

WELSPUN TRADINGS LIMITED

22ND ANNUAL REPORT 2022-2023

Welspun Tradings Limited

Welspun House, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400013

T:+91 22 6613 6000 F:+91 22 2490 8020

Email: companysecretary_wtsl@welspun.com

Registered Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370110, India.

T: +91 28 3666 2079 F: +91 28 3627 9060

Corporate Identity Number: U72200GJ2001PLC039513

Company Information

Company Identification Number	:	U72200GJ2001PLC039513
Date of Incorporation	:	May 09, 2001
Registered Office	:	Welspun City, Village Versamedi, Taluka-Anjar, Dist. Kutch, Gujarat-370110. Tel 02836-662079; Email: Companysecretary_WTSL@welspun.com
Authorized Capital	:	Rs. 50,500,000/- divided into 50,50,000 Equity Share of Rs. 10/- each
Paid-up Capital	:	Rs. 50,133,960/- divided into 50,13,396 Equity Share of Rs. 10/- each
Securities Registrar & Transfer Agent	:	M/s. Purva Share Registry 9, Shiv Shakti Industrial Estate, Lower Parel, Mumbai - 400 011
Board of Directors	:	Mr. Godfrey John- Non-Executive Director Mr. Percy Birdy - Non-Executive Director Mr. Rupak Ghosh- Non-Executive Director
Auditors	:	Price Waterhouse Chartered Accountants LLP

Welspun Tradings LimitedWelspun House, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400013

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DIRECTORS' REPORT

To,
The Members,
Welspun Tradings Limited

Your directors take pleasure in presenting their 22nd Annual Report on the business and operations of your Company, together with the audited financial statements for the financial year ended March 31, 2023.

FINANCIAL HIGHLIGHTS

(Rs.in Crore)

Particulars	For the year ended	
	31.03.2022	31.03.2023
Income	165.10	375.64
Expense	159.80	356.92
Profit / (Loss) before tax	5.30	18.72
Less: Provision for tax Current Tax and Deferred Tax	1.40	4.67
Profit / (Loss) After Tax	3.90	14.05

HIGHLIGHTS FOR THE YEAR

Performance highlights for the year under Report are as under:

Traded Products	(Sales in MT)	
	FY 2021-22	FY 2022-23
Pipes / H. R. Plates & Coils	19,429	28,231

RESERVES AND DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2023.

DETAILS OF SUBSIDIARY

The Company does not have any subsidiary.

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PUBLIC DEPOSITS

During the year under Report, the Company has not accepted any deposit within the meaning of the Chapter V to Companies Act 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under Report.

SHARE CAPITAL

The Company does not have any equity shares with differential rights and hence disclosures as required in Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required. The Company has not issued any sweat equity or stock options.

AUDITORS**i) Statutory Auditors:**

Your Company's Auditors M/s. Price Waterhouse Chartered Accountants LLP, who have given their consent and confirmation of qualification for continuation of appointment as the Statutory Auditors have been re-appointed for second term ending on the conclusion of the 23rd Annual General Meeting. The remuneration fixed for the financial year 2023-24 is Rs.10 lakh p.a. plus travelling and out-of-pocket expenses.

ii) Secretarial Auditors:

M/s MNB & Co. LLP, Practicing Company Secretary have been appointed as the Secretarial Auditors of the Company for the Financial Year 2023-24.

iii) Internal Auditors:

M/s. Deloitte Touche Tohmatsu India Limited Liability, Chartered Accountants, have been appointed as the Internal Auditors of the Company for the financial year 2023-24.

AUDITORS' REPORT**Welspun Tradings Limited**

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(a) Statutory Auditors' Report

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

(b) Secretarial Audit Report

The provisions of Section 204 of the Companies Act, 2013 and rules made thereunder was not applicable to the Company for the Financial Year 2022-23.

(c) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, the Internal Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees under section 143(12) of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as **Annexure 1**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since the last report, following changes took place in the Board of Directors and Key Managerial Personnel:-

- Mr. Rupak Ghosh who has been appointed as an additional director w.e.f. 13.05.2022, has been regularized as the Director, by the shareholders at the 21st Annual general meeting of the Company held on 02.09.2022;
- Mr. Godfrey John who has been appointed as an additional director w.e.f. 13.05.2022, has been regularized as the Director, by the shareholders at the 21st Annual general meeting of the Company held on 02.09.2022;

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rupak Ghosh is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for re-appointment by the Board.

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Details about the director(s) being (re)-appointed are given in the Notice of the forthcoming Annual General Meeting which is being sent to the members along with the Annual Report.

DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company is not required to comply with the provisions of appointment of Independent Director on the Board. During the year, an Independent Director had resigned from the Company. Hence, the declaration by Independent Directors is not applicable.

FORMAL ANNUAL EVALUATION

The performance evaluation of the Directors was conducted by the entire Board (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board, time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions and governance.

For the financial year 2022-23, the annual performance evaluation was carried out by the Board, which included evaluation of the Board, Non-independent Directors, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the reporting year, the Company's Board comprised directors with considerable experience in diverse fields such as finance, accounts and general management and business strategy. All directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

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

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WELSPUN TRADINGS

Steel, Line Pipes, Bends

S No	Name of the Director	Age (completed years)	Category	Meetings Attended during the Year 2022-23	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)*
1	Mr. Percy Birdy	54	NE, NI	4/4	Yes	7
2	Mr. Rupak Ghosh%	53	NE, NI	4/4	NA	-
3	Mr. Godfrey John%	57	NE, NI	3/4	NA	1

% appointed as an additional director w.e.f. 13.05.2022 and rectified by the shareholders in Annual General Meeting held on 02.09.2022

* including subsidiaries of a public limited company.

Abbreviations:

NI = Non Independent, NE = Non-executive Director.

The directors who ceased to be a member of the Board have confirmed that there were no other material reasons other than those provided in the resignation letter submitted to the Company.

4 meetings of the Board of Directors were held during the year under report on the following dates: 20/05/2022, 27/07/2022, 01/11/2022 and 25/01/2023.

It is confirmed that there is no relationship between the directors inter-se.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES.

The Company has a Whistle Blower Policy and Vigil Mechanism for employees of the Company; former employees, trainees and contractual employees of the Company; employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location; existing / prospective contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company; customers, bankers of the Company; and any other person having an association with the Company, and no persons had been denied access to the Board. The Policy provide adequate safeguard against victimization and even the disclosures expressed anonymously may be considered.

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PARTICULARS OF EMPLOYEES

- a) Details of the top ten employees in terms of remuneration drawn and the name of every other employee as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Name	Designation	DOB	Age (completed years)	Joining Date	Remuner ation FY 22-23 (p.a)	Previous Experienc e in years	Qualification	Nature of Employ ment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company
Rama Desai	Officer	01-05-1982	41	16-07-2018	3.13 L	13	BA	Full time	0%	No
Kamlesh Pilke	Associate Manager	04-12-1989	34	31-10-2018	7.06 L	7	B.Com/ Dip in SCM	Full time	0%	No
Shalin Agrawal	Assistant Vice President	01-07-1976	47	17-05-2010	35.31 L	9	BE + MBA	Full time	0%	No
Jasmine Motorwala	Senior Officer	3-18-1989	34	20-07-2015	3.93 L	6	BCOM + MBA (Fin)-partime	Full time	0%	No
Darshana Vaidya	Senior Officer	11-22-1977	45	07-06-2022	3.05 L	16	BCOM	Full time	0%	No
Sonakshi Bais	Manager	05-02-1997	26	21-03-2023	0.44L	1.9	LLM	Full time	0%	No
Ashlesha Sawant	Officer	31-07-1999	24	27-03-2023	Not applicable	1.2	B.Com,M.com	Full time	0%	No

- b) Since the Company is not required to appoint the Whole-time Director, disclosure as required under Rule 5(2) pertaining to the remuneration/ commission to the Whole-time Director are not applicable to the Company.

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- c) Particulars of remuneration to the executive directors including the details of remuneration paid/payable to the executive directors for the financial year 2022-23: Not applicable.

No remuneration or perquisite was paid to, and no service contract was entered into with, nor the sitting fees was paid to any directors for attending meetings of the Board.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OUTSTANDING AS AT MARCH 31, 2023 ARE AS UNDER:

During the year under review, the Company has not made any investments or granted any loans or provided any guarantees to the parties covered under Section 186 of the Companies Act, 2013. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with the related parties that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company.

Save and except as disclosed in the financial statements, none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Disclosures as required under the Companies Act, 2013 are given in Form AOC-2 annexed as **Annexure 2** to this Report

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the Note No. 32 of the financial statements.

ANNUAL RETURN

As the Company does not have its own website, the Annual Return in Form MGT-7 of the Companies (Management and Administration) Rules, 2014 is not being hosted.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company is a not a manufacturing unit, the particulars relating to Conservation of Energy, Research and Development and Technology Absorption are not applicable.

Total foreign exchange used and earned:

Used - Rs. 23.66 crore,

Earned- Rs. 238.67 crore

INTERNAL CONTROLS & RISK MANAGEMENT

Your Company has adequate systems for risk management and internal control, which are commensurate with the size, scale and complexity of its operations.

The controls were tested during the year under Report and no reportable material weaknesses either in their design or operations were observed. In other observations, appropriate corrective actions were taken as advised by the Board.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

The Internal Audit is carried by independent external audit firm consisting of qualified accountants, domain & industry experts, fraud risk and information technology specialists.

Based on the reports of internal auditor, corrective actions are taken, wherever required. Significant audit observations and corrective actions thereon are presented to the Board.

Broad categories of Risks which may threaten the existence of the company are Commodity Price Risk, Government Policy, Policy shift globally towards Environment and Green Energy, Geopolitical, Natural Disasters, Compliances etc.

MISCELLANEOUS DISCLOSURES

During the year under report, there was no change in the general nature of business of your Company.

No material change has occurred or commitment made which would have affected the financial position of your Company between the end of the financial year of your Company to which the financial statements relate and the date of the report.

No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future.

There are no proceedings, either filed by the Company or filed against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Tribunal or other Courts as at the end of the financial year 2022-23.

Your Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC comprises of internal as well external members.

Disclosure of number of complaints filed, disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on the end of the financial year under Report are as under:

- number of complaints filed during the financial year Nil
- number of complaints disposed of during the financial year : N/A
- number of complaints pending as on end of the financial year Nil

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) & 134(5) of the Companies Act, 2013, your directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your directors would like to thank all stakeholder, customers, bankers, employees, government authorities, contractors, suppliers and associates of your Company for the support received from them during the year.

For and on behalf of the Board of Directors

Mumbai
May 18, 2023

Sd/-
Percy Birdy
Director
DIN: 07634795

Sd/-
Godfrey John
Director
DIN: 03602725

Corporate Social Responsibility Policy

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

1) A brief outline of the Company's CSR Policy.

The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.: (i) Education; (ii) Empowerment of women; and (iii) Environment and Health.

These 3E's are implemented through:

- The programs organized by a trust, Welspun Foundation for Health and Knowledge created by the group;
- Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
- Facilitating Government initiatives.

2) The Composition of the Corporate Social Responsibility Committee.

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Percy Birdy	Director	1	1
2	Mr. Rupak Ghosh	Director	1	1

The role of the CSR Committee shall be to assist the Board in fulfilling its oversight responsibilities on the matters relating to Environmental, Social & Governance factors (including matters related to CSR).

3) Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company-

The CSR Policy is disclosed on the website of the Parent Company:

- 4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable.
- 5) a) Average net profit / (loss) of the Company sub-section (5) of section 135: Rs. 191.35 lakhs
- b) Two per cent of average net profit of the Company sub-section (5) of section 135: Rs. 3.83 lakhs
- c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years – Nil
- d) Amount required to be set-off for the financial year, if any – N/A.
- e) Total CSR Obligation for the financial year [(b) + (c) – (d)] = Rs.3.83 lakhs
- 6) a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)- Rs. 3,83,000/-
- b) Amount spent in Administrative Overheads: Rs. Nil
- c) Amount spent on Impact Assessment, if applicable: Not applicable
- d) Total amount spent for the Financial Year [(a)+(b)+(c)] - Rs. 3,83,000/-
- e) CSR amount spent or unspent for the Financial Year: Spent Rs. 3,83,000/-

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 3,83,000/-	Nil	N/A	N/A	Nil	N/A

- f) Excess amount for set-off, if any – Not applicable

Sr. No.	Particulars	Amount (in Rs.)

(i)	Two Percent of average net profits of the Company as per Sub-Section 5 of Section 135	Rs. 3,83,000/-
(ii)	Total amount spent for the Financial Year	Rs. 3,83,000/-
(iii)	Excess amount spent for the Financial Year [(ii-i)]	Nil
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial year, if any.	Nil
(v)	Amount available for set-off in succeeding financial years [iii-iv]	Nil

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Years	Amount Transferred to Unspent CSR Account under Sub-Section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
	2021-22	Nil	Nil	Nil	NA	NA	NA	NA
	2020-21	Nil	Nil	Nil	NA	NA	NA	NA
	2019-20	Nil	Nil	Nil	NA	NA	NA	NA
	Total	Nil	Nil	Nil	NA	NA	NA	NA

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes / No : NO

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Sr. No.	Short particulars of the property or asset(s)	Pin-code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
	[including complete address and location of the property]						
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 : **Not Applicable**

For and on Behalf of the Board

Sd/-
Percy Birdy
Director
DIN: 07634795

Sd/-
Rupak Ghosh
Director
DIN: 09603929

Date: May 18, 2023
Place: Mumbai

Annexure-2**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis.**
Not applicable
2. **Details of material contracts or arrangement or transactions at arm's length basis which are more than 10% of the total transactions with the same party:**

Name(s) of the related party and nature of relationship	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Amount (Rs. Crs)
1) Purchase of goods and services					
Welspun Corp Limited (Holding)	Ongoing	Based on transfer pricing guidelines	06.08.2014	Yes	349.11
2) Advance					
Welspun Corp Limited (Holding)	Ongoing	Based on transfer pricing guidelines		Yes	60.31

Sd/-
Percy Birdy
 Director
 DIN: 07634795

Sd/-
Godfrey John
 Director
 DIN: 03602725

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Welspun Tradings Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Welspun Tradings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 the 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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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Welspun Tradings Limited
Report on the audit of the financial statements
Page 2 of 10

Responsibilities of management and those charged with governance for the financial statements

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 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.
6. 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

7. 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.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 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



Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Welspun Tradings Limited

Report on the audit of the financial statements

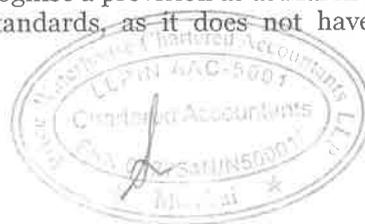
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ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify 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.
9. 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.

Report on other legal and regulatory requirements

10. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material



Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Welspun Tradings Limited

Report on the audit of the financial statements

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- foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 39(vii) to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 39(vii) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
12. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Ali Akbar
Partner
Membership Number: 117839
UDIN: 23117839BGSNGL6318

Place: Mumbai
Date: May 18, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023

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Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Tradings Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 with reference to 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023
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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Ali Akbar
Partner
Membership Number: 117839
UDIN: 23117839BGSNGL6318

Place: Mumbai
Date: May 18, 2023

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a registered valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory. Further, there are no inventory balance as at March 31, 2023.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (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, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the security provided by it. Further, the Company has not made any investments or granted any loans or provided any guarantees to the parties covered under Section 186 of the Act. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. Therefore, to this extent, the provisions of Clause 3(iv) of the said Order, are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023

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- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 33 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs. crores) #	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.66	FY 2013-2014	Commissioner of Income Tax (Appeals)
The Service Tax under the Finance Act, 1994	Service Tax	0.02	FY 2014-2015	Assistant Commissioner Central GST & CX

Net of amounts paid under protest Rs. 0.41 crores in respect of Income Tax

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023

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- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Welspun Tradings Limited on the financial statements for the year ended March 31, 2023

Page 10 of 10

- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has three CICs as part of the Group as detailed in Note 39(xiv) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 38 to the financial statements), ageing and expected dates of realisation 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 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016


Ali Akbar
Partner
Membership Number: 117839
UDIN: 23117839BGSNGL6318

Place: Mumbai
Date: May 18, 2023

Welspun Tradings Limited
Financial statements - March 31, 2023

Financial statements

- Balance sheet as at March 31, 2023
- Statement of profit and loss for the year ended March 31, 2023
- Statement of changes in equity for the year ended March 31, 2023
- Statement of cash flows for the year ended March 31, 2023
- Notes comprising significant accounting policies and other explanatory information

Welspun Tradings Limited

Balance sheet

(All amounts in Rupees Crore, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.02	0.02
Intangible assets	3	- *	- *
Financial assets			
Other financial assets	6	0.01	0.01
Deferred tax assets (net)	7	-	0.03
Other non-current assets	8	0.96	1.37
Total non-current assets		0.99	1.43
Current assets			
Financial assets			
Investments	10	26.14	8.53
Trade receivables	11	-	-
Cash and cash equivalents	12	18.81	0.87
Bank balances other than cash and cash equivalents	13	0.11	41.52
Loans	5	-	0.01
Current tax assets (net)	14	0.15	0.23
Other current assets	9	60.85	172.40
Total current assets		106.06	223.56
Total assets		107.05	224.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15(a)	5.01	5.01
Other equity			
Reserves and surplus	15(b)	100.67	86.62
Total equity		105.68	91.63
Liabilities			
Non-current liabilities			
Provisions	16(a)	0.22	0.22
Total non-current liabilities		0.22	0.22
Current liabilities			
Financial liabilities			
Trade payables			
a) total outstanding dues of micro and small enterprises	17	-	-
b) total outstanding dues other than (a) above	17	0.91	1.19
Provisions	16(b)	0.07	0.09
Deferred tax liabilities (net)	7	0.09	-
Current tax liabilities (net)	14	0.01	0.28
Other current liabilities	18	0.07	131.59
Total current liabilities		1.15	133.14
Total liabilities		1.37	133.36
Total equity and liabilities		107.05	224.99

The above balance sheet should be read in conjunction with the accompanying notes.

* Amount is below the rounding off norms adopted by the Company

This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Ali Akbar

Partner

Membership No. 117839

Place: Mumbai

Date: May 18, 2023

For and on behalf of the Board

Rupak Ghosh

Additional Director

DIN: 09603929

Place: Mumbai

Date: May 18, 2023

Percy Birdy

Director

DIN: 07634795

Welspun Tradings Limited
Statement of profit and loss
(All amounts in Rupees Crore, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	19	369.81	162.35
Other income	20	5.83	2.75
Total income		375.64	165.10
Expenses			
Purchases of stock-in-trade	21	328.82	153.25
Employee benefit expense	22	0.98	1.15
Depreciation expense	23	- *	0.22
Other expenses	24	27.05	5.16
Finance costs	25	0.07	0.03
Total expenses		356.92	159.81
Profit before tax		18.72	5.29
Income tax expense			
Current tax	26 (a)	4.55	1.37
Deferred tax	26 (b)	0.12	0.03
Total income tax expense		4.67	1.40
Profit for the year (A)		14.05	3.89
Other comprehensive income for the year, net of tax (B)			
		-	-
Total comprehensive income for the year (A+B)		14.05	3.89
Earnings per equity share:			
Basic and diluted earnings per share (in Rupees)	36	28.02	7.79

The above statement of profit and loss should be read in conjunction with the accompanying notes.

* Amount is below the rounding off norms adopted by the Company

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016


Ali Akbar
Partner
Membership No. 117839

Place: Mumbai
Date: May 18, 2023

For and on behalf of the Board


Rupak Ghosh
Additional Director
DIN: 09603929

Place: Mumbai
Date: May 18, 2023


Percy Birdy
Director
DIN: 07634795

Welspun Tradings Limited
Statement of cash flows
(All amounts in Rupees Crore, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	18.72	5.29
Adjustments for:		
Depreciation expense	-	0.22
Commission Income	(0.07)	(0.20)
Interest expense	0.05	0.03
Interest income on deposits with banks	(1.01)	(2.42)
Net gain on sale/redemption of current investments	(0.75)	(0.10)
Provision / Liability no longer required written back	-	(0.08)
Net exchange differences (unrealised)	-	0.01
Fair valuation gain on investments (net)	(0.53)	(0.03)
Total	16.41	2.72
Changes in operating assets and liabilities		
(Increase)/decrease in other non current assets	0.41	(1.26)
(Increase)/decrease in other current assets	111.55	(146.73)
Decrease in other financial assets	-	0.02
Decrease in Loans	0.01	-
Decrease in trade receivables	-	12.49
(Decrease) in current provisions	(0.02)	-
(Decrease) in trade payables	(0.28)	(0.38)
(Decrease) in other financial liabilities	-	(0.02)
(Decrease) in other current liabilities	(131.52)	130.98
Cash flow from operations	(3.44)	(2.18)
Income taxes paid (net of refund)	(4.74)	(1.10)
Net cash flow from/(used in) operating activities (A)	(8.18)	(3.28)
Cash flow from investing activities		
Interest paid	(0.05)	(0.02)
Interest received on deposits with banks	1.01	1.15
Commission received	0.07	0.20
Repayment of loan by employees (net)	0.01	-
Loan given to subsidiary and employees	-	-
Sale of current investments	248.02	74.73
Purchase of current investments	(264.35)	(72.15)
(Investment in)/ proceeds from maturity of fixed deposits (net)	41.41	-
Net cash flow from/ (used in) investing activities (B)	26.12	3.91
Cash flow from financing activities		
Principal elements of lease payments	-	(0.39)
Net cash flow from/ (used in) financing activities (C)	-	(0.39)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	17.94	0.24
Cash and cash equivalents at the beginning of the year	0.87	0.63
Cash and cash equivalents at the end of the year (Refer Note 12)	18.81	0.87

The above statement of cash flows should be read in conjunction with the accompanying notes.

* Amount is below the rounding off norms adopted by the Company

This is the statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016



Ali Akbar
Partner
Membership No. 117839

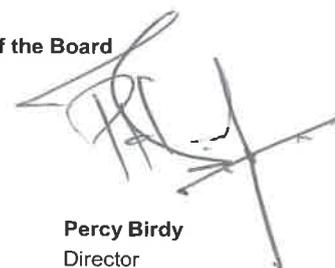
Place: Mumbai
Date: May 18, 2023

For and on behalf of the Board



Rupak Ghosh
Additional Director
DIN: 09603929

Place: Mumbai
Date: May 18, 2023



Percy Birdy
Director
DIN: 07634795

Welspun Tradings Limited
Statement of changes in equity
(All amounts in Rupees Crore, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 01, 2021		5.01
Changes in equity share capital during the year	15(a)	-
Balance as at March 31, 2022		5.01
Changes in equity share capital during the year	15(a)	-
Balance as at March 31, 2023		5.01

B. Other equity (Refer Note 15(b))

Particulars	Reserves and surplus	Total
	Retained earnings	
As at April 01, 2021	82.73	82.73
Profit for the year	3.89	3.89
Other comprehensive income	-	-
Total comprehensive income for the year	3.89	3.89
As at March 31, 2022	86.62	86.62
Profit for the year	14.05	14.05
Other comprehensive income	-	-
Total comprehensive income for the year	14.05	14.05
Balance as at March 31, 2023	100.67	100.67

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration No: 012754N / N500016



Ali Akbar
 Partner
 Membership No. 117839

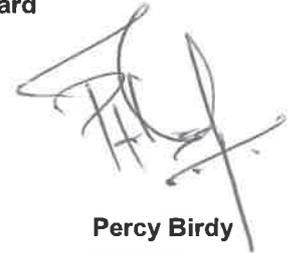
Place: Mumbai
 Date: May 18, 2023

For and on behalf of the Board



Rupak Ghosh
 Additional Director
 DIN: 09603929

Place: Mumbai
 Date: May 18, 2023



Percy Birdy
 Director
 DIN: 07634795

Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023

Background

Welspun Tradings Limited (the "Company") is a Company limited by shares incorporated on May 09, 2001 and domiciled in India. Its registered office and principal place of business is located at Welspun City, Village Versamedi, Taluka Anjar, Anjar, Gujarat, GJ 370110, India. The Company is a wholly owned subsidiary of Welspun Corp Limited and is engaged in the business of trading and marketing of steel pipes and coils.

These financial statements are authorised for issue by the Board of Directors on May 18, 2023.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crores unless otherwise stated.

Note 1: 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, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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 the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e 12 months) and other criteria set out in Schedule III (Division II) to the Act. Based on the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents the company has determined its normal operating cycle as 12 months.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(iv) New and amended standards adopted by the company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

(b) Segment reporting

The Board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker is the Board of directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Indian rupee, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustments to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/ other expenses as applicable.

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.



Welspun Tradings Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023

(d) Revenue recognition

(i) Sales of products

The Company sells a range of pipes to its customers.

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers freight activities as costs to fulfil the promise to transfer the related products and the customer payments for freight costs are recorded as a component of revenue.

In certain customer contracts, freight charges are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

Delivery occurs when the products have been shipped or delivered in accordance with the agreed delivery terms with the customer.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting liquidated damages, included but not limited to, discounts, volume rebates etc.

A receivable is recognised when the goods are delivered as per the agreed delivery terms with the customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Liquidated damages are damages that a customer deducts from the transaction price if the company fails to deliver the goods at a pre decided time as per delivery schedule. Liquidated damages are estimated based on enforcement of specific performance of contracts. In making these estimates, the Company considers predictive value of the amount that the Company expects to be liable for the transferred goods and services.

Revenue excludes any tax and duties collected on behalf of the government.

(ii) Sales of services

The Company also provides freight services to its customers. Revenue from providing freight services is recognised in the accounting period in which the services are rendered. The related freight costs incurred are included in freight expenses when the Company is acting as principal in the freight arrangement.

Freight services may be considered a separate performance obligation if control of the goods transfers to the customer before goods reach to the agreed place of shipment, but the entity has promised to ship the goods (or arrange for the goods to be shipped). In contrast, if control of a good does not transfer to the customer before goods reach to the agreed place of shipment, freight service is not a promised service to the customer. This is because freight service is a fulfillment activity as the costs are incurred as part of transferring the goods to the customer.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

The Company does not have any contracts wherein the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(iii) Contract assets and Contract Liabilities

When the Company performs a service or transfers a good in advance of receiving consideration, it recognises a contract asset or receivable. A contract asset is a Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. If the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records either a contract asset or a receivable depending on the nature of the Company's right to consideration for its performance. A contract asset will be classified as a receivable when the Company's right to consideration is unconditional (that is, when payment is due only on the passage of time). The Company shall assess a contract asset for impairment in accordance with Ind AS 109. An impairment of a contract asset shall be measured, presented and disclosed on the same basis as a financial asset that is within the scope of Ind AS 109. The Company discloses contract assets under Other Assets. The Company recognises a contract liability if the customer's payment of consideration precedes the Company's performance. A contract liability is recognised if the Company receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. The Company discloses contract liabilities under Other Liabilities.

(e) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(f) Leases

As a Lessee:

The Company leases various buildings. Rental contracts are typically made for fixed periods of one to three years but may have extension options as described in Note no 4. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payment to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(g) Impairment of assets

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, 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, and bank overdrafts. Bank overdrafts (if any) are shown within borrowings in current liabilities in the balance sheet.

(i) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(j) Inventories

Traded goods are stated at the lower of cost and net realisable value. Cost of traded goods comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. 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.

(k) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through 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.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way by purchase and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sale the financial assets.

(iii) 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 profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or other expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ other expenses as applicable in the period in which it arises. Interest income from these financial assets is included in other income.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses (as applicable) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

Dividend income

Dividend income is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(l) Financial liabilities

i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(n) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, the Company enters into forward contract 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 marked to market to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income/ other expenses (as applicable).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset the amounts accumulated in equity are transferred to profit or loss as follows. With respect to gain or loss relating to the effective portion of the change in fair value of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the deferred forward contracts, if any are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of materials consumed).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income/ other expense (as applicable).

(ii) 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.

(o) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 profit or loss during the reporting period in which they are incurred.



Welspun Tradings Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023****Depreciation methods and estimated useful lives**

Depreciation is calculated using straight-line method over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 which is as stated below:

Assets	Estimated Useful Life
Computers	3 years
Office and other equipments	3 years
Vehicles	8 years
Furniture and fixtures	10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expense (as applicable).

(p) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful life. Intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life over a period of five years which is based on a technical evaluation done by the Management.

(q) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(r) Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(s) Provisions, contingent liabilities and contingent assets

i) Provisions

Provisions for legal claims 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.

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.

ii) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

(t) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(iii) 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 employee's pension scheme.
- superannuation funds

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan 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 actuary using the projected unit credit method. The present value of the defined benefit obligation 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 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. Remeasurement are not reclassified to profit and loss in the subsequent periods.

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

Defined contribution plans

(i) Provident fund and employee pension scheme

The Company pays provident fund and employee pension scheme contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(ii) Superannuation fund

The Company contributes on a defined contribution basis towards superannuation post-employment benefits to Insurers administered superannuation fund and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

(u) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) 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.

(w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees Crores (upto two decimals) as per the requirement of Schedule III (Division II), unless otherwise stated.

Note 2: Critical estimates and judgements

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 judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment 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.

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision (Refer note 35).



Welspun Tradings Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2023
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(All amounts in Rupees Crore, unless otherwise stated)

Note 3: Property, plant and equipment (PPE) and Intangible assets

Particulars	Computers	Office and other equipments	Vehicles	Furniture and fixtures	Total PPE	Intangible Assets (Computer Software)
Year ended March 31, 2022						
Gross carrying amount						
Opening gross carrying amount as at April 01, 2021	- *	0.02	0.24	0.01	0.27	- *
Additions	-	-	-	-	-	-
Disposals	-	(0.01)	-	-	(0.01)	-
Closing gross carrying amount as at March 31, 2022	- *	0.01	0.24	0.01	0.26	- *
Accumulated depreciation						
Opening accumulated depreciation as at April 01, 2021	- *	0.02	0.22	0.01	0.25	-
Depreciation charge during the year	-	-	-	-	-	-
Disposals	-	(0.01)	-	-	(0.01)	-
Closing accumulated depreciation as at March 31, 2022	- *	0.01	0.22	0.01	0.24	-
Net carrying amount as at March 31, 2022	- *	-	0.02	-	0.02	- *
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount as at April 01, 2022	-	0.01	0.24	0.01	0.26	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2023	-	0.01	0.24	0.01	0.26	-
Accumulated depreciation						
Opening accumulated depreciation as at April 01, 2022	- *	0.01	0.22	0.01	0.24	-
Depreciation charge during the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2023	- *	0.01	0.22	0.01	0.24	-
Net carrying amount as at March 31, 2023	- *	- *	0.02	-	0.02	- *

* Amount is below the rounding off norms adopted by the Company

Notes:

i. The Company does not own any immovable properties



Welspun Tradings Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023
(All amounts in Rupees Crore, unless otherwise stated)

Note 4: Leases

Right-of-use assets

(i) Amounts recognised in balance sheet

The balance sheet shows the following amount relating to leases

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets		
Buildings	-	-
Total Right-of-use assets	-	-
	As at March 31, 2023	As at March 31, 2022
Lease liabilities		
Current	-	-
Non-current	-	-
Total Lease liabilities	-	-

* Amount is below the rounding off norms adopted by the Company

During the current year, the Company has renewed its contract for buildings taken on lease. However, the same does not qualify as a lease in accordance with IND AS 116.

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of Right-of-use assets		
Buildings	-	0.22
Total	-	0.22
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest and finance charges on lease liability (included in finance cost)	-	0.01
Total	-	0.01

The total cash outflow for leases for the year ended March 31, 2023 was Rs.Nil (March 31, 2022: Rs.0.39)

(iii) Net Debt Reconciliation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and cash equivalents	18.81	0.87
Current investments	26.14	8.53
Lease liabilities (current and non-current)	-	-
	44.95	9.40

	Financial assets		Financial liabilities		Total [E] = [A]+[B]+[C]+[D]
	Cash and cash equivalents [A]	Current investments [B]	Borrowings [C]	Lease liabilities [D]	
Net debt as at 1 April 2021	0.63	10.98	-	0.38	11.99
Cash flow (net)	0.24	(2.58)	-	(0.39)	(2.73)
Interest expenses classified under Finance costs	-	-	-	0.01	0.01
Fair value adjustments	-	0.13	-	-	0.13
Net debts as at March 31, 2022	0.87	8.53	-	-	9.40
Cash flow (net)	17.94	16.33	-	-	34.27
Fair value adjustments	-	1.28	-	-	1.28
Net debts as at March 31, 2023	18.81	26.14	-	-	44.95



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023

and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 5: Loans - Current

	As at March 31, 2023	As at March 31, 2022
Loans to employees	-	0.01
Total current loans	-	0.01
Total loans	-	0.01

Note 6: Other financial assets - Non Current

	As at March 31, 2023	As at March 31, 2022
Security deposits		
Related parties (refer note 32)	-	*
Others	0.01	0.01
Total non-current other financial assets	0.01	0.01



Welspun Tradings Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2023
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(All amounts in Rupees Crore, unless otherwise stated)

Note 7: Deferred tax assets / (liabilities) (net)

	As at March 31, 2023	As at March 31, 2022
The balance comprises temporary differences attributable to:		
Deferred tax asset		
Gratuity and leave obligations	0.02	0.02
Allowance for doubtful debts and advances	-	-
Property, plant and equipment	0.01	0.02
Lease liability (Net of right-of-use assets)	-	-
Others	0.01	-
	0.04	0.04
Set-off of deferred tax liabilities pursuant to set-off provisions		
Deferred tax liability		
Fair valuation on investment	0.13	0.01
	0.13	0.01
Total deferred tax assets / (liabilities) (net)	(0.09)	0.03

Movement in deferred tax liabilities and deferred tax assets:

	Deferred tax liabilities		Deferred tax assets					Total deferred tax assets	Net deferred tax assets / (liabilities)
	Fair valuation on investment	Total deferred tax liabilities	Property, plant and equipment	Gratuity and leave obligations	Allowance for doubtful debts and advances	Lease liability (Net of right-of-use assets)	Others		
As at April 1, 2021	0.01	0.01	0.02	0.02	0.02	0.01	-	0.07	0.06
Charged/ (Credited)									
to profit and loss	-	-	-	-	(0.02)	(0.01)	-	(0.03)	(0.03)
to other comprehensive income	-	-	-	-	-	-	-	-	-
As at March 31, 2022	0.01	0.01	0.02	0.02	-	-	-	0.04	0.03
Charged/ (Credited)									
to profit and loss	0.12	0.12	(0.01)	-	-	-	0.01	-	(0.12)
to other comprehensive income	-	-	-	-	-	-	-	-	-
As at March 31, 2023	0.13	0.13	0.01	0.02	-	-	0.01	0.04	(0.09)

* Amount is below the rounding off norms adopted by the Company

Note 8: Other assets - Non Current

	As at March 31, 2023	As at March 31, 2022
Balance with statutory authorities	0.41	0.41
Prepaid Expenses	0.44	0.85
Others*	0.11	0.11
Total other non-current assets	0.96	1.37

*Represents amount recoverable from employees towards employees' contribution for provident fund (refer note 34)

Note 9: Other assets - Current

	As at March 31, 2023	As at March 31, 2022
Balance with statutory authorities	0.09	0.28
Advances to related parties (refer note 32)	60.31	171.69
Prepaid expenses	0.41	0.42
Advances to employees	-	-
Advances to suppliers	0.04	0.01
Total other current assets	60.85	172.40
Total other assets	61.81	173.77

* Amount is below the rounding off norms adopted by the Company



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023 and the statement of profit and loss for the year ended March 31, 2023
(All amounts in Rupees Crore, unless otherwise stated)

Note 10: Investments

	As at March 31, 2023	As at March 31, 2022
Investment in mutual funds		
Investment carried at fair value through profit and loss		
Unquoted:		
Nil (March 31, 2022: 175,445) units of ABSL Liquid Fund-Growth-Direct	-	6.02
46,701 (March 31, 2022: Nil) units of HDFC Money Market Fund - Direct Plan Growth	22.99	-
7,196 (March 31, 2022: Nil) units of HDFC Liquid Fund - Growth	3.15	-
Nil (March 31, 2022: 218,842) units of ICICI Prudential Mutual Fund	-	2.51
Total current investments	26.14	8.53
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments (At net asset value)	26.14	8.53
Aggregate amount of impairment in the value of investments	-	-

Note 11: Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables - Related parties	-	-
Trade receivables other than related party	-	-
Less: Allowance for doubtful debts	-	-
Total receivables	-	-

Ageing of trade receivables:

There are no trade receivables outstanding as at March 31, 2023.

For the year Ended March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years.	More than 3 years.	
Disputed trade Receivables								
Unsecured, considered good	-	-	-	-	-	-	-	-
Unsecured, considered doubtful which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-

* Amount is below the rounding off norms adopted by the Company

Note:

- (i) There are no undisputed trade receivables as at March 31, 2023 and March 31, 2022
(ii) The company's trade receivable do not carry a significant financing element. Accordingly the company has adopted a simplified approach for measurement of expected credit loss

Note 12: Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	18.81	0.87
Total cash and cash equivalents	18.81	0.87



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023 and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 13: Bank balances other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Margin Money deposits including interest accrued (refer note below)	0.11	41.52
Total bank balances other than cash and cash equivalents	0.11	41.52

Note:
a) Fixed deposits of Rs. Nil (March 31, 2022: Rs. 40.00) held as security against borrowings of related party (refer note 32)
b) Fixed deposits of Rs. 0.09 (March 31, 2022: Rs. 0.07) represents earmarked balances with banks.

Note 14: Current tax assets

	As at March 31, 2023	As at March 31, 2022
Opening balance of current tax assets/ (liabilities)	(0.05)	0.24
Less: Current tax	(4.55)	(1.39)
Add: Taxes paid net off refund (including tax deducted at source)	4.74	1.10
Closing balance	0.14	(0.05)
Current tax assets (net off provision for tax Rs. 0.79 (March 31, 2022: Rs. 0.04))	0.15	0.23
Current tax liabilities (net off advance tax/ tax deducted at source Rs. 8.63 (March 31, 2022: Rs. 1.86))	0.01	0.28

Note 15: Equity share capital and other equity

15(a): Equity share capital

Authorised equity share capital

	Number of shares	Amount
As at April 01, 2021	50,50,000	5.05
Movement during the year	-	-
As at March 31, 2022	50,50,000	5.05
Movement during the year	-	-
As at March 31, 2023	50,50,000	5.05

(i) Movements in equity share capital

	Number of shares	Amount
As at April 01, 2021	50,13,402	5.01
Movement during the year	-	-
As at March 31, 2022	50,13,402	5.01
Movement during the year	-	-
As at March 31, 2023	50,13,402	5.01

Terms and rights attached to equity shares

Equity shares have a par value of INR 10 each. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.
Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares of the Company held by holding company

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Welspun Corp Limited, including nominees	50,13,402	100%	50,13,402	100%

(iii) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Welspun Corp Limited (the 'holding company'), including nominees	50,13,402	100%	50,13,402	100%

(iv) Details of shareholders holding of promoters

	As at March 31, 2023			As at March 31, 2022		
	Number of Shares	% holding	Percentage of change during the year	Number of Shares	% holding	Percentage of change during the year
Welspun Corp Limited (the 'holding company'), including nominees	50,13,402	100%	-	50,13,402	100%	-



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(All amounts in Rupees Crore, unless otherwise stated)

Note 15: Equity share capital and other equity (Contd...)

15(b): Other equity - Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Retained earnings (refer note below)	100.62	86.62
Total reserves and surplus	100.67	86.62

Note - Retained earnings:

	As at March 31, 2023	As at March 31, 2022
Opening balance	86.62	82.73
Profit for the year	14.05	3.89
Closing balance	100.67	86.62

Nature and Purpose of other Equity

Retained Earnings

Retained earnings comprises of prior years as well as current year's undistributed earnings after taxes.



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023
(All amounts in Rupees Crore. unless otherwise stated)

Note 16: Provisions

	As at March 31, 2023	As at March 31, 2022
16(a) Non-current		
Gratuity (Refer notes (i) to (vi) below)	-	-
Other Provisions		
Provision for litigation/ disputes (refer note (viii) below)	0.22	0.22
Total non-current provisions	0.22	0.22
16(b) Current		
Leave obligations (Refer note (vii) below)	0.07	0.09
Gratuity (Refer notes (i) to (vi) below)	-	-
Total current provisions	0.07	0.09
Total provisions	0.29	0.31

(i) Post-employment obligations - Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. This defined benefit plans exposes the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(ii) Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2021	0.16	(0.16)	-
Current service cost	0.02	(0.02)	-
Interest expense/ (income)	0.01	(0.01)	-
Total amount recognised in profit or loss	0.03	(0.03)	-
Remeasurements			
Experience gains	0.01	0.01	0.20
Loss from change in financial assumptions	(0.02)	-	(0.20)
Total amount recognised in other comprehensive income	(0.01)	0.01	-
Benefit payments	-	-	-
March 31, 2022	0.18	(0.18)	-
	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2022	0.18	(0.18)	-
Current service cost	0.01	(0.01)	-
Interest expense/ (income)	0.01	(0.01)	-
Total amount recognised in profit or loss	0.02	(0.02)	-
Remeasurements			
Experience gains	0.04	-	0.04
Loss from change in financial assumptions	(0.04)	-	(0.04)
Total amount recognised in other comprehensive income	-	-	-
Benefit payments	(0.05)	0.05	-
March 31, 2023	0.15	(0.15)	-

The net liability disclosed above relating to funded plans are as follows:

	March 31, 2023	March 31, 2022
Present value of funded obligations	0.15	0.18
Fair value of plan assets	(0.15)	(0.18)
Deficit/ (excess) of funded plan	-	-
Amount recognised in Balance sheet	-	-
Non-current	-	-
Current	-	-

(iii) Significant actuarial assumptions are as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.38%
Salary growth rate	6.00%	6.00%



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023

and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 16: Provisions (Contd...)**(iv) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation							
	Change in assumption (%)		Increase in assumption (INR.)				Decrease in assumption (INR.)	
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022
Discount rate	0.50%	0.50%	Decrease by	0.01	0.02	Increase by	0.01	0.02
Salary growth rate	0.50%	0.50%	Increase by	0.01	0.02	Decrease by	0.01	0.02

(v) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which is asset volatility. The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The plan assets are invested by the company in Insurer managed fund. The plan assets have been providing consistent and competitive returns over the years. The Company intends to maintain this investment in the continuing years.

(vi) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for the year ended March 31, 2024 is INR 0.03 (March 31, 2023: INR 0.03).

The weighted average duration of the defined benefit obligation is 5 years (March 31, 2022 - 5 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Total
March 31, 2023	0.01	0.01	0.04	0.06
March 31, 2022	0.01	0.01	0.04	0.06

(vii) Leave obligations

The leave obligations cover the Company's liability for earned leave.

(viii) Movement in provision for litigation/ disputes

Movements in each class of provisions during the financial year ended March 31, 2023 are set out below:

Particulars	Provident Fund (Refer note 34)	Total
Opening balance as at April 01, 2022	0.22	0.22
Provided during the year	-	-
Provision reversed during the year	-	-
Closing balance as at March 31, 2023	0.22	0.22

Movements in each class of provisions during the financial year ended March 31, 2022 are set out below:

Particulars	Provident Fund (Refer note 34)	Total
Opening balance as at April 01, 2021	0.22	0.22
Provided during the year	-	-
Provision reversed during the year	-	-
Closing balance as at March 31, 2022	0.22	0.22

Note: There are uncertainties regarding the timing and amount of the provisions. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual cash outflow.



Welspun Tradings Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2023
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Note 17: Trade payables

As at **As at**
March 31, 2023 **March 31, 2022**

Trade payables to micro and small enterprises (refer note 37)	-	-
Trade payables to related parties (refer note 32)	0.12	0.03
Trade payables to others	0.79	1.16
Total trade payables	0.91	1.19

Ageing of trade payables:

Year ended March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	0.79	-	0.12	-	-	-	0.91
Total	0.79	-	0.12	-	-	-	0.91

Year ended March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	0.59	-	0.52	0.08	-	-	1.19
Total	0.59	-	0.52	0.08	-	-	1.19

Notes:-

- i There are no disputed trade payables as at March 31, 2023 and March 31, 2022.
- ii Unbilled trade payables include accruals which are not classified as provisions under Ind AS 37.

Note 18: Other current liabilities

As at **As at**
March 31, 2023 **March 31, 2022**

Trade Advances	-	131.52
Statutory dues including provident fund and tax deducted at source	0.06	0.06
Employee dues payable	0.01	0.01
Total other current liabilities	0.07	131.59



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023

and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 19 : Revenue from operations	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of products	367.78	162.27
Total revenue from contracts with customers	367.78	162.27
Other operating revenue		
Export Benefit	2.03	-
Provision/ Liability no longer required written back	-	0.08
Total other operating revenue	2.03	0.08
Total revenue from operations	369.81	162.35

The Company has only one major product which is pipes and revenue derived from transfer of pipes at a point in time aggregated to Rs. 367.78 for the year ended March 31, 2023 (March 31, 2022: Rs. 162.27)

Reconciliation of revenue recognised with contract price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price	367.78	162.27
Adjustments for:		
Liquidated damages	-	-
Revenue from operations	367.78	162.27

Note 20: Other income	Year ended March 31, 2023	Year ended March 31, 2022
Interest income (refer note 28(iv))		
Fixed deposits	1.01	2.39
Others	0.31	0.03
Net gain on sale/redemption of		
Current investments	0.75	0.10
Fair valuation gain on investments (net)	0.53	0.03
Commission income (refer note 32)	0.07	0.20
Exchange difference (net)	2.36	-
Miscellaneous income	0.80	-
Total other income	5.83	2.75

Note 21: Purchases of stock-in-trade	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of stock-in-trade (refer note 32)	328.82	153.25
Total purchases of stock-in-trade	328.82	153.25

Note 22: Employee benefit expense	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	0.87	1.05
Contribution to provident and other funds (refer note below)	0.09	0.10
Gratuity expenses (refer note 16(ii))	-	-
Staff welfare expenses	0.02	-
Total employee benefit expense	0.98	1.15

* Amount is below the rounding off norms adopted by the Company

Note:**Defined contribution plans:**

- a. Employers' contribution to Provident Fund and Employee's Pension Scheme, 1995
- b. Superannuation fund

During the year, the Company has incurred and recognised the following amounts in the statement of profit and loss:

	Year ended March 31, 2023	Year ended March 31, 2022
Employers' Contribution to Provident Fund and Employee's Pension Scheme	0.07	0.08
Superannuation fund	0.02	0.02
Total expenses recognised in the statement of profit and loss	0.09	0.10



Welspun Tradings Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023***(All amounts in Rupees Crore, unless otherwise stated)***Note 23: Depreciation expense (refer notes 3 and 4)**

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	-	-
Depreciation of right-of-use assets	-	0.22
Total depreciation expense	-	0.22

* Amount is below the rounding off norms adopted by the Company

Note 24: Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Freight, material handling and transportation	24.05	4.38
Rental charges (refer note 4 and note 32)	0.08	-
Rates and taxes	-	-
Travel and conveyance	0.03	0.01
Communication expenses	-	-
Professional and consultancy fees	0.38	0.33
Insurance	0.02	0.02
Directors' sitting fees (refer note 32)	-	0.03
Membership and subscription	0.01	0.01
Exchange differences (net)	-	0.01
Payment to auditors (refer note (i) below)	0.13	0.15
Commission on sales to agents	1.88	-
Expenditure towards corporate social responsibility (refer note (ii) below and note 32)	0.04	-
Loss on sale/ disposal of property plant and equipment	-	-
Miscellaneous expenses	0.43	0.22
Total other expenses	27.05	5.16

* Amount is below the rounding off norms adopted by the Company

Note:**(i) Details of payments to auditors (excluding taxes, as applicable)**

	Year ended March 31, 2023	Year ended March 31, 2022
Payment to auditors		
As auditor:		
Audit fee	0.10	0.10
Tax audit fee	0.03	0.03
In other capacities:		
Certification fees	-	0.02
Reimbursement of expenses	-	-
Total payment to auditors	0.13	0.15

* Amount is below the rounding norms adopted by the Company

(ii) Expenditure towards corporate social responsibility

	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Welspun Foundation for Health & Knowledge	0.04	-
Total	0.04	-
Amount required to be spent as per Section 135 of the Companies Act, 2013	0.04	-
Amount spent during the year on:		
On purposes other than construction/ acquisition of an asset	0.04	-



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023

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Note 25: Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on		
Income tax	0.05	0.02
Goods and service tax	-	-
Interest and finance charges on lease liability (refer note 4)	-	0.01
Other finance charges	0.02	-
Total finance costs	0.07	0.03

* Amount is below the rounding off norms adopted by the Company

Note 26: Income tax expenses**(i) Income tax expenses recognised in the statement of profit and loss****Note 26 (a): Current tax**

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax on profit for the year	4.55	1.31
Adjustments for current tax of prior years	-	0.06
Total current tax expense	4.55	1.37

Note 26 (b): Deferred tax

	Year ended March 31, 2023	Year ended March 31, 2022
(Increase)/ decrease in deferred tax assets	-	0.03
(Decrease)/ increase in deferred tax liabilities	0.12	-
Total deferred tax expense/ (benefit)	0.12	0.03
Total income tax expense	4.67	1.40

* Amount is below the rounding off norms adopted by the Company

(ii) Reconciliation of income tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	18.72	5.29
Tax rate	25.17%	25.17%
Tax at normal rate	4.71	1.33
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expense on which no deferred tax was required to be recognised	(0.17)	-
Adjustments for current tax of prior years	-	0.06
Other items	0.13	0.01
Total Income tax expense	4.67	1.40

Note 27:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
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(All amounts in Rupees Crore, unless otherwise stated)

Note 28: Fair value measurements

Financial instruments by category

	March 31, 2023		March 31, 2022	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Investments				
Mutual funds	26.14	-	8.53	-
Loans				
Loans to employees	-	-	-	0.01
Cash and cash equivalents	-	18.81	-	0.87
Bank balances other than cash and cash equivalents	-	0.11	-	41.52
Other financial assets				
Security deposits	-	0.01	-	0.01
Total financial assets	26.14	18.93	8.53	42.41
Financial liabilities				
Trade payables	-	0.91	-	1.18
Total financial liabilities	-	0.91	-	1.18

(i) 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.

Financial assets measured at fair value - recurring fair value measurements at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
Mutual funds	26.14	-	-	26.14
Total financial assets	26.14	-	-	26.14

Assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Security deposits	-	-	0.01	0.01
Total financial assets	-	-	0.01	0.01



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023

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Note 28: Fair Value Measurements (Contd...)**Financial assets measured at fair value - recurring fair value measurements at March 31, 2022**

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
Mutual funds	8.53	-	-	8.53
Total financial assets	8.53	-	-	8.53

Assets which are measured at amortised cost for which fair value are disclosed at March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Loans				
Loans to employees	-	-	0.01	0.01
Other financial assets				
Security deposits	-	-	0.01	0.01
Total financial assets			0.02	0.02

Analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Company does not have any financial instrument under this category.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments under level 1 include: the use of Net Assets Value ("NAV") for valuation of mutual fund investment. 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.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2023		March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans to employees	-	-	0.01	0.01
Other financial assets				
Security deposits	0.01	0.01	0.01	0.01
Total financial assets	0.01	0.01	0.02	0.02

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, loans, other financial assets, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(iv) Classification of interest income by instrument category

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income at amortised cost:		
Fixed deposits	1.01	2.39
Other interest income		
Others	0.31	0.03



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023 and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 29: Financial risk management

The Company's principal financial liabilities represents only trade payables and financial assets represents investments, loans, cash and cash equivalents and deposits with banks. The Company's activities exposes it to credit risk, liquidity risk, market risk- foreign currency risk and market risk- security prices.

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 minimise certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not for trading or speculative instruments. There are no derivative instrument as at March 31 2023.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents and other bank balances	Ageing analysis	Diversification of bank deposits, credit limits
Liquidity risk	Financial liabilities	Cash flow forecasts	Cashflow forecasts
Market risk - foreign currency risk	Trade payables not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts
Market risk - security prices risk	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

(a) Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable (net of allowance) broken into ageing bucket is given below:

	0-180 Days	More than 180 Days	Total
As at March 31, 2023			
Gross amount	-	-	-
Expected credit loss (provision for doubtful debts)	-	-	-
Net Carrying Amount	-	-	-
As at March 31, 2022			
Gross amount	-	-	-
Expected credit loss (provision for doubtful debts)	-	-	-
Net Carrying Amount	-	-	-

Reconciliation of allowance for doubtful debts on trade receivables

	As at March 31, 2023	As at March 31, 2022
Opening balance	-	-
Changes in allowance for doubtful debts	-	-
Closing balance	-	-

* Amount is below the rounding off norms adopted by the Company

(b) Other financial assets

The Company maintains exposure majorly in cash and cash equivalents, term deposits with banks and mutual funds. The Company has diversified portfolio of investment with various number of counterparties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For the year ended March 31, 2023

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying Amount
Non-derivatives						
Trade payables	0.91	-	-	-	0.91	0.91
Total non-derivative liabilities	0.91	-	-	-	0.91	0.91

For the year ended March 31, 2022

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying Amount
Non-derivatives						
Trade payables	1.18	-	-	-	1.18	1.18
Total non-derivative liabilities	1.18	-	-	-	1.18	1.18



Welspun Tradings Limited

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(All amounts in Rupees Crore, unless otherwise stated)

Note 29: Financial risk management (Contd...)

(C) Market risk

(I) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts, where deemed appropriate by management.

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 expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2023	As at March 31, 2022
Trade payables	0.50	0.32
Net exposure to foreign currency risk (liabilities)	0.50	0.32
Total Net exposure to foreign currency risk	(0.50)	(0.32)

(b) As at the balance sheet date, following foreign currency exposure (including non financial assets and liabilities) is not hedged by a derivative instrument or otherwise:

	Amount in INR		Equivalent amount in USD (in millions)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Liabilities				
Trade payables	0.50	0.32	0.01	-
	0.50	0.32	0.01	-
Net unhedged foreign currency exposure liabilities	0.50	0.32	0.01	-

* Amount is below the rounding off norms adopted by the Company

(c) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit after tax	
	March 31, 2023	March 31, 2022
USD sensitivity		
INR/USD - Increase by 1% (March 31, 2021 - 1%) #	(0.01)	-
INR/USD - Decrease by 1% (March 31, 2021 - 1%) #	0.01	-

Holding all other variables constant

* Amount is below the rounding off norms adopted by the Company



Welspun Tradings Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2023
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The Company did not have any exposure to interest rate changes at the end of the reporting period March 31, 2023 and March 31, 2022, respectively.

(iii) Security Prices**(a) Exposure**

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.25% increase in price of mutual fund.

	Impact on profit before tax	
	As at March 31, 2023	As at March 31, 2022
Increase in price 0.25% (March 31, 2022 - 0.25%)	0.07	0.02
Decrease in price 0.25% (March 31, 2022 - 0.25%)	(0.07)	(0.02)

Note 30: Capital management**(a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves.

The Company's objectives when managing capital are to:

safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce cost of capital.

The Company does not have any borrowings as at March 31, 2023 and March 31, 2022.

Loan covenants

The Company had no borrowings as at the end of the reporting period, hence there are no covenants.

(b) Dividends

The Company has not paid dividends in the current reporting year as well as in the previous year.

Note 31: Segment reporting**(i) Description of segments and principle activities**

The Company's chief operating decision maker consists of the Board of Directors of the Company who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is trading in coated and uncoated pipes.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from major external customers is as follows:

For the year ended	Number of customers	Amount	% to revenue from operations
March 31, 2023	1	367.78	99.45%
March 31, 2022	2	162.27	99.95%

(iv) The Company is domiciled in India. The amount of its revenue from operations and other operating revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from operations	Year ended March 31, 2023	Year ended March 31, 2022
Export	369.81	-
Domestic	-	162.35
Total	369.81	162.35

(v) The total of non-current assets are located only in India as at March 31, 2023 and March 31, 2022.



Welspun Tradings Limited

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(All amounts in Rupees Crore, unless otherwise stated)

Note 32: Related party transactions**(a) Entity having significant influence**

Name	Type	Ownership interest	
		March 31, 2023	March 31, 2022
Welspun Group Master Trust (entity has significant influence on Welspun Corp Limited, holding company)	Significant influence	44.76%	44.86%

(b) Holding Company

Name	Type	Place of Incorporation	Ownership interest	
			March 31, 2023	March 31, 2022
Welspun Corp Limited	Holding Company	India	100%	100%

(c) Key management personnel

Name	Nature of relationship
Mr. Harish Gupta	Whole Time Director and Chief Financial Officer (upto May 14, 2022)
Mr. Godfrey John	Additional Director (Non-executive and Non-Independent) w.e.f. May 13, 2022
Mr. Rupak Ghosh	Additional Director (Non-executive and Non-Independent) w.e.f. May 13, 2022
Mr. Percy Birdy	Director (Non-executive and Non-Independent)
Ms. Revathy Ashok	Independent, Non-Executive Director (upto March 15, 2022)
Ms. Amita Mishra	Independent, Non-Executive Director (upto May 14, 2022)
Mr. Pradeep Joshi	Company Secretary (upto May 13, 2022)

(d) List of other entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the current year and previous year:

MGN Agro Properties Private Limited
Welspun Realty Private Limited
Welspun India Limited
Welspun Foundation For Health & Knowledge
Welspun Global Services Limited
Welspun Specialty Solutions Limited
Welspun Global Brands Limited
Welspun Transformation Service Limited

(e) Transactions with related parties

	For year ended March 31, 2023	For year ended March 31, 2022
Transactions with Welspun Corp Limited		
Purchases of stock-in-trade	349.11	180.83
Trade advance for purchases	60.31	-
Reimbursement of expenses (payable)/ receivable	-	0.09
Transactions with Welspun Realty Private Limited		
Rental charges (Refer Note 4)	0.09	0.31
Transactions with MGN Agro Properties Private Limited		
Rental charges (Refer Note 4)	-	- *
Security deposit refunded	-	- *
Transactions with Welspun Specialty Solutions Limited		
Commission income	0.08	0.24
Transactions with Welspun Global Brands Limited		
Purchase of employee related services	-	-
Transactions with Welspun Transformation Service Limited		
Professional and consultancy fees	0.17	-
Transactions with Welspun India Limited		
Rental charges (Refer Note 4)	0.01	- *
Security given	-	- *
Transactions with Welspun Global Services Limited		
Professional and consultancy fees	0.06	0.14



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Note 32: Related Party Transactions (Contd...)

	For year ended March 31, 2023	For year ended March 31, 2022
Transactions with Welspun Foundation For Health & Knowledge Expenditure towards corporate social responsibility	0.04	-
Transactions with Ms. Amita Mishra Directors' sitting fees	-	0.02
Transactions with Ms. Revathy Ashok Directors' sitting fees	-	0.02

Notes:

i) Amount is inclusive of applicable taxes

ii) Directors of the company are also employed by the other group company and they have not been paid remuneration accordingly.

(f) Outstanding balances

	As at March 31, 2023	As at March 31, 2022
Other current assets, advance Welspun Corp Limited	60.31	171.69
Security Deposit Welspun India Limited	-	-
Trade Payables Welspun Global Services Limited Welspun Transformation Service Limited	- 0.12	0.03 -
Security Given Welspun Specialty Solutions Limited	-	40.00

* Amount is below the rounding off norms adopted by the Company



Welspun Tradings Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2023****and the statement of profit and loss for the year ended March 31, 2023***(All amounts in Rupees Crore, unless otherwise stated)*

Note 33: Pursuant to the Supreme Court Judgment in the case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. and subsequent dismissal of the review petition filed against the Judgement, the Company had assessed the impact and on conservative basis had made provision (presented under Non-current) of INR 0.22 (March 31, 2022: INR 0.22). The Company had also determined and discharged the provident fund liability from September 1, 2019 considering the impact of the judgement and paid the same in year 2020-21.

The Company had changed its salary structure in the month of June 2020 w.e.f April 01, 2020 to comply with above judgement. The Company had borne the employee's contribution to provident fund for the period September 01, 2019 to March 31, 2020 aggregating to INR 0.01.

Note 34: Contingent liabilities

The Company has contingent liabilities as at the year end in respect of:

	As at March 31, 2023	As at March 31, 2022
Disputed direct taxes	2.07	2.07
<u>Disputed indirect taxes:</u>		
Service tax	0.02	0.02
Goods and Service tax	-	0.15

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 35: Commitments

There are no capital or other commitments as at March 31, 2023 and March 31, 2022.

Note 36: Earnings per share

	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to the equity holders of the Company	14.05	3.89
Weighted average number of equity shares	50,13,402	50,13,402
Basic and diluted earnings per share (in Rupees)	28.02	7.76
Nominal value of an equity share (in Rupees)	10.00	10.00

Note 37: Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.01	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-
Total outstanding dues of micro and small enterprises	-	-



Welspun Tradings Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2023

and the statement of profit and loss for the year ended March 31, 2023

(All amounts in Rupees Crore, unless otherwise stated)

Note 38: Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Variance in %	Reason for variance
				31-Mar-23	31-Mar-22			
1	Current Ratio (times)	Current assets	Current liabilities	92.22	1.68	90.54	5390%	Mainly on account of a) Advance received for material purchase in previous year b) Investment were higher in the current year as compared to previous year.
2	Debt Equity Ratio (times)	Total debt	Total equity	-	-	-	-	Not applicable as there is no debt
3	Debt service coverage ratio (times)	Earnings available for debt service	Debt service	-	10.05	(10.05)	-100%	Mainly on account of Increase in profit for the current year as compared to last year. Also there is no debts as on March 31, 2023 and March 31, 2022
4	Return on equity (%)	Profit for the year	Average shareholders equity	14.24%	4.35%	9.89%	227%	Mainly on account Increase in Profit for the current year as compared to last year
5	Inventory Turnover (times)	Cost of Goods Sold	Average Inventory	-	-	-	-	No inventory as March 31, 2023 and March 31, 2022
6	Trade receivables turnover ratio (times)	Revenue from operations	Average Trade receivables	-	-	-	-	No trade receivables as March 31, 2023 and March 31, 2022
7	Trade payable turnover ratio (times)	Purchases and Other expenses	Average Trade payables	357.41	130.31	227.10	174%	Purchase were higher in the current year
8	Net capital turnover ratio (times)	Revenue from operations	Working capital	3.53	1.79	1.73	96%	Sales were higher in the current year impacting Net capital turnover ratio
9	Net Profit Ratio (%)	Profit for the year	Revenue from operations	3.80%	2.40%	1.40%	58%	Sales were higher in the current year impacting Net profit ratio
10	Return on Capital employed (%)	Earnings before interest and tax	Capital employed	17.75%	5.82%	0.12	205%	Sales were higher in the current year impacting return on capital employed
11	Return on Investment (%)	Earnings before interest and tax	Total assets	17.54%	2.37%	0.15	640%	Mainly on account Increase in Profit for the current year as compared to last year

Notes:

- 1 Total debt = Non-current borrowings and Current borrowings
- 2 Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest
- 3 Debt service = Interest and principal repayments including lease payments.
- 4 Cost of Goods Sold = Cost of material consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress
- 5 Working capital = current assets minus current liabilities.
- 6 Capital employed = tangible net worth + total debt + deferred tax liability.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(All amounts in Rupees Crore, unless otherwise stated)

Note 39: Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter

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

(iv) Relationship with struck off Companies

The Company has no transactions with the Companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The Company has 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

The Company has 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

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the book of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment and intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The Company does not own any immovable properties. Hence, question on commenting on whether 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 does not arise.



Welspun Tradings Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2023
and the statement of profit and loss for the year ended March 31, 2023**

(All amounts in Rupees Crore, unless otherwise stated)

Note 39: Additional regulatory information required by Schedule III (Contd...)

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Utilisation of borrowings availed from banks and financial institutions

The Company has not availed any borrowings from any banks or financial institutions.

(xiv) Core Investment Companies (CIC)

Management has assessed that there are three Core Investment Companies (CIC) in the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended)

(xv) Going Concern note

The management has made an assessment on the basis of the financial ratios ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and has not noted any material uncertainty that the 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.

Note 40: The Company in the current year that ended March 2023, has changed its rounding off denomination to crores from millions in order to make it more useful to users of financial statements. Accordingly, the figures of the comparative year have also been changed to give this effect. Further, the said change is in line with Schedule III of the Companies Act, 2013.

Note 41: The figures for the previous year have been regrouped wherever necessary.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016



Ali Akbar

Partner

Membership No. 117839

Place: Mumbai

Date: May 18, 2023

For and on behalf of the Board



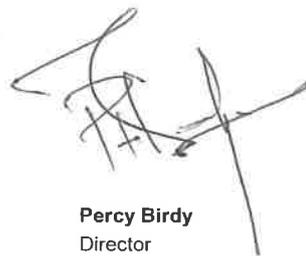
Rupak Ghosh

Additional Director

DIN: 09603929

Place: Mumbai

Date: May 18, 2023



Percy Birdy

Director

DIN: 07634795

WELSPUN TRADINGS LIMITED

Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110, Telephone : +91 2836 662079 Fax : +91 2836 279060

Corp. Office: Welspun House, 5th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013

Telephone : +91 22 66136000 Fax : +91 22 24908021

CIN – U7220GJ2001PLC039513, Email id – companysecretary_wtsl@welspun.com

NOTICE

NOTICE is hereby given that 22nd Annual General Meeting of the members of Welspun Tradings Limited will be held through video conferencing / other audio-visual means on **Thursday, September 21, 2023 at 12:30 pm** which shall be treated as held at the registered office of the Company, to transact the following businesses:-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2023 and the reports of the Board of Directors' and the Auditor's thereon.
- 2) To appoint a Director in place of Mr. Percy Birdy (DIN: 07634795), who retires by rotation, and being eligible, offers himself for re-appointment.

**By Order of the Board
For Welspun Tradings Limited**

Place: Mumbai
Date: May 18, 2023

**Sd/-
Percy Birdy
Director
DIN: 07634795**

NOTES:

1. The General Meeting shall be conducted through Video Conference (VC) or Other Audio Visual Means (OAVM) as per the framework prescribed by MCA vide their General Circular No. 14/2020 dated April 08, 2020, General Circular No.20/2020 dated May 5, 2020, Circular No.2/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022 and as amended from time to time.
~~A statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business is annexed hereto.~~
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Since, General Meeting is being conducted via other audio video visual means where physical attendance of the member has been dispensed with under MCA Circular, there is no requirement of appointment of proxies.
3. The link to join the meeting through other audio video visual means shall be shared via e-mail and calendar invite to the members on their respective e-mail id's registered with the Company. The member will only have to click on the mentioned link to join the meeting and no other additional requirements are required to be performed. If any member wishes to update his/her e-mail, kindly e-mail the new e-mail id to CompanySecretary_WTsL@welspun.com within 30 days of this Notice. Further, any member who requires assistance for joining the meeting or any technical assistance during the meeting may also call on +91 9821931268.
4. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
5. Any questions on the Agenda items may be raised by the members in advance on the e-mail id CompanySecretary_WTsL@welspun.com 2 working days before the General Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their e-mail id authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's.
7. Attendance of members through other audio visual means shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
8. All the correspondence pertaining to shareholding, transfer of shares, transmission, change of address, change of email address etc. should be lodged at the Company's Corporate Office at Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel. No. 022-6613 6000, Fax No. 022-2490 8000, email- CompanySecretary_WTsL@welspun.com.
9. The e-copies of the documents referred to in the Notice will be available for inspection of the members during normal business hours on working days till the date of the meeting. The member can request on the e-mail id CompanySecretary_WTsL@welspun.com.
10. Helpline number for those shareholders who need assistance with using the technology before or during the meeting - Company Secretary: 09821931268.
11. Email address for submission of poll in case demanded - CompanySecretary_WTsL@welspun.com.
12. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation

of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to companysecretary_wtsl@welspun.com.

14. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.

**By Order of the Board
For Welspun Tradings Limited**

Place: Mumbai
Date: May 18, 2023

**Sd/-
Percy Birdy
Director
DIN: 07634795**