML) Wel-treat Enviro Management Organisation (WEMO) Methodical Investment and Trading Company Private Limited (MITCPL) MGN Agro Properties Private Limited (MGN) Welspun Tradewel Limited (WFL) Welspun Foundation for Health and Knowledge (WFHK) Welspun Orissa Steel and Power Limited (WOSPL) Technopak Advisors Private Limited (TAPL) Welspun Global Brand Limited Employees Gratuity Fund (WGBLGF) Welspun India Limited Employees Gratuity Fund (WILGF)	
(c)	**Key Management Personnel**	**Name**	**Nature of relationship**
		Balkrishan Goenka (BKG)	Director & Chairman
		Rajesh R. Mandawewala (RRM)	Managing Director
		Dipali Goenka (DBG)	CEO & Joint Managing Director
		Arun Todarwal (AT)	Independent Director
		Arvind Singhal (AS)	Independent Director
		Padma Betai	Independent Director (till September 29,2018)
		Ram Gopal Sharma (RGS)	Independent Director (till October 22, 2018)
		Pradeep Poddar (PP)	Independent Director
		Anisha Motwani (AM)	Independent Director (wef October 22, 2018)
		Shalil Awale (SA)	Independent Director (w. e. f. September 29,2018)
		Altaf Jiwani (AJ)	Chief Financial Officer
		Shashikant Thorat (ST)	Company Secretary
(d)	**Relatives of Key Management Personnel**	Radhika Goenka (RBG) Vanshika Goenka (VBG)	

(ii) Terms and conditions

- All outstanding balances are unsecured and repayable in cash.

Related Party Disclosures

PARTICULARS	Holding Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year												Total c/f
	PMPL	WCL	AYMSL	WENL	WRPL	RMGL	WPSL	WTL	WPL	WML	WEMO	MITCPL	MGN	
Transactions during the year														
Loans, Advances and Deposits given	-	0.02	-	-	-	-	-	-	-	0.70	-	-	-	0.72
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loans, Advances and Deposits given	-	-	-	-	17.46	-	-	-	-	-	-	-	-	17.46
	-	-	-	-	(17.17)	-	-	-	-	-	-	-	-	(17.17)
Purchase of Goods (Including Taxes)	-	224.28	447.77	-	-	-	1,110.44	-	0.90	-	-	-	-	1,783.39
	-	(10.11)	(796.48)	-	-	-	(250.77)	-	-	-	-	-	-	(1,057.36)
Purchase of Services/ Expenses incurred	-	17.77	-	0.41	46.18	-	8.76	-	-	0.08	-	-	0.04	73.24
	-	(74.13)	-	-	(47.92)	-	(8.55)	-	-	-	-	-	(0.04)	(130.64)
Sale of Goods/ DEPB Licenses *	-	452.47	0.16	12.86	-	0.76	1,368.28	0.09	-	-	-	-	-	1,834.62
	-	(642.74)	(25.14)	(1.05)	-	-	(81.74)	-	-	-	-	-	-	(750.67)
Sale of Services/ Expenses incurred	1.04	10.47	-	0.09	-	0.03	0.41	-	-	-	-	-	-	12.04
	-	(9.86)	-	-	-	-	(0.04)	-	-	-	-	-	-	(9.90)
Purchase of Fixed Assets / Capital Goods	-	39.48	-	-	-	-	-	-	-	-	-	-	-	39.48
	-	(13.44)	-	-	-	-	-	-	-	-	-	-	-	(13.44)
Remuneration and Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Shares of Subsidiary	-	383.77	-	-	-	-	-	-	-	-	-	-	-	383.77
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Shares of Subsidiary	-	384.19	-	-	-	-	-	-	-	-	-	-	-	384.19
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	441.40	-	-	-	-	-	-	-	-	-	-	-	-	441.40
	(441.40)	-	(0.01)	-	-	-	-	-	-	-	-	(0.05)	-	(441.46)
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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PARTICULARS	Holding Company	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year												Total c/f
	PMPL	WCL	AYMSL	WENL	WRPL	RMGL	WPSL	WTL	WPL	WML	WEMO	MITCPL	MGN	
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance														
Loans, Advances and Deposits received (including interest accrued but not due)	-	398.27	-	-	-	-	-	-	-	-	-	-	-	398.27
	-	(598.27)	-	-	-	-	-	-	-	-	-	-	-	(598.27)
Loans, Advances and Deposits given (including interest accrued on loan)	1.04	0.02	-	0.09	181.68	-	-	-	-	0.70	75.00	-	-	258.53
	-	(1.36)	-	(1.18)	(196.14)	-	-	-	-	-	(75.00)	-	-	(273.68)
Trade Receivables (Net of Bills Discounted with Banks)	-	4.88	-	2.11	-	-	371.77	0.09	-	-	-	-	-	378.85
	-	(68.68)	-	-	-	-	(8.97)	-	-	-	-	-	-	(77.65)
Trade and Other Payables	-	5.11	0.15	-	-	-	73.73	-	0.04	-	-	-	-	79.03
	-	-	(66.55)	(0.41)	-	-	(15.09)	-	-	-	-	-	-	(82.05)
Investments	-	-	10.16	-	-	-	-	-	-	-	-	-	-	10.16
	-	-	(17.05)	-	-	-	-	-	-	-	-	-	(194.84)	(211.89)

PARTICULARS	Total b/f					Key Management Personnel **										Relatives of Key Management Personnel		Post-employment Benefit Plan		TOTAL
		WFL	WFHK	WOSPL	TAPL	BKG	RRM	DBG	AT	AS	RGS	PP	AM	AJ	ST	RBG	VBG	WGBLGF	WILGF	
Transactions during the year																				
Loans, Advances and Deposits given	0.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.72
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loans, Advances and Deposits given	17.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.46
	(17.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.17)
Purchase of Goods (Including Taxes)	1,783.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,783.39
	(1,057.36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,057.36)
Purchase of Services/ Expenses incurred	73.24	-	-	-	0.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73.53
	(130.64)	-	-	-	(0.43)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(131.07)
Sale of Goods/ DEPB Licenses *	1,834.62	-	0.58	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,835.21
	(750.67)	-	(0.41)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(751.08)
Sale of Services/ Expenses incurred	12.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.04
	(9.90)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.90)
Purchase of Fixed Assets / Capital Goods	39.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.48
	(13.44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.44)
Remuneration and Commission	-	-	-	-	-	15.23	32.29	63.12	-	-	-	-	-	28.50	4.39	-	3.00	-	-	146.53
	-	-	-	-	-	(38.69)	(55.99)	(82.74)	-	-	-	-	-	(29.29)	(4.04)	-	(2.47)	-	-	(213.22)
Director Sitting Fees	-	-	-	-	-	-	-		1.20	0.29	0.40	1.11	0.14	-	-	-	-	-	-	3.14
	-	-	-	-	-	-	-		(0.89)	(0.21)	(0.82)	(0.63)	-	-	-	-	-	-	-	(2.55)
Purchase of Shares of Subsidiary	383.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	383.77
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Shares of Subsidiary	384.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384.19
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid +	441.40	3.53	-	-	-	0.51	-	0.49	-	-	-	-	-	-	-	1.31	-	-	-	447.24
	(441.46)	(3.53)	-	-	-	(0.44)	-	(0.49)	-	-	-	-	-	-	-	(1.31)	-	-	-	(447.23)
Donation	-	-	13.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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PARTICULARS	Total b/f					Key Management Personnel **										Relatives of Key Management Personnel		Post-employment Benefit Plan		TOTAL
		WFL	WFHK	WOSPL	TAPL	BKG	RRM	DBG	AT	AS	RGS	PP	AM	AJ	ST	RBG	VBG	WGBLGF	WILGF	
Corporate Social Responsibility Expenses	-	-	112.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112.50
	-	-	(108.22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(108.22)
Contributions made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.00	74.00	98.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.50)	(65.00)	(78.50)
Closing Balance																				
Loans, Advances and Deposits received	398.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	398.27
(including interest accrued but not due)	(598.27)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(598.27)
Loans, Advances and Deposits given	258.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258.53
(including interest accrued on loan)	(273.68)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(273.68)
Trade Receivables (Net of Bills Discounted with Banks)	378.85	-	0.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	379.43
	(77.65)	-	(0.26)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(77.91)
Trade and Other Payables																				
	79.03	-	-	-	-	15.23	15.23	24.12	-	-	-	-	-	-	-	-	-	-	-	133.61
	(82.05)	-	-	-	-	(38.69)	(38.69)	(52.74)	-	-	-	-	-	-	-	-	-	-	-	(212.18)
Investments	10.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.16
	(211.89)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(211.89)

Note -

(i) Year 2017-18 figures are given in round brackets.

(ii) On March 30, 2019, the Group's subsidiary, Welspun Captive Power Generation Limited's Board has approved the purchase of the 43MW power plant from Welspun Corp Limited at the consideration of ₹ 669 million. The acquisition is expected to be completed by May 31, 2019.

* Amount is inclusive of taxes

** As the liabilities for defined benefit plans and compensated absences are provided on acturial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.

+ Dividend paid of Financial Year 2017-18

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Note 31 : Capital & Other Commitments

(a) Capital commitments:

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	2,417.68	2,235.11

Note - On March 30, 2019, the Group's subsidiary, Welspun Captive Power Generation Limited's Board has approved the purchase of the 43MW power plant from Welspun Corp Limited at the consideration of ₹ 669 million. The acquisition is expected to be completed by May 31, 2019.

(b) Other Commitments

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Amount of Export Commitments / Obligation in accordance with the EPCG Scheme. Duty saved ₹ 675.59 million	4,053.54	-
Future commitments towardsMinimum royalties, image fund fees, and merchandise coordinator fees against trademark licensing agreements	280.77	208.56

Note 32 :

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2019 and March 31, 2018 since, the entity neither has enforceable right or an intent to settle on net basis or to realise the asset and settle the liability simultaneously. Further, the Group has no enforceable master netting arrangements and other similar arrangements as at March 31, 2019 and March 31, 2018.

Note 33 : Earnings per Share

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Profit available for Equity Shareholders (A) (₹ million)	2,098.32	3,849.67
Number of Equity Shares for Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (B)	1,004,724,050	1,004,724,050
Weighted Number of diluted equity shares outstanding during the year (C)	1,004,724,050	1,004,724,050
Basic earnings per share (A)/(B) (₹)	2.09	3.83
Diluted earnings per share (A)/(C)(₹)	2.09	3.83
Nominal value of an equity share (₹)	1.00	1.00

Note 34 : Leases

Where the Group is a lessee:

Operating Lease

The Group , some of its subsidiaries and it's jointly controlled entity have taken various residential, office premises, godowns, equipment and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

₹ in Million

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	216.02	235.30
Later than 1 year and not later than 5 years	531.74	646.80
Later than 5 years	15.50	93.17

The aggregate rental expenses of all the operating leases for the year are ₹ 489.04 million (FY 2017-18:₹ 453.72 million).

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

Note 35 : Contingent Liabilities:

a. Description on matters considered as contingent liabilities :

₹ in Million

Description	As at March 31, 2019	As at March 31, 2018
Excise, Customs and Service Tax Matters	40.38	318.24
Stamp Duty Matter	4.74	4.74
Sales Tax Matters	16.87	16.87
Income Tax Matters	207.74	180.81
Claims against the group not acknowledged as debts	62.86	52.24

(i) It is not practicable to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

Note 36 : Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Material Consumption	157.36	175.56
Employee benefits expenses	82.39	113.86
Others	90.14	146.32
Total	**329.89**	**435.74**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

₹ in Million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Plant and Machinery*	73.88	31.28
Total	**73.88**	**31.28**

* Includes other direct costs like employee benefit expenses and others of ₹ 41.13 million capitalised during the In accordance with Indian accounting Standard.

Note 37: Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective

Ind AS 116 - Leases

Ind AS 116 Leases was notified by MCA on March30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The Group has evaluated the requirements of the amendment and the effect on the financial statements. On adoption of said standard, ₹ 987.53 million will be recognized as lease liability as well as an asset representing right to use the underlying asset during lease term.

Ind AS 12 - Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The Group does not expect any significant impact of the amendment on its consolidated financial statements.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. The Group does not expect this amendment to have any impact on its consolidated financial statements.

Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Amendments to Ind AS 111: Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply to future transactions.

Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply in future.

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. These amendments are currently not applicable to the Group but may apply in future.

Note 38 : Additional information mandated by Schedule III of the Companies Act, 2013 regarding Subsidiary companies considered in the consolidated financial statements:

Name of Entity	Net assets / (liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Parent								
Welspun India Limited								
31 March, 2019	87.35%	24,895.91	62.68%	1,417.66	-4.98%	(25.10)	50.35%	1,392.56
31 March, 2018	91.58%	24,290.71	76.37%	3,041.08	-2.56%	25.57	102.80%	3,066.65
Subsidiaries								
Indian								
Welspun Global Brands Limited								
31 March, 2019	12.82%	3,653.15	15.39%	347.98	126.54%	637.87	35.64%	985.85
31 March, 2018	10.06%	2,667.31	11.65%	463.94	97.95%	(978.46)	-17.25%	(514.52)

Notes
To The Consolidated Financial Statements For The Year Ended March 31, 2019

Name of Entity	Net assets / (liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
Welspun Zucchi Textiles Limited								
31 March, 2019	0.37%	106.47	0.13%	2.96	0.00%	-	0.11%	2.96
31 March, 2018	0.39%	103.51	0.10%	3.92	0.00%	-	0.13%	3.92
Welspun Flooring Limited								
31 March, 2019	2.04%	581.74	-2.05%	(46.39)	0.00%	-	-1.68%	(46.39)
31 March, 2018	2.84%	753.54	-0.30%	(11.89)	0.00%	-	-0.40%	(11.89)
Welspun Advance Materials Limited								
31 March, 2019	0.00%	(0.40)	-0.02%	(0.50)	0.00%	-	-0.02%	(0.50)
31 March, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Besa Developers and Infrastructure Private Limited								
31 March, 2019	-0.05%	(14.43)	0.00%	0.03	0.00%	-	0.00%	0.03
31 March, 2018	-0.05%	(14.46)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Anjar Integrated Textile Park Developers Private Limited								
31 March, 2019	0.00%	(0.18)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
31 March, 2018	0.00%	(0.15)	-0.01%	(0.25)	0.00%	-	-0.01%	(0.25)
Welspun Anjar SEZ Limited								
31 March, 2019	8.14%	2,319.66	-0.34%	(7.70)	0.00%	-	-0.28%	(7.70)
31 March, 2018	8.06%	2,137.09	-0.31%	(12.39)	0.00%	-	-0.42%	(12.39)
Welspun Captive Power Generation Limited								
31 March, 2019	9.76%	2,782.56	43.53%	984.53	-0.31%	(1.56)	35.54%	982.97
31 March, 2018	6.78%	1,799.59	13.57%	540.53	-0.02%	0.15	18.13%	540.68
Foreign								
Welspun Holdings Private Limited								
31 March, 2019	2.69%	767.52	-0.03%	(0.72)	0.00%	(0.02)	-0.03%	(0.74)
31 March, 2018	1.70%	451.57	-0.02%	(0.66)	-0.03%	0.33	-0.01%	(0.33)
Welspun Home Textiles UK Limited								
31 March, 2019	2.28%	650.44	-0.01%	(0.33)	0.75%	3.79	0.13%	3.46
31 March, 2018	1.25%	330.27	-0.01%	(0.37)	3.06%	(30.61)	-1.04%	(30.98)
Welspun Mauritius Enterprises Limited								
31 March, 2019	0.19%	53.62	0.02%	0.53	0.00%	(0.01)	0.02%	0.52
31 March, 2018	0.20%	53.10	0.00%	(0.11)	0.00%	-	0.00%	(0.11)
Novelty Home Textiles S A DE C V								
31 March, 2019	0.00%	-	0.17%	3.89	-0.01%	(0.04)	0.14%	3.85
31 March, 2018	-0.01%	(3.86)	0.00%	-	0.01%	(0.13)	0.00%	(0.13)

Name of Entity	Net assets / (liabilities) i.e., total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets / (liabilities)	Amount (₹ million)	As a % of consolidated profit / (loss)	Amount (₹ million)	As a % of consolidated other comprehensive income	Amount (₹ million)	As a % of consolidated total comprehensive income	Amount (₹ million)
CHT Holdings Limited*								
31 March, 2019	0.64%	181.18	-19.82%	(448.28)	0.59%	2.98	-16.10%	(445.30)
31 March, 2018	1.17%	309.77	-2.32%	(92.31)	2.90%	(28.97)	-4.07%	(121.28)
Welspun USA Inc.*								
31 March, 2019	4.09%	1,166.30	12.47%	282.00	-24.11%	(121.54)	5.80%	160.46
31 March, 2018	3.66%	970.22	0.93%	36.87	1.06%	(10.63)	0.88%	26.24
Welspun Nexgen Inc.								
31 March, 2019	0.95%	271.49	-0.01%	(0.33)	0.23%	1.14	0.03%	0.81
31 March, 2018	1.02%	270.69	0.00%	-	-0.14%	1.39	0.05%	1.39
Inter-company Elimination and Consolidation Adjustments								
31 March, 2019	-33.76%	(9,621.83)	-19.34%	(436.99)	-1.37%	(6.87)	-16.05%	(443.86)
31 March, 2018	-30.41%	(8,062.18)	-2.97%	(118.67)	-4.28%	42.97	-2.54%	(75.70)
Non-controlling Interest in all subsidiaries								
31 March, 2019	2.49%	709.44	7.23%	163.44	2.67%	13.44	6.40%	176.88
31 March, 2018	1.76%	467.00	3.32%	132.25	2.05%	(20.52)	3.75%	111.73
Total								
31 March, 2019	100.00%	28,502.64	100.00%	2,261.75	100.00%	504.08	100.00%	2,765.83
31 March, 2018	100.00%	26,523.72	100.00%	3,981.92	100.00%	(998.91)	100.00%	2,983.01

*Amounts after consolidation with their subsidiaries

Note 39 : Events occurring after the reporting date

(a) The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide it's order pronounced on May 10, 2019 (the "Order") sanctioned the Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL") with Welspun India Limited ("WIL"). The amalgamation of PMPL with WIL is merely a combination of entities and not a "business combination" and hence the amalgamation will be accounted for, effective from the date of filing of the Order with MCA.

(b) Refer Note 27(b) for the final dividend recommended by the board of directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 40 : The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN 00270175

Rajesh Mandawewala
Managing Director
DIN 00007179

Dipali Goenka
CEO and Jt. MD
DIN 00007199

Altaf Jiwani
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place : Mumbai
Date : May 24, 2019

CORPORATE INFORMATION

Board of Directors

Balkrishan Goenka
Chairman

Rajesh Mandawewala
Managing Director

Dipali Goenka
CEO & Joint Managing Director

Arun Todarwal
Independent Director

Anisha Motwani
Independent Director

Pradeep Poddar
Independent Director

Arvind Kumar Singhal
Independent Director

Shalil Mukund Awale
Nominee Director – IDBI Bank

Audit Committee

Arun Todarwal

Rajesh Mandawewala

Pradeep Poddar

Nomination and Remuneration Committee

Balkrishan Goenka

Arun Todarwal

Pradeep Poddar

The Stakeholders' Relationship, Share Transfer and Investor Grievance Committee

Arun Todarwal

Balkrishan Goenka

Rajesh Mandawewala

Corporate Social Responsibility Committee

Arun Todarwal

Rajesh Mandawewala

Dipali Goenka

Company Secretary

Shashikant Thorat

Auditors

S R B C & CO LLP

Corporate Office

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Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
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Fax: 022-24908020
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Website: http://www.welspunindia.com

Works

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Fax: (02836) 279010

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Vapi, Dist. Valsad,
Gujarat – 396 191, INDIA
Tel: (0260) 2437437
Fax: (0260) 2437088

Registered Office

Welspun City, Village Versamedi
Tal. Anjar, Dist. Kutch,
Gujarat – 370 110, INDIA
Tel: (02836) 661111
Fax: (02836) 279010

Stock Exchanges where the Company's securities are listed

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 051

Bankers

Allahabad Bank
Andhra Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
EXIM Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
Indian Bank
Punjab National Bank
State Bank of India
Tamilnad Mercantile Bank Ltd.
Union Bank of India
Yes Bank Ltd.

WELSPUN INDIA
Home Textiles

Welspun India Limited
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www.welspunindia.com
Member of Welspun Group | www.welspun.com

/TheWelspunGroup /WelspunGroup /company/welspun-group

WELSPUN GROUP
Leading Tomorrow Together

HOME TEXTILES | PIPES AND PLATES | INFRASTRUCTURE AND ENERGY

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

WELSPUN INDIA LIMITED

CIN : L17110GJ1985PLC033271
Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110, India.
Tel. No.: +91 2836 661111, Fax No. + 91 2836 279010, Email : CompanySecretary_WIL@welspun.com Website: www.welspunindia.com
Corporate Office : Welspun House, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.
Tel. No. : +91 -22-66136000 Fax: +91-22-2490 8020

ATTENDANCE SLIP

Name of the sole / first named member

Address of sole / first named member:

Registered folio no.
DP ID no. / Client ID no.*

Number of shares held

I hereby record my presence at the 34th Annual General Meeting of the Company held on Monday, August 12, 2019 at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 10:30 a.m.

Signature of Shareholder/ Proxy Present

Note: Members are requested to fill up the attendance slip and hand it over at the venue of the meeting.

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The electronic voting particulars are set out below:

EVEN (E-voting event number)	User ID	Password / PIN

The e-voting period commences on Friday, August 09, 2019 at 9:00 a.m. and ends on Sunday, August 11, 2019 at 5:00 p.m. The e-Voting module shall be disabled by NSDL for voting thereafter.

Please read the instructions before exercising the vote.

These details and instructions form integral part of the Notice dated May 24, 2019 of 34th Annual General Meeting.