Notes

To the Financial Statements for the year ended March 31, 2021

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 14, 2021.

2. Significant Accounting Policies

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

2.1 Basis of preparation of financial statements

The standalone financial statements 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 2.22.

Sale of goods

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

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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.

Rebate / Drawback of Taxes and Duties

In case of sale made by the Company as Support Manufacturer, rebate / drawback of taxes and duties arising from Duty Drawback scheme, Merchandise Rebate / drawback of taxes and duties Scheme and other eligible rebate / drawback of taxes and duties 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 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
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- **Property 3 to 5 years**
- **Plant & Machinery 13 years**
- **Other equipments 3 to 5 years**

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.10 Impairment of non-financial assets.

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

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

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

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

2.8 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.

Export Promotion Capital Goods (EPCG) grant relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are initially recognized / added in the cost of underlying property, plant and equipment and a corresponding liability which is released to the statement of profit and loss based on fulfilment of related export obligations.

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	3 to 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.

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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 115.

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.

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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

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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 be**nefit plans such as gratuity, and
- defined con**tribution 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 S**chemes 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 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

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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 25)

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 14).

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 e 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 20 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 26.

ix) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 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.

x) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

xi) Uncertain tax position and tax related contingency

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

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

xii) Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Note 3 : Property, Plant and Equipment

(₹ 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, 2019										
Opening gross carrying amount	462.59	8,161.28	32,295.37	74.48	200.81	347.00	15.14	238.01	41,794.68	272.95
Additions	4.59	192.20	795.61	1.36	17.40	8.08	-	6.25	1,025.49	960.36
Disposals	(3.19)	-	(236.87)	(5.50)	(1.18)	(0.84)	-	(4.28)	(251.86)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,012.64)
At March 31, 2020 (A)	**463.99**	**8,353.48**	**32,854.11**	**70.34**	**217.03**	**354.24**	**15.14**	**239.98**	**42,568.31**	**220.67**
Depreciation										
At April 1, 2019	-	879.71	14,748.06	39.07	106.18	134.68	12.70	134.23	16,054.63	-
Depreciation charge during the year	-	259.97	3,293.73	11.71	32.68	30.96	-	55.87	3,684.92	-
Disposals	-	-	(206.40)	(4.31)	(1.05)	(0.56)	-	(3.87)	(216.19)	-
At March 31, 2020 (B)	**-**	**1,139.68**	**17,835.39**	**46.47**	**137.81**	**165.08**	**12.70**	**186.23**	**19,523.36**	**-**
Net book value at March 31, 2020 (A-B)	**463.99**	**7,213.80**	**15,018.72**	**23.87**	**79.22**	**189.16**	**2.44**	**53.75**	**23,044.95**	**220.67**
Cost or valuation										
At April 1, 2020										
Opening gross carrying amount	463.99	8,353.48	32,854.11	70.34	217.03	354.24	15.14	239.98	42,568.31	220.67
Additions	68.10	58.70	915.24	17.41	12.33	12.60	-	19.53	1,103.91	879.64
Disposals	(14.93)	(4.34)	(437.54)	(10.14)	(1.68)	(9.14)	-	-	(477.77)	-
Capitalised	-	-	-	-	-	-	-	-	-	(871.06)
At March 31, 2021 (A)	**517.16**	**8,407.84**	**33,331.81**	**77.61**	**227.68**	**357.70**	**15.14**	**259.51**	**43,194.45**	**229.25**
Depreciation										
At April 1, 2020	-	1,139.68	17,835.39	46.47	137.81	165.08	12.70	186.23	19,523.36	-
Depreciation charge during the year	-	263.05	2,747.77	10.94	31.86	29.94	-	25.73	3,109.29	-
Disposals	-	(1.44)	(397.23)	(9.63)	(1.53)	(0.33)	-	-	(410.16)	-
At March 31, 2021 (B)	**-**	**1,401.29**	**20,185.93**	**47.78**	**168.14**	**194.69**	**12.70**	**211.96**	**22,222.49**	**-**
Net book value at March 31, 2021 (A-B)	**517.16**	**7,006.55**	**13,145.88**	**29.83**	**59.54**	**163.01**	**2.44**	**47.55**	**20,971.96**	**229.25**

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 ₹ 10.45 million (Previous Year : ₹ 24.96 million) incurred on in-house Research and Development activities [Refer Note 39]

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(iv) The Company has given certain assets on operating lease, details of which are given below:

(₹ million)

Particulars	March 31, 2021		March 31, 2020	
	Buildings	Plant and Machinery	Buildings	Plant and Machinery
Cost or valuation	124.65	29.04	1.21	29.04
Accumulated depreciation	48.62	27.59	0.36	27.59
Net book value	76.03	1.45	0.85	1.45
Depreciation for the year	1.69	-	0.02	-

Note 4 : Intangible assets

(₹ million)

	Computer Software	Intangible assets under development
Cost or valuation		
At April 1, 2019		
Opening gross carrying amount	695.33	13.58
Additions	45.42	16.34
Discarded	(0.15)	-
Transfers/Capitalised	-	(13.58)
At March 31, 2020 (A)	**740.60**	**16.34**
Amortisation		
At April 1, 2019		
Opening accumulated amortisation	186.75	-
Amortisation charge during the year	134.08	-
Discarded	(0.12)	-
At March 31, 2020 (B)	**320.71**	**-**
Net book value at March 31, 2020 (A-B)	**419.89**	**16.34**
Cost or valuation		
At April 1, 2020		
Opening gross carrying amount	740.60	16.34
Additions	19.51	17.64
Discarded	(277.80)	-
Transfers/Capitalised	-	(13.59)
At March 31, 2021 (A)	**482.31**	**20.39**
Amortisation		
At April 1, 2020		
Opening accumulated amortisation	320.71	-
Amortisation charge during the year	133.25	-
Discarded	(200.71)	-
At March 31, 2021 (B)	**253.25**	**-**
Net book value at March 31, 2021 (A-B)	**229.06**	**20.39**

Note 5 : Non-current equity investment in subsidiaries/ associates

		As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Subsidiaries			
Unquoted			
10,000	(March 31, 2020 : 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, 2020 : 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, 2020 : 50,700) Equity Shares of ₹10 each fully paid up of Welspun Anjar SEZ Limited	2,432.45	2,432.45
23,065,503	(March 31, 2020 : 23,065,503) Equity Shares of ₹10 each fully paid up of Welspun Global Brands Limited	2,281.80	2,281.80
22,744,215	(March 31, 2020 : 22,744,215) Equity Shares of ₹10 each fully paid up of Welspun Captive Power Generation Limited	801.66	801.66
742	(March 31, 2020 : 742) Equity Shares of USD 100 each fully paid up of Welspun USA Inc.	182.51	182.51
1,500	(March 31, 2020 : 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, 2020 : 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, 2020 : 65,000,000) Equity Shares of ₹10 each fully paid up of Welspun Flooring Limited [Refer Note 30]	2,500.00	2,500.00
4,250	(March 31, 2020 : 4,250) Equity Shares of USD 1,000 each fully paid up of Welspun Nexgen Inc.	269.30	269.30
	Less : Provision for impairment	269.30	269.30
		-	-
260,000	(March 31, 2020 : 260,000) Equity Shares of ₹10 each fully paid up of Welspun Innovative Products Limited (formerly Welspun Advanced Materials Limited)	2.60	2.60
33,010,000	(March 31, 2020 : 10,000) Equity Shares of ₹10 each fully paid up of Welspun Advanced Materials (India) Limited [Refer Note 30]	330.10	0.10
261	(March 31, 2020 : 261) Equity Shares of USD 100 each fully paid up of Pure Sense Organics Myanmar Limited	7.23	7.23
	Less : Provision for impairment	7.23	-
		-	**7.23**
Associate			
4,800	(March 31, 2020: Nil) Equity Shares of ₹10 each fully paid up of Welassure Private Limited	2.94	-
		8,656.12	**8,330.41**
Equity Component of investment in debentures of subsidiaries			
349,641,044	(March 31, 2020 : 71,438,385) 0% Compulsorily Convertible Debentures of ₹ 10 each of Welspun Flooring Limited [Refer Note (i) below and Note 30]	3,496.40	714.38
40,000,000	(March 31, 2020 : Nil) 0% Compulsorily Convertible Debentures of ₹ 10 each of Welspun Advanced Materials (India) Limited [Refer Note (ii) below]	400.00	-
Equity Share Application pending allotment			
	Pure Sense Organics Myanmar Limited	2.79	-
	Less : Provision for impairment	2.79	-
		-	-
Total		**12,552.52**	**9,044.79**

Notes:

(i) Out of total debenture investment in Welspun Flooring Limited, ₹ 1,564.39 million is out of conversion of loan given and interest accrued thereon.

(ii) Out of total debenture investment in Welspun Advanced Materials (India) Limited, ₹ 120 million is out of conversion of loan given.

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Note 6 : Financial assets

6 (a) - Non-current investment

		As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Investment in equity shares (fully paid up)			
i) Quoted - Equity investment at FVOCI			
283,500	(March 31, 2020 : 283,500) Equity Shares of ₹ 10 each of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	13.14	4.59
80	(March 31, 2020 : 80) Equity Shares of ₹ 1 each of Khaitan Chemicals and Fertilizers Limited	*	*
ii) Unquoted - Equity investment at FVPL			
1,900	(March 31, 2020: Nil) Equity Shares of ₹10 each fully paid up of Welspun Global Services Limited	0.02	-
Total (equity instruments)	**(A)**	**13.16**	**4.59**
Investment in preference shares (fully paid)			
Unquoted - Preference shares at amortised cost			
-	(March 31, 2020 : 13,464,800) 0% Redeemable Cumulative Preference Shares of ₹10 each of Welspun Global Brands Limited	-	123.68
1,389,575	(March 31, 2020 : 1,389,575) 0% Redeemable Preference Shares of ₹10 each of Welspun Global Brands Limited	943.66	868.51
Unquoted - Preference shares at FVPL			
1,000,000	(March 31, 2020 : 1,000,000) 1% Redeemable Cumulative Preference Shares of ₹10 each of Welspun Global Brands Limited	6.87	5.82
-	(March 31, 2020 : 75,818,663) 10% Non-cumulative Redeemable Preference Shares of ₹10 each of Welspun Captive Power Generation Limited	-	733.61
71,042,000	(March 31, 2020 : 71,042,000) 7% Non-cumulative Non-convertible Redeemable Preference Shares of ₹ 10 each of Welspun Anjar SEZ Limited	567.36	501.89
720	(March 31, 2020 : Nil) 7% Non-convertible Preference Shares of USD 100 each fully paid up of Pure Sense Organics Myanmar Limited	5.39	-
	Less : Provision for impairment	5.39	-
		-	**-**
Total (preference shares)	**(B)**	**1,517.89**	**2,233.51**
Others - FVPL	**(C)**	0.32	0.32
Total	**(A+B+C)**	**1,531.37**	**2,238.42**
	Aggregate amount of quoted investments and market value thereof	13.16	4.59
	Aggregate amount of unquoted investments	1,518.21	2,233.83
	Aggregate amount of impairment in the value of Investments	5.39	-

* Amount is below the rounding norms adopted by the Company

6 (a) - Current investments

		As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Investment in bonds at FVPL (unquoted)			
-	(March 31, 2020 : 80) 8.91% Nagpur Seoni Express Way Limited 01/02/2027 Bonds of Face Value of ₹1,00,000 each	-	7.80
58	(March 31, 2020 : 58) 9.10% Reliance General Insurance Company Limited 17/08/2026 Bonds of Face Value of ₹ 1,000,000 each	29.20	28.40
Investment in mutual funds at FVPL (unquoted)			
-	(March 31, 2020 : 4,641,707) ICICI Prudential Overnight Fund Direct Plan-Growth	-	500.14
-	(March 31, 2020 : 91,705) HDFC Liquid Fund-Direct Plan-Growth Option	-	358.25
-	(March 31, 2020 : 172,743) HDFC Overnight Fund-Direct Plan-Growth Option	-	512.89
-	(March 31, 2020 : 156,950) SBI Overnight Fund Direct Growth	-	510.67
-	(March 31, 2019 : 96,528) SBI Liquid Fund Direct Growth	-	300.11
Total		**29.20**	**2,218.26**
	Aggregate amount of unquoted investments	29.20	2,218.26

6 (b) - Non-current loans

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Unsecured		
Considered doubtful		
Loans to related parties [Refer Note 30 (ii)]	15.56	15.56
Less : Allowance for Doubtful Loans	15.56	15.56
	-	-
Loan to employees	1.90	0.67
Total	**1.90**	**0.67**

6 (b) - Current loans

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Loans to related parties (unsecured) [Refer Note 30 (ii) and Note 5 (i)]	-	95.00
Loan to employees	4.50	2.83
Total	**4.50**	**97.83**

6 (c) - Other non-current financial assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Security Deposits to Related Parties [Refer Note 30 (ii)]	19.84	50.69
Security Deposits to Others	141.30	122.06
Advances Recoverable in Cash		
- Considered Doubtful	-	43.50
	-	43.50
Less : Allowance for Doubtful Advances	-	43.50
	-	-
Government Grants Receivable	-	610.23
Fixed deposits with Banks with maturity period more than twelve months	0.63	45.40
Margin Money Deposit Accounts	3.01	2.01
Interest Accrued on Fixed Deposits	0.02	21.64
Guarantee Commission Receivable from Related Parties	-	33.71
Total	**164.80**	**885.74**

Notes
To the Financial Statements for the year ended March 31, 2021

6 (c) - Other non-current financial assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Security Deposits to Related Parties [Refer Note 30 (ii)]	56.89	10.18
Security Deposits to Others	18.54	1.40
Advances to Related Parties [Refer Note 30 (ii)]	120.48	84.78
Government Grants Receivable	2,249.64	1,515.04
Technology Upgradation Fund Credit Receivable	259.43	916.22
Interest Receivable under Subvention Scheme	12.68	5.32
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	150.52
Interest Accrued on loan given to related parties [Refer Note 30 (ii)]	-	0.38
Interest Accrued on Fixed Deposits/ Others	2.35	13.36
Insurance Claim Receivable	0.50	0.03
Total	**2,720.51**	**2,697.23**

6 (d) - Trade receivables

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Receivables from related parties [Refer Note 30 (ii)]	6,805.38	7,292.35
Receivables from others	696.04	259.71
Less : Impairment allowance	(13.32)	(9.56)
Total receivables	**7,488.10**	**7,542.50**
Current portion	7,488.10	7,542.50
Non-current portion	-	-
Break-up of security details		
Unsecured, considered good	7,488.10	7,542.50
Trade receivables which has significant increase in credit risk	-	-
Trade receivables-credit impaired	13.32	9.56
Total	**7,501.42**	**7,552.06**
Impairment allowance	13.32	9.56
Total trade receivables	**7,488.10**	**7,542.50**

6 (e) - Cash and cash equivalents

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Balances with banks		
- In current accounts	1,714.10	606.34
Fixed deposits with Banks with original maturity period of less than three months	44.51	5.71
Cash on Hand	0.21	0.35
Cheques on Hand	10.00	-
Total	**1,768.82**	**612.40**

6 (f) - Bank balances other than cash and cash equivalents

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Other Bank balances		
- Fixed deposits	440.77	157.23
- Unpaid dividend account [Refer note (a) below]	25.30	27.08
Total	**466.07**	**184.31**

Notes:

(a) These are restricted bank balances. The restrictions are on account of balances held in unpaid dividend bank accounts.

Note 7 : Non-current tax assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Non-current tax assets	377.90	571.29
Total	**377.90**	**571.29**

Note 8 : Other non-current assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Capital Advances to Related Parties [Refer Note 30 (ii)]	45.33	19.00
Capital Advances to Others	69.00	160.08
- Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	2.19	2.19
- Considered Doubtful	7.72	7.72
	9.91	**9.91**
Less : Provision for Doubtful Balances	7.72	7.72
	2.19	**2.19**
Total	**116.52**	**181.27**

Note 8 : Other current assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Balances with Customs, Excise, Sales Tax and other Government Authorities		
- Considered Good	435.44	889.05
Prepaid Expenses	74.83	95.01
Advance to Vendors		
- Considered Good	938.92	535.45
- Considered Doubtful	3.58	-
	942.50	**535.45**
Less : Provision for Doubtful Advances	3.58	-
	938.92	**535.45**
Advance to Employees	2.35	7.76
Total	**1,451.54**	**1,527.27**

Note 9 : Inventories (at lower of cost or net realisable value)

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Raw Materials (Includes in transit ₹ 274.73 million; March 31, 2020 : ₹ 235.12 million)	5,781.91	4,735.04
Work-in-Progress	3,434.85	3,150.07
Finished Goods	938.46	2,033.91
Packing Materials	179.24	180.83
Stores, Spares, Dyes and Chemicals	386.36	464.34
Total	**10,720.82**	**10,564.19**

Notes:

Cost of inventories recognised as (income)/ expense of (₹ 165.78) million (Previous year: ₹ 180.83 million) is in respect of write down of inventories.

Notes

To the Financial Statements for the year ended March 31, 2021

Note 10 : Equity share capital and other equity

10 (a) - Equity share capital

(i) Authorised equity share capital

	Number of Shares	Amount (₹ million)
As at April 1, 2019	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2020	**1,555,000,000**	**1,555.00**
Increase during the year	-	-
As at March 31, 2021	**1,555,000,000**	**1,555.00**

Equity Shares of ₹ 1 each (March 31, 2020 : ₹ 1 each)

(ii) Issued equity share capital

	Number of Shares	Amount (₹ million)
As at April 1, 2019	**1,004,725,150**	**1,004.73**
As at March 31, 2020	**1,004,725,150**	**1,004.73**
As at March 31, 2021	**1,004,725,150**	**1,004.73**

Equity Shares of ₹ 1 each (March 31, 2020 : ₹ 1 each fully paid up)

(iii) Shares held by parent

	As At March 31, 2021		As At March 31, 2020	
	Number of Shares	Amount (₹ million)	Number of Shares	Amount (₹ million)
Equity Shares:				
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	694,465,432	694.47	683,302,903	683.30
	694,465,432	**694.47**	**683,302,903**	**683.30**

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As At March 31, 2021		As At March 31, 2020	
	Number of Shares	%	Number of Shares	%
Equity Shares:				
Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	694,465,432	69.12	683,302,903	68.01

(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, 2020 : ₹ 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

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
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	1,474.77	1,474.72
Add : Additions during the year	-	0.05
Balance as at the end of the year	**1,474.77**	**1,474.77**
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**

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
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	21,163.89	17,983.99
Add : Profit for the year	5,266.70	4,748.92
	26,430.59	**22,732.91**
Add : Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(40.84)	(5.66)
Dividends		
Interim dividend on Equity Shares for the year	-	1,004.73
Dividend distribution tax on Interim dividend on Equity Shares	-	206.56
Final dividend on Equity Shares	-	301.42
Dividend distribution tax on Final dividend on Equity Shares	-	61.97
Balance as at the end of the year	**26,471.43**	**21,163.89**
Total	**32,374.09**	**27,066.55**

10 (c) - Other Reserve

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
FVOCI - Equity investments		
Balance as at the beginning of the year	(1.00)	4.57
Add : Change in fair value of FVOCI equity instrument (Refer Note (e) below)	8.55	(5.57)
Balance as at the end of the year	**7.55**	**(1.00)**

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.

(b) Capital Reserve

Out of total, Capital Reserve of ₹1,426.59 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.

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 accounted as combination of entities, and not a ""business combination"", with effective date of May 21, 2019 (date on which the order was filed with the Ministry of Corporate Affairs). The said accounting has no significant impact on these financial results.

(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.

Notes

To the Financial Statements for the year ended March 31, 2021

Note 11 : Financial liabilities

11 (a) - Non-current borrowings

Sr. No.	Particulars	Maturity Date	Terms of Repayment	As at March 31, 2021		As at March 31, 2020	
				Coupon/ Interest Rate* (%)	Amount (₹ million)	Coupon/ Interest Rate* (%)	Amount (₹ million)
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 March 2023.	Repayable in 30 quarterly instalments commencing from January 2016.	-	-	9.31	5,370.55
(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 September 2024.	Repayable in 31 quarterly instalments commencing from March 2017	8.10	2,096.64	8.82	2,668.06
(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 June 2025.	Repayable in 30 quarterly instalments commencing from February 2018	7.50	615.04	9.20	679.63
(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 June 2024.	Repayable in 26 quarterly instalments commencing from March 2018	7.35	912.64	9.07	1,553.82
(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 June 2022.	Repayable in 16 quarterly instalments commencing from September 2018	-	-	9.35	57.00
	Total Non-current borrowings				**3,624.32**		**10,329.06**
	Less : Current maturities of long-term debt [included in Note 11 (b)]				991.48		2,568.94
	Less : Interest accrued but not due [included in Note 11 (b)]				24.36		93.35
	Non-current borrowings (as per balance sheet)				**2,608.48**		**7,666.77**

* The rate of interest on the Non-current borrowings in the table above are in the range of 7.35 % to 8.10% (March 31, 2020 : 8.75% to 9.70%). These loans are eligible for Central and State Government Interest Subsidies/ Rebates.

11 (a) - Current borrowings

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Secured:		
Measured at amortised cost		
- Working Capital Loans from Banks [Refer Note (i) below]	5,903.20	10,297.03
Unsecured:		
Measured at amortised cost		
- Working Capital Loans from Banks	2,000.00	-
- Supplier financing [Refer Note (ii) below]	940.85	2,065.69
- Commercial Paper [Refer Note (iii) below]	1,500.00	-
Total current borrowings	**10,344.05**	**12,362.72**

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.

(iii) Commercial paper is an unsecured short term debt instrument issued by the Company generally for the period up to 181 days to meet the regular working capital requirements.

(iv) The rate of interest on the current borrowings are in the range of 4.75% to 7.90% (March 31, 2020 : 6.15% to 9%)

11 (b) - Other non-current financial liabilities

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Security deposits	0.02	0.04
Financial guarantee obligation	-	33.71
Total	**0.02**	**33.75**

11 (b) - Other current financial liabilities

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks [Refer Note 11(a)]	991.48	2,568.94
Interest Accrued but not due on Borrowings	24.36	93.35
Security Deposits	131.89	170.45
Creditors for Capital Purchases	108.57	144.67
Mark-to-Market loss (Net) on Forward/ Swap Contracts	0.67	-
Unpaid dividends	25.30	27.08
Other Payables	0.08	15.02
Total	**1,282.35**	**3,019.51**

11 (c) - Trade payables

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 38]	332.55	84.43
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	6,042.29	5,740.97
Total	**6,374.84**	**5,825.40**

Notes

To the Financial Statements for the year ended March 31, 2021

Note 12 : Non-current tax liabilities

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Non-current tax liabilities (net)	2,159.86	1,517.35
Total	**2,159.86**	**1,517.35**

Note 13 : Current employee benefit obligations

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Provision for Compensated Absences (Refer Note 20)	194.50	203.06
Provision for Gratuity (Refer Note 20)	101.81	96.57
Employee Benefits Payable**	646.24	402.95
Total	**942.55**	**702.58**

** Includes salary, wages, bonus, leave travel allowance and director commission

Note 14 : Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to:

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Deferred Tax Liabilities arising on account of:		
- Property, plant, equipment and Intangible Assets	2,724.52	2,481.34
- Government Grants	-	100.84
Deferred Tax Asset arising on account of:		
- Minimum Alternate Tax Credit Entitlement	-	455.05
- Provision for Doubtful Debts/ Advances	10.11	19.21
- Provision for Unpaid Statutory Dues under Section 43B of the Income Tax Act, 1961	57.37	81.37
- Government Grants	8.93	-
- Provision for Employee Benefits	74.58	72.37
- Other items	3.84	7.03
Total	**2,569.69**	**1,947.15**

The Company has tax loss (Long Term Capital Loss) of ₹ 73.70 million (March 31, 2020 : ₹ 411.62 million) which are available for offsetting against future 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 gains.

Movement in deferred tax liabilities/(assets)

Particulars	Property, plant and equipment	Defined Benefit Obligation	Government grants	MAT Credit entitlement	Provisions*	Expenses allowed on payment basis	Other items	Total
April 1, 2019	**3,215.23**	**(72.13)**	**114.54**	**(973.14)**	**(121.38)**	**(326.23)**	**(25.28)**	**1,811.61**
(Charged) / Credited:								
Statement of Profit and Loss	733.89	3.28	13.70	(518.09)	(20.80)	(326.23)	(18.25)	(132.50)
Other Comprehensive Income	-	(3.04)	-	-	-	-	-	(3.04)
March 31, 2020	**2,481.34**	**(72.37)**	**100.84**	**(455.05)**	**(100.58)**	**-**	**(7.03)**	**1,947.15**
(Charged) / Credited:								
Statement of Profit and Loss	(243.18)	15.95	109.77	(455.05)	(33.10)	-	(3.19)	(608.80)
Other Comprehensive Income	-	(13.74)	-	-	-	-	-	(13.74)
March 31, 2021	**2,724.52**	**(74.58)**	**(8.93)**	**-**	**(67.48)**	**-**	**(3.84)**	**2,569.69**

*Provisions includes provision for doubtful debts/advances and provision for unpaid statutory dues under section 43B of the Income Tax Act, 1961

Note 15 : Other non-current liabilities

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Deferred Income (Refer Note below)	628.85	676.16
Total	**628.85**	**676.16**

Note 15 : Other current liabilities

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Advances from Customers	29.36	19.85
Statutory dues	336.72	88.18
Deferred Income (Refer Note below)	169.12	133.56
Total	**535.20**	**241.59**

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 16 : Revenue from operations

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
(a) Sale of Products		
Finished Goods	54,640.55	49,936.50
Traded Goods	2,261.68	777.39
Sub Total	**56,902.23**	**50,713.89**
(b) Other operating income		
Sale of Scrap	464.47	499.53
Job Work and Processing Charges	1.97	0.58
Government Grant:		
VAT/ State Goods and Service Tax incentive (SGST) [Refer Note (i) below]	2,131.00	1,796.05
Rebate / Drawback of Taxes and Duties [Refer Note (ii) below]	63.79	225.64
Sub Total	**2,661.23**	**2,521.80**
Total	**59,563.46**	**53,235.69**

(i) Value Added Tax (VAT)/State Goods and Service Tax (SGST) Concession: Reimbursement of VAT/SGST collected on product sold to the extent of the eligible capital investments in plant and machinery for the specified period as per the Scheme.

(ii) Merchandise Exports from India Scheme (MEIS): Company is entitled for reward under MEIS computed at specified rates on FOB value of exports to specified countries.

The Ministry of Textile, Government of India, had issued Notification number CG-DL-E-15012020-215423 dated January 14, 2020, withdrawing the entitlement under Merchandise Exports from India Scheme (MEIS) with retrospective effect from March 7, 2019 on certain products exported by the Company and its subsidiary. Without prejudice to the Company's claim, the Company had reversed the MEIS benefit accrued on the affected products, of ₹ 946.94 million for the period March 07, 2019 to September 30, 2019 and reduced from Revenue from Operations.

Notes

To the Financial Statements for the year ended March 31, 2021

(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:

Revenue	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
India	57,290.04	51,214.00
Outside India	78.63	-
Total revenue from contracts with customers	**57,368.67**	**51,214.00**

2) Contract balances

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

Particulars	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Trade receivables*	7,488.10	7,542.50
Contract liabilities (advances from customers)	29.36	19.85

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

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

Particulars	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Revenue as per contracted price	58,280.06	51,217.28
Less: Rebates, discounts, chargebacks, markdowns, etc.	911.39	3.28
Revenue from contracts with customers	**57,368.67**	**51,214.00**

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

Particulars	As at March 31, 2021 (₹ million)	As at March 31, 2020 (₹ million)
Revenue from operations	59,563.46	53,235.69
Less: VAT/State Goods and Service Tax Incentive	2,131.00	1,796.05
Rebate / Drawback of Taxes and Duties	63.79	225.64
Revenue from contracts with customers	**57,368.67**	**51,214.00**

Note 17 : Other income

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Interest income from financial assets measured at amortised cost		
On Fixed Deposits	9.16	13.15
On Loans given to related parties and others	16.84	0.42
On Preference shares	86.12	79.19
Interest income from financial assets measured at fair value through profit or loss		
On Bonds	154.98	3.22
Interest income on Others	1.28	26.40
Interest income on income tax refund	47.76	-
Unwinding of discount on security deposits	4.64	5.14
Net gain on financial assets measured at fair value through profit or loss	146.18	-
Rent	96.97	20.79
Liabilities Written Back as no Longer Required	8.31	0.61
Profit on Sale of Fixed Assets	-	32.27
Profit on Cancellation of Forward/ Swap Contracts	15.64	2.72
Exchange Gain (Net)	-	16.28
Service Charges	3.66	22.09
Commission on Corporate Guarantees Issued	39.23	34.39
Miscellaneous	201.43	174.73
Total	**832.20**	**431.40**

Note 18 : Cost of materials consumed

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Raw material consumed		
Opening inventory	4,735.04	4,635.93
Add: Purchases (net)	26,923.65	24,723.35
Less : Inventory at the end of the year	5,781.91	4,735.04
	25,876.78	**24,624.24**
Packing material consumed		
Opening inventory	180.83	175.60
Add : Purchases (net)	2,361.86	2,620.34
Less : Inventory at the end of the year	179.24	180.83
	2,363.45	**2,615.11**
Total	**28,240.23**	**27,239.35**

Note 19 : Changes in inventory of finished goods and work-in-progress

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
(Increase)/ decrease in Stocks		
Stock at the end of the year:		
Finished Goods	938.46	2,033.91
Work-in-Progress	3,434.85	3,150.07
Total A	**4,373.31**	**5,183.98**
Less : Stock at the beginning of the year:		
Finished Goods	2,033.91	919.45
Work-in-Progress	3,150.07	2,768.33
Total B	**5,183.98**	**3,687.78**
(Increase) / decrease in Stocks (A-B)	**810.67**	**(1,496.20)**

Note 20 : Employee benefits expense

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Salaries, Wages, Allowances and Other Benefits	4,439.13	4,410.04
Gratuity and ex-gratia	160.76	188.11
Contribution to Provident and Other Funds	336.51	390.93
Managerial Remuneration	266.43	227.89
Staff and Labour Welfare	147.75	163.76
Total	**5,350.58**	**5,380.73**

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

I Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
- Employers' Contribution to Provident Fund*	134.74	185.15
- Employers' Contribution to Employees' State Insurance *	32.74	37.13
- Employers' Contribution to Employees' Pension Scheme*	162.33	161.99
- Employers' Contribution to Superannuation Scheme*	6.70	6.66
	336.51	**390.93**

* Included in Contribution to Provident and Other Funds

Notes

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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, 2021 % p.a.	As At March 31, 2020 % p.a.
Discount Rate	6.90	6.86
Salary Escalation Rate @	6.50% p.a. for the next 5 years,5.00% p.a. thereafter, starting from the 6th year	6.50% p.a. for the next 5 years,5.00% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	For service 0 years and below 27.00% p.a. For service 1 years to 2 years 9.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 3.00% p.a.	For service 0 years and below 32.00% p.a. For service 1 years to 2 years 9.00% p.a. For service 3 years to 4 years 5.00% p.a. For service 5 years and above 3.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

b. Change in the Present Value of Obligation

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Opening Present Value of Obligation	504.14	426.78
Current Service Cost	90.71	80.65
Interest Cost	34.58	33.16
Total amount recognised in profit or loss	**125.29**	**113.81**
(Liability Transferred Out/ Divestments)	(28.61)	-
Remeasurements		
(Gain) from change in demographic assumptions	(0.77)	(13.84)
(Gain)/Loss from change in financial assumptions	(2.09)	46.40
Experience (Gains)	(52.98)	(39.83)
Total amount recognised in other comprehensive income	**(55.84)**	**(7.27)**
Benefit/ Exgratia paid	(56.40)	(29.18)
Closing Present Value of Obligation	**488.58**	**504.14**

c. Change in Fair Value of Plan Assets

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Opening Fair Value of Plan Assets	407.57	403.94
Interest Income	27.96	31.38
Total amount recognised in profit or loss	**27.96**	**31.38**
Remeasurements		
Return on Plan Assets, Excluding Interest Income	(1.26)	1.43
Total amount recognised in other comprehensive income	**(1.26)**	**1.43**
Contributions	-	-
Benefits paid	(47.50)	(29.18)
Closing Fair Value of Plan Assets	**386.77**	**407.57**

d. **Balance Sheet Reconciliation**

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Opening Net (Liability)	(96.57)	(22.84)
Expenses Recognized in Statement of Profit or Loss	(97.33)	(82.43)
Income Recognized in OCI	54.58	8.70
Employer's Contribution	8.90	-
Net (Liability) Transfer Out	28.61	-
Closing Net (Liability)	(101.81)	(96.57)

e. **Amount recognised in the Balance sheet**

	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Present value of Obligation	(488.58)	(504.14)
Fair Value of Plan Assets	386.77	407.58
Funded Status (Deficit)	(101.81)	(96.57)
Net (Liability) Recognised in the Balance Sheet	(101.81)	(96.57)

f. **Expenses Recognised in the Statement of Profit and Loss**

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Current Service Cost	90.71	80.65
Interest Cost	34.58	33.16
Interest Income	(27.96)	(31.39)
Total Expenses recognized in the statement of profit and loss*	97.33	82.43

* Included in Employee Benefits Expense

g. **Expenses recognized in the Other Comprehensive Income**

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Re-measurement		
Actuarial (Gains) on Obligation For the year	(55.84)	(7.27)
Return on Plan Assets, Excluding amounts included in Interest Income	1.26	(1.43)
Net (Income) for the Period Recognized in OCI	**(54.58)**	**(8.70)**

h. **Sensitivity Analysis**

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Projected Benefit Obligation on Current Assumptions	488.58	504.14
Delta Effect of +1% Change in Rate of Discounting	(47.64)	(49.71)
Delta Effect of -1% Change in Rate of Discounting	57.17	59.83
Delta Effect of +1% Change in Rate of Salary Increase	57.40	60.05
Delta Effect of -1% Change in Rate of Salary Increase	(48.61)	(50.72)
Delta Effect of +1% Change in Rate of Employee Turnover	9.79	10.16
Delta Effect of -1% Change in Rate of Employee Turnover	(11.42)	(11.88)

The above sensitivity analysis 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.

Notes
To the Financial Statements for the year ended March 31, 2021

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:**

	As At March 31, 2021		As At March 31, 2020	
	Amount (₹ million)	%	Amount (₹ million)	%
Insurer Managed funds	386.77	100.00	407.58	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, 2022 are ₹ 191.97 million.

The weighted average duration of the defined benefit obligation is 12 years (March 31, 2020 -13 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ 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, 2021						
Defined benefit obligation (gratuity)	29.39	50.67	75.27	155.96	963.85	1,275.14
Total	**29.39**	**50.67**	**75.27**	**155.96**	**963.85**	**1,275.14**
March 31, 2020						
Defined benefit obligation (gratuity)	31.75	27.51	112.17	152.64	1,004.18	1,328.25
Total	**31.75**	**27.51**	**112.17**	**152.64**	**1,004.18**	**1,328.25**

III Other Employee Benefit

The liability for compensated absences as at year end is ₹ 194.50 million (March 31, 2020 : ₹ 203.06 million).

Note 21 : Depreciation and amortization expense

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Depreciation of property, plant and equipment	3,109.29	3,684.92
Amortisation of intangible assets	133.25	134.08
Depreciation of Right-of-use assets	58.88	62.40
Total depreciation and amortization expense	**3,301.42**	**3,881.40**

Note 22 : Other Expenses

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Stores and Spares Consumed	909.68	851.01
Dyes and Chemicals Consumed	2,507.94	2,342.22
Contract Labour Charges	557.34	556.87
Job Work Expenses	967.11	603.61
Power, Fuel and Water Charges	5,000.99	4,740.02
Repairs and Maintenance:		
Plant and Machinery	237.00	174.70
Factory Building	29.08	46.28
Others	264.40	264.94
Freight, Forwarding and Coolie Charges	321.61	154.38
Directors' Sitting Fees	7.64	4.99
Rent (Refer Note 36)	8.93	13.96
Rates and Taxes	13.00	15.23
Printing and Stationery	7.12	15.16
Travelling and Conveyance	155.73	192.58
Legal and Professional Charges	317.77	327.53
Security Expenses	46.46	43.13
Insurance	292.37	285.04
Communication	24.49	14.45
Postage and Courier	6.19	9.22
Loss on Sale/ Discarding of Fixed Assets (Net)	12.19	-
Provision for Doubtful Debts	3.76	3.64
Provision for Doubtful Advances	3.58	-
Exchange Loss (Net)	91.82	-
Provision for impairment of investment in subsidiaries	15.41	269.30
Advances written off [Net of allowance for doubtful advance written back of ₹ 43.50 million (March 31, 2020 ₹ Nil)]	6.23	61.51
Net loss on financial assets measured at fair value through profit or loss	-	39.27
Design and Development Expenses	48.13	29.43
Advertising and Sales Promotion	31.53	35.34
Donations	6.52	1.62
Corporate Social Responsibility Expenses [Refer Note 22 (b) below]	81.66	68.43
Payments to auditors [Refer Note 22 (a) below]	8.85	8.16
Miscellaneous	108.68	92.34
Total Other Expenses	**12,093.21**	**11,264.36**

22 (a) - Details of Payments to auditors

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Payments to auditors		
As auditor:		
Audit fee	6.60	6.60
Tax audit fee	0.60	0.60
Certification fee	1.45	0.65
Re-imbursement of expenses	0.20	0.31
Total payments to auditors	**8.85**	**8.16**

Notes

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22 (b): Details of CSR expenditure

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
(i) Gross amount required to be spent by the Company during the year	81.66	67.12
(ii) Amount spent during the year		
(a) Construction/acquisition of any asset	-	-
(b) on purposes other than (a) above	81.66	68.43

Note 23 : Finance costs

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Interest and finance charges on financial liabilities not at fair value through profit or loss	433.07	246.25
(net of interest subsidy of ₹ 489.29 million, Previous Year : ₹ 985.20 million)		
- Short term borrowings	414.47	490.74
- Interest to Others	14.52	15.66
- Interest on lease liabilities	18.53	19.11
Discounting and Bank Charges	133.61	176.42
	1,014.20	**948.18**

Note 24 : Exceptional Items-(Income)

The Company received final approval from trial court dated October 28, 2019 for its settlement agreement which was intended to resolve all pending legal claims in the United States concerning past marketing and labeling of the Company's premium cotton home textile products. Accordingly, the management based on expert advice had reversed the unutilized provision aggregating ₹ 431.60 million during the previous year.

Note 25 : 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.

a) Statement of Profit and Loss

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Income tax expense		
Current Tax		
Current Tax on profits for the year.	1,638.51	1,244.29
Adjustment for current tax of prior periods	(173.33)	-
Total current tax expense	**1,465.18**	**1,244.29**
Deferred Tax		
Relating to originating and reversal of temporary differences	608.80	132.50
Total deferred tax expense	**608.80**	**132.50**
Income tax expense	**2,073.98**	**1,376.79**

b) Other Comprehensive Income (OCI)

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Net (gain) on remeasurement of defined benefit plans	(13.74)	(3.04)

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

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Profit for the year before income tax expense	7,340.68	6,125.71
Tax at the Indian tax rate @ 34.94%	**2,564.83**	**2,140.32**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Impact on account of change in tax rate	-	(984.37)
Corporate social responsibility expenditure	14.54	11.96
Deduction under section 80 IA	(189.61)	(89.36)
Adjustment of tax related to earlier years	(173.33)	193.50
Research and Development Expenditure	-	(22.93)
Adjustment on account of fair value/ Impairment of investment	(81.17)	80.15
Other Items	(61.28)	47.52
Income tax expense	**2,073.98**	**1,376.79**

Note 26 : Fair value measurements

Financial instruments by category

	March 31, 2021 (₹ million)			March 31, 2020 (₹ million)		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
- Equity instruments	-	13.16	-	-	4.59	-
- Preference shares	574.23	-	943.66	1,241.32	-	992.19
- Bonds and debentures	29.20	-	-	36.20	-	-
- Mutual funds	-	-	-	2,182.06	-	-
- Others	0.32	-	-	0.32	-	-
Trade receivables	-	-	7,488.10	-	-	7,542.50
Loans	-	-	6.40	-	-	98.50
Cash and cash equivalents	-	-	1,768.82	-	-	612.40
Bank balance other than Cash and cash equivalents	-	-	466.07	-	-	184.31
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	-	-	150.52	-	-
Security deposits	-	-	236.57	-	-	184.33
Fixed deposit with bank	-	-	3.64	-	-	47.41
Interest accrued on fixed deposit, bonds and certificates	-	-	2.37	-	-	35.00
Government Grant & TUF	-	-	2,509.07	-	-	3,041.49
Interest Receivable under Subvention Scheme	-	-	12.68			5.32
Others financial assets	-	-	120.98	-	-	118.90
Total financial assets	**603.75**	**13.16**	**13,558.36**	**3,610.42**	**4.59**	**12,862.35**
Financial liabilities						
Borrowings and interest accrued thereon	-	-	13,968.37	-	-	22,691.78
Trade payables	-	-	6,374.84	-	-	5,825.40
Security Deposits	-	-	131.91	-	-	170.49
Creditors for Capital Purchases	-	-	108.57	-	-	144.67
Other financial liabilities	-	-	171.53	-	-	224.79
Total financial liabilities	**-**	**-**	**20,755.22**	**-**	**-**	**29,057.13**

Notes
To the Financial Statements for the year ended March 31, 2021

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

	March 31, 2021 (₹ million)		March 31, 2020 (₹ million)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Investments				
- Preference Shares	943.66	941.72	992.19	952.26
Loans	6.40	6.40	98.50	98.50
Security deposits	236.57	236.57	184.33	184.33
Fixed deposits with Banks with maturity period more than twelve months	3.64	3.64	47.41	47.41
Interest Accrued on Deposits	2.37	2.37	35.00	35.00
Government Grant, TUF & Incentive	2,521.75	2,521.75	3,046.81	3,046.81
Others	9,843.97	9,843.97	8,458.11	8,458.11
Total	**13,558.36**	**13,556.42**	**12,862.35**	**12,822.42**
Financial liabilities				
Borrowings	13,968.37	13,968.37	22,691.78	22,691.78
Security deposits more than 12 months	0.02	0.02	0.04	0.04
Others	6,786.83	6,786.83	6,365.31	6,365.31
Total	**20,755.22**	**20,755.22**	**29,057.13**	**29,057.13**

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, 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. Similarly, carrying values of government grants, TUF and incentive and interest subvention due to it sovereign nature and expected collection term are considered to approximate their fair value 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 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.

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets:					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	574.23	574.23
Investment-Others	6 (a)	-	-	0.32	0.32
Bonds and Government Securities	6 (a)	-	-	29.20	29.20
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	13.16	-	-	13.16
Total financial assets		**13.16**	**-**	**603.75**	**616.91**

(₹ million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets					
Investments					
Preference shares	6 (a)	-	-	941.72	941.72
Loans	6 (b)	-	-	6.40	6.40
Security deposits for more than 12 months	6 (c)	-	-	236.57	236.57
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	3.64	3.64
Interest Accrued on Deposits	6 (c)	-	-	2.37	2.37
Government Grant, TUF & Incentive	6 (c)	-	-	2,521.75	2,521.75
Others		-	-	9,843.97	9,843.97
Total financial assets		**-**	**-**	**13,556.42**	**13,556.42**
Financial Liabilities					
Borrowings	11 (a)	-	-	13,968.37	13,968.37
Security deposits for more than 12 months	11 (b)	-	-	0.02	0.02
Others		-	-	6,786.83	6,786.83
Total financial liabilities		**-**	**-**	**20,755.22**	**20,755.22**

(₹ million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2020					
Financial assets					
Financial Investments at FVPL					
Preference Shares	6 (a)	-	-	1,241.32	1,241.32
Investment-Others	6 (a)	-	-	0.32	0.32
Bonds and Government Securities	6 (a)	-	-	36.20	36.20
Mutual funds	6 (a)	-	2,182.06	-	2,182.06
Derivatives not designated as hedges					
Foreign exchange forward cover at FVPL	6 (c)	-	150.52	-	150.52
Financial Investments at FVOCI					
Listed Equity Investment	6 (a)	4.59	-	-	4.59
Total financial assets		**4.59**	**2,332.58**	**1,277.84**	**3,615.01**

Notes

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(₹ million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2020					
Financial assets					
Financial Investments at FVPL					
Preference shares	6 (a)	-	-	952.26	952.26
Loans	6 (b)	-	-	98.50	98.50
Security deposits for more than 12 months	6 (c)	-	-	184.33	184.33
Fixed deposits with Banks with maturity period more than twelve months	6 (c)	-	-	47.41	47.41
Interest Accrued on Deposits	6 (c)	-	-	35.00	35.00
Government Grant, TUF & Incentive		-	-	3,046.81	3,046.81
Others		-	-	8,458.11	8,458.11
Total financial assets		**-**	**-**	**12,822.42**	**12,822.42**
Financial Liabilities					
Borrowings	11 (a)	-	-	22,691.78	22,691.78
Security deposits for more than 12 months	11 (b)	-	-	0.04	0.04
Others				6,365.31	6,365.31
Total financial liabilities		**-**	**-**	**29,057.13**	**29,057.13**

The above mentioned grouping into Level 1 to Level 3, is 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.

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, 2021 and March 31, 2020:

	Preference shares (₹ million)
As at April 1, 2019	1,278.82
Acquisitions	-
Gains/losses recognised in profit or loss	(37.50)
As at March 31, 2020	1,241.32
Redemptions	-892.83
Gains/losses recognised in profit or loss	225.74
As at March 31, 2021	**574.23**

(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

Particulars	Fair Value (₹ million)		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020	
Preference Shares	574.23	1,241.32	Discount Rate	8% to 10%	9% to 10%	March 31, 2021 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 21.42 million and decrease in discount rate by 50 bps would increase fair value by ₹ 22.44 million. March 31, 2020 : Increase in discount factor by 50 basis points (bps) would decrease fair value by ₹ 46.42 million and decrease in discount rate by 50 bps would increase fair value by ₹ 48.76 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.

Notes

To the Financial Statements for the year ended March 31, 2021

Note 27 : 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.

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 Statements

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 (sale of products, sale of scrap and job work and processing charges) from the top ten customers.

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from top 10 Customers	**97.82%**	**97.88%**

Expected credit loss for trade receivables as at March 31, 2021 is ₹ 13.32 million (March 31, 2020: ₹ 9.56 million)

During the year and previous years, the Company made no write-offs of trade receivables.

As at March 31, 2021

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	7,323.09	52.00	126.32	7,501.42
Expected loss rate	-	-	10.55%	0.18%
Allowance for doubtful debts	-	-	13.32	13.32
Carrying amount of trade receivables (net of impairment)	**7,323.09**	**52.00**	**113.00**	**7,488.10**

As at March 31, 2020

(₹ million)

Ageing of Trade receivables Gross Carrying Amount	Less than 3 Months	3 months to 6 months	Above 6 months	Total
Trade Receivables	7,444.08	48.12	59.86	7,552.06
Expected loss rate	-	-	15.97%	0.13%
Allowance for doubtful debts	-	-	9.56	9.56
Carrying amount of trade receivables (net of impairment)	**7,444.08**	**48.12**	**50.31**	**7,542.50**

Reconciliation of loss allowance provision - Trade receivables

	Amount
Allowance for doubtful debts on April 01, 2019	**5.92**
Expected Credit loss recognised	3.64
Written off during the year	-
Allowance for doubtful debts on March 31, 2020	**9.56**
Expected Credit loss recognised	3.76
Written off during the year	-
Allowance for doubtful debts on March 31, 2021	**13.32**

Notes

To the Financial Statements for the year ended March 31, 2021

The Company 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:

	March 31, 2021 (₹ million)		March 31, 2020 (₹ million)	
	Fund Based	Non Fund Based	Fund Based	Non Fund Based
Floating rate				
Expiring within one year (packing credit, bank overdraft and other facilities)	6,717.55	661.60	4,024.58	1,533.31
	6,717.55	**661.60**	**4,024.58**	**1,533.31**

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.

Financial Statements

As at March 31, 2021

(₹ 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	6,899.21	4,167.32	628.91	1,299.69	1,562.07	-	14,557.20
Trade payables	6,374.84	-	-	-	-	-	6,374.84
Other financial liabilities	266.51	-	-	0.02	-	-	266.53
Financial Guarantee Obligation	-	-	-	-	-	-	-
Lease Liabilities	18.43	16.89	31.30	40.75	66.28	7.06	180.71
Total non-derivative liabilities	**13,558.99**	**4,184.21**	**660.21**	**1,340.46**	**1,628.35**	**7.06**	**21,379.28**

As at March 31, 2021

(₹ million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD-INR	-	105.44	-	-	-	-	105.44
Total	**-**	**105.44**	**-**	**-**	**-**	**-**	**105.44**

As at March 31, 2020

(₹ 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	8,152.39	6,358.34	1,425.97	3,340.84	5,393.86	-	24,671.40
Trade payables	5,825.41	-	-	-	-	-	5,825.41
Other financial liabilities	357.21	-	-	0.04	-	-	357.25
Financial Guarantee Obligation	9,219.91	-	-	-	-	-	9,219.91
Lease Liabilities	17.00	15.00	29.00	51.00	54.00	41.00	207.00
Total non-derivative liabilities	**23,571.92**	**6,373.34**	**1,454.97**	**3,391.88**	**5,447.86**	**41.00**	**40,280.97**

As at March 31, 2020

(₹ million)

Derivative Financial Instruments (based on contracted rates)	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Forward contracts USD-INR	1,336.03	2,958.65	-	-	-	-	4,294.68
Forward contracts EUR-INR	27.40	-	-	-	-	-	27.40
Forward contracts CHF-INR	-	96.61	-	-	-	-	96.61
Total	**1,363.43**	**3,055.26**	**-**	**-**	**-**	**-**	**4,418.68**

(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.

Notes

To the Financial Statements for the year ended March 31, 2021

(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:

	March 31, 2021 (₹ million)			March 31, 2020 (₹ million)		
Foreign Currency	**USD**	**EUR**	**Others***	**USD**	**EUR**	**Others***
Financial Assets						
Trade Receivable	67.67	1.13	-	-	-	
Other Receivables	7.18	12.72	0.02	-	-	19.41
Net exposure to foreign currency risk (assets)	**74.85**	**13.85**	**0.02**	**-**	**-**	**19.41**
Financial liabilities						
Borrowing	-	-	-	2,042.96	-	-
Trade payables and provisions	808.18	72.46	-0.15	820.39	68.46	14.75
Other Payable	1.18	-	-	-	-	
Other financial liabilities	-	-	-	-	-	-
Foreign exchange forward contracts	-103.46	-	-	(2,638.93)	(28.80)	-
Net exposure to foreign currency risk (liabilities)	**705.90**	**72.46**	**(0.15)**	**224.41**	**39.66**	**14.75**
Net open exposures (assets-liabilities) - assets /(liabilities)	**(631.05)**	**(58.61)**	**0.17**	**(224.41)**	**(39.66)**	**4.66**

* Others consists of JPY, CHF, AED, HKD & GBP

Amount of financial hedge, as mentioned above do not include outstanding forward contracts of ₹NIL (March 31, 2020: ₹1,846.97 millions) that are towards firm commitment / highly probable forecast transactions to purchase where corresponding exposure is yet to be recorded in the books.

(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.

	Impact on profit before tax	
	March 31, 2021 (₹ million)	**March 31, 2020 (₹ million)**
USD sensitivity		
USD - INR - Increase by 5 % (March 31, 2020 - 5%)*	(31.55)	(11.22)
USD - INR - Decrease by 5 % (March 31, 2020 - 5%)*	31.55	11.22
EURO sensitivity		
EURO - INR - Increase by 4 % (March 31, 2020 - 4%)*	(2.34)	(1.59)
EURO - INR - Decrease by 4 % (March 31, 2020 - 4%)*	2.34	1.59
(EURO sensitivity also calculated for EURO/USD forward contracts outstanding as on March 31, 2021)		

* 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:

Particulars	As At March 31, 2021 (₹ million)	As At March 31, 2020 (₹ million)
Fixed rate borrowings	10,344.05	12,362.72
Floating rate borrowings	3,599.96	10,235.70
Total borrowings	**13,944.01**	**22,598.42**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	March 31, 2021			March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Borrowings-Term Loan	**7.81%**	**3,599.96**	**26%**	**9.16%**	**10,235.70**	**45%**

(b) Sensitivity

Profit or (loss) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax	
	March 31, 2021 (₹ million)	March 31, 2020 (₹ million)
Increase by 25 basis points (March 31, 2020 - 25 basis points)*	(9.00)	(25.59)
Decrease by 25 basis points (March 31, 2020 - 25 basis points)*	9.00	25.59

* 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, 2021	March 31, 2020
Increase in price 0.75% (March 31, 2020- 0.75%)	0.22	16.64
Decrease in price 0.75% (March 31, 2020 - 0.75%)	(0.22)	(16.64)

* Holding all other variables constant

Notes

To the Financial Statements for the year ended March 31, 2021

Note 28 : 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. Equity comprises of all components including other equity.

For Impact of COVID-19 on capital management, refer Note 29.

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:

Particulars	March 31, 2021	March 31, 2020
Non-current borrowings	2,608.48	7,666.77
Current maturities of long term debt	991.48	2,568.94
Current borrowings	10,344.05	12,362.72
Less: cash and cash equivalent	1,768.82	612.40
Net debt	12,175.19	21,986.03
Total equity	33,386.37	28,070.28
Gearing ratio	0.36	0.78

In order to achieve this overall objective, the Companies capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants, in certain cases, may permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

(b) Dividend

	March 31, 2021	March 31, 2020
Equity Share		
Final dividend for the year ended March 31, 2020 of ₹ Nil (March 31, 2019 of ₹ 0.30) per fully paid share (Dividend distribution tax for the year ended March 31, 2020 : ₹ Nil, March 31, 2019 : ₹ 61.97 million)	-	301.42
Interim dividend for the year ended March 31, 2021 of ₹ Nil (March 31, 2020 of ₹ 1) per fully paid share. (Dividend distribution tax for the year ended March 31, 2021 : ₹ Nil, March 31, 2020 : ₹ 206.56 million)	-	1,004.73
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 ₹ 0.15 per fully paid equity share (March 31, 2020 of ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	-

Note 29 : Estimation uncertainty relating to the global health pandemic on COVID-19

'The Company has adopted measures to curb the spread of infection of COVID-19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Company's operations, revenue and consequently profit during the year ended March 31, 2021 were impacted due to COVID-19. The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial.

Note 30 : Related Party Disclosures

(i) Relationships

(a) Enterprises where control exists	
Parent	Prasert Multiventure Private Limited (till May 20, 2019)
	Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)
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 (WFL)
	Welspun Zucchi Textiles Limited (WZTL)
	Welspun Nexgen Inc., USA (WNI)
	Welspun Innovative Products Limited (WIPL) [Formerly known as Welspun Advanced Material Limited (WAML)]
	Tilt Innovation Inc., USA (TII) (Held through WUSA)
	TMG (Americas) LLC, USA (held through WUSA)
	Pure Sense Organics Myanmar Limited (PSOM) (with effect from July 22, 2019)
	Welspun Advanced Materials (India) Limited (WAMIL) (with effect from December 3, 2019)
Associate Company	Welassure Private Limited (with effect from September 17, 2020)

Notes
To the Financial Statements for the year ended March 31, 2021

	Name	Nature of relationship
(b) Key Management Personnel		
	Balkrishan Goenka	Director & Chairman
	Rajesh Mandawewala	Managing Director
	Dipali Goenka	CEO & Joint Managing Director
	Arun Todarwal	Independent Director
	Arvind Singhal	Independent Director
	Pradeep Poddar	Independent Director
	Anisha Motwani	Independent Director
	Shalil Awale	Nomine Director (till May 28, 2020)
	Altaf Jiwani	Chief Financial Officer (till July 01, 2020)
	Sanjeev Sancheti	Chief Financial Officer (w.e.f. July 02, 2020)
	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.**

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

₹Million

Particulars	Parent	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					
	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL (formerly WAML)	PSOML	WAMIL	WZTL	Welspun Corp Limited	Welspun Steel Limited	AYM Syntex Limited	Welspun Realty Private Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Transactions during the year																						
Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	1,439.96	-	-	-	195.00	-	-	-	-	-	-	1,634.96
	-	-	-	-	-	-	-	-	-	-	(120.80)	-	-	-	-	-	-	-	-	(31.50)	-	(152.30)
Repayment of Loans, Advances and Deposits given	-	-	-	-	-	-	-	-	-	-	1,534.96	-	-	-	195.00	-	-	-	-	8.62	-	1,738.58
	-	-	-	-	-	-	-	-	-	-	(25.80)	-	-	-	-	-	-	-	-	(10.18)	-	(35.98)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(310.00)	-	(505.00)	-	-	-	-	-	-	-	-	-	-	-	(815.00)
Repayment Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(310.00)	-	(505.00)	-	-	-	-	-	-	-	-	-	-	-	(815.00)
Advances Written off	-	-	-	-	-	-	-	-	-	-	-		-	-		-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-		-	-		-	-	-	-	-	(56.00)	(56.00)
Purchase of Goods/ MEIS Licenses *	-	-	1,119.98	-	-	-	-	3,280.08	-	-	-	-	-	-	-	-	2.55	427.90	491.82	-	-	5,322.33
	-	-	(111.32)	-	-	-	-	(2,774.79)	-	-	-	-	-	-	-	-	(10.79)	(481.63)	(1.12)	-	-	(3,379.65)
Purchase of Services/ Expenses incurred	-	-	228.70	-	-	-	-	-	-	0.65	-	-	-	-	-	2.78	11.08	1.42	-	17.22	-	261.85
	-	-	(1,062.45)	-	-	-	-	-	-	(0.69)	-	-	-	-	-	(28.18)	(17.23)	(8.71)	-	(20.36)	-	(1,137.62)
Sale of Goods/ DEPB Licenses *	-	-	59,306.67	-	-	78.63	-	135.87	-	-	32.21	-	-	-	-	-	33.02	19.04	#	-	-	59,605.44
	-	-	(52,892.52)	-	-	-	-	(111.74)	-	-	(24.47)	-	-	-	-	-	(44.97)	(22.14)	(0.02)	-	-	(53,095.86)
Sale of Services/ Expenses incurred	-	-	146.61	0.06	-	-	-	0.43	-	-	24.74	-	-	-	142.90	-	8.75	0.35	-	-	-	323.84
	(0.94)	-	(45.68)	-	-	-	-	(0.36)	-	-	(23.01)	-	-	-	-	-	(7.87)	(0.36)	(14.67)	-	-	(92.89)
Sale of Fixed Assets	-	-	24.81	-	-	-	-	0.57	-	-	18.85	-	-	-	4.40	-	-	-	-	-	-	48.63
	-	-	-	-	-	-	-	-	-	-	(0.04)	-	-	-	-	-	(43.40)	-	-	-	-	(43.44)
Purchase of Fixed Assets / Capital Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.77	-	-	-	-	56.77
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.73)	-	-	-	-	(0.73)
Interest Income	-	-	-	-	-	-	-	-	-	-	15.94	-	-	-	0.90	-	-	-	-	-	-	16.84
	-	-	-	-	-	-	-	-	-	-	(0.42)	-	-	-	-	-	-	-	-	-	-	(0.42)
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(0.06)	-	(11.48)	-	-	-	-	-	-	-	-	-	-	-	(11.54)
Remuneration and Commission+++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(203.75)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(203.75)
Interim Equity Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(679.17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(679.17)
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	2.79	-	-	-	-	-	-	-	2.79
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year***	-	-	-	-	-	-	-	-	-	-	1,247.06	-	-	5.39	730.00	-	-	-	-	-	-	1,982.45
	-	-	-	-	-	-	-	-	-	-	(862.20)	-	(2.50)	(7.23)	(0.10)	-	-	-	-	-	-	(872.03)

Notes

To the Financial Statements for the year ended March 31, 2021

Particulars	Parent	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					₹Million
	WGMT	BESA	WGBL	WUKL	CHTHL	WUSA	WHPL	WCPGL	AITPDPL	WASEZ	WFL	WNI	WIPL (formerly WAML)	PSOML	WAMIL	WZTL	Welspun Corp Limited	Welspun Steel Limited	AYM Syntex Limited	Welspun Realty Private Limited	Wel-treat Enviro Management Organisation Limited	Balance Carried Forward
Provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	15.41	-	-	-	-	-	-	-	15.41
	-	-	-	-	-	-	-	-	-	-	-	(269.30)	-	-	-	-	-	-	-	-	-	(269.30)
Redemption of preference investment during the year	-	-	134.65	-	-	-	-	758.19	-	-	-		-	-	-	-	-	-	-	-	-	892.84
	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Given	-	-	1,285.00	-	-	-	-	-	-	-	4,460.00	-	-	-	2,519.00	-	-	-	-	-	-	8,264.00
	-	-	(1,265.00)	-	-	-	-	-	-	-	(500.00)	-	-	-	-	-	-	-	-	-	-	(1,765.00)
Commission on Corporate Guarantee Given @	-	-	-	-	6.57	-	-	-	-	-	32.51	-	-	-	0.14	-	-	-	-	-	-	39.22
	-	-	-	-	(8.97)	-	-	(1.14)	-	-	(24.28)	-	-	-	-	-	-	-	-	-	-	(34.39)
Closing Balance																						
Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00	2.40	-	-	-	-	12.40
	-	-	-	-	-	-	-	(0.07)	-	-	-	-	-	-	-	(10.00)	(2.40)	-	-	-	-	(12.47)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	-	15.56	50.56	0.42	6.81	-	-	-	0.50	-	62.31	-	-	-	0.30	0.84	0.02	-	-	56.16	19.00	212.48
	-	(15.56)	(63.66)	-	(19.41)	-	-	-	(0.50)	-	(119.66)	-	-	-	-	-	(0.02)	-	(13.42)	(60.15)	(19.00)	(311.38)
Provision for diminution in value of Loans/ Advances	-	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	-	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	6,553.62	-	-	68.99	-	-	-	-	119.57	-	-	-	4.50	-	58.60	-	-	-	-	6,805.28
	-	-	(7,227.93)	-	-	-	-	-	-	-	(43.68)	-	-	-	-	-	(20.74)	-	-	-	-	(7,292.35)
Trade and other payables	-	-	344.94	-	-	12.94	-	300.42	-	1.82	-	-	-	-	-	18.08	0.01	35.11	56.52	-	-	769.84
	-	-	-	(10.57)	-	(13.40)	-	(310.17)	-	(1.18)	-	-	-	-	-	(14.46)	(1.71)	(42.00)	(1.26)	-	-	(394.75)
Investments	-	0.10	3,232.33	-	-	182.51	111.52	801.66	0.10	2,999.81	5,996.41	269.30	2.60	12.62	730.10	92.13	-	-	13.14	-	-	14,444.33
	-	(0.10)	(3,279.80)	-	-	(182.51)	(111.52)	(1,535.26)	(0.10)	(2,934.34)	(3,214.38)	(269.30)	(2.60)	(7.23)	(0.10)	(92.13)	-	-	(4.59)	-	-	(11,633.96)
Provision for impairment of investments	-	-	-	-	-	-	81.79	-	-	-	-	269.30	-	12.62	-	-	-	-	-	-	-	363.71
	-	-	-	-	-	-	(81.79)	-	-	-	-	(269.30)	-	-	-	-	-	-	-	-	-	(351.09)
Corporate Guarantee Given	-	-	6,900.00	-	1,058.88	-	-	-	-	-	12,610.00	-	-	-	2,519.00	-	-	-	-	-	-	23,087.88
	-	-	(5,615.00)	-	(1,197.65)	-	-	-	-	-	(8,650.00)	-	-	-	-	-	-	-	-	-	-	(15,462.65)
Other Commitments	-	-	-	-	-	-	-	8,516.15	-	-	947.88	-	-	-	660.00	-	-	-	-	-	-	10,124.03
	-	-	-	-	-	-	-	(8,516.15)	-	-	(965.00)	-	-	(32.28)	(2.50)	-	-	-	-	-	-	(9,515.93)
Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	2.79	-	-	-	-	-	-	-	2.79
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for impairment of share application money	-	-	-	-	-	-	-	-	-	-	-	-	-	2.79	-	-	-	-	-	-	-	2.79
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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.
*** The Company has created a negative lien on 51% of total investments in WFL i.e. to the extent of carrying value of investment of ₹3,058.16 million (March 31, 2020: 1639.33 million)
*** The Company has created a negative lien on 51% of Equity share capital in WAMIL i.e. to the extent of carrying value of investment of ₹ 168.35 million (March 31, 2020: Nil)
@ Amount is exclusive of taxes
+++ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

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

Particulars	₹Million	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	Welspun Tradewel Limited	Welspun Foundation for Health and Knowldege	Welspun Speciality Solutions Limited (Formerly RMG Alloy Steel Ltd)	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun Global Services Limited	Welassure Private Limited	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Sanjeev Sancheti	Shashikant Thorat	Radhika Goenka	TOTAL
Transactions during the year																				
Loans, Advances and Deposits given	1,634.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,634.96
	(152.30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(152.30)
Repayment of Loans, Advances and Deposits given	1,738.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,738.58
	(35.98)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35.98)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(815.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(815.00)
Repayment Loans, Advances and Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(815.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(815.00)
Loans, Advances and Deposits Written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	(56.00)	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	(56.00)
Purchase of Goods/ FPS Licenses	5,322.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,322.33
	(3,379.65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,379.65)
Purchase of Services/ Expenses incurred	261.85	-	-	-	-	-	-	163.26	-	-	-	-	-	-	-	-	-	-	-	425.11
	(1,137.62)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,137.62)
Sale of Goods/ DEPB Licenses *	59,605.44	-	1.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,607.11
	(53,095.86)	-	-	(0.55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(53,096.41)
Sale of Services/ Expenses incurred	323.84	-	-	-	-	-	-	2.59	-	-	-	-	-	-	-	-	-	-	-	326.43
	(92.89)	-	-	(0.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93.69)
Sale of Fixed Assets	48.63	-	19.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68.40
	(43.44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(43.44)
Purchase of Fixed Assets / Capital Goods	56.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.77
	(0.73)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.73)
Interest Income	16.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.84
	(0.42)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.42)
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(11.54)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.54)
Remuneration and Commission+++	-	-	-	-	-	-	-	-	74.10	91.15	101.18	-	-	-	-	5.19	14.62	3.95	-	290.19
	-	-	-	-	-	-	-	-	(61.29)	(78.43)	(88.17)	-	-	-	-	(32.75)	-	(4.98)	-	(265.62)
Director Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	2.68	1.26	2.23	1.37	-	-	-	-	7.54
	-	-	-	-	-	-	-	-	-	-	-	(2.20)	(0.45)	(1.64)	(0.50)	-	-	-	-	(4.79)
Equity Dividend Paid +	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(203.75)	(1.63)	-	-	-	-	-	-	(0.21)	(#)	(0.23)	-	-	-	-	-	-	-	(0.60)	(206.42)
Interim Equity Dividend Paid ++	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(679.17)	-	-	-	(5.42)	-	-	-	(0.68)	(#)	(0.75)	-	-	-	-	-	-	-	(2.01)	(688.03)
Corporate Social Responsibility Expenses	-	-	81.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81.78
	-	-	(67.55)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67.55)
Share Application Money Paid	2.79	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	2.79
	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Investment Made during the year	1,982.45	-	-	-	-	-	0.02	2.94	-	-	-	-	-	-	-	-	-	-	-	1,985.41
	(872.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(872.03)

Notes
To the Financial Statements for the year ended March 31, 2021

Particulars	₹Million	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	Welspun Tradewel Limited	Welspun Foundation for Health and Knowldege	Welspun Speciality Solutions Limited (Formerly RMG Alloy Steel Ltd)	Aryabhat Vyapar Private Limited	Welspun Multiventure LLP	Welspun Global Services Limited	Welassure Private Limited	Balkrishan Goenka	Rajesh Mandawewala	Dipali Goenka	Arun Todarwal	Arvind Singhal	Pradeep Poddar	Anisha Motwani	Altaf Jiwani	Sanjeev Sancheti	Shashikant Thorat	Radhika Goenka	TOTAL
Provision for diminution in value in investment	15.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.41
	(269.30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(269.30)
Redemption of Preference Shares	892.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	892.84
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Given	8,264.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,264.00
	(1,765.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,765.00)
Commission on Corporate Guarantee Given @	39.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.22
	(34.39)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(34.39)
Closing Balance																				
Loans, Advances and Deposits received	12.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.40
	(12.47)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12.47)
Loans, Advances and Deposits given (Including Interest Accrued on Loan)	212.48	-	-	-	-	0.70	-	#	-	-	-	-	-	-	-	-	-	-	-	213.18
	(311.38)	-	-	(0.80)	-	(0.70)	-	-	-	-	-	-	-	-	-	-	-	-	-	(312.88)
Provision for diminution in value of Loans/ Advances	15.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56
	(15.56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.56)
Trade Receivables (Net of Bills Discounted with Banks)	6,805.28	-	0.04	0.01	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	6,805.38
	(7,292.35)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,292.35)
Trade and other payables	769.84	-	-	-	-	-	-	12.53	68.54	74.10	74.10	0.04	0.04	0.04	0.04	-	-	-	-	999.27
	(394.75)	-	-	(0.02)	-	-	-	-	(61.29)	(61.29)	(61.29)	-	-	-	-	-	-	-	-	(578.64)
Investments	14,444.33	-	-	-	-	-	0.02	2.94	-	-	-	-	-	-	-	-	-	-	-	14,447.29
	(11,633.96)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,633.96)
Provision for impairment of investments	363.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	363.71
	(351.09)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(351.09)
Corporate Guarantee Given	23,087.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,087.88
	(15,462.65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,462.65)
Other Commitments	10,124.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,124.03
	(9,515.93)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,515.93)
Share Application Money Pending Allotment	2.79	-	-	-	-	-			-	-	-	-	-	-	-	-		-	-	2.79
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2.79	-	-	-	-	-			-	-	-	-	-	-	-	-		-	-	2.79
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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.
*** The Company has created a negative lien on 51% of total investments in WFL i.e. to the extent of carrying value of investment of ₹3,058.16 million (March 31, 2020: 1639.33 million)
*** The Company has created a negative lien on 51% of Equity share capital in WAMIL i.e. to the extent of carrying value of investment of ₹ 168.35 million (March 31, 2020: Nil)
@ Amount is exclusive of taxes
+++ Commission applicable to Balkrishan Goenka, Rajesh Mandawewala and Dipali Goenka
# Amount is below the rounding norms adopted by the Company

Note 31 : Contingent Liabilities

(a) Description on matters considered as contingent liabilities:

Description	As at March 31, 2021 (₹ million)	As at March 31, 2020 (₹ million)
Excise, Customs and Service Tax Matters	58.23	23.39
Income Tax Matters	200.40	74.06
Stamp Duty Matter	4.46	4.46
Sales Tax	16.95	16.95
Claims against Company not acknowledged as debts	-	2.74
Corporate Guarantees (Refer Note 33)	11,656.17	9,219.91

(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

Description	As at March 31, 2021 (₹ million)	As at March 31, 2020 (₹ million)
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	837.06	44.27

(b) Other Commitments

Description	As at March 31, 2021 (₹ million)	As at March 31, 2020 (₹ million)
Commitment for purchase of power and steam from Welspun Captive Power Generation Limited over the next three years.	8,516.15	8,516.15
Commitment for loan to or investment in Welspun Flooring Limited.	947.88	965.00
Commitment for loan to or investment in Welspun Advanced Materials (India) Limited.	660.00	2.50
Commitment for loan to or investment in Pure Sense Organics Myanmar Limited.	-	32.28

Note 33 : The Company has issued corporate guarantees aggregating ₹ 23,087.88 million as at the year end March 31, 2021 (March 31, 2020: ₹15,462.65 million) on behalf of Welspun Global Brands Limited (WGBL), CHT Holdings Limited (CHTHL), Welspun Flooring Limited (WFL) and Welspun Advanced Materials (India) Limited. Liability outstanding in the books of above-mentioned companies for which corporate guarantees have been issued aggregates ₹ 11,656.17 million as at March 31, 2021 (March 31, 2020: ₹ 9,219.91 million)

Note 34 : Earnings per Share

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit after Tax (A) (₹ million)	5,266.70	4,748.92
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)	5.24	4.73
Diluted earnings per share (A)/(C)	5.24	4.73
Nominal value of an equity share (₹)	1.00	1.00

Notes

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Note 35 : Buy-back of equity shares

The Board of Directors in its meeting held on May 14, 2021, has approved the buy-back of fully paid -up equity shares of face value of ₹ 1/- each of the Company, at a price ₹120 per equity share (maximum buy-back price) and for an amount of ₹ 20,000 Lacs (maximum buy-back size) by way of tender offer in accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder.

Note 36 : Leases

Company as lessee

The Company has lease contracts for various items of property, plant and machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease term of 13 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

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

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

(₹ million)

Particulars	Right to use assets			
	Commercial Property	Plant and Machinery	Other Equipments	Total
As at April 1, 2019	**90.94**	**62.71**	**46.45**	**200.10**
Additions	12.79	-	15.10	27.89
Lease modifications / adjustments	(1.11)	(20.26)	-	(21.37)
Depreciation expense	(43.00)	(3.40)	(16.00)	(62.40)
As at March 31, 2020	**59.62**	**39.05**	**45.55**	**144.22**
Additions	86.22	-	-	86.22
Deletions	-	(39.05)	-	(39.05)
Depreciation expense	(41.10)	-	(17.78)	(58.88)
As at March 31, 2021	**104.74**	**-**	**27.77**	**132.51**

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

(₹ million)

	Total
Lease liabilities	
As at April 1, 2019	**200.10**
Additions	27.89
Lease modifications/ adjustments	(21.37)
Accretion of interest	19.11
Payments	(76.75)
As at March 31, 2020	**148.98**
Additions	86.22
Deletions	(40.59)
Accretion of interest	18.53
Payments	(67.66)
As at March 31, 2021	**145.48**
Current lease liabilities	52.29
Non-Current lease liabilities	93.19

The maturity analysis of lease liabilities are disclosed in Note 27.

The effective interest rate for lease liabilities is 10% (Previous Year : 10%)

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

Particulars	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Depreciation expense of right-of-use assets	58.88	62.40
Interest expense on lease liabilities	18.53	19.11
Expense relating to short-term leases and low value assets (included in other expenses)	17.72	21.46
Total amount recognised in profit or loss	**95.13**	**102.97**

The Company had total cash outflows for leases of ₹ 85.38 million in March 31, 2021 (₹ 98.20 million in March 31, 2020). There are no non-cash additions to right-of-use assets and lease liabilities. There are no future cash outflows relating to leases that have not yet commenced.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Note 37 : Disclosure pursuant to the Regulation 34(3) read with Para A of Schedule V of SEBI listing Regulations, 2015.

		Balance as at March 31, 2021 (₹ million)	Maximum amount outstanding during the year ended March 31, 2021 (₹ million)	Balance as at March 31, 2020 (₹ million)	Maximum amount outstanding during the year ended March 31, 2020 (₹ million)
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	-	858.70	95.00	95.00
	- Welspun Advanced Materials (India) Limited	-	170.00	-	-
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, 2021	-	-	-	-

* Provision for doubtful loans and advance of ₹ 15.56 million (March 31, 2020: ₹ 15.56 million) has been made.

Note 38 : Disclosure for Micro and Small Enterprises:

	Particulars	As at March 31, 2021 (₹ million)	As at March 31, 2020 (₹ million)
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	326.22	82.00
	-Interest	0.34	0.22
ii)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	-Principal	548.79	199.68
	-Interest	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	-	2.30
iv)	The amount of interest accrued and remaining unpaid at the end of year	6.33	2.43

Notes

To the Financial Statements for the year ended March 31, 2021

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:

Particulars	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Material Consumption	106.06	143.37
Employee benefits expenses	60.00	78.81
Others	56.87	45.05
Total	**222.93**	**267.23**

Details of Capital Expenditure incurred during the year for Research and Development is given below:

Particulars	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Plant and Machinery	10.45	24.96
Total	**10.45**	**24.96**

Note 40 : As per Ind AS 108 - "Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statements.

Note 41 : Expenditure in Foreign Currency (net, on accrual basis)

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Travelling and conveyance	1.38	16.03
Repairs and Maintenance	25.97	30.58
Legal and Professional Charges	100.93	59.73
Membership and Subscription	-	13.40
Advertisement and Sales Promotion	29.97	8.68
Others	3.99	13.59
Total	**162.24**	**142.01**

Note 42 : Details of Consumption and Purchases

(a) Details of Raw Materials and Packing Materials consumed

	Year ended March 31, 2021 (₹ million)	Year ended March 31, 2020 (₹ million)
Cotton Yarn	11,362.94	10,609.20
Cotton	7,420.72	8,194.34
Fabric	1,604.70	759.15
Others	577.71	435.78
Bed Linen Fabrics	3,710.38	3,271.81
Fiber	1,200.33	1,353.96
Packing Materials	2,363.45	2,615.11
Total	**28,240.23**	**27,239.35**

(b) Value of Imported and Indigenous Raw Materials, Packing Materials and Stores, Spare Parts Consumed and Percentage

1) Raw Materials and Packing Materials

	Year ended March 31, 2021		Year ended March 31, 2020	
	%	(₹ million)	%	(₹ million)
Imported	15.36%	4,337.54	13.34%	3,633.98
Indigenous	84.64%	23,902.69	86.66%	23,605.37
Total	**100.00%**	**28,240.23**	**100.00%**	**27,239.35**

2) Stores, Spares, Dyes and Chemicals

	Year ended March 31, 2021		Year ended March 31, 2020	
	%	(₹ million)	%	(₹ million)
Imported	9.04%	308.90	8.03%	256.56
Indigenous	90.96%	3,108.72	91.97%	2,936.67
Total	**100.00%**	**3,417.62**	**100.00%**	**3,193.23**

Note 43 : Dividend remitted in foreign exchange

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of non-resident shareholders	-	233
Number of shares on which dividend is remitted	-	339,550
Year to which dividend relates	-	2018-19 & 2019-20
Amount remitted (₹ million)	-	0.22

Note 44 : Earnings in foreign currency

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	(₹ million)	(₹ million)
Revenue from Exports on FOB basis	75.36	-
Commission on Corporate Guarantee	6.57	8.97
Total	**81.93**	**8.97**

Note 45 : The figures for the previous year are re-arranged/ re-grouped, wherever necessary.

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

per Vikas Kumar Pansari
Partner
Membership No. 093649

Place: Mumbai
Date: May 14, 2021

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

Sanjeev Sancheti
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2021