

## Directors' Report

To

The Members,  
Welspun India Limited

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2021.

### 1. Financial highlights:

Particulars	₹ Million			
	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
<b>Revenue from Operations (Net)</b>	<b>73,402</b>	<b>67,411</b>	<b>59,563</b>	<b>53,236</b>
Other Income	678	951	832	431
Total Revenue	74,080	68,362	60,395	53,667
<b>EBITDA</b>	<b>14,198</b>	<b>13,098</b>	<b>11,656</b>	<b>10,523</b>
EBITDA Margins (%)	19	19	19	20
Finance Cost	1,975	1,777	1,014	948
Depreciation and amortization	4,536	4,811	3,301	3,881
Profit before exceptional items and tax and share of net profit of Associates	7,686	6,510	-	-
Share of net profit of Associates	1	0	-	-
Profit before exceptional items and tax	7,687	6,510	7,341	5,694
Exceptional items	0	(434)	-	(432)
<b>Profit before tax</b>	<b>7,687</b>	<b>6,944</b>	<b>7,341</b>	<b>6,126</b>
Tax Expense	2,179	1,700	2,074	1,377
<b>Profit after taxation</b>	<b>5,508</b>	<b>5,244</b>	<b>5,267</b>	<b>4,749</b>
<b>Earnings per share (Basic &amp; Diluted)</b> <b>(Nominal value per share ₹ 1)</b>	<b>5.37</b>	<b>5.05</b>	<b>5.24</b>	<b>4.73</b>

### 2. Performance and Outlook:

During the year under review, your Company's total revenue on standalone basis increased to ₹ 59,563 million, increase of 11.88% and on consolidated basis it increased to ₹ 73,402 million, a growth of 8.89% over the previous year. The EBITDA on standalone basis was ₹ 11,656 million i.e. 10.77% higher than last year and on consolidated basis was ₹ 14,198 million i.e. 8.40% higher than last year. Profit before exceptional items and tax was ₹ 7,341 million i.e. 28.93% higher than last year on standalone basis and it was ₹ 7,687 million i.e. 18.08% higher than last year on consolidated basis. Profit after tax ("PAT") is ₹ 5,267 million i.e. 10.91% higher than last year on standalone basis and ₹ 5,508 million i.e. 5.03% higher than last year on consolidated basis. You may refer to 'Management Discussion & Analysis' ("MDA") Section of this Report for further details of your Company's performance.

### 3. Dividend:

#### i. Dividend Distribution Policy:

The Board of Directors approved Dividend Distribution Policy of the Company, as required under Regulation 43A of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("SEBI Regulations 2015"). During the year, the Board amended Dividend Distribution Policy by changing basis of dividend amount from 25% of PAT for a financial year, on standalone basis to 25% of PAT for a financial year, on consolidated basis. Accordingly, the Board will endeavor to achieve distribution of 25% of PAT for a financial year, on consolidated basis, with equity shareholders. 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.

[www.welspunindia.com](http://www.welspunindia.com) under the tab Investors -> Policies

#### ii. Dividend for Financial Year 2020-21:

The Board has recommended dividend of ₹ 0.15 per equity share for the Financial Year ("FY") 2020-21, consequently cash outflow of ₹ 150.71 million i.e. 2.74% of consolidated PAT. Considering cash outflow of ₹ 2 billion on account of Buyback approved completed on July 14, 2021 along with dividend cash outflow of ₹ 150.71 million, payout to shareholders amounts to 39% of consolidated PAT.

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 for 2019-20 and 2018-19)
2020-21	15%	151
2019-20	100%	1,211
2018-19	30%	363

#### 4. Subsidiaries:

During the year FY2020-21, the Company's subsidiary viz. Welspun USA, Inc. (WUSA) acquired 100% share capital of a company called TMG Americas LLP ("TMG") in USA having real-estate residential unit in New York, USA. TMG's residential unit will help smoothen travel planning of its business visitors and reduce lodging cost of WUSA.

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.

[www.welspunindia.com](http://www.welspunindia.com) under the tab Investors -> Policies

#### 5. Auditors and Auditors' Report:

##### i. Statutory Auditors:

Your Company's Auditors, S R B C & CO LLP, who were appointed up to the conclusion of the 37<sup>th</sup> 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 33<sup>rd</sup> Annual General Meeting ratified the appointment of the Auditors for the remaining tenure i.e. upto the 37<sup>th</sup> 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.

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 ₹ 36.31 million.

##### 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 2021-22 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 2020-21 is attached herewith as Annexure - 3 to this Report. As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Secretarial Audit Report for FY 2020-21 of Welspun Global Brands Limited, material unlisted subsidiary company is also attached under Annexure-3.

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 MNB & Co. LLP, Practising Company Secretaries, as the Secretarial Auditor of your Company for the FY 2021-22.

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### 6. Disclosure of Shares held in suspense account:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year		Remarks
No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	
*833	334,570	8	940	8	940	825	333,630	*Multiple folios of single shareholder have been consolidated into one folio for each of such shareholder

### 7. Listing with the Stock Exchanges:

Your Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual listing fees for the FY 2021-22 have been paid to NSE and BSE. The unsecured Commercial Papers outstanding as at March 31, 2021 are listed on the National Stock Exchange of India and the details are as given below:

Subscriber's Name	ISIN	Maturity value (₹)	Maturity Units	Issue date	Maturity date	CP Outstanding on 31.03.2021 (₹)
HDFC Bank Ltd	INE192B14505	50,00,00,000/-	1000	27-Nov-20	27-May-21	50,00,00,000/-
HDFC Bank Ltd	INE192B14513	50,00,00,000/-	1000	30-Dec-20	28-Jun-21	50,00,00,000/-
KOTAK MF	INE192B14521	50,00,00,000/-	1000	05-Mar-21	03-Jun-21	50,00,00,000/-

### 8. Finance:

#### i. Credit Rating:

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

#### ii. Deposits:

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

### 9. Board of Directors:

Your Company's Board comprises of mix of executive and non-executive directors with considerable experience and expertise across a range of fields such as finance, accounts, marketing, brand building, general management and strategy. Except the independent directors, all other directors are liable to retire by rotation as per the provisions of the Act. It is confirmed that, except for Balkrishan Goenka and Ms. Dipali Goenka who are husband and wife, there is no relationship between the directors inter-se. The details of the directors, their meetings held during

the year and the extracts of the Nomination and Remuneration Policy has been given in the Corporate Governance Report, which forms part of this Report.

#### i. Changes in Directors and Key Managerial Personnel:

During the year, there was no change in Board of Directors.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Ms. Dipali Goenka (holding Director Identification Number 00007199) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for her re-appointment.

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

#### ii. Declaration by an Independent Director(s):

Your Company has received declarations from all the independent directors as per the provisions of Section 149(7) of the Act confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on

the date of this Report which may affect their respective status as an independent director.

Your Board confirms that in its opinion the independent directors fulfill the conditions prescribed under the SEBI (LODR), 2015 and they are independent of the management. All the independent directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs (“IICA”), Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Companies Act, 2013.

### iii. Directors’ Evaluation:

#### Background:

Nomination and remuneration committee has laid down the criteria for evaluation of performance of the Board, its committees and the directors.

In compliance with Sections 134, 178 of, and Paras II, V and VIII of Schedule IV to, the Act and Regulation 17 of Para A of Part D of Schedule II to SEBI Regulations 2015,

#### Results:

The evaluation results were discussed at the meeting of Board of Directors, Committees and the Independent Directors meeting. The Directors were satisfied with the overall corporate governance standards, Board performance and effectiveness.

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.

#### Mode of evaluation:

Board assessment is conducted through a structured questionnaire. Each question contains a scale of 0 to 3. The Company has developed an in-house digital platform to facilitate confidential responses to a structured questionnaire. All the directors participated in the evaluation process.

Further, meeting of independent directors was conducted to review the performance of the Board as a whole and that of non-independent directors.

Key parameters	
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Board structure and composition</li> <li>• Board meeting practices (agenda, frequency, duration)</li> <li>• Functions of the Board (Strategic direction etc.)</li> <li>• Quantity, quality &amp; timeliness of information</li> <li>• Board culture and effectiveness</li> <li>• Functioning of Board Committees</li> <li>• Director induction and development programs</li> </ul>
<b>Board Committee</b>	<ul style="list-style-type: none"> <li>• Composition, roles &amp; responsibilities and effectiveness of the committee</li> <li>• Meeting structure and information flow</li> <li>• Contributions to Board decisions</li> </ul>
<b>Independent directors</b>	<ul style="list-style-type: none"> <li>• Independence from company (no conflict of interest)</li> <li>• Independent views and judgement</li> <li>• Objective contribution to the Board deliberations</li> </ul>
<b>Chairperson</b>	<ul style="list-style-type: none"> <li>• Promote effective decision-making</li> <li>• Encourage high quality of constructive debate</li> <li>• Open-minded and listening to the members</li> <li>• Effectively dealing with dissent and work constructively towards consensus</li> <li>• Shareholders’ interest supreme while taking decisions</li> </ul>
<b>Executive Directors</b>	<ul style="list-style-type: none"> <li>• Relevant expertise and commitment</li> <li>• Performance vis-à-vis business budget, peers</li> <li>• Dealing with challenges</li> <li>• Developing leaders</li> </ul>

## Directors' Report

### Board of Directors

Parameters with high evaluation scores:

- Well informed decision-making process and considers interest of all stakeholders
- In-depth understanding about key performance drivers, risks and opportunities
- Strong oversight on quality of financial reporting process & internal financial controls
- Constructive Board culture
- Regular monitoring of actions taken on key decisions

Key focus areas:

- Induction & Continuous training for Independent Directors [Action plan: comprehensive induction toolkit shall be developed for new directors and periodic re-assessment of training needs]
- Enhance governance over succession plan within the organization [Action plan: Successor readiness dashboard and progress update to be shared with NRC at regular intervals.]
- Strive to balance time spent between strategic matters and day-to-day responsibilities
- Formally define/ document roles & responsibilities of the Board and Committees [Action plan: Board Charter, AC Charter, NRC Charter, ESG & CSR Committee charters have been developed]

### Board Committees

Parameters with high evaluation scores:

- Strong oversight on financial reporting process, internal financial controls, compliance with related party transaction regulations and reporting to Board on key control gaps
- Performance monitoring of subsidiaries
- Effective in advising senior executives

Key focus areas:

- Higher time to discuss CSR issues and interaction with operating management on CSR matters

### Key actions taken as a result of previous years evaluation:

- Separate presentation by each business vertical CEOs to the Board
- Formal and dedicated agenda for briefing by Committee Chairperson to the Board on key updates from Committee meetings

Ms. Anisha Motwani and Ms. Dipali Goenka as members of the Committee. Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, ESG & CSR 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.

#### 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:

[www.welspunindia.com](http://www.welspunindia.com) under the tab Investors -> Policies

#### v. Committees of the Board of Directors:

During the year, your Company's Board promoted the Corporate Social Responsibility Committee as ESG & CSR Committee and strengthened its composition by appointing Arun Tadarwal as Chairman and

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

### 10. Loans, Guarantees and Investments:

Information of amounts of investments made, loans given, guarantees given and security provided by your Company as on March 31, 2021 is as given under:

	₹ million
Particulars	Amount
Investments	14,113.09
Loans / Receivables	-
Guarantees	23,087.88
Security	-
<b>Total</b>	<b>37,200.97</b>

Corporate guarantees of GBP 2 million and GBP 8.51 million were issued, to Bank of Baroda, UK and Barclay's Bank respectively, by the Company to secure repayment of working capital facilities availed by CHT Holdings Limited, a subsidiary of your Company.

Similarly, the Company has issued guarantee of ₹ 5 billion in favour of consortium of Bankers led by State Bank of India ("the Consortium") to secure



repayment of working capital facilities extended by the Consortium to Welspun Global Brands Limited (“WGBL”), a subsidiary of your Company. Additionally, the Company has issued guarantee of ₹ 615 million in favour of Citibank N.A., ₹ 900 million in favour of Axis Bank Limited and ₹ 335 million in favour of Citi 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 and ₹ 1.56 billion in favour of Exim Bank Limited to secure term loan facility. The Company issued a guarantee of ₹ 1.20 billion to security trustee of consortium of lenders to WFL consisting of Bank of Baroda and HDFC Bank. Additionally, the Company has issued guarantee of ₹ 500 million in favour of HDFC Bank, ₹ 200 million in favour of Axis Bank Limited and ₹ 750 million in favour of HDFC Bank Limited to secure working capital facilities availed by WFL. Further, the Company has issued guarantee of ₹ 750 million in favour of IDFC First Bank Limited to secure capex facility of WFL.

Your Company’s Board has authorized issue of guarantees of amounts upto ₹ 1.40 billion to Customs Authorities to secure fulfilment of export obligations of Welspun Advanced Materials (India) Limited (“WAMIL”), a wholly owned subsidiary of your Company. Additionally, the Company has issued guarantee in favour of Catalyst Trusteeship

Limited to secure term loan facility for an amount of ₹ 2.48 billion.

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.

## 11. Particulars of contracts or arrangements with related parties:

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

www.welspunindia.com under the tab Investors -> Policies

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.

## 12. Details of Remuneration to Directors and Key Managerial Personnel:

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

(a) the ratio of the remuneration of each Executive Director and Key Managerial Personnel to the median remuneration of the employees of your Company for FY 2020-21 is as given below:

Name and Designation	Remuneration (₹ million)	The percentage increase in remuneration	The ratio of the remuneration to the median remuneration of the employees (No. of times)
Rajesh Mandawewala Managing Director	91.15	16.22	559
Ms. Dipali Goenka CEO and Joint Managing Director	101.18	14.76	621
Sanjeev Sancheti Chief Financial Officer	* 14.62	-	90
Altaf Jiwani Chief Financial Officer	@ 5.19	-@	-@
Shashikant Thorat Company Secretary	3.95	(20.68)	24

\* Joined with effect from July 2, 2020

@ Acted as CFO upto July 1, 2020.

(b) The percentage increase in the median remuneration of employees in FY 2020-21 was 1.70%.

(c) Your Company had 20,430 permanent employees on its payroll as on March 31, 2021.

(d) Average percentage increase in the salaries of employees other than the managerial personnel in FY 2020-21 was NIL. The managerial remuneration increased by 1.53% as a result of increase in Commission payable to Managing Directors and CEO & Joint Managing Director.

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

Altaf Jiwani, Head - Group Executive Office, 54, 02.02.2015, 29.04, B.Tech., MMS, RPG Group, Permanent, 0, No; Amarsinh Dhanwade, Vice President, 42, 20.08.2018, 16.77, MBA, PGDM, L'Oreal, Permanent, 0, No; Amit Mittal, Senior Vice President - Global Sourcing, 45, 18.02.2019, 5.27, MBA, Indo Count Industries Limited, Permanent, 0, No (Former employee); Ashok Kumar Joshi, Executive Director\* & Business Head - Operations, 61, 02.07.2013, 24.71 B.TECH, Donear Industries Limited, Permanent, 0, No; Atul Goel, Senior Vice President, 46, 18.11.2019, 1.36, B.Tech. (Textiles), Trident Limited, Permanent, 0, No (Former employee); Cherian Thomas, President - Advanced Textiles, 50, 02.12.2019, 13.44, B.E. (Mechanical), MBA, Frigoglass, Permanent, 0, No; Chintan Thaker, Senior Vice President - Corporate Affairs and Strategic Planning Cell, 43, 01.04.2003, 10.11, B.Sc., MBA (Marketing), Gujarat Infra Limited, Permanent, 0, No; Dinesh Jain, President - Finance & Accounts, 63, 12.06.2004, 5.81, FCA, Bhilwara Spinners Limited, Permanent, 0.05, No (Former employee); Dipali Goenka, CEO & Joint Managing Director, 51, 01.04.2013, 101.18, B.A. (Psychology), N.A., Contractual, 0.07, Yes; Harsh Vardhan Jajoo, President - MD Office, 51, 14.01.2021, 1.37, CA, Canpack India Private Limited, Permanent, 0, No (Former employee); Kaustubh Sonalkar, Director\* - HCGA, 49, 07.12.2020, 14.93, MBA, Essar Group, Permanent, 0, No; Puesh Ajmani, Senior Vice President - IT, 42, 25.08.2020, 7.35, MBA, PGDM, Square Panda Inc., Permanent, 0, No; Rahul Shandilya, President - Group IT, 50, 08.04.2019, 16.52, B.E., PGDM, Mahindra Group, Permanent, 0, No; Rajendra Mehta, President - HCGA, 51, 19.05.2020, 10.51, MBA, Synergy Capital, Permanent, 0, No; Rajesh Mandawewala, Managing Director, 59, 01.12.1985, 91.15, CA, N.A., Contractual, 0, No; Rajesh Padmanbhan, Director\*-HCGA,

59, 01.02.2016, 77.61, MBA (Finance, HR), Vedanta Group, Permanent, 0, No (Former employee); Sanjay Kanungo, President - Vapi Operations, 53, 23.01.2017, 11.32, B.E. (Mechanical), Trident Limited, Permanent, 0, No; Sanjeev Sancheti, Chief Financial Officer, 53, 02.07.2020, 14.62, CA, SREI Infrastructure Finance Limited, Permanent, 0, No.

\* Not a member of the Board.

- iii. Ms. Dipali Goenka, CEO & Joint Managing Director, who is receiving remuneration and commission from your Company, receives ₹ 30 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 is given in the Annual Return.

### 13. Annual Return:

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at [www.welspunindia.com](http://www.welspunindia.com) under the tab Shareholders Information -> Annual Return FY 20-21.

### 14. Business Responsibility Report (BRR):

SEBI vide Notification No. SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015 had mandated top 500 listed entities, based on market capitalization, to include BRR in the annual report. Since the Company is one of the top 500 listed entities, it is pleased to present its 5<sup>th</sup> BRR for the FY 2020-21 as per SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015 which is a part of this Annual Report.

### 15. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is attached as Annexure - 5 to this Report.

### 16. Corporate Social Responsibility (CSR):

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

The CSR Policy of your Company as approved by the Board of Directors, is hosted on your Company's website and a web link thereto is as given below: [www.welspunindia.com](http://www.welspunindia.com) under the tab Investors -> Policies

The initiatives undertaken by your Company during FY 2020-21 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 - 6 to this Report.

### 17. Internal controls:

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

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

For the year ended March 31, 2021, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

### 18. Risk management:

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

### 19. Corporate Governance:

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

### 20. Management Discussion and Analysis Report:

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

### 21. Vigil mechanism:

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

### 22. Directors' Responsibility Statement:

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2021, 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 2020-21;
- 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



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

### 23. Miscellaneous:

During the year, there was no change in the general nature of business of your Company. No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. No amount was required to be transferred to General Reserve. No share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share. There were no stock options outstanding during the FY 2020-21. 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 cases of sexual harassments were 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 Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014. The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

### 24. Acknowledgements:

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

For and on behalf of the Board of Directors

July 28, 2021  
Mumbai

**Balkrishan Goenka**  
Chairman  
DIN 00270175