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S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Flooring Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Welspun Flooring Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

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estimates and related disclosures made by management.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 27(C)(i)(a) to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief and as disclosed in note 41(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief and as disclosed in note 41(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us

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to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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

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per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 22110759AINZOL7491
Place of Signature: Mumbai
Date: May 6, 2022

6/5/22

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

Re: Welspun Flooring Limited ("the Company")

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for land aggregating mentioned in below Table. As explained to us, the Company is in the process of executing the sale deed with TSIIC.

Description of Property	Gross Carrying Value	Held in Name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropri-ate	Reason for not being held in name of company*
Owned-Freehold land	409.34 Million	Telangana State Industrial Infrastructure Corporation (TSIIC)	No	3 Years	Registration in progress.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.

(b) As disclosed in note 11(b) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during the year on the basis of security of current assets of the company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such

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banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities in respect of which provisions of section 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture yarn, carpet products and SPC and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, customs duty, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowing to or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares during the year under audit. The Company has made private placement of fully convertible debentures and has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of this private placement during the year. The funds raised, have been used for the purposes for which the funds were raised.

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

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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(xii) In our opinion, the Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.

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

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling

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due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

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

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 22110759AINZOL7491
Place of Signature: Mumbai
Date: May 6, 2022

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6/5/22

Annexure 2 to the independent auditor's report of even date on the financial statements of Welspun Flooring Limited

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

We have audited the internal financial controls with reference to financial reporting of Welspun Flooring Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that,

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in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 22110759AINZOL7491

Place of Signature: Mumbai
Date: May 6, 2022

6/5/22

WELSPUN FLOORING LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note No.	As at March 31, 2022 (Rs. in Million)	As at March 31, 2021 (Rs. in Million)*
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,823.87	8,753.56
Capital work-in-progress	3	1,030.63	1,067.72
Intangible assets	4	32.24	42.04
Right-of-use assets	37	3.22	5.64
Financial Assets			
- Other financial assets	5	1,719.63	583.96
Non-current tax assets	12 (a)	7.32	1.01
Other Non Current assets	6	39.40	197.82
Total Non Current Assets		**12,656.31**	**10,651.75**
Current assets			
Inventories	7	1,488.25	1,161.86
Financial Assets			
- Trade Receivables	8	857.68	850.62
- Investment	8(a)	115.15	-
- Cash & cash equivalents	8(b)	22.51	120.96
- Bank balances other than 8 (b) above	8(c)	230.32	408.82
- Other financial assets	8(d)	395.43	444.05
Other current assets	9	336.04	547.72
Total Current Assets		**3,445.38**	**3,534.03**
Total Assets		**16,101.69**	**14,185.78**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	650.00	650.00
Instruments entirely equity in nature			
8% Compulsorily Convertible Preference Share Capital	10(b)	1,850.00	1,850.00
0% Compulsorily Convertible debentures	10(c)	3,535.41	3,496.41
Other equity			
Reserves and surplus	10(d)	(1,010.20)	(1,652.75)
Total equity		**5,025.21**	**4,343.66**
LIABILITIES			
Non- current liabilities			
Financials Liabilities			
- Borrowings	11 (a)	7,402.39	6,846.29
- Lease liabilities	37	0.79	2.70
Deffered Tax liabilities (Net)	12 (c)	4.88	4.88
Other non- current liabilities	13	631.58	352.97
Total non-current liabilities		**8,039.64**	**7,206.84**
Current liabilities			
Financial Liabilities			
- Borrowings	11 (b)	1,274.67	616.26
- Lease liabilities	37	2.84	3.07
- Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises	14(a)	39.93	62.47
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		950.71	1,333.53
- Other financial liabilities	14(b)	374.92	234.31
Current tax liabilities	12 (b)	3.08	3.08
Current Employee Benefits Obligations	15	67.46	113.46
Other current liabilities	16	323.23	269.10
Total Current liabilities		**3,036.84**	**2,635.28**
Total Liabilities		**11,076.48**	**9,842.12**
Total Equity and Liabilities		**16,101.69**	**14,185.78**

Summary of significant account policies — 2

The Accompanying notes are an integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number : 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

6/5/22

Place: Mumbai
Date: May 06, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Director
DIN: 00007179

Sanjay Gupta
Director
DIN: 00496253

Mukesh Sawalani
CEO & Whole Time Director
DIN: 08169008

Chirag Goenka
Chief Financial Officer
Place: Mumbai
Date: May 06, 2022

Shashikant Thorat
Company Secretary

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	Year Ended March 31, 2022 (Rs. in Million)	Year Ended March 31, 2021 (Rs. in Million)
Revenue from Operations	17	7,005.95	3,629.63
Other Income	18	83.07	161.76
Total Revenue		7,089.02	3,791.39
Expenses			
Raw materials including packaging materials consumed	19	4,334.31	2,510.31
Changes in inventories of Finished Goods and Semifinished goods	20	78.89	(221.22)
Employee benefits expense	21	595.43	575.36
Depreciation and amortization expense	22	593.09	517.12
Other expenses	23	826.15	784.04
Finance costs	24	18.75	360.78
Total expenses		6,446.62	4,526.39
Net Profit/(Loss) before Tax		642.40	(735.00)
Income Tax Expense			
- Current Tax		-	-
- Deffered Tax		-	-
Total Income Tax Expense	25	-	-
Net Profit/(Loss) for the Year		642.40	(735.00)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligation Gain/(Loss)		0.15	1.47
Other comprehensive income/(loss) for the year, net of tax		0.15	1.47
Total Comprehensive Income for the year		642.55	(733.53)
Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2021 : Rs. 10)]	33		
- Basic		9.88	(1.76)
- Diluted		1.01	(1.76)

Summary of significant account policies 2

The Accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number : 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

ME
6/5/22

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: May 06, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Director
DIN: 00007179

Sanjay Gupta
Director
DIN: 00496253

Mukesh Sawalani
CEO & Whole Time Director
DIN: 08169008

Chirag Goenka
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 06, 2022

Welspun Flooring Limited

14

WELSPUN FLOORING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	Year Ended March 31, 2022 (Rs. Million)	Year Ended March 31, 2021 (Rs. Million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	642.40	(735.00)
Adjustments for :		
Depreciation and amortisation expenses	593.09	517.12
Income from government grant	(561.83)	(280.46)
Unrealised foreign exchange differences	42.50	(97.59)
Finance expenses	(33.33)	360.78
Interest income	(9.25)	(0.83)
	31.18	499.02
Operating Profit Before Working Capital Changes	**673.58**	**(235.98)**
Adjustments for changes in working capital :		
(Increase) / Decrease in trade receivable	(7.06)	(850.62)
Increase / (Decrease) in trade payables	(384.93)	819.80
Increase / (Decrease) in employee benefit obligations	(45.83)	89.69
Increase / (Decrease) in other financial liabilities	419.21	(50.96)
Increase / (Decrease) in other liabilities	54.12	(47.31)
(Increase) in other current assets	211.70	(41.45)
(Increase) in inventories	(326.38)	(479.41)
(Increase) in other financial assets	(252.24)	(390.73)
	(331.41)	(950.99)
Cash Flow Generated from Operations	342.17	(1,186.97)
Income tax paid	(6.31)	0.82
Net Cash Inflow from / (used in) Operating Activities	**335.86**	**(1,186.15)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, capital work-in-progress and intangible assets	(1,452.18)	(1,912.72)
Purchase of Investments	(115.15)	-
Receipt of government grant	512.93	293.03
Proceeds from fixed deposit / Margin money	(200.78)	(26.93)
Interest received	9.25	0.83
Net Cash outflow used in Investing Activities	**(1,245.93)**	**(1,645.79)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Compulsory Covertible Debentures	1,036.50	1,257.08
Repayment of Compulsory Covertible Debentures	(997.50)	-
Receipt of government grant	135.00	-
Proceeds from short term borrowings ** (net)	483.17	1,604.50
Proceeds from long term borrowings	5,928.44	892.02
Repayment of Long-term Borrowings	(5,262.99)	(74.42)
Payment of lease liabilities	(4.24)	(4.79)
Interest paid	(506.76)	(724.81)
Net Cash inflow from Financing Activities	**811.62**	**2,949.58**
Net increase / (decrease) in Cash and Cash Equivalents (A + B + C)	**(98.45)**	**117.64**
Cash and Cash Equivalents at the beginning of the year	120.96	3.32
Cash and Cash Equivalents at the end of the year	22.51	120.96
Net increase / (decrease) in Cash and Cash Equivalents	**(98.45)**	**117.64**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	Year Ended March 31, 2022 (Rs. Million)	Year Ended March 31, 2021 (Rs. Million)
Cash and cash equivalents comprise of:		
Cash on Hand	-	-
Bank balances		
- In current accounts	22.51	20.96
- In Fixed Deposit less than 3 months	-	100.00
Total	22.51	120.96

**Short term borrowing of Rs. Nil (March 31, 2021: Rs. 1524.96 Million) was converted to 0% Compulsorily Convertible Debentures.

Change in Liability arising from financing activities

(Rs. Million)

	April 1, 2021	Cash flow	Other adjustments	March 31, 2022
Borrowing-Non Current (Refer Note 11)	7,111.92	665.45	65.90	7,843.27
Borrowing-Current (Refer Note 11)	350.63	483.17	-	833.80
	7,462.55	**1,148.62**	**65.90**	**8,677.07**

Notes:

1. Other adjustment pertains realised forex loss on USD loan from Bank of baroda of Rs. 60.10 Million.and unrealised forex loss on USD loan from exim bank of Rs 5.80
2. Other adjustments pertains to conversion of loan into 0% Compulsorily Convertible Debentures
3. The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Place: Mumbai
Date: May 06 , 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Director
DIN: 00007179

Sanjay Gupta
Director
DIN: 00496253

Mukesh Sawalani
CEO & Whole Time Director
DIN : 08169008

Chirag Goenka
Chief Financial Officer
Place: Mumbai
Date: May 06 , 2022

Shashikant Thorat
Company Secretary

WELSPUN FLOORING LIMITED

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2022

a. Equity Share Capital

(Rs.Million)

Particulars	Notes	No. of Shares	Amount
As at March 31, 2020	10(a)	6,50,00,000	650.00
Shares issued during the year		-	-
As at March 31, 2021		**6,50,00,000**	**650.00**
Shares issued during the year		-	-
As at March 31, 2022		**6,50,00,000**	**650.00**

b. Instruments entirely equity in nature

i. 8% Non Cumulative Compulsorily convertible (NCCC) Preference shares

(Rs.Million)

Particulars	Notes	No. of Shares	Amount
As at March 31, 2020	10(b)	18,50,00,000	1,850.00
Changes in 8% NCC preference share capital during the year		-	-
As at March 31, 2021		**18,50,00,000**	**1,850.00**
Changes in 8% NCC preference share capital during the year		-	-
As at March 31, 2022		**18,50,00,000**	**1,850.00**

ii. 0% Compulsorily convertible Debentures

(Rs.Million)

Particulars	Notes	No. of Debentures	Amount
As at March 31, 2020	10(c)	7,14,38,385.00	714.38
Changes in Compulsorily Convertible Debenture during the year		27,82,02,659	2,782.03
As at March 31, 2021		**34,96,41,044**	**3,496**
Debentures issued during the year		10,36,50,000	1,037
Debentures cancelled during the year		9,97,50,000	998
As at March 31, 2022		**35,35,41,044**	**3,535**

d. Other Equity

(Rs.Million)

Particulars	Notes	Reserve & surplus/ Retained Earnings	Total Other Equity
As at April1,2020	10(d)	(919.22)	(919.22)
Loss for the year		(735.00)	(735.00)
Other Comprehensive loss		1.47	1.47
Balances as at March 31, 2021		**(1,652.75)**	**(1,652.75)**
Profit/(Loss) for the year		642.40	642.40
Other Comprehensive gain		0.15	0.15
Balances as at March 31, 2022		**(1,010.20)**	**(1,010.20)**

Summary of significant account policies
The Accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number : 324982E/E300003

Per Anil Jobanputra
Partner
Membership No. 110759

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

MB 6/5/22

Place: Mumbai
Date: May 06, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Director
DIN: 00007179

Sanjay Gupta
Director
DIN: 00496253

Mukesh Sawalani
CEO & Whole Time Director
DIN: 08169008

Chirag Goenka
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 06, 2022

Welspun Flooring Limited

1. Corporate Information

Welspun Flooring Limited (hereinafter referred as "the Company") is a public limited company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. The registered office of the Company is located at D No. 6-3-609/147/A, Opposite Sri Chakra Apartment, Anand Nagar Colony, Khairatabad, Hyderabad, Telangana – 500 004, India. The Company is incorporated with its main objective to carry business of manufacturing and selling of Carpet Tiles, Stone Polymer Composite Tiles and other Flooring Solutions. The Company had commenced its operations and manufacturing with effect from September 13, 2019.

The financial statements were approved for issue by the board of directors on May 06, 2022.

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 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 recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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.

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Welspun Flooring Limited

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.19.

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 0-180 days. The Company considers the effects of variable consideration, non-cash consideration and consideration payable to customer (if any).

Installation Service:

The Company provides installation services for the Flooring product to the customer. The Company recognises revenue from installation services at the single point of time because the customer receives and consumes the benefits at a one time/single point of time.

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).

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.

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Welspun Flooring Limited

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.

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.

2.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 recognizes 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 recognizes 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets of 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 2.9 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

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Welspun Flooring Limited

fixed payments (including in substance fixed payments). 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.

2.7 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, 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.

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. 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)
Plant & Machinery	5 to 15
Material Handling Equipment	1 to 12
Transmission lines, cables and other network assets	40
Office Equipment	3 to 5
Furniture and fixtures	10
Computers and Servers	3 to 6
Vehicles	8
Electrical installation	5-10
Factory Building	30

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

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.

2.8 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.

Amortization 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.

2.9 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 recognized 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.

2.10 Inventories

Raw materials and stores, work in progress, traded and finished goods

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

2.11 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:

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

- 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;

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.

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 recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

C. 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. 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 recognized from initial recognition of the receivables.

Financial liabilities

A. Initial Recognition and Measurement:

Financial liabilities are initially recognized 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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

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.

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.

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.

2.12 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.

2.13 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

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Welspun Flooring Limited

are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit or Loss as past service cost.

Defined contribution plans

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

The Contribution towards provident fund, ESIC, pension fund and Social Security Funds for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does

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Welspun Flooring Limited

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.

2.14 Provisions and contingent liabilities

Provisions for 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 nonoccurrence 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.

2.15 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

2.16 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

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Welspun Flooring Limited

- 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 33)

Diluted earnings per share

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

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

2.17 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.

2.18 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.

2.19 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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements

Critical estimates and judgements

i) Current tax expense and deferred tax

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

ii) Provisions & Contingent Liabilities.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities. 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 7 for details of inventory and provisions.

v) 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

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

vi) 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 income, 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.

vii) **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 Group's operations, revenue and consequently profit during the period 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 statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections and also actualized excess liabilities / provisions. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, 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 statements

Significant accounting judgements, estimates and assumptions:

'The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Welspun Flooring Limited

beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group

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CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 3 - Property, Plant and Equipment

(Rs. million)

	Freehold Land	Buildings	Plant and Equipment	Vehicles	Office Equipment	Furniture and Fixtures	Computers	Total	Capital work-in-progress
Cost or valuation									
At April 1, 2020									
Opening gross carrying amount	896.42	1,512.86	5,962.72	8.84	2.45	29.32	2.01	8,414.62	330.95
Additions	4.62	289.55	749.43	0.29	0.56	13.81	11.01	1,069.27	1,805.26
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Capitalised									(1,068.49)
At March 31, 2021 (A)	**901.04**	**1,802.41**	**6,712.15**	**9.13**	**3.01**	**43.13**	**13.02**	**9,483.89**	**1,067.72**
Depreciation									
At April 1, 2020	-	28.37	194.64	0.11	0.46	0.65	0.77	225.00	-
Depreciation charge during the year	-	66.73	432.23	1.06	0.57	2.98	1.76	505.33	-
Disposals	-	-	-	-	-	-	-	-	-
At March 31, 2021 (B)	**-**	**95.10**	**626.87**	**1.17**	**1.03**	**3.63**	**2.53**	**730.33**	**-**
Net book value at March 31, 2021 (A-B)	**901.04**	**1,707.31**	**6,085.29**	**7.96**	**1.98**	**39.50**	**10.49**	**8,753.56**	**1,067.72**
Cost or valuation									
At April 1, 2021									
Opening gross carrying amount	901.04	1,802.41	6,712.15	9.13	3.01	43.13	13.02	9,483.89	1,067.72
Additions	-	339.21	1,299.52	0.20	0.33	7.49	3.89	1,650.64	1,609.13
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Capitalised (Refer note iv below)	(0.50)	33.48	(60.28)	1.78	5.62	13.78	2.45	(3.67)	(1,646.22)
At March 31, 2022 (A)	**900.54**	**2,175.10**	**7,951.39**	**11.11**	**8.96**	**64.40**	**19.36**	**11,130.86**	**1,030.63**
Depreciation									
At April 1, 2021	-	95.10	626.87	1.17	1.03	3.63	2.53	730.33	-
Depreciation charge during the year	-	90.91	469.67	1.37	2.53	8.27	4.30	577.05	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Capitalised (Refer note iv below)	-	8.34	(10.61)	(0.02)	0.20	1.20	0.50	(0.39)	-
At March 31, 2022 (B)	**-**	**194.35**	**1,085.93**	**2.52**	**3.76**	**13.10**	**7.33**	**1,306.99**	**-**
Net book value at March 31, 2022 (A-B)	**900.54**	**1,980.75**	**6,865.46**	**8.59**	**5.20**	**51.30**	**12.03**	**9,823.87**	**1,030.63**

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Welspun Flooring Limited

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

CWIP Ageing Schedule March 31, 2022

(Rs. million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,027.98	2.65	-	-	1,030.63
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing Schedule March 31, 2021

(Rs. million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,051.36	16.36	-	-	1,067.72
Projects temporarily suspended	-	-	-	-	-

Notes :

(i) Property, plant and equipment pledged as security - Refer note 11 (a)

(ii) Capital work-in-progress includes employee benefit expenses, professional charges, travelling and other expenses agreegating to Rs 15.49 million as on March 31, 2022 (March 31, 2021 : Rs.0.78 million) directly attributable to project.

(iii) **Capitalised Borrowing Costs** :

The amount of borrowing cost capitalised during the year ended March 31, 2022 was Rs. 6.73 million (Net of interest subsidy of Rs. 67.46 million) [March 31, 2021 : Rs 1.85 million (Net of interest subsidy of Rs. Nil million)]. The rate used to determine the amount of borrowing cost eligible for capitalisation was 7.80% ,which is the effective rate of the specific borrowing.

(iv) "During the year the Company has performed a review of its fixed asset register which resulted in regrouping within the class of fixed assets which are disclosed under heading of Transfer/Capitalised in the above table"

(v) The Company has some immovable property which is not in the name of company i.e registration of property in the name of company is in process on March 31, 2022

(Rs. million)

Description of Property	Gross Carrying Value	Held in Name of	Whether promoter,director or their relative or employee	Period held – indicate range,where appropriate	Reason for not being held in name of company
Owned- Freehold land	409.34	Telangana State Industrial Infrastructure Corporation (TSIIC)	No	3 Years	Registration in process

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 4 - Intangible assets

(Rs. Million)

	Computer Software	Intangible assets under development
Cost or valuation		
At April 1, 2020		
Opening gross carrying amount	37.70	13.73
Additions	16.45	-
Transfers/Capitalised	-	(13.73)
At March 31, 2021 (A)	**54.15**	**-**
Amortisation		
At April 1, 2020		
Opening accumulated amortisation	4.14	-
Amortisation charge during the year	7.97	-
Disposal / Transfer	-	-
At March 31, 2021 (B)	**12.11**	**-**
Net book value at March 31, 2021 (A-B)	**42.04**	**-**
Cost or valuation		
At April 1, 2021		
Opening gross carrying amount	54.15	-
Additions	3.65	-
Disposal / Transfer	-	-
At March 31, 2022 (A)	**57.80**	**-**
Amortisation		
At April 1, 2021		
Opening accumulated amortisation	12.11	-
Amortisation charge during the year	13.45	-
Disposal / Transfer	-	-
At March 31, 2022 (B)	**25.56**	**-**
Net book value at March 31, 2022 (A-B)	**32.24**	**-**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

	As At March 31, 2022 (Rs. Million)	As At March 31, 2021 (Rs. Million)
Note 5: Others Non Current Financial Assets		
Government Grant Receivable		
- Telangana Capital subsidy receivable	-	22.14
- Telengana SGST subsidy receivable	591.12	227.16
- 'Telengana Interest subsidy receivable*	903.86	307.70
- 'Telengana Power subsidy receivable*	184.18	-
Security Deposits to Others	40.47	26.96
	1,719.63	**583.96**

*Out of the above, Telangana Power subsidy of Rs. 75.46 million and Telangana interest subsidy of Rs. 126.48 million pertains to previous period which is recorded based on approval received in current financial year.

Note 6 : Other non-current assets		
(Unsecured, considered good)		
Capital Advances to Others	39.40	197.82
	39.40	**197.82**
Note 7 : Inventories		
Raw Materials (Including material in transit of Rs. 97.37 Million) (March 31, 2021 Rs. 154.84 Million)	968.64	602.12
Work-in-Progress	251.86	203.23
Stores & Spares	105.38	66.62
Finished Goods	162.37	289.89
	1,488.25	**1,161.86**

Note:

Cost of inventories recognised as (income)/ expense of Rs. 108.22 million [Previous year: Rs. 24.02 million] is in respect of write down of inventories

Note 8 : Trade receivables		
Secured, considered good	857.68	850.62
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	857.68	**850.62**

Trade receivables ageing March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Current but not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	857.42	0.26	-	-	-	857.68
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-	
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-	
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-	
	-	**857.42**	**0.26**	**-**	**-**	**-**	**857.68**

Trade receivables ageing March 31, 2021

Particulars	Outstanding for following periods from due date of payment						
	Current but not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	850.62	-	-	-	-	850.62
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-	
(iii) Disputed Trade receivables – considered good	-	-	-	-	-	-	
(iv) Disputed Trade receivables – considered doubtful	-	-	-	-	-	-	
	-	**850.62**	**-**	**-**	**-**	**-**	**850.62**

Note 8(a) : Current Investments		
Investment in mutual fund at FVPL (unquoted)	115.15	-
	115.15	**-**
Note 8(b) : Cash and cash equivalents		
Balances with Banks		
- In current accounts	14.23	20.96
- In cash credit	8.28	-
- In Fixed Deposit less than 3 months	-	100.00
Cash In Hand	-	-
	22.51	**120.96**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

14

WELSPUN FLOORING LIMITED

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

	As At March 31, 2022 (Rs. Million)	As At March 31, 2021 (Rs. Million)
Note 8 (c) : Other bank balances		
Margin Money Deposit	230.24	29.46
Other Bank Balances	0.07	379.36
	230.31	**408.82**

Note: Margin money is with indusind bank for DSRA equivalent of 3 months of debt servicing requirements of the project

	As At March 31, 2022 (Rs. Million)	As At March 31, 2021 (Rs. Million)
Note 8(d) : Other financial assets		
Interest Accrued on Fixed Deposits	2.04	0.34
Government Grant Receivable		
- Telangana Capital subsidy receivable	-	11.74
- Telengana SGST subsidy receivable	116.59	120.39
- 'Telengana Interest subsidy receivable*	243.04	297.57
- 'Telengana Power subsidy receivable*	29.73	-
Derivative Financial Instruments	4.03	14.01
	395.43	**444.05**

*Out of the above, Telangana Power subsidy of Rs. 29.73 mil and Telangana interest subsidy of Rs. 65.30 Mil pertains to previous period which is recorded based on approval received in current financial year.

	As At March 31, 2022 (Rs. Million)	As At March 31, 2021 (Rs. Million)
Note 9 : Other current assets		
Balances With Government Authorities	147.58	463.72
Advance to Others	167.16	67.40
Advance to Employees	5.19	3.41
Prepaid Expenses	16.11	13.19
	336.04	**547.72**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 10 : Equity share capital and other equity

10 (a) : Equity share capital

(i) Authorised equity share capital

	Number of Shares	Amount (Rs. Million)
As at March 31, 2020	**6,50,00,000**	**650.00**
Increase during the year	-	-
As at March 31, 2021	**6,50,00,000**	**650.00**
Increase during the year	-	-
As at March 31, 2022	**6,50,00,000**	**650.00**
Equity Shares of Rs. 10 each (March 31, 2021 : Rs. 10 each)		

(ii) Movements in equity share capital (i.e. Issued / Subscribed & Fully Paid up share)

	Number of Shares	Amount (Rs. Million)
As at March 31, 2020	**6,50,00,000**	**650.00**
Shares issued during the year	-	-
As at March 31, 2021	**6,50,00,000**	**650.00**
Shares issued during the year	-	-
As at March 31, 2022	**6,50,00,000**	**650.00**
Equity Shares of Rs. 10 each (March 31, 2021 : Rs. 10 each)		

(iii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (Rs. Million)	Number of Shares	Amount (Rs. Million)
Equity Shares :				
Welspun India Limited	6,50,00,000	650.00	6,50,00,000	650.00
	6,50,00,000	**650.00**	**6,50,00,000**	**650.00**

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

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	6,50,00,000	100.00	6,50,00,000	100.00

Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Re. 10 per share (March 31, 2021 : Re. 10). Each shareholder is eligible for one vote per share held. 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 10 (b) : 8% Non Cumulative Compulsorily Convertible(NCCC) Preference Share capital

(i) Authorised Preference share capital

	Number of Shares	Amount (Rs.in Million)
As at March 31, 2020	**18,50,00,000**	**1,850.00**
Increase during the year	-	-
As at March 31, 2021	**18,50,00,000**	**1,850.00**
Increase during the year	-	-
As at March 31, 2022	**18,50,00,000**	**1,850.00**

(ii) Movements in Preference share capital (i.e. Issued / Subscribed & Fully Paid up share)

	Number of Shares	Amount (Rs.in Million)
As at March 31, 2020	**18,50,00,000**	**1,850.00**
Shares issued during the year	-	-
As at March 31, 2021	**18,50,00,000**	**1,850.00**
Shares issued during the year	-	-
As at March 31, 2022	**18,50,00,000**	**1,850.00**
8% Non Cumulative Compulsory Convertible Preference Shares of Rs. 10 each (March 31, 2021 : Rs. 10 each fully paid up)		

Terms & Rights Attached to Preference shares

8% Non Cumulative Compulsory Convertible Preference shares have a par value of Rs 10. They entitle the holder to have a preferential right vis a vis Equity shares of the company, with respect to payment of dividend and repayment in case of winding up of the company or repayment of capital. Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Act (Including any amendments or Modifications there to). The preference shares shall be convertible in the ratio of 1:1 i.e. 1 equity share for every 1 preference share held and the preference shares shall be convertible at any time before May 18, 2037 at the option of the Company.

(iii) Shares held by holding company and subsidiary of holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

Name Of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (Rs.in Million)	Number of Shares	Amount (Rs.in Million)
8% NCCC Preference Shares of Rs 10 each Fully Paid-up:				
Welspun India Limited	18,50,00,000	1,850.00	18,50,00,000	1,850.00
	18,50,00,000	**1,850.00**	**18,50,00,000**	**1,850.00**

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

Name Of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
8% NCCC Preference Shares of Rs 10 each Fully Paid-up:				
Welspun India Limited	18,50,00,000	100	18,50,00,000	100

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Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 10 (c) : 0% Compulsorily Convertible Debentures (CCD)

(i) Movements in 0% Compulsorily Convertible debentures

Particulars	Number of Shares	Amount (Rs.in Million)
As at March 31, 2020	7,14,38,385	714.38
Debentures issued during the year	27,82,02,659	2,782.03
As at March 31, 2021	**34,96,41,044**	**3,496**
Debentures issued during the year	10,36,50,000	1,036.50
Debentures repaid during the year	9,97,50,000	997.50
As at March 31, 2022	**35,35,41,044**	**3,535.41**

(ii) Terms & Rights Attached to Convertible Debentures

0% Compulsory Convertible Debentures have a par value of Rs 10 each. They entitle the holder to have a preferential right vis a vis Equity shares of the company, repayment in case of winding up of the company or repayment of capital. Debentures do not carry voting rights as per the provisions of Section 71(2) of the Act (Including any amendments or Modifications there to) and the debentures shall be convertible in the ratio of 1:1 i.e. 1 equity share for every 1 debenture held on July 30, 2029 for all allotments to be made. CCDs may be converted into equity shares before July 30, 2029 at the option of the Company.

(iii) Debentures held by holding company and subsidiary of holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount (Rs.in Million)	Number of Shares	Amount (Rs.in Million)
0% Compulsorily Convertible debentures				
Welspun India Limited	35,35,41,044	3,535.41	34,96,41,044	3,496.41
	35,35,41,044	**3,535.41**	**34,96,41,044**	**3,496.41**

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

Name Of Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
0% Compulsorily Convertible debentures				
Welspun India Limited	35,35,41,044	100	34,96,41,044	100

Note 10(d) : Other Equity	As at March 31, 2022 (Rs. Million)	As at March 31, 2021 (Rs. Million)
Retained Earnings		
Balance at the beginning of the year	(1,652.75)	(919.22)
Add : Profit/(Loss) For the Year	642.40	(735.00)
Add: Other Comprehensive gain / (loss)	0.15	1.47
Balance at the end of the year	**(1,010.20)**	**(1,652.75)**

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Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 11 (a) : Non-Current Borrowings

Particulars	Maturity Date	Terms Of Repayment	As at March 31, 2022 (Rs.in Million) Amount	As at March 31, 2021 (Rs.in Million) Amount
Term Loans - From Banks (Secured, Measured at Amortised Cost)				
Rupee Term Loan is secured by First pari passu charge - over immovable properties/ assets of project, both present and future - on all present and future movable assets of the project including but not limited to plant and machinery,machinery spares, tools and accessories, furniture, fixtures,vehicles, etc. - on all intangibles including but not limited to goodwill, uncalled capital, present and future of the Borrower Specific to the Project. - charge on all accounts of the Borrower including but not limited to Escrow Accounts, Trust Retention account (TRA) and Debt Service Reserve account specific to the Project. -on all the Borrower's project rights, titles,interest, benefits in the existing and future Project documents, letter of credit, guarantee and insurance policies issued in favour of the Borrower Second pari passu charge -on the borrower's book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future specific to the Project. Negative lien on 51% of total paid up equity shares as well as 51% of NCDs/CCDs/Sponsor sub debt etc. Welspun India Limited, the holding company, has issued an irrevocable and unconditional corporate guarantee valid for the tenure of the loan.	Last Instalment due in Quarter ending March 2029.	Out of 33 instalemnts 28 Instalment are pending which is payable on quatrely basis.	6,575.39	6,743.90
Rupee and Foreign currency Term Loan is secured by First pari passu charge - over immovable properties/ assets of project, both present and future - on all present and future movable assets of the project including but not limited to plant and machinery,machinery spares, tools and accessories, furniture, fixtures,vehicles, etc. - on all intangibles including but not limited to goodwill, uncalled capital, present and future of the Borrower Specific to the Project. - charge on all accounts of the Borrower including but not limited to Escrow Accounts, Trust Retention account (TRA) and Debt Service Reserve account specific to the Project. -on all the Borrower's project rights, titles,interest, benefits in the existing and future Project documents, letter of credit, guarantee and insurance policies issued in favour of the Borrower Second pari passu charge -on the borrower's book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future specific to the Project. Negative lien on 51% of total paid up equity shares as well as 51% of NCDs/CCDs/Sponsor sub debt etc. Welspun India Limited, the holding company, has issued an irrevocable and unconditional corporate guarantee valid for the tenure of the loan. Exim Bank Term Loan sanctioned of Rs 156 Cr - of which availed in USD $ 1,944,000 for the tenure of the loan.	Last Instalment due in Quarter ending March 2031.	Repayable in 33 quarterly instalments commencing from Quarter ending March 2023.	1,289.12	369.59
Less : Current maturities of long-term debt (Refer note 14 (b))			(440.87)	(265.63)
Less : Interest accrued but not due [Refer note 14 (b)]			(21.25)	(1.57)
Non-current borrowings (as per balance sheet)			**7,402.39**	**6,846.29**

Notes:

1. The average rate of interest on the non- current borrowings in the table above are in the range of 3.41% to 9.25% (For March 31, 2021 : 3.50% to 9.25%). Loans mentioned in the table above are eligibile for State Government subsidy.

Note 11 (b) : Current Borrowings

	As at March 31, 2022 (Rs.in Million) Amount	As at March 31, 2021 (Rs.in Million) Amount
(Secured, Measured at Amortised Cost)		
Working Capital Loan [Refer Note below]	833.80	350.63
Current Maturities of Long term debt	440.87	265.63
(Unsecured, Measured at Amortised Cost)		
Loan from Related Parties	-	-
Current borrowings (as per balance sheet)	**1,274.67**	**616.26**

Notes:

(i) Working capital loans which are primarily cash 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; second charge on entire fixed assets of the Company and corporate guarantee from Welspun India Limited valid for the tenure of loan.

(ii) The rate of interest on the current borrowings are in the range of 4.80% to 5.95% (March 31, 2021 : 7.50% to 7.65%)

(iii) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

	As At March 31, 2022 (Rs. Million)	As At March 31, 2021 (Rs. Million)
Note 12 (a) : Non Current Tax Assets		
Advance Tax	7.32	1.01
	7.32	**1.01**
Note 12 (b) : Current Tax Liability		
Provision for Income Tax	3.08	3.08
	3.08	**3.08**
Note 12 (c): Deferred tax Liabilities (Net)		
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities arising on account of temporary differences in :		
- Property, plant, equipment and Intangible Assets	481.71	390.59
- Government grant	141.40	-
Deferred Tax Assets on Losses :		
- Unabsorbed business loss and Unabsorbed Depreciation	618.23	385.71
Net Deferred Tax liability	**4.88**	**4.88**

Since the Company has continued losses in the current year ,the Deferred Tax assets on losses have been restricted to the extent of Deferred Tax Liabilities and hence DTA of Rs.508.75 Million (March 31, 2021 : Rs.342.11 million) has not been recognised.

Details of Carry forward business loss and Unabsorbed depreciation

Loss and unabsorbed depreciation pertaining to assessment year (A.Y)	Business Loss B/f	Unabsorbed Depreciation *	Total	Set off available up to A.Y
2017-18	9.38	-	9.38	2025-26
2019-20	25.73	1.89	27.62	2027-28
2020-21	700.54	971.09	1,671.63	2028-29
2021-22	1,441.84	955.43	2,397.27	2029-30

*Unabsorbed Depreciation are available for set off for unlimited period

Movement in deferred tax liabilities (assets)

Particulars	Property, plant, equipment and Intangible Assets	Government grant	Unabsorbed business loss and Unabsorbed Depreciation	Total
March 31, 2020	390.59	-	(385.71)	4.88
(Charged) / Credited :				
to Statement of Profit and Loss	-	-	-	-
to Other Comprehensive Income	-	-	-	-
March 31, 2021	390.59	-	(385.71)	4.88
(Charged) / Credited :				
to Statement of Profit and Loss	91.12	141.40	(232.52)	0.00
to Other Comprehensive Income	-	-	-	
March 31, 2022	481.71	141.40	(618.23)	4.88

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

	As at March 31, 2022 (Rs. in Million)	As at March 31, 2021 (Rs. in Million)
Note 13 : Other non current liabilities		
Deferred Income:		
- TUF and Capital Subsidy (Refer note below)	631.58	267.94
- Other government grants	-	85.03
	631.58	**352.97**

Note:
TUF subsidy 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. Other government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Note 14 (a) : Trade payables		
Total Outstanding Dues of Micro Entreprises and Small Entreprises	39.93	62.47
Total Outstanding Dues of Creditors Other than Micro Entreprises and Small Entreprises		
- Related Parties (Refer note 30)	200.51	444.90
- Others	750.20	888.63
	990.64	**1,396.00**

Trade payables ageing schedule March 31, 2022

Particulars	**Outstanding for following periods from due date of payment**					
	Current but not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total Outstanding Dues of Micro Entreprises and Small Entreprises	37.13	2.68	0.12	-	-	39.93
Total Outstanding Dues of Creditors Other than Micro Entreprises and Small Entreprises	519.13	423.19	5.41	1.53	1.44	950.70
Disputed Dues of Micro Entreprises and Small Entreprises	-	-	-	-	-	-
Disputed Dues of Creditors other than Micro Entreprises and Small Entreprises	-	-	-	-	-	-
	556.26	**425.87**	**5.53**	**1.53**	**1.44**	**990.63**

Trade payables ageing schedule March 31, 2021

Particulars	**Outstanding for following periods from due date of payment**					
	Current but not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total Outstanding Dues of Micro Entreprises and Small Entreprises	59.55	2.92	-	-	-	62.47
Total Outstanding Dues of Creditors Other than Micro Entreprises and Small Entreprises	614.61	675.32	37.38	5.36	0.86	1,333.53
Disputed Dues of Micro Entreprises and Small Entreprises	-	-	-	-	-	-
Disputed Dues of Creditors other than Micro Entreprises and Small Entreprises	-	-	-	-	-	-
	674.16	**678.24**	**37.38**	**5.36**	**0.86**	**1,396.00**

Note 14(b) : Other current financials liabilities		
Creditors for Capital Purchases	333.71	204.10
Retention Money Payable	16.34	26.99
Interest Accrued but not due on Borrowings	21.25	1.57
Others	3.62	1.65
	374.92	**234.31**
Note 15 : Current Employee obligations		
Provision for Gratuity (Refer Note 21)	26.13	14.90
Provision for Compensated absenses	12.97	12.02
Employee benefits payable	28.36	86.54
	67.46	**113.46**
Note 16 : Other Current Liabilities		
Advances from Customers	1.81	-
Statutory Dues (Including tax deducted at source)	29.34	27.69
Deferred Income:		
- TUF and Capital subsidy (Refer note below)	67.54	21.51
- Other government grants	224.54	219.90
	323.23	**269.10**

Note:
TUF subsidy 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. Other government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

	Year ended March 31, 2022 (Rs. in Million)	Year ended March 31, 2021 (Rs. in Million)
Note 17 : Revenue from Operations		
(a) Sale of Products		
Sale of Products - Finished Goods-Domestic	6,349.07	3,314.05
(b) Sale of Services		
Installation Income	10.86	-
Sub Total	**6,359.93**	**3,314.05**
(b) Other Operating Income		
Sale of Scrap	84.18	35.12
Government Grant:		
- SGST incentive	371.18	223.92
- Capital subsidy, reimbursement of land cost and stamp duty	43.77	21.44
- Technology Upgradation Fund Scheme	21.55	3.57
- Export Promotion Capital Goods (EPCG) Scheme	125.33	31.53
Sub Total	**646.01**	**315.58**
Total	**7,005.94**	**3,629.63**

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue	Year ended March 31, 2022 (Rs. in Million)	Year ended March 31, 2021 (Rs. in Million)
India		
Sale of flooring products	6,349.07	3,314.05
Sale of Scrap	84.18	35.12
Installation Services	10.86	-
Total revenue from contracts with customers	**6,444.11**	**3,349.17**

2) Contract balances

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

Particulars	Year ended March 31, 2022 (Rs. in Million)	Year ended March 31, 2021 (Rs. in Million)
Trade receivables*	857.68	850.62
Contract liabilities (advances from customers)	1.81	-

*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, 2022 (Rs. in Million)	Year ended March 31, 2021 (Rs. in Million)
Revenue as per contracted price	6,444.11	3,349.17
Revenue from contracts with customers	**6,444.11**	**3,349.17**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

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

Particulars	**Year ended March 31, 2022 (Rs. in Million)**	**Year ended March 31, 2021 (Rs. in Million)**
Revenue from operations	7,005.94	3,629.63
Less: Government Grant	561.84	280.46
Revenue from contracts with customers	**6,444.10**	**3,349.17**

Note 18 : Other Income

Interest Income on Fixed Deposits	9.25	0.83
Income from Investment in MF	1.54	-
Exchange Gain (Net)	65.20	139.30
Miscellaneous	7.08	21.63
Total	**83.07**	**161.76**

Note 19 : Raw materials including packaging materials consumed

Opening Stock	602.12	343.93
Add: Purchases of Raw Material and Traded Goods	4,700.83	2,768.50
	5,302.95	3,112.43
Less: Closing Stock	968.64	602.12
Total	**4,334.31**	**2,510.31**

Note 20 : Changes in inventories of Stock-in-Trade
(Increase)/ Decrease in Stocks

Opening Stock		
Finished Goods	289.89	99.77
Work-in-Process	203.23	238.75
	493.12	**338.52**
Closing Stock		
Finished Goods	162.37	356.51
Work-in-Process	251.86	203.23
	414.23	**559.74**
(Increase) / decrease in Stocks	**78.89**	**(221.22)**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

	Year ended March 31, 2022 (Rs. Million)	Year ended March 31, 2021 (Rs. Million)
Note 21 : Employee benefits expense		
Salaries, Wages, Allowances and Other Benefits	515.34	515.79
Gratuity	17.28	7.40
Contribution to Provident and Other Funds	27.32	29.64
Employee stock option scheme	2.47	-
Leave compensation	4.07	3.68
Staff and Labour Welfare	28.96	18.85
Total	**595.44**	**575.36**

The figures mentioned above are net off employee costs capitalised during the year ended March 31, 2022 amounting to Rs.9.69 Million (March 31,2021 : Rs 34.62 Million)

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

I Defined Contribution Plans

(Rs. Million)

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:	Year ended March 31, 2022	Year ended March 31, 2021
- Employers' Contribution to Provident Fund*	13.88	15.65
- Employers' Contribution to Employees' State Insurance *	2.70	2.57
- National Pension Fund*	9.62	10.50
- Employers' Contribution to Superannuation Scheme*	1.12	0.92
	27.32	29.64

* Included in Contribution to Provident and Other Funds

II Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The Company operates a gratuity plan through the "Welspun Flooring 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, 2022	As at March 31, 2021
	% p.a.	% p.a.
Discount Rate	7.29	6.82
Salary Escalation Rate @	6 %p.a for the next 5 years, 5% p.a for thereafter, starting from 6th year	6.5%p.a for the next 5 years, 5% p.a for thereafter, starting from 6th year
Rate of Employee Turnover	For service 0 years and below 24% and For 1 years to 2 years 8.00% p.a. For service 3 years to 4 years 3.00% p.a. For service 5 years and above 4.00% p.a.	For service 1 years and below 12.00% p.a. For service 2 years to 4 years 8.00% p.a. For service 5 years and above 4.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate

@ 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, 2022	As at March 31, 2021
Opening Present Value of Obligation	14.90	15.00
Current Service Cost	7.40	6.37
Past Service Cost	2.63	-
Interest Cost	1.02	1.03
Total amount recognised in profit or loss	**11.05**	**7.40**
Remeasurements		
(Gain)/Loss from change in demographic assumptions	(0.29)	0.09
(Gain)/Loss from change in financial assumptions	(1.50)	0.09
Experience Gains/(Losses)	1.64	(1.65)
Total amount recognised in other comprehensive income	**(0.15)**	**(1.47)**
Liability transferred in / acquisitions	6.22	-
Liability transferred out / divestment	-	(4.16)
Benefit/ Exgratia paid	(5.88)	(1.87)
Closing Present Value of Obligation	**26.14**	**14.90**

(Rs. Million)

c. Balance Sheet Reconciliation	As at March 31, 2022	As at March 31, 2021
Opening Net (Liability)/ Asset	(14.90)	(15.00)
Expenses Recognized in Statement of Profit or Loss	(11.05)	(7.40)
Income / (Expenses) Recognized in OCI	0.15	1.47
Employer's Contribution	-	-
Net Liability/(Asset) Transfer In	(6.22)	
Liability transferred out / divestment	-	4.16
Benefit/ Exgratia paid	5.88	1.87
Net (Liability)/ Asset Recognised in the Balance Sheet	(26.14)	(14.90)

(Rs. Million)

d. Amount recognised in the Balance sheet	As at March 31, 2022	As at March 31, 2021
Present value of Obligation	(26.14)	(14.90)
Fair Value of Plan Assets	-	-
Funded Status ((Surplus/ (Deficit))	(26.14)	(14.90)
Expense recognised in statement of profit or loss	-	-
Net (Liability)/ Asset Recognised in the Balance Sheet	(26.14)	(14.90)

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

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

(Rs. Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Current Service Cost	7.40	6.37
Past Service Cost	2.63	-
Interest Cost	1.02	1.03
Interest Income	-	-
Total Expenses recognized in the statement of profit and loss*	**11.05**	**7.40**

* Included in Employee Benefits Expense

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

(Rs. Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	(0.15)	(1.47)
Return on Plan Assets, Excluding amounts included in Interest Income	-	-
Net (Income)/Expenses for the Period Recognized in OCI	**(0.15)**	**(1.47)**

g. **Sensitivity Analysis**

(Rs. Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Projected Benefit Obligation on Current Assumptions	26.14	14.90
Delta Effect of +1% Change in Rate of Discounting	(2.37)	(1.23)
Delta Effect of -1% Change in Rate of Discounting	2.81	1.47
Delta Effect of +1% Change in Rate of Salary Increase	2.84	1.48
Delta Effect of -1% Change in Rate of Salary Increase	(2.43)	(1.25)
Delta Effect of +1% Change in Rate of Employee Turnover	0.59	0.24
Delta Effect of -1% Change in Rate of Employee Turnover	(0.68)	(0.28)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability/asset recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

h. **Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 11 years (March 31, 2021 -12 years). The expected maturity analysis of undiscounted gratuity is as follows:

(Rs. 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, 2022						
Defined benefit obligation (gratuity)	2.58	1.32	4.27	10.46	48.66	67.29
Total	**2.58**	**1.32**	**4.27**	**10.46**	**48.66**	**67.29**
March 31, 2021						
Defined benefit obligation (gratuity)	1.78	1.30	2.73	6.86	22.41	35.08
Total	**1.78**	**1.30**	**2.73**	**6.86**	**22.41**	**35.08**

III **Other Employee Benefit**

The liability for compensated absences as at year end is Rs.12.97 Million (March 31, 2021 : Rs. 12.02 Million).

WELSPUN FLOORING LIMITED

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

	As at March 31, 2022 (Rs. in Million)	As at March 31, 2021 (Rs. in Million)
Note 22 : Depreciation and amortization expense		
Depreciation on Tangible Assets (Refer Note 3)	576.66	505.33
Amortisation on Intangible Assets (Refer Note 4)	13.45	7.97
Depreciation of Right-of-use assets (Refer Note 37)	2.98	3.82
	593.09	**517.12**

Note 23 : Other Expenses

Contract labour charges	166.93	75.05
Stores and spares consumed	121.64	142.54
Rent (Refer note 37)	2.03	2.66
Legal and Professional Charges*	77.48	52.30
Repairs & Maintenance		
- Plant & Machinery	6.55	10.26
- Building	3.48	1.37
- Others	7.92	2.00
Insurance	31.28	20.18
Rates and Taxes	5.83	5.94
Power, Fuel and Water Charges**	116.49	222.16
Security Expenses	-	7.25
Directors' Sitting Fees	0.28	0.28
Printing and Stationery	0.11	0.56
Postage and Courier	0.46	1.00
Design and Development Expenses	3.89	20.39
Travelling and Conveyance	33.76	67.70
Royalty Expenses	211.90	76.13
Payments to Auditors (Refer Note 23 (a) below)	1.53	1.97
Installation Expenses	10.86	-
Miscellaneous	23.73	74.30
	826.15	**784.04**
Note 23 (a): Details of Payments to Auditors		
As Auditor	1.10	1.10
For Tax Audit Fees	0.40	0.80
For Other Services	-	0.03
For Reimbursement of Expenses	0.03	0.04
	1.53	**1.97**

* Legal & Professional Charges - Amount of Legal & Professional capitalised during the year of Rs. 4.00 Million (March 31, 2021 of Rs. Nil)

** Power & Fuel - "Power cost (Net of power subsidy Rs. 213.92 Million including subsidy accrued of previous period of Rs. 105.20 Million (March 31, 2021 of Rs. Nil))

Note 24: Finance Cost

Interest on Term Loan (Refer note below)	-81.70	257.98
Interest on Working Capital	26.98	24.99
Commision on Corporate Guarantee	34.50	35.55
Interest to Others	0.55	16.00
Discounting and Bank Charges	36.87	25.29
Interest on lease liability (Refer Note 37)	1.54	0.96
	18.74	**360.77**

Note: Interest on Term Loan - Net of Interest Subsidy Rs 666.51 Million (March 31, 2021 Rs. 289.85 Million) out of which Rs. 191.78 million pertains to previous period which is recorded based on approval received in current financial year

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Welspun Flooring Limited

Note 25: Income tax expenses

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

(Rs. Million)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Tax		
Current Tax for the year	-	-
Total Current Tax Expense	-	-
Deferred Tax		
Relating to originating and reversal of temporary differences	-	-
Total Deferred Tax Expense	-	-
Income Tax Expense	-	-

(b) Reconcilition of tax expense and the accounting profit multiplied by India's tax rate

(Rs. Million)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit /(Loss) for the year before Income Tax Expense	**642.40**	**(735.00)**
Tax at the Indian tax rate @ 25.17% (March 31, 2021 : 25.17%)	161.69	(185.00)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Deferred tax not created*	(161.69)	185.00
Income tax Expenses	-	-

* The Company has continued losses in the current year ,the Deferred Tax assets on losses have been restricted to the extent of Deferred Tax Liabilities

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Welspun Flooring Limited

Note 26 : Fair value measurements

Financial instruments by category

(Rs. Million)

	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade Receivables	-	-	857.68	-	-	850.62
Investments	115.15	-	-	-	-	-
Cash and cash equivalents	-	-	22.51	-	-	120.96
Bank Balances other than Cash and Cash Equivalents	-	-	230.32	-	-	408.82
Security deposits	-	-	40.47	-	-	26.96
Interest accrued on fixed deposit	-	-	2.04	-	-	0.34
Government Grant Receivable	-	-	2,068.52	-	-	986.71
Derivative Financial Instruments	4.03	-	-	14.01	-	-
Total financial assets	**119.18**	**-**	**3,221.54**	**14.01**	**-**	**2,394.41**
Financial liabilities						
Borrowings and interest accrued thereon	-	-	8,698.31	-	-	7,464.12
Trade payables	-	-	990.64	-	-	1,396.00
Lease Liability	-	-	3.63	-	-	5.77
Creditors for Capital Purchases	-	-	333.71	-	-	204.10
Other financial liabilities	-	-	19.96	-	-	28.64
Total financial liabilities	**-**	**-**	**10,046.25**	**-**	**-**	**9,098.63**

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

(Rs. Million)

	March 31, 2022		March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	857.68	857.68	850.62	850.62
Cash and cash equivalents	22.51	22.51	120.96	120.96
Bank Balances other than Cash and Cash Equivalents	230.32	230.32	408.82	408.82
Security deposits	40.47	40.47	26.96	26.96
Interest accrued on fixed deposit	2.04	2.04	0.34	0.34
Government Grant Receivable	2,068.52	2,068.52	986.71	986.71
Total	**3,221.54**	**3,221.54**	**2,394.41**	**2,394.41**
Financial liabilities				
Borrowings and interest accrued thereon	8,698.31	8,698.31	7,464.12	7,464.12
Trade payables	990.64	990.64	1,396.00	1,396.00
Lease Liability	3.63	3.63	5.77	5.77
Creditors for Capital Purchases	333.71	333.71	204.10	204.10
Other financial liabilities	19.96	19.96	28.64	28.64
Total	**10,046.25**	**10,046.25**	**9,098.63**	**9,098.63**

The carrying amount of above all items in note under "Fair value of Financial assets and 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.

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.

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Welspun Flooring Limited ★

(Rs. Million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2022	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Trade Receivables		-	-	857.68	857.68
Investment	8(a)	-	115.15	-	115.15
Cash and cash equivalents	8(b)	-	-	22.51	22.51
Bank Balances other than Cash and Cash Equivalents	8(c)	-	-	230.32	230.32
Security deposits		-	-	40.47	40.47
Interest accrued on fixed deposit	5 & 8 (c)	-	-	2.04	2.04
Government Grant Receivable		-	-	2,068.52	2,068.52
Derivative Financial Instruments		-	4.03	-	4.03
Total financial assets		**-**	**119.18**	**3,221.54**	**3,340.72**
Financial Liabilities					
Borrowings and interest accrued thereon	11(a) & 14(b)	-	-	8,698.31	8,698.31
Trade payables	14(a)	-	-	990.64	990.64
Lease Liability	36	-	-	3.63	3.63
Creditors for Capital Purchases	14(b)	-	-	333.71	333.71
Other financial liabilities	14(b)	-		19.96	19.96
Total financial liabilities		-	**-**	**10,046.25**	**10,046.25**

(Rs. Million)

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed At March 31, 2021	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Trade Receivables		-	-	850.62	850.62
Cash and cash equivalents	8(b)	-	-	120.96	120.96
Bank Balances other than Cash and Cash Equivalents	8(c)	-	-	408.82	408.82
Security deposits	5 & 8 (c)	-	-	26.96	26.96
Interest accrued on fixed deposit		-	-	0.34	0.34
Government Grant Receivable		-	-	986.71	986.71
Derivative Financial Instruments		-	14.01	-	14.01
Total financial assets		**-**	**14.01**	**2,394.41**	**2,408.42**
Financial Liabilities					
Borrowings and interest accrued thereon	11(a) & 14(b)	-	-	7,464.12	7,464.12
Trade payables	14(a)	-	-	1,396.00	1,396.00
Lease Liability	36	-	-	5.77	5.77
Creditors for Capital Purchases	14(b)	-	-	204.10	204.10
Other financial liabilities	14(b)	-	-	28.64	28.64
Total financial liabilities		**-**	**-**	**9,098.63**	**9,098.63**

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.

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Welspun Flooring Limited

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	The Company achieves the optimum interest rate profile by benchmarking borrowing rates that represent economic variabilities in which the Company operates. Further, the Company is eligible for interest subsidy of upto 8% p.a. on the term loans. Additionally, company has opted for interest rate swap to match its receivable profile.

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 financing activities, including deposits with bank and financial institution, foreign exchange transactions .

Trade Receivable

As per the Business Model, entire sales are made of Welspun Global Brands Limited (WGBL) a group Company
The following table gives details in respect of percentage of revenue generated from the top ten customers.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top 10 Customers	99.76%	100.00%

As at March 31, 2022 (Rs. Million)

Ageing of Trade receivables Gross Carrying Amount	Current but not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Trade Receivables	-	857.42	0.26	-	-	-	857.68
Expected loss rate	-	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	857.42	0.26	-	-	-	857.68

As at March 31, 2021 (Rs. Million)

Ageing of Trade receivables Gross Carrying Amount	Current but not Due	Less than 6 months	6 months to 1 year	1 - 2 years	2-3 years	More than 3 years	Total
Trade Receivables	-	850.62	-	-	-	-	850.62
Expected loss rate	-	-	-	-			-
Allowance for doubtful debts	-	-	-	-			-
Carrying amount of trade receivables (net of impairment)	-	850.62	-	-	-	-	850.62

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks.

(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:

(Rs. Million)

As at	March 31, 2022	March 31, 2021
Floating rate		
Expiring within one year (packing credit, bank overdraft and other facilities) [Fund based]	422.70	149.37
Expiring within one year (packing credit, bank overdraft and other facilities) [Non- Fund based]	1,343.51	243.91
Expiring within one year (commitment from Holding Company)	1,961.42	947.92
Expiring within one year (Term Loans)	276.67	1,183.16
Total	4,004.30	2,524.36

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of Financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2022

(Rs. 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	1,079.78	244.05	495.20	1,118.58	3,949.51	4,681.67	11,568.79
Trade payables	990.64	-	-	-	-	-	990.64
Other financial liabilities	374.92	-	-	-	-	-	374.92
Lease Liabilities	0.73	0.73	1.45	0.73	-	-	3.64
Total non-derivative liabilities	2,446.07	244.78	496.65	1,119.31	3,949.51	4,681.67	12,937.99

As at March 31, 2022

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	170.50	123.82	-	-	-	-	294.32
Forward contracts EUR- INR	13.45	-	-	-	-	-	13.45
Total	183.95	123.82	-	-	-	-	307.77

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CHARTERED ACCOUNTANTS

Welspun Flooring Limited

As at March 31, 2021

(Rs. 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	548.09	194.73	385.74	892.27	3,178.07	5,096.70	**10,295.60**
Trade payables	1,396.00	-	-	-	-	-	**1,396.00**
Other financial liabilities	232.74	-	-	-	-	-	**232.74**
Lease Liabilities	0.90	0.90	1.80	3.01	-	-	**6.61**
Total non-derivative liabilities	**2,177.73**	**195.63**	**387.54**	**895.28**	**3,178.07**	**5,096.70**	**11,930.95**

As at March 31, 2021

Derivative Financial Instruments (based on	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	-	-	-	-	-	-	-
Forward contracts EUR- INR	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

(C) Market risk

(i) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies mainly towards import procurement of Capital Goods ; consequently, exposures to exchange rate fluctuations arise. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period in India Rupees are as follows :

(Rs. Million)

	March 31, 2022			March 31, 2021		
Foreign Currency	**USD**	**EUR**	**Others***	**USD**	**EUR**	**Others***
Financial Assets						
Trade Receivables	-	-	-	-	-	-
Net exposure to foreign currency risk (assets)	-	-	-	-	-	-
Financial liabilities						
Borrowing	148.60	-	-	2,527.60	-	-
Trade payables and provisions	405.44	4.45	-	223.03	6.12	-
Other financial liabilities	160.37	53.61	0.04	35.08	49.89	-
Foreign exchange forward contracts	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**714.41**	**58.06**	**0.04**	**2,785.71**	**56.01**	-
Net open exposures (assets-liabilities) - assets /(liabilities)	**(714.41)**	**(58.06)**	**(0.04)**	**(2,785.71)**	**(56.01)**	-

* Others consists of GBP and CNY

Cross Currency Interest Rate Swap

Company has enetered into INR-USD swap during FY 2021-22, details of which are mentioned hereunder-

INR Notional (Million)	USD Notional (Million)	Maturity	Os notional as on 31.03.22 (USD Million)	MTM as on 31.03.22 (INR Million)
1,750	23.78	31-Aug-25	22.59	4.11

(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.

(Rs. Million)

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
USD sensitivity		
USD - INR - Increase by 5 % (March 31, 2021 - 5%)*	(35.72)	(139.29)
USD - INR - Decrease by 5 % (March 31, 2021 - 5%)*	35.72	139.29
EURO sensitivity		
EURO - INR - Increase by 4 % (March 31, 2020 - 5%)*	(2.32)	(2.80)
EURO - INR - Decrease by 4 % (March 31, 2020 - 5%)*	2.32	2.80

* Holding all other variables constant

(c) Fair value hedge

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, and foreign currency required at the settlement date of certain 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.

As at March 31, 2022

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

Foreign Exchange Forward Contracts	Less than 3 Months		3 months to 6 months		6 months to 1 year		Total
	Amount in Million	Average Rate (Rs.)	Amount in Million	Average Rate (Rs.)	Amount in Million	Average Rate (Rs.)	
Forward contracts USD- INR	2.25	75.88	1.61	77.04	-	-	3.86
Forward contracts EUR- INR	0.16	84.44	-	-	-	-	0.16
Total	**2.41**		**1.61**		-		**4.02**

As at March 31, 2021

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

Foreign Exchange Forward Contracts	Less than 3 Months		3 months to 6 months		6 months to 1 year		Total
	Amount in Million	Average Rate (Rs.)	Amount in Million	Average Rate (Rs.)	Amount in Million	Average Rate (Rs.)	
Forward contracts USD- INR	-	-	-	-	-	-	-
Forward contracts EUR- INR	-	-	-	-	-	-	-
Total	-		-		-		-

(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 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:

(Rs. Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	-	-
Floating rate borrowings	8,677.06	7,462.55
Total borrowings	**8,677.06**	**7,462.55**

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

	March 31, 2022			March 31, 2021		
	Weighted average interest rate	**Balance**	**% of total loans**	**Weighted average interest rate**	**Balance**	**% of total loans**
Borrowings	7.80%	8,677.06	100%	7.15%	7,462.55	100%
Net exposure to cash flow interest rate risk	-	8,677.06	-	-	7,462.55	-

(b) Sensitivity

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

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Increase by 25 basis points (March 31, 2021 - 25 basis points)*	(21.69)	(18.66)
Decrease by 25 basis points (March 31, 2021 - 25 basis points)*	21.69	18.66

* Holding all other variables constant including change in interest subsidy

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Welspun Flooring Limited

Note 28 : Capital Management

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 investments.
The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.
The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.
Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments.

The Company's strategy is to maintain a gearing ratio within 3:1. The gearing ratios were as follows:

	March 31, 2022	March 31, 2021
Non-current borrowings	7,402.39	6,846.29
Current maturities of Long term debt	440.87	265.63
Current borrowings	1,274.67	350.63
Less: cash and cash equivalent	(22.51)	(120.96)
Net debt	8,213.68	7,341.59
Total equity	5,025.21	4,343.67
Gearing ratio	**1.63**	**1.69**

In order to achieve this overall objective, the Company's 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 2022 and 31 March 2021.

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 period 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 statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections and also actualised excess liabilities / provisions. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, 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 statements

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 30 : Related Party Disclosures

(i) Names of related parties and nature of relationships:

(a)Enterprise where control exists		
Holding company	Welspun India Limited (WIL)	
Ultimate parent	Welspun Group Master Trust (WGMT) (with effect from May 21, 2019)	
(b)Fellow subsidiary company with whom transactions have taken place during the year	Welspun Global Brands Limited (WGBL) Welspun USA Inc. (WUSA) Welspun Advanced Materials (India) Limited (WAMIL)	
(c)Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	Welspun Corp Limited (WCL) AYM Syntex Limited (AYM) Welassure Private Limited (WAL) Welspun Global Services Limited (WGSL) Welspun Specialty Solutions Limited (WSSL) Welspun Di Pipes Limited (WDPL)	
(d)Key Management Personnel	**Name**	**Nature of relationship**
	Rajesh Rameshkumar Mandawewala	Director
	Dipali Goenka	Director
	Altaf Jiwani	Director
	Devendra Patil	Director till July 27, 2021
	Sanjeev Sancheti	Director till May 31, 2021
	Sanjay Gupta	Director w.e.f July 26, 2021
	Mukesh Sawalani	Chief Executive Officer and Whole Time Director (MS)
	Pradeep Poddar	Independent Director (PP)
	Shashikant Sahoo	Chief Financial Officer till June 19, 2020 (SS)
	Shashikant Thorat	Company Secretary
	Chirag Goenka	Chief Financial Officer (CG) w.e.f. 25th june 2020

(i) Terms and Conditions

- All transactions with related parties are priced on an arm's length basis and resulting outstanding balances are to settled in cash.
- All outstanding balances are unsecured.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 30 : Related party transactions

(Rs.milion)

PARTICULARS	Holding company	Fellow subsidiary company with whom transactions have taken place during the year			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**				Total
	WIL	WGBL	WUSA	WAMIL	WCL	AYM	WGSL	WSSL	WDPL	WAL	PP	SS	CG	MS	
Transactions during the year															
Purchase of Services/ Expenses incurred *	-	-	-	-	-	-	7.73	0.48	-	36.02	-	-	-	-	44.23
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets / Capital Goods *	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	(18.85)	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.85)
Corporate Guarantee commission*	43.53	-	-	-	-	-	-	-	-		-	-	-	-	43.53
	(35.55)	-	-	-	-	-	-	-	-	-	-	-	-	-	(35.55)
Reimbursement of Expenses - Paid*	14.55	1.68	28.26	-	0.64	-	-	-	-	-	-	-	-	-	45.13
	(24.74)	(0.00)	(110.44)	-	(12.04)	-	-	-	-	(7.74)	-	-	-	-	(154.96)
Reimbursement of Expenses - Received*	-	12.42	-	22.49	-	-	-	-	-	0.37	-	-	-	-	35.28
	-	(3.95)	-	-	-	-	-	-	-	-	-	-	-	-	(3.95)
Purchase of Goods/ MEIS Licenses*	119.98	63.96	-	0.49	-	201.02	-	-	-		-	-	-	-	385.45
	(51.07)	(121.64)	-	-	-	(305.70)	-	-	-	-	-	-	-	-	(478.41)
Sale of Goods*	1.58	7,413.76	-	7.30	-	-	-	-	-		-	-	-	-	7,422.64
	-	(3,863.50)	-	-	-	-	-	-	-	-	-	-	-	-	(3,863.50)
Sale of Services*	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	-	0.18
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration & Commission	-	-	-	-	-	-	-	-	-		-	-	5.29	7.29	12.58
	-	-	-	-	-	-	-	-	-	-	-	(1.64)	(3.42)	(7.68)	(12.74)
Director Sitting Fee	-	-	-	-	-	-	-	-	-		0.28	-	-	-	0.28
	-	-	-	-	-	-	-	-	-	-	(0.28)	-	-	-	(0.28)
Loan Advance & Deposits Received	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	(1,439.96)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,439.96)
Repayment Loans, Advances and Deposits received #	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	(1,534.96)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,534.96)
Interest Expenses	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	(15.94)	-	-	-	-	-	-	-	-	-	-	-	-	-	(15.94)
Issue of Preference Shares Shares	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Debentures	1,036.50	-	-	-	-	-	-	-	-		-	-	-	-	1,036.50
	(2,782.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,782.03)
Redemption of Debentures	997.50														997.50
	-														
Corporate Guarantee Received	2,725.00	-	-	-	-	-	-	-	-		-	-	-	-	2,725.00
	(4,460.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,460.00)
Closing Balances				-			-	-	-						-
				-			-	-	-						-
Equity Share Capital	650.00	-	-	-	-	-	-	-	-		-	-	-	-	650.00
	(650.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(650.00)
Preference Share Capital	1,850.00	-	-	-	-	-	-	-	-		-	-	-	-	1,850.00
	(1,850.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,850.00)
Issue of Debentures	3,535.41	-	-	-	-	-	-	-	-		-	-	-	-	3,535.41
	(3,496.41)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,496.41)
Loans, Advances and Deposits received (Including Interest Accrued on thereon)	-	-	-	-	-	-	-	-	-		-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables and Advance received from customers	114.37	40.49	28.26	0.49	0.01	16.40	0.74	-	-	6.62	-	-	-	-	207.38
	(180.86)	(79.12)	(154.12)	-	(9.55)	(18.85)	-	-	-	(2.40)	-	-	-	-	(444.90)
Capital Creditors	0.85	0.37	-	-	-	-	-	-	-	-	-	-	-	-	1.22
	(1.03)	(0.37)	-	-	-	-	-	-	-	-	-	-	-	-	(1.40)
Capital Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	(26.30)	-	-	-	-	-	-	-	-	-	-	(26.30)
Receivables	1.58	841.94	-	10.50	-	-	-	-	0.09		-	-	-	-	854.11
	-	(846.67)	-	-	-	-	-	-	-	-	-	-	-	-	(846.67)
Corporate Guarantee - Balance Outstanding	12,635.00	-	-	-	-	-	-	-	-		-	-	-	-	12,635.00
	(12,610.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,610.00)

Previous years figures are given in brackets.

* Amount is inclusive of taxes unless otherwise specified

** As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole the amount pertaining to KMP's are not included in the above table.

Loans of Rs. Nil Million were converted to 0% Compulsorily Convertible Debentures (March 31, 2021, Loans of Rs. 1524.96 Million were converted to 0% Compulsorily Convertible Debentures).

Note 31: Contingent Liability

There is no contingent liability as on March 31, 2022

Note 32: Capital and Other Commitment

	Year Ended March 31, 2022 (Rs. Million)	Year Ended March 31, 2021 (Rs. Million)
Estimated value of Contracts in Capital Account remaining to be Executed (Net of Capital Advance)	235.84	920.36
Export obligation under Zero duty EPCG Scheme. Duty saved March 31, 2022 Rs. 1426.36 Million (March 31, 2021 : Rs. 1,256.85 Million)	5,562.65	7,703.79
Total	5,798.49	8,624.15

Note 33 : Earning per Share

	Year ended March 31, 2022 (Rs. Million)	Year ended March 31, 2021 (Rs. Million)
Loss after Tax (A)	642.40	(735.00)
Weighted average number of Equity Shares (B)	6,50,00,000	41,64,30,589
Weighted average Number of Shares for Diluted EPS includes Equity Shares and Mandatorily Convertible Preference Shares and Debentures outstanding during the Year (C)	63,68,52,551	41,64,30,589
Basic Earning per Share (A/ B)	9.88	(1.76)
Diluted Earning per Share (A/ C)	1.01	(1.76)
Nominal Value of Equity Share (Rs.)	10	10

Note 34: Disclosure for Micro and Small Enterprises:

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
-Principal	39.93	62.47
-Interest	-	-
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	-	-
-Interest	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of year	-	-

The above information and that given in Note 14 (a) – "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 35: Expenditure in Foreign currency (net, on accrual basis)

	Year Ended March 31, 2022 (Rs. Million)	Year Ended March 31, 2021 (Rs. Million)
Royalty	211.90	76.13
Legal and Professional Charges	15.43	7.82
Travelling	0.68	3.03
Design and Development Expenses	2.22	18.26
Total	230.23	105.24

Note 36: Details of Research and Development expenses incurred during the year

	Year Ended March 31, 2022 (Rs.in Million)	Year Ended March 31, 2021 (Rs.in Million)
Capital Expenses	10.24	-
Employee Benefit Expenses	18.03	15.88
Other Expenses	-	-
Total	28.27	15.88

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 37: Lease as lessee

The Company has lease contracts for various items of other equipment used in its operations. Leases of other equipment generally have lease terms between 3 and 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

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 recognized and the movements during the year:

(Rs. Million)

Particulars	Right of use of assets
As at April 1, 2020	9.46
Additions	-
Depreciation expense	(3.82)
As at April 1, 2021	5.64
Additions	0.56
Depreciation expense	(2.98)
As at March 31, 2022	3.22

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

(Rs. Million)

Particulars	Total
As at April 1, 2020	9.60
Accretion of interest	0.96
Additions	-
Payments	(4.79)
As at April 1, 2021	5.77
Accretion of interest	1.54
Additions	0.56
Payments	(4.24)
As at March 31, 2022	3.63

Current lease liabilities	2.84
Non-Current lease liabilities	0.79

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

(Rs. Million)

Particulars	2021-22	2020-21
Depreciation expense of right-of-use assets	2.98	3.82
Interest expense on lease liabilities	1.54	0.96
Expense relating to short-term leases (included in other expenses)	2.03	2.66
Total amount recognized in profit or loss	6.55	7.44

Considering the lease term of the leases, the effective interest rate for lease liabilities is 10%

The Company had total cash outflows for leases of Rs. 4.24 Million for current year (Rs. 4.79 Million for March 31, 2021). 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 judgment in determining whether these extension and termination options are reasonably certain to be exercised.

SRBC & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Welspun Flooring Limited

WELSPUN FLOORING LIMITED

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

Note 38: Employees Stock Options

On July 31, 2021, the Parent of the Company ,Welspun India Limited (WIL) has made grants of 2,00,000 stock options ("ESOPs") under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of Re. 1 each in the WIL,at an exercise price of Rs. 133.45 to certain employees of the Company. The ESOPs so granted, shall vest on four anniversaries beginning from July 31, 2022, the first vesting date, in instalments of 20%, 20%, 30% and 30% respectively. The options vested under each of the slabs can be exercised within a period of three years from the respective vesting date. Accordingly, the Company has recorded employee benefit expense of Rs.2.47 million for the year ended March 31, 2022 and a corresponding liability payable to WIL

Note 39: Other Statutory Information

1.'The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

2.'"The Company do not have any transactions with companies struck off"

3.'The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

4.'The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

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

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

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

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

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

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

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

Note 40: Ratio Analysis and its elements

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current ratio (times)	Current Assets	Current Liabilities	1.13	1.34	-15.40%	-
Solvency Ratio						
Debt-Equity ratio (times)	Total Debt	Shareholder's Equity	1.73	1.72	0.50%	-
Debt service coverage ratio (times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.22	0.39	465.09%	Higher profit and debt payment during the year resulted in improved ratio
Profitability ratio						
Net profit ratio (%)	Net Profit for the year	Net sales = Total sales - sales return	9.97%	-21.95%	145.43%	Profit for the year is higher due to other operating income and subsidy
Return on equity ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	13.71%	-22.14%	161.93%	Profit for the year is higher due to other operating income and subsidy
Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4.83%	-3.18%	252.06%	Profit for the year is higher due to other operating income and subsidy
Return on investment (%)	Interest (Finance Income)	Investment	0.71%	-	0.71%	Investment made first time during the year
Utilization Ratio						
Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	3.33	2.48	34.17%	Increase in sales resulting in improved ratio.
Trade receivables turnover ratio (times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.54	7.87	4.19%	-
Trade payables turnover ratio (times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.94	2.81	40.31%	Increase in cashflow resulting in improved trade payable turnover ratio
Net capital turnover ratio (times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	15.77	3.73	323.28%	Increase in sales resulting in improved ratio.

Note 41 : Re-grouping and Re-classification of previous year figures

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Per Anil Jobanputra
Partner
Membership No. 110759

6/5/22

Place: Mumbai
Date: May 06, 2022

For and on behalf of the Board of Directors

Rajesh Mandawewala
Director
DIN: 00007179

Sanjay Gupta
Director
DIN 00496255

Mukesh Sawalani
CEO and Jt. MD
DIN 08169008

Chirag Goenka
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 06, 2022

Welspun Flooring Limited