

Welspun Di Pipes Limited

Financial statements - March 31, 2024

Financial statements

- Balance sheet as at March 31, 2024
- Statement of profit and loss for the year ended March 31, 2024
- Statement of changes in equity for the year ended March 31, 2024
- Statement of cash flows for the year ended March 31, 2024
- Notes comprising material accounting policies and other explanatory information

## Welspun DI Pipes Limited

## Balance sheet

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	592.90	594.34
Capital work-in-progress	3	38.87	39.04
Intangible assets	4	1.70	2.07
<b>Financial assets</b>			
Investments	5	2.39	3.79
Other financial assets	6(a)	2.58	0.64
Deferred tax asset	16	-	4.67
Income tax assets (net)	20	0.36	0.36
Other non-current assets	7(a)	24.41	1.01
<b>Total non-current assets</b>		<b>663.21</b>	<b>645.92</b>
<b>Current assets</b>			
Inventories	8	136.31	74.18
<b>Financial assets</b>			
Trade receivables	9	92.32	54.08
Cash and cash equivalents	10	11.58	9.89
Bank balances other than cash and cash equivalents	11	3.55	3.23
Other financial assets	6(b)	0.77	0.62
Other current assets	7(b)	44.13	50.00
<b>Total current assets</b>		<b>288.66</b>	<b>192.00</b>
<b>Total assets</b>		<b>951.87</b>	<b>837.92</b>



## Welspun DI Pipes Limited

## Balance sheet

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12(a)	52.00	52.00
Instruments entirely equity in nature	12(b)	162.52	162.52
<b>Other equity</b>			
Reserves and surplus	12(c)	72.74	(29.64)
Other reserves	12(d)	0.11	(0.08)
<b>Total equity</b>		<b>287.37</b>	<b>184.80</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13(a)	352.26	410.59
Provisions	15(a)	1.16	0.76
Deferred tax liabilities (net)	16	8.01	-
Government grants	17	47.64	53.47
<b>Total non-current liabilities</b>		<b>409.07</b>	<b>464.82</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13(b)	126.93	47.79
Trade payables			
- total outstanding dues of micro and small enterprises	19	5.18	2.48
- total outstanding dues other than above	19	61.81	88.27
Other financial liabilities	14	30.82	26.27
Provisions	15(b)	0.65	0.47
Government grants	17	5.83	5.83
Current tax liabilities (net)	20	2.81	-
Other current liabilities	18	21.40	17.19
<b>Total current liabilities</b>		<b>255.43</b>	<b>188.30</b>
<b>Total liabilities</b>		<b>664.50</b>	<b>653.12</b>
<b>Total equity and liabilities</b>		<b>951.87</b>	<b>837.92</b>

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

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

For and on behalf of the Board



Ali Akbar  
Partner  
Membership No. 117839



Debasish Mazumdar  
Director  
DIN No.10496111  
Place : Anjar



Percy Birdy  
Director  
DIN: 07634795  
Place: Mumbai



Paras Shah  
Company Secretary  
ACS -30357



Navin Agarwal  
Chief Financial Officer

Place: Mumbai  
Date: April 24, 2024

Place: Mumbai  
Date: April 24, 2024

Place: Mumbai  
Date: April 24, 2024

Welspun DI Pipes Limited  
Statement of profit and loss

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income</b>			
Revenue from operations	21	1,514.44	265.72
Other income	22	0.70	0.58
<b>Total income</b>		<b>1,515.14</b>	<b>266.30</b>
<b>Expenses</b>			
Cost of materials consumed	23	1,007.30	227.52
Changes in inventories of finished goods and work-in-progress	24	(39.17)	(48.31)
Employee benefit expense	25	51.01	19.79
Depreciation and amortisation expense	26	54.79	15.64
Other expenses	27	268.12	68.12
Finance costs	28	50.28	10.90
<b>Total expenses</b>		<b>1,392.33</b>	<b>293.66</b>
<b>Profit/(Loss) before tax</b>		<b>122.81</b>	<b>(27.36)</b>
<b>Income tax expense</b>			
Current tax	29	7.80	-
Deferred tax	30	12.64	(4.67)
<b>Total income tax expense</b>		<b>20.44</b>	<b>(4.67)</b>
<b>Profit/(Loss) for the year (A)</b>		<b>102.37</b>	<b>(22.69)</b>



Welspun DI Pipes Limited  
Statement of profit and loss

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Deferred gains/ (losses) on cash flow hedges (net)	12(d)	0.23	0.06
Income tax relating to this item	30	(0.04)	(0.01)
		<u>0.19</u>	<u>0.05</u>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligations	31	0.01	(0.05)
Income tax relating to this item	30	*	0.01
		<u>0.01</u>	<u>(0.04)</u>
<b>Other comprehensive income for the year, net of tax (B)</b>		<u>0.20</u>	<u>0.01</u>
<b>Total comprehensive income for the year (A+B)</b>		<u>102.57</u>	<u>(22.68)</u>
<b>Earnings / (loss) per equity share</b>			
	43		
Basic earnings / (loss) per share (in Rupees)		19.69	(5.24)
Diluted earnings / (loss) per share (in Rupees)		4.77	(5.24)

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

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

For and on behalf of the Board


  
Debasish Mazumdar

Director

Director

DIN No.10496111

Place : Anjar

  
Percy Birdy

Director

DIN: 07634795

Place: Mumbai

  
Paras Shah

Company Secretary

Company Secretary

ACS -30357

Place: Mumbai

Date: April 24, 2024

  
Navin Agarwal

Chief Financial Officer

Chief Financial Officer

Place: Mumbai

Date: April 24, 2024

Place: Mumbai

Date: April 24, 2024

Welspun DI Pipes Limited  
 Statement of changes in equity  
 (All amounts in Rupees (Rs.) Crore, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at April 01, 2022		₹ 29.51
Changes during the year	12(a)	₹ 22.49
<b>Balance as at March 31, 2023</b>		<b>₹ 52.00</b>
Changes during the year	12(a)	-
<b>Balance as at March 31, 2024</b>		<b>₹ 52.00</b>

B. Instruments entirely equity in nature

8% Convertible Non Cumulative Optionally Redeemable Preference Shares(CORPS)

Particulars	Notes	Amount
Balance as at April 01, 2022		₹ 180.00
Changes during the year	12(b)	₹ (17.48)
<b>Balance as at March 31, 2023</b>		<b>₹ 162.52</b>
Changes during the year	12(b)	-
<b>Balance as at March 31, 2024</b>		<b>₹ 162.52</b>

C. Other equity [refer note 12(c) and 12(d)]

	Reserves and surplus	Other reserves	Total other equity
	Retained earnings	Cash flow hedging reserve	
Balance as at April 01, 2022	₹ (6.91)	₹ (0.13)	₹ (7.04)
Loss for the year	₹ (22.69)	-	₹ (22.69)
Other comprehensive income (net of taxes)	₹ (0.04)	₹ 0.05	₹ 0.01
<b>Total comprehensive income for the year</b>	<b>₹ (22.73)</b>	<b>₹ 0.05</b>	<b>₹ (22.68)</b>
Balance as at March 31, 2023	₹ (29.64)	₹ (0.08)	₹ (29.72)
Profit for the year	₹ 102.37	-	₹ 102.37
Other comprehensive income (net of taxes)	₹ 0.01	₹ 0.19	₹ 0.20
<b>Total comprehensive income for the year</b>	<b>₹ 102.38</b>	<b>₹ 0.19</b>	<b>₹ 102.57</b>
<b>Balance as at March 31, 2024</b>	<b>₹ 72.74</b>	<b>₹ 0.11</b>	<b>₹ 72.85</b>

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

For and on behalf of the Board



Debasish Mazumdar  
 Director  
 DIN No.10496111  
 Place : Anjar



Percy Birdy  
 Director  
 DIN: 07634795  
 Place: Mumbai



Paras Shah  
 Company Secretary  
 ACS -30357  
 Place: Mumbai  
 Date: April 24, 2024



Navin Agarwal  
 Chief Financial Officer  
 Place: Mumbai  
 Date: April 24, 2024

Place: Mumbai  
 Date: April 24, 2024

## Welspun DI Pipes Limited

## Statement of cash flows

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A) Cash flow (used in)/ from operating activities</b>		
Profit/(Loss) before tax	₹ 122.81	₹ (27.36)
<b>Adjustments for:</b>		
Amortisation of government grant	₹ (5.83)	₹ (1.45)
Interest on income tax refund	₹ (0.02)	₹ (0.01)
Depreciation and amortisation expense	₹ 54.79	₹ 15.64
(Gain)/loss on sale/discarding of property, plant and equipment (net)	₹ (0.01)	-
Net gain on sale of current investments	-	₹ (0.11)
Fair valuation (gain)/loss on investment (net)	₹ 1.40	₹ (0.41)
Dividend income	₹ (0.12)	-
Interest income	₹ (0.17)	₹ (0.05)
Interest expenses	₹ 50.28	₹ 10.90
Unrealised net exchange differences	-	₹ 0.25
Loss allowance on trade receivables	₹ 0.98	-
	<b>₹ 101.30</b>	<b>₹ 24.76</b>
<b>Operating profit before changes in operating assets and liabilities</b>	<b>₹ 224.11</b>	<b>₹ (2.60)</b>
<b>Changes in operating assets and liabilities (bracket figures represents increase in asset and decrease in liabilities)</b>		
Movement in other non-current financial assets	₹ (1.94)	₹ (0.54)
Movement in other bank balances	₹ (0.32)	-
Movement in other non-current assets	-	₹ 33.69
Movement in inventories	₹ (62.13)	₹ (74.18)
Movement in trade receivables	₹ (39.22)	₹ (54.08)
Movement in other current financial assets	₹ 0.07	₹ 0.48
Movement in other current assets	₹ 5.87	₹ (47.78)
Movement in trade payables	₹ (23.76)	₹ 89.42
Movement in other current financial liabilities	₹ 0.95	₹ (0.47)
Movement in other current liabilities	₹ 4.21	₹ 16.38
Movement in provisions	₹ 0.59	₹ 0.56
Movement in government grants	-	₹ 60.75
Total changes in operating assets and liabilities	<b>₹ (115.68)</b>	<b>₹ 24.23</b>
<b>Cash flow (used in)/ from operations</b>	<b>₹ 108.43</b>	<b>₹ 21.63</b>
Income taxes paid (net of refund received)	₹ (5.38)	₹ (0.17)
<b>Net cash (used in)/ from operating activities (A)</b>	<b>₹ 103.05</b>	<b>₹ 21.46</b>
<b>B) Cash flow (used in)/ from investing activities</b>		
Payments for property, plant and equipment (including capital work-in-progress) and intangible assets	₹ (71.85)	₹ (350.29)
Proceeds from disposal of property, plant and equipment	₹ 0.02	₹ 1.17
Investment in equity shares	-	₹ (3.38)
Purchase of current investments	-	₹ (5.08)
Proceeds from sale/redemption of current investments	-	₹ 5.19
(Investments in)/ Proceeds from maturity of fixed deposit (net)	-	₹ (3.19)
Interest received	₹ 0.17	₹ 0.05
Dividend received	₹ 0.12	-
<b>Net cash from/ (used in) investing activities (B)</b>	<b>₹ (71.54)</b>	<b>₹ (355.53)</b>



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Welspun DI Pipes Limited

## Statement of cash flows

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>C) Cash flow from/ (used in) financing activities</b>		
Proceeds from issue of equity share capital	-	5.01
Loan taken from holding company	42.00	11.50
Repayment of loan to holding company	(15.53)	(4.00)
Proceeds from borrowings	57.97	333.59
Repayment of borrowings	(63.63)	-
Interest paid on borrowings	(37.59)	(24.15)
Payment of other interest charges	(13.04)	-
<b>Net cash (used in)/ from financing activities (C)</b>	<b>(29.82)</b>	<b>321.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1.69</b>	<b>(12.12)</b>
Cash and cash equivalents at the beginning of the year	9.89	22.01
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>11.58</b>	<b>9.89</b>
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following:		
	Year ended March 31, 2024	Year ended March 31, 2023
Balances with banks		
- In current accounts	11.58	9.89
<b>Balance per statement of cash flows</b>	<b>11.58</b>	<b>9.89</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.  
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: April 24, 2024

For and on behalf of the Board



Debasish Mazumdar  
Director  
DIN No. 10496111  
Place : Anjar

P. D. Shah  
Company Secretary  
ACS -30357  
Place: Mumbai  
Date: April 24, 2024



Percy Birdy  
Director  
DIN: 07634795  
Place: Mumbai



Navin Agarwal  
Chief Financial Officer  
Place: Mumbai  
Date: April 24, 2024



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***General Information**

Welspun DI Pipes Limited (the "Company") is a Company limited by shares incorporated on August 06, 2020 and domiciled in India. Welspun DI Pipes Limited is engaged in manufacturing of Ductile iron pipes. The registered office of the Company and its principal place of business is at Survey No. 615 to 619, 632 to 634, Welspun City, Village Versamedi, Taluka Anjar, Kutch, Gujarat – 370110. The company has commenced its commercial operations from October 18, 2022. These financial statements are authorised for issue by the Board of directors on April, 24, 2024.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). 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 crore unless otherwise stated.

**Note 1. Material Accounting Policies**

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

**1.1 Basis of preparation of financial statements****a) 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.

**b) 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

**c) 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.

**d) New and amended standards adopted by the company**

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies — amendments to Ind AS 1
- Definition of accounting estimates — amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction — amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. 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.



## 1.2 Revenue recognition

### a) Sale of goods

The Company derives revenue principally from sale of DI pipes.

The Company recognises 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 payments by the customers for freight costs are recorded as a component of revenue.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations.

A receivable is recognised when the goods are delivered 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.

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 incentive programs, included but not limited to discounts, volume rebates, etc.

Revenue is recognized at a determined transaction price when identified performance obligations are satisfied.

Revenue from sale of by products are included in revenue.

Revenue excludes any taxes and duties collected on behalf of the government. The Company's payment terms range from 0 to 60 days from date of delivery, depending on the market and product sold.

## 1.3 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Grants related to income are presented under Other Operating Revenue or Other Income in the statement of profit and loss depending upon the nature of the underlying grant. This presentation approach is applied consistently to all similar grants.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within "Other operating income" (Revenue from operations). In case of disposal of such property, plant and equipment, related Government Grants included in the liabilities are written back to the statement of profit and loss.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***1.4 Income tax and deferred tax**

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

**a) Current income tax**

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset at assessment year level where the Company 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.

**b) Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred 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 assets is realized or deferred tax liability is settled.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet.

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.

**1.5 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

All items of property, plant and equipment are stated at historical cost less depreciation.

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. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

**Depreciation methods, estimated useful lives and residual value**

Freehold land is not depreciated. Leasehold improvements and lease hold land are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Lives (in years)	Useful Life as per Companies Act, 2013
<b>Buildings</b>		
Building	10 - 30 years	30 years
<b>Office and Other Equipment</b>		
Office equipment	3 - 5 years	5 years
Computer	3 years	Ranging between 3 to 6 years
<b>Plant and Machinery</b>	Upto 30 years	Ranging between 8 to 40 years
<b>Furniture and fixtures</b>	5 - 10 years	Ranging between 8 to 10 years

The useful lives have been determined based on technical evaluation done by management's expert which may differ from those specified in Schedule II of the Companies Act, 2013 (as indicated in table above) in order to reflect the actual usage of the assets.

The estimated useful lives of plant and machinery, determined based on internal technical advice, considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

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.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses, as applicable.

**1.6 Inventories****Raw materials, stores and spares, work in progress and finished goods**

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



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***1.7 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) 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 other comprehensive income, or through profit or loss); and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

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

**(II) Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the company commits to purchase or sale the financial asset.

**(III) Measurement**

At initial recognition, the Company measures a financial asset (excluding trade receivables) 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. However, trade receivables do not contain significant financing component are measured at transaction price. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**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 and there is no subsequent reclassification of fair value gains and losses to profit or loss.

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.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

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 based on provision matrix taking into account historical credit losses and is adjusted for forward looking information.

**(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****(i) Interest income**

Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest on income tax and indirect tax are recognised in the year in which it is received.

**(ii) Dividend income**

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

**(VII) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**(VIII) Trade receivable**

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.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***b) 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(III) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**(IV) Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete prepare the asset for its intended use or sale. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**(V) Trade and other payables**

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

Trade payables includes acceptances arrangements where operational suppliers of goods are paid by banks while the Company continues to recognise the liability till settlement with the banks.

**c) Derivatives and hedging activities**

In order to hedge its exposure to foreign exchange, the Company enters into forward contract. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

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.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**(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 or 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.





**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

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 or other expense (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit or loss at the time of the hedge relationship rebalancing.

**(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 and are included in other income or other expenses (as applicable).

**d) 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.

**1.8 Instruments Entirely Equity in Nature**

Instruments entirely equity in nature issued by the Company comprises of convertible and optionally redeemable preference shares and compulsorily convertible debentures. These instruments have such terms and conditions that qualify them for being entirely equity in nature based on the criteria given in Para 16 of Ind AS 32 "Financial Instruments Presentation". Company assesses the terms and conditions specific to each instrument for deciding whether they are entirely equity in nature. This is recognised and included in shareholder's equity, net of income tax effects, and not subsequently re-measured.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***Note 2. Critical estimates and judgments**

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. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Estimation of useful life of Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



Welspun DI Pipes Limited  
 Notes forming part of the financial statements as at and for the year ended March 31, 2024  
 (All amounts in Rupees (Rs.) Crore, unless otherwise stated)

### 3. Property, plant and equipment (PPE)

Carrying amounts ₹	Freehold land	Buildings	Plant and machinery	Office and other equipments	Furniture and fixtures	Total
<b>Year ended March 31, 2023</b>						
Gross carrying amount ₹						
Balance as at April 01, 2022 ₹	19.77	1.49	-	* -	1.21	22.47
Additions ₹	0.94	117.79	466.31	2.43	0.13	587.60
Disposals ₹	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2023 ₹</b>	<b>20.71</b>	<b>119.28</b>	<b>466.31</b>	<b>2.43</b>	<b>1.34</b>	<b>610.07</b>
<b>Year ended March 31, 2024</b>						
Gross carrying amount ₹						
Additions ₹	-	11.92	40.06	0.76	0.20	52.94
Disposals ₹	-	-	-	(0.02)	-	(0.02)
<b>Gross carrying amount as at March 31, 2024 ₹</b>	<b>20.71</b>	<b>131.20</b>	<b>506.37</b>	<b>3.17</b>	<b>1.54</b>	<b>662.99</b>

Accumulated depreciation ₹	Freehold land	Buildings	Plant and machinery	Office and other equipments	Furniture and fixtures	Total
<b>Year ended March 31, 2023</b>						
Balance as at April 01, 2022 ₹	-	0.03	-	* -	0.06	0.09
Depreciation charge during the year ₹	-	1.64	13.75	0.13	0.12	15.64
Disposals ₹	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2023 ₹</b>	<b>-</b>	<b>1.67</b>	<b>13.75</b>	<b>0.13</b>	<b>0.18</b>	<b>15.73</b>
<b>Year ended March 31, 2024</b>						
Depreciation charge during the year ₹	-	4.25	49.31	0.67	0.14	54.37
Disposals ₹	-	-	-	(0.01)	-	(0.01)
<b>Accumulated depreciation as at March 31, 2024 ₹</b>	<b>-</b>	<b>5.92</b>	<b>63.06</b>	<b>0.79</b>	<b>0.32</b>	<b>70.09</b>

#### Net carrying amount of property, plant and equipment ₹

As at March 31, 2023 ₹	20.71	117.61	452.56	2.30	1.16	594.34
As at March 31, 2024 ₹	20.71	125.28	443.31	2.38	1.22	592.90

\* Amount is below the rounding off norms adopted by the company.

#### Capital work-in-progress

Opening balance as at April 01, 2022 ₹	324.25
Additions ₹	225.48
Capitalisation ₹	(509.52)
Disposals ₹	(1.17)
<b>Closing balance as at March 31, 2023 ₹</b>	<b>39.04</b>

Opening balance as at April 01, 2023 ₹	39.04
Additions ₹	52.84
Capitalisation ₹	(53.01)
<b>Closing balance as at March 31, 2024 ₹</b>	<b>38.87</b>

Capital work-in-progress mainly comprises of plant and machinery & buildings.



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

Capital work-in-progress aging :

Aging for capital work-in-progress (CWIP) as at March 31, 2024 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	₹37.57	₹1.30	-	-	₹38.87
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>₹37.57</b>	<b>₹1.30</b>	<b>-</b>	<b>-</b>	<b>₹38.87</b>

Capital work-in-progress aging :

Aging for capital work-in-progress (CWIP) as at March 31, 2023 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	₹39.04	-	-	-	₹39.04
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>₹39.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>₹39.04</b>

The completion schedule for capital work-in-progress (CWIP) whose completion is overdue as at March 31, 2024 is as follows:

Capital work-in-progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project Name</b>					
Continuous Casting Machine	₹1.04	-	-	-	₹1.04
<b>Total</b>	<b>₹1.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>₹1.04</b>

Notes:

- For property, plant and equipment mortgaged as security, refer note 13.
- Capital work in progress comprises of assets under constructions at Anjar, Gujarat.
- Contractual obligations: Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- There are no projects which are temporarily suspended.
- The capital work in progress as at March 31, 2023 and March 31, 2024 has not exceeded its cost compared to its original plan.
- The completion schedule for Capital work in progress as on March 31, 2023 is not overdue.



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

#### 4. Intangible assets

Carrying amounts	Intangible assets (Software)
<b>Year ended March 31, 2023</b>	
Gross carrying amount	
Balance as at April 01, 2022	-
Additions	2.07
Disposals	-
<b>Gross carrying amount as at March 31, 2023</b>	<b>2.07</b>
<b>Year ended March 31, 2024</b>	
Gross carrying amount	2.07
Additions	0.05
Disposals	-
<b>Gross carrying amount as at March 31, 2024</b>	<b>2.12</b>

Accumulated amortisation	Intangible assets (Software)
<b>Year ended March 31, 2023</b>	
Balance as at April 01, 2022	-
Amortisation charge during the year	* -
<b>Accumulated amortisation as at March 31, 2023</b>	<b>* -</b>
<b>Year ended March 31, 2024</b>	
Amortisation charge during the year	0.42
Disposals	-
<b>Accumulated amortisation as at March 31, 2024</b>	<b>0.42</b>

#### Net carrying amount of Intangible assets

As at March 31, 2023	2.07
As at March 31, 2024	1.70

\* Amount is below the rounding off norms adopted by the company.



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	₹ As at March 31, 2024	₹ As at March 31, 2023
<b>5. Non-current investments</b>		
<b>Investment carried at fair value through profit and loss (fully paid up)</b>		
<b>Unquoted (refer note 34)</b>		
<b>I. Investments in equity instruments of other entities</b>		
Welspun Captive Power Generation Limited (refer note 34)	₹ 2.39	₹ 3.79
2,95,380 (March 31, 2023: 2,95,380) equity shares of Rs. 10 each		
<b>Total non-current investments</b>	<b>₹ 2.39</b>	<b>₹ 3.79</b>
Aggregate amount of unquoted investments	₹ 2.39	₹ 3.79
Aggregate amount of impairment in the value of Investment	-	-

Note: Investments made are approved by Board of Directors in accordance with policy of Company. The transactions are not prejudicial to shareholders of the Company.



Welspun DI Pipes Limited

(Notes forming part of the financial statements as at and for the year ended March 31, 2024)

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>6. Other financial assets</b>		
6(a) Non-current		
Unsecured, considered good		
Margin money deposits with original maturity of more than twelve months	0.46	0.08
Security Deposits	2.12	0.56
<b>Total non-current other financial assets</b>	<b>2.58</b>	<b>0.64</b>
Note: Fixed deposits of Rs. 0.46 (March 31, 2023: Rs. 0.08) are earmarked against term loan taken from banks.		
6(b) Current		
Unsecured, considered good		
Derivatives designated as hedges accounted at FVOCI		
Foreign-exchange Forward contracts	0.15	-
Other refund receivable	0.62	0.62
<b>Total current other financial assets</b>	<b>0.77</b>	<b>0.62</b>
<b>Total other financial assets</b>	<b>3.35</b>	<b>1.26</b>
	As at March 31, 2024	As at March 31, 2023
<b>7. Other assets</b>		
7(a) Non-current		
Capital advances	24.41	1.01
<b>Total other non-current assets</b>	<b>24.41</b>	<b>1.01</b>
	As at March 31, 2024	As at March 31, 2023
7(b) Current		
Balance with statutory authorities	32.46	47.81
Advance to suppliers	8.25	1.46
Prepaid expenses	3.13	0.73
Export benefit receivable	0.29	-
<b>Total other current assets</b>	<b>44.13</b>	<b>50.00</b>
<b>Total other assets</b>	<b>68.54</b>	<b>51.01</b>
	As at March 31, 2024	As at March 31, 2023
<b>8. Inventories (refer note 1.8)</b>		
Raw materials	18.70	11.67
Goods-in-transit for raw materials	0.52	-
Work-in-progress	9.48	15.74
Finished goods	78.00	32.57
Stores and spares	29.61	14.20
<b>Total inventories</b>	<b>136.31</b>	<b>74.18</b>



Welspun DI Pipes Limited  
 Notes forming part of the financial statements as at and for the year ended March 31, 2024  
 (All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	₹ As at March 31, 2024	₹ As at March 31, 2023
<b>9. Trade receivables (refer note 1.7(a)(VIII))</b>		
Trade receivables from related parties (refer note 34)	₹ 1.50	₹ 3.04
Trade receivables from others	₹ 91.80	₹ 51.04
Less: Loss Allowance	₹ (0.98)	-
<b>Total receivables</b>	<b>₹ 92.32</b>	<b>₹ 54.08</b>
<b>Break up of security details</b>		
Trade receivables, considered good -	₹ 93.30	₹ 54.08
<b>Total</b>	<b>₹ 93.30</b>	<b>₹ 54.08</b>
Less: Loss Allowance	₹ (0.98)	-
<b>Total trade receivables</b>	<b>₹ 92.32</b>	<b>₹ 54.08</b>

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. In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. Further, in respect of receivables from related parties the expected credit loss is considered to be NIL and accordingly provision matrix is not applied on the receivables from related parties. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix.

	₹ As at March 31, 2024	₹ As at March 31, 2023
<b>Movement in loss allowance</b>		
Opening balance	-	-
Charge / (release) during the year	₹ 0.98	-
Closing balance	<b>₹ 0.98</b>	-

Ageing for trade receivables as at March 31, 2024 is as follows:

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	
<b>Undisputed trade receivables</b>								
(i) considered good	-	₹ 71.67	₹ 21.59	₹ 0.04	*-	-	-	₹ 93.30
<b>Gross Total</b>	-	<b>₹ 71.67</b>	<b>₹ 21.59</b>	<b>₹ 0.04</b>	-	-	-	<b>₹ 93.30</b>
Expected loss rate	₹ 0.50%	₹ 0.50%	₹ 2.84%	₹ 26.01%	₹ 51.00%	₹ 51.00%	₹ 100.00%	
Less: Loss allowance	-	₹ 0.35	₹ 0.61	₹ 0.02	-	-	-	₹ (0.98)
<b>Total Trade receivables</b>	-	<b>₹ 71.32</b>	<b>₹ 20.98</b>	<b>₹ 0.02</b>	*-	-	-	<b>₹ 92.32</b>

Ageing for trade receivables as at March 31, 2023 is as follows:

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	
<b>Undisputed trade receivables</b>								
(i) considered good	-	₹ 48.96	₹ 5.12	-	-	-	-	₹ 54.08
<b>Total Trade receivables</b>	-	<b>₹ 48.96</b>	<b>₹ 5.12</b>	-	-	-	-	<b>₹ 54.08</b>

Amount is below rounding off norms adopted by the company

Note:

- (i) There are no disputed trade receivables as at March 31, 2024 and March 31, 2023.
- (ii) There are no trade receivables which have significant increase in credit risk or credit impaired.





## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>10. Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	11.58	9.89
<b>Total cash and cash equivalents</b>	<b>11.58</b>	<b>9.89</b>
<b>11. Bank balances other than cash and cash equivalents</b>		
Deposits with original maturity of more than three months but less than twelve months	3.50	0.04
Margin money deposits with original maturity of less than twelve months (refer note below)	0.05	3.19
<b>Total bank balances other than cash and cash equivalents</b>	<b>3.55</b>	<b>3.23</b>

Note.: Deposits of Rs. 0.05 (March 31, 2023: 3.19) represent earmarked balances with banks.



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 12. Equity share capital and other equity

## 12(a) Equity Share capital

## Authorised share capital

As at April 01, 2022

Increase/ (decrease) during the year

As at March 31, 2023

Increase/ (decrease) during the year

As at March 31, 2024

Number of Shares	Par value	Amount
60,000,000	10.00	60.00
-	-	-
60,000,000	10.00	60.00
-	-	-
60,000,000	10.00	60.00

## i) Movement in equity share capital

## Issued, subscribed and paid up capital

As at April 01, 2022

Preference shares converted into equity shares (refer note 12(b)(i))

Issued during the year

As at March 31, 2023

Increase/ (decrease) during the year

As at March 31, 2024

Number of shares	Amount
29,511,000	29.51
17,479,000	17.48
5,010,000	5.01
52,000,000	52.00
-	-
52,000,000	52.00

## ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## iii) Shares of the Company held by holding company

As at March 31, 2024

## Equity shares held by

Welspun Corp Limited (including nominees)

Number of shares	% holding
52,000,000	100.00%

As at March 31, 2023

## Equity shares held by

Welspun Corp Limited (including nominees)

Number of shares	% holding
52,000,000	100.00%

## iv) Details of shareholders holding more than 5% shares in the Company

As at March 31, 2024

## Equity shares held by

Welspun Corp Limited (including nominees)

Number of shares	% holding
52,000,000	100.00%

As at March 31, 2023

## Equity shares held by

Welspun Corp Limited (including nominees)

Number of shares	% holding
52,000,000	100.00%



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## v) Details of shareholding of promoters

Name of the promoter	Year ended March 31, 2024			Year ended March 31, 2023		
	Number of shares	% of total number of shares	Percentage of change during the year	Number of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited (including nominees)	52,000,000	100.00%	0.00%	52,000,000	100.00%	0.00%
<b>Total</b>	<b>52,000,000</b>	<b>100.00%</b>		<b>52,000,000</b>	<b>100.00%</b>	

## vi) Aggregate number of shares issued for consideration other than cash

	Number of shares	Number of shares
	Year ended March 31, 2024	Year ended March 31, 2023
Conversion of CORPS to equity share	-	17,479,000

## 12(b) Instruments entirely equity in nature

## 8% Convertible Non-Cumulative Optionally Redeemable Preference Shares (CORPS)

Number of Shares	Par value	Amount
As at April 01, 2022	180,000,000	180.00
Increase/ (decrease) during the year	-	-
As at March 31, 2023	180,000,000	180.00
Increase/ (decrease) during the year	-	-
As at March 31, 2024	180,000,000	180.00

## Authorised share capital

As at April 01, 2022

Increase/ (decrease) during the year

As at March 31, 2023

Increase/ (decrease) during the year

As at March 31, 2024

## i) Movement in preference shares capital

## Issued, subscribed and paid up capital

As at April 01, 2022

Preference shares converted into equity shares

As at March 31, 2023

Increase/ (decrease) during the year

As at March 31, 2024

Number of shares	Amount
180,000,000	180.00
(17,479,000)	(17.48)
162,521,000	162.52
-	-
162,521,000	162.52

## ii) Terms and rights attached to preference shares

8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) have par value Rs. 10 each. Preference shares do not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital. However, the holders of the Preference share shall be paid dividend on a non-cumulative basis.

The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

The CORPS shall be convertible in to equity share of the Company any time before March 31, 2036 in the ratio of one equity share of Rs. 10/- each for one CORPS of Rs. 10 each fully paid-up. If not converted, the CORPS shall be redeemable at par at the option of the company after March 31, 2030 but before March 31, 2036.



## iii) Shares of the Company held by holding company ✓

As at March 31, 2024

CORPS held by

Welspun Corp Limited

No. of shares % holding

162,521,000 100.00%

As at March 31, 2023

CORPS held by

Welspun Corp Limited

No. of shares % holding

162,521,000 100.00%

## iv) Details of shareholders holding more than 5% shares in the Company

As at March 31, 2024

CORPS held by

Welspun Corp Limited

No. of shares % holding

162,521,000 100.00%

As at March 31, 2023

CORPS held by

Welspun Corp Limited

No. of shares % holding

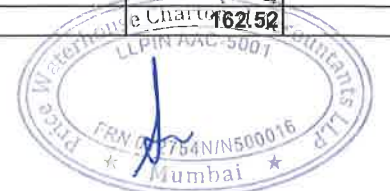
162,521,000 100.00%

## v) Details of shareholding of promoters

Name of the promoter	Year ended March 31, 2024			Year ended March 31, 2023		
	Number of shares	% of total number of shares	Percentage of change during the year	Number of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited	162,521,000	100.00%	0.00%	162,521,000	100.00%	0.00%
<b>Total</b>	<b>162,521,000</b>	<b>100.00%</b>		<b>162,521,000</b>	<b>100.00%</b>	

## vi) Details of Preference Shares

Particulars	Number of shares	Par value	Amount	Date of allotment
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	3,000,000	10	3.00	22-Mar-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	6,000,000	10	6.00	23-Mar-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	6,000,000	10	6.00	26-Mar-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	8,000,000	10	8.00	12-Apr-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	22,000,000	10	22.00	17-May-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	25-May-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	4,000,000	10	4.00	14-Jun-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	6,000,000	10	6.00	23-Jun-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	30-Jun-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	15.00	14-Jul-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	7,000,000	10	7.00	19-Jul-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	2,000,000	10	2.00	25-Aug-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	15.00	15-Oct-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	10,000,000	10	10.00	27-Oct-21
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	25,000,000	10	25.00	07-Jan-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	10,000,000	10	10.00	25-Jan-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	15-Feb-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	15-Feb-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	28-Feb-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	16-Mar-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	5.00	16-Mar-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	6,000,000	10	6.00	28-Mar-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	(13,479,000)	10	(13.48)	27-Jul-22
8% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	(4,000,000)	10	(4.00)	27-Jan-23
<b>Total</b>	<b>162,521,000</b>		<b>162.52</b>	



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>12(c) Reserves and surplus</b>		
(i) Retained earnings	72.74	(29.64)
<b>Total reserves and surplus</b>	<b>72.74</b>	<b>(29.64)</b>
<b>(i) Retained earnings</b>		
Opening balance	(29.64)	(6.91)
Profit/(Loss) for the year	102.37	(22.69)
Item of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations, net of tax	0.01	(0.04)
<b>Closing balance</b>	<b>72.74</b>	<b>(29.64)</b>
	As at March 31, 2024	As at March 31, 2023
<b>12(d) Other reserves</b>		
Cash flow hedging reserve	0.11	(0.08)
<b>Total other reserves</b>	<b>0.11</b>	<b>(0.08)</b>
<b>Cash flow hedging reserve</b>		
Opening balance	(0.08)	(0.13)
Amount recognised in cash flow hedging reserve during the year (net)	0.23	0.06
Income tax on amount recognised in cash flow hedging reserve (net)	(0.04)	(0.01)
<b>Closing balance</b>	<b>0.11</b>	<b>(0.08)</b>

**Nature and purpose of other equity****(i) Retained Earnings**

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

**(ii) Cash flow hedging reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The Cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flows reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.



**Welspun DI Pipes Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024			As at March 31, 2023		
	Non-Current Portion	Current Maturities*	Total	Non-Current Portion	Current Maturities*	Total
<b>13. Borrowings</b>						
<b>13(a) Non-current borrowings</b>						
<b>Secured</b>						
Term Loan (refer note (i) and (ii)(a) below)	₹344.76	₹42.49	₹387.25	₹317.51	₹12.07	₹329.58
Buyer's credit (refer notes (i) and (ii)(b) below)	-	-	-	₹5.32	-	₹5.32
Acceptances for capital items (refer notes (i) and (ii)(b) below)	-	-	-	₹80.26	-	₹80.26
<b>Unsecured</b>						
Loan from related party (refer note 34) (refer note (ii)(c), (ii)(d) and (ii)(f) below)	₹7.50	-	₹7.50	₹7.50	-	₹7.50
<b>Total borrowings</b>	<b>₹352.26</b>	<b>₹42.49</b>	<b>₹394.75</b>	<b>₹410.59</b>	<b>₹12.07</b>	<b>₹422.66</b>

\* Current maturities of non-current borrowings have been disclosed under "Current borrowings", refer note 13 (b).

	As at March 31, 2024	As at March 31, 2023
	<b>13(b) Current borrowings</b>	
<b>Secured</b>		
Working capital loan from banks (refer notes (i) below)	₹54.70	-
Current maturities of long term borrowings [Refer note 13(a)]	₹42.49	₹12.07
Cash credit	₹3.27	₹35.72
<b>Unsecured</b>		
Loan from related party (refer note 34) (refer note (ii)(e) below)	₹26.47	-
<b>Total</b>	<b>₹126.93</b>	<b>₹47.79</b>

**(i) Nature of security for borrowings**

Secured by first charge ranking pari passu on hypothecation on all movable and immovable property, plant and machinery, intangible assets, insurance policies of the Company both present and future.

**(ii) Terms of repayment and interest**

- a) The capital loan from consortium of Banks are payable in 10 years commencing from December 2023 in quarterly installments. The rate of interest of the consortium lenders are linked to respective bank's MCLR plus spread prevailing on the interest reset date, such that, average rate of interest during the year was 8.1% p.a (March 31, 2023: 8.34% p.a).
- b) Carries an interest in range of 4% to 6% p.a. and repayable at maturity of 12 months during the previous year. However the company under existing sanctioned facility has converted the outstanding buyers credit into term loan and hence classified as non current during the previous year. There is no balance as at March 31, 2024.
- c) Carries an interest of 7% (March 31, 2023: 7%) and repayable at maturity of upto 36 months.
- d) During the previous year, the company had revised its agreement with its holding company for the availment of term loan & working capital loan. The repayment period had been revised to 36 months from the original period of 12 months from the drawdown date of the loan. There are no new long term borrowings during the current year.
- e) Carries an interest of 7% and repayable at maturity of upto 12 months
- f) During the current year, payment of interest has been amended vide letter dated 4th April, 2023 from Welspun Corp Limited. As per the amendment, the interest payment due during the current year were deferred upto September 2023.

(iii) The Company has used funds raised on short-term basis for long-term purposes to the extent INR Nil as at March 31, 2024 (March 31, 2023 - Rs. 11.50).



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

13(c) Net debt reconciliation

Net debt reconciliation

Cash and cash equivalents

Borrowings

Interest accrued but not due on borrowings

Net Debt

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	₹ 11.58	₹ 9.89
Borrowings	₹ (479.19)	₹ (458.38)
Interest accrued but not due on borrowings	₹ (2.07)	₹ (2.83)
<b>Net Debt</b>	<b>₹ (469.68)</b>	<b>₹ (451.32)</b>

	Financial assets	Financial liabilities	Total [C] = [A]+[B]
	Cash and cash equivalents [A]	Borrowings [B]	
Net debts as at April 01, 2022	₹ 22.01	₹ (117.29)	₹ (95.28)
Interest accrued as at April 01, 2022	-	₹ (1.61)	₹ (1.61)
Cash flow (net)	₹ (12.12)	₹ (341.09)	₹ (353.21)
Interest expenses capitalized	-	₹ (14.47)	₹ (14.47)
Interest expenses	-	₹ (10.90)	₹ (10.90)
Interest paid	-	₹ 24.15	₹ 24.15
Net debts as at March 31, 2023	₹ 9.89	₹ (458.38)	₹ (448.49)
Interest accrued as at March 31, 2023	-	₹ (2.83)	₹ (2.83)
Cash flow (net)	₹ 1.69	₹ (20.81)	₹ (19.12)
Interest expenses	-	₹ (36.83)	₹ (36.83)
Interest paid	-	₹ 37.59	₹ 37.59
Net debts as at March 31, 2024	₹ 11.58	₹ (479.20)	₹ (467.61)
Interest accrued as at March 31, 2024	-	₹ (2.07)	₹ (2.07)



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>14. Other financial liabilities</b>		
<b>Current</b>		
Interest accrued but not due on borrowings		
Related parties (refer note 34)	2.01	0.40
- Others	0.06	2.43
Trade deposits	1.26	0.02
Capital creditors		
Total outstanding dues of micro and small enterprises (Refer note 35)	0.49	0.35
Total outstanding dues other than above	26.97	22.75
Derivatives designated as hedges accounted at FVPL		
- Forward contracts	-	0.25
Derivatives designated as hedges accounted at FVOCI		
Forward contracts	0.03	0.07
<b>Total other current financial liabilities</b>	<b>30.82</b>	<b>26.27</b>
<b>Total other financial liabilities</b>	<b>30.82</b>	<b>26.27</b>
	As at March 31, 2024	As at March 31, 2023
<b>15. Provisions</b>		
<b>15(a) Non-current</b>		
Employee benefit obligations		
Gratuity (refer note 31)	1.16	0.76
<b>Total non-current provisions</b>	<b>1.16</b>	<b>0.76</b>
<b>15(b) Current</b>		
Employee benefit obligations		
Gratuity (refer note 31)	0.03	0.03
Leave obligations (refer note 31)	0.62	0.44
<b>Total current provisions</b>	<b>0.65</b>	<b>0.47</b>
<b>Total provisions</b>	<b>1.81</b>	<b>1.23</b>
	As at March 31, 2024	As at March 31, 2023
<b>16. Deferred tax liabilities (net) (refer note 30)</b>		
The balance comprises of temporary differences attributable to:		
Deferred tax liabilities		
Property, plant and equipment	8.61	4.72
Cash flow hedging reserve	0.05	0.01
Others	0.01	-
	<b>8.67</b>	<b>4.73</b>
Deferred tax assets		
Employee benefit obligations	0.31	0.14
Business loss (including unabsorbed depreciation)	-	9.25
Loss allowance	0.17	-
Fair value gain / loss on	0.17	-
Others	0.01	0.01
	<b>0.66</b>	<b>9.40</b>
<b>Total deferred tax liabilities/(deferred tax assets) (net)</b>	<b>8.01</b>	<b>(4.67)</b>





Welspun DI Pipes Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2024  
(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

16. Deferred tax liabilities (net) (Contd...)  
Movement in deferred tax liabilities and deferred tax assets

Particulars	Deferred tax liabilities						Deferred tax assets						Net deferred tax (liabilities) / assets
	Property, plant and equipment	Cash flow hedging reserve	Others	Total deferred tax liabilities	Employee benefit obligations	Business loss and unabsorbed depreciation	Loss allowance	Fair value gain / loss on investments	Others	Total deferred tax assets			
As at April 01, 2022	-	0.02	-	0.02	0.12	0.79	-	-	-	0.91	0.93		
Recognised in the statement of profit and loss other comprehensive income	(4.72)	-	-	(4.72)	0.01	8.46	-	-	0.01	8.48	3.76		
	-	(0.03)	-	(0.03)	0.01	-	-	-	-	0.01	(0.02)		
As at March 31, 2023	(4.72)	(0.01)	-	(4.73)	0.14	9.25	-	-	0.01	9.40	4.67		
Recognised in the statement of profit and loss other comprehensive income	(3.89)	-	(0.01)	(3.90)	0.17	(9.25)	0.17	0.17	-	(8.74)	(12.64)		
	-	(0.04)	-	(0.04)	-	-	-	-	-	-	(0.04)		
As at March 31, 2024	(8.61)	(0.05)	(0.01)	(8.67)	0.31	-	0.17	0.17	0.01	0.66	(8.01)		



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

17. Government grants

Deferred Grant Income (refer note below)

Opening balance

Grants during the year

Less: Recognised in the statement of profit and loss (refer note 21(b))

Closing balance

Total government grants

Non Current

Current

Total government grants

	As at March 31, 2024	As at March 31, 2023
	₹ 59.30	₹ -
	₹ -	₹ 60.75
	₹ (5.83)	₹ (1.45)
	<u>₹ 53.47</u>	<u>₹ 59.30</u>
	<u>₹ 53.47</u>	<u>₹ 59.30</u>
	₹ 47.64	₹ 53.47
	₹ 5.83	₹ 5.83
	<u>₹ 53.47</u>	<u>₹ 59.30</u>

(Note : The Company had availed the benefit of Export Promotion Capital Goods (EPCG) scheme provided by the Government of India (Ministry of Commerce and Industry) on import of fixed assets.

18. Other current liabilities

Trade advances

Statutory dues payable

Employee dues payable

Total other current liabilities

	As at March 31, 2024	As at March 31, 2023
	₹ 12.60	₹ 14.75
	₹ 7.78	₹ 1.36
	₹ 1.02	₹ 1.08
	<u>₹ 21.40</u>	<u>₹ 17.19</u>



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>19. Trade payables</b>		
<b>Current</b>		
Trade payables: dues of micro and small enterprises (refer note 35)	5.18	2.48
Trade payables other than above:		
Trade payables for acceptances	-	6.83
Trade payable to related parties (refer note 34)	22.86	67.55
Trade payables others	38.95	13.89
	<b>61.81</b>	<b>88.27</b>
<b>Total trade payables</b>	<b>66.99</b>	<b>90.75</b>

Ageing for trade payable as at March 31, 2024 is as follows:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
(i) Micro enterprise and small enterprises	-	5.18	*	-	-	-	5.18
(ii) Others	11.96	23.60	23.19	3.06	-	-	61.81
<b>Total</b>	<b>11.96</b>	<b>28.78</b>	<b>23.19</b>	<b>3.06</b>	<b>-</b>	<b>-</b>	<b>66.99</b>

Ageing for trade payable as at March 31, 2023 is as follows:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
(i) Micro enterprise and small enterprises	-	2.48	-	-	-	-	2.48
(ii) Others	7.05	6.83	74.25	0.14	-	-	88.27
<b>Total</b>	<b>7.05</b>	<b>9.31</b>	<b>74.25</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>90.75</b>

Note:

(i) There are no disputed trade payables as at March 31, 2024 and March 31, 2023.

(ii) Unbilled trade payables includes accruals which are not classified as provisions under Ind AS 37.

\* Amount is below the rounding off norms adopted by the company.

	As at March 31, 2024	As at March 31, 2023
<b>20. Current tax assets and (current tax liabilities) (net)</b>		
Opening balance	0.36	0.19
Less : Current tax expense	(7.80)	-
Less: Interest on Income tax	(0.41)	-
Add : Taxes paid (including tax deducted at source)	5.40	0.17
<b>Closing balance</b>	<b>(2.45)</b>	<b>0.36</b>
Income tax assets (net off provision for tax Rs. Nil (March 31, 2023: Rs. Nil))	0.36	0.36
Current tax liabilities (net off advance tax/ tax deducted at source Rs. 8.20 (March 31, 2023: Rs. Nil))	2.81	-



**Welspun DI Pipes Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>21. Revenue from operations</b>		
(a) <b>Sale of products</b>		
Finished goods	1,366.28	224.72
<b>Total sale of products</b>	<b>1,366.28</b>	<b>224.72</b>
(b) <b>Other operating income</b>		
Government grants	5.83	1.45
Scrap sale	142.33	39.55
<b>Total other operating income</b>	<b>148.16</b>	<b>41.00</b>
<b>Total revenue from operations</b>	<b>1,514.44</b>	<b>265.72</b>

The Company is primarily engaged in the business of manufacture and distribution of DI pipes and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

**Reconciliation of revenue recognised with contract price:**

<b>Contract price</b>	1,369.20	224.75
Adjustments for:		
Liquidated damages	(2.92)	(0.03)
<b>Total revenue from sale of products</b>	<b>1,366.28</b>	<b>224.72</b>

	Year ended March 31, 2024	Year ended March 31, 2023
<b>22. Other income</b>		
<b>Interest income</b>		
Fixed deposits	0.17	0.05
Income tax refund	0.02	0.01
<b>Dividend income on</b>		
Non-current investments (refer note 34)	0.12	-
<b>Net gain on sale/redemption of</b>		
Current investments	-	0.11
<b>Other non-operating income</b>		
Net exchange differences	0.06	-
Profit on sale / discarding of tangible assets (net)	0.01	-
Fair valuation gain on investment (net)	-	0.41
Miscellaneous income #	0.32	-
<b>Total other income</b>	<b>0.70</b>	<b>0.58</b>

**Note:**

# Mainly comprises of insurance claims received.



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>23. Cost of materials consumed</b>		
Raw materials at the beginning of the year	11.67	-
Add: Purchases (net)	1,014.85	239.19
	<u>1,026.52</u>	<u>239.19</u>
Less : Raw materials at the end of the year	19.22	11.67
<b>Total cost of materials consumed</b>	<u>1,007.30</u>	<u>227.52</u>
	Year ended March 31, 2024	Year ended March 31, 2023
<b>24. Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening balance</b>		
Work-in-progress	15.74	-
Finished goods	32.57	-
<b>Total opening balance</b>	<u>48.31</u>	<u>-</u>
<b>Closing balance</b>		
Work-in-progress	9.48	15.74
Finished goods	78.00	32.57
<b>Total closing balance</b>	<u>87.48</u>	<u>48.31</u>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<u>(39.17)</u>	<u>(48.31)</u>
	Year ended March 31, 2024	Year ended March 31, 2023
<b>25. Employee benefit expense</b>		
Salaries, wages and bonus	45.69	18.00
Contribution to provident and other funds (refer note below)	2.58	0.96
Gratuity expense (refer note 31)	0.42	0.28
Staff welfare expenses	2.32	0.55
<b>Total employee benefit expense</b>	<u>51.01</u>	<u>19.79</u>
<b>Note:</b>		
<b>Defined contribution plans</b>		
i. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995		
ii. National pension scheme		
iii. Superannuation fund		
During the year, the Company has recognised the following amounts in the statement of profit and loss:		
Employer's Contribution to Provident Fund	2.40	0.86
Employer's Contribution to National Pension Scheme	0.14	0.08
Employer's Contribution to Superannuation fund	0.04	0.02
<b>Total expenses recognised in the statement of profit and loss</b>	<u>2.58</u>	<u>0.96</u>



Welspun DI Pipes Limited ✓

Notes forming part of the financial statements as at and for the year ended March 31, 2024 ✓

(All amounts in Rupees (Rs.) Crore, unless otherwise stated) ✓

**26. Depreciation and amortisation expense** ✓

Depreciation of property, plant and equipment (refer note 3) ✓  
 Amortisation of intangible assets (refer note 4) ✓

**Total depreciation and amortisation expense** ✓

\* Amounts are below rounding off norms adopted by the company ✓

Year ended March 31, 2024	Year ended March 31, 2023
54.37 ✓	15.64 ✓
0.42 ✓	* ✓
<b>54.79</b> ✓	<b>15.64</b> ✓

**27. Other expenses** ✓

Consumption of stores and spares ✓  
 Labour charges ✓  
 Coating and other job charges ✓  
 Power, fuel and water charges ✓  
 Freight, material handling and transportation ✓  
 Rental charges ✓  
 Rates and taxes ✓  
 Repairs and maintenance ✓  
   - Plant and machinery ✓  
   - Buildings ✓  
   - Others ✓  
 Travel and conveyance expenses ✓  
 Communication expenses ✓  
 Legal and professional fees ✓  
 Insurance ✓  
 Directors' sitting fees (refer note 34) ✓  
 Printing and stationery ✓  
 Security charges ✓  
 Membership and fees ✓  
 Vehicle expenses ✓  
 Net exchange differences ✓  
 Payment to auditors (refer note (i) below) ✓  
 Sales promotion expenses ✓  
 Commission on sales to agents ✓  
 Loss allowance on trade receivables ✓  
 Fair valuation loss on investments (net) ✓  
 Miscellaneous expenses ✓  
**Total other expenses** ✓

Year ended March 31, 2024	Year ended March 31, 2023
73.22 ✓	19.70 ✓
26.08 ✓	6.44 ✓
4.20 ✓	1.09 ✓
53.01 ✓	17.64 ✓
83.68 ✓	14.71 ✓
0.50 ✓	0.11 ✓
0.39 ✓	0.73 ✓
2.73 ✓	0.48 ✓
0.04 ✓	- ✓
1.31 ✓	0.08 ✓
2.49 ✓	1.33 ✓
0.08 ✓	0.02 ✓
7.49 ✓	1.84 ✓
2.22 ✓	0.88 ✓
0.03 ✓	- ✓
0.02 ✓	0.01 ✓
0.74 ✓	0.38 ✓
- ✓	0.04 ✓
0.03 ✓	- ✓
- ✓	0.89 ✓
0.28 ✓	0.23 ✓
0.40 ✓	0.36 ✓
2.43 ✓	0.36 ✓
0.98 ✓	- ✓
1.40 ✓	- ✓
4.37 ✓	0.80 ✓
<b>268.12</b> ✓	<b>68.12</b> ✓

**Note:** ✓**i) Details of payments to auditors** ✓**Payment to auditors** ✓**As auditor:** ✓

Audit fee ✓ 0.20 ✓ 0.20 ✓  
 Tax audit fee ✓ 0.03 ✓ 0.03 ✓

**In other capacities** ✓

Certification fees ✓ 0.04 ✓ - ✓

**Re-imbusement of expenses** ✓

0.01 ✓ \* - ✓

**Total payment to auditors** ✓

**0.28** ✓ **0.23** ✓

\* Amounts are below rounding off norms adopted by the company ✓



## Welspun DI Pipes Limited

## Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>28. Finance costs</b>		
Interest on		
- Term loan	33.83	18.41
- Current borrowings	3.00	-
- Acceptances and charges on letter of credit	5.22	4.89
Interest on income tax	0.41	-
Other finance cost	5.65	2.00
Interest others	2.17	0.07
Less: Amount capitalised (see note below)	-	(14.47)
<b>Total finance cost</b>	<b>50.28</b>	<b>10.90</b>

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's specific borrowings. No borrowing cost was capitalised in the year ended March 31, 2024 (31 March 2023 – 8.34%).

	Year ended March 31, 2024	Year ended March 31, 2023
<b>29. Income tax expense</b>		
<b>Current tax</b>		
Current tax for the year	7.80	-
<b>Total Current tax</b>	<b>7.80</b>	<b>-</b>
<b>30. Deferred tax (refer note 16)</b>		
(Increase) / Decrease in deferred tax assets	8.74	(9.40)
Increase / (Decrease) in deferred tax liabilities	3.94	4.73
<b>Total deferred tax expense / (benefit)</b>	<b>12.68</b>	<b>(4.67)</b>

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

	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) before tax	122.81	(27.36)
Tax rate	17.16%	17.16%
<b>Tax at normal rate</b>	<b>21.07</b>	<b>(4.69)</b>
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income (Income) / expense on which no deferred tax was required to be recognised	0.07	-
Adjustments for deferred tax of prior years	(0.72)	-
Others	0.06	0.02
<b>Total Income tax expense/ (credit) as per statement of profit and loss</b>	<b>20.48</b>	<b>(4.67)</b>



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

### 31 Employee benefit obligations

#### (i) Leave obligations

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

#### (ii) 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 unfunded plan.

#### (iii) 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 obligations
<b>April 01, 2022</b>	<b>0.46</b>
Current service cost	0.25
Interest expense	0.03
<b>Total amount recognised in profit or loss</b>	<b>0.28</b>
<b>Remeasurements</b>	
Loss from change in financial assumptions	(0.02)
Loss from change in demographic assumption	0.07
<b>Total amount recognised in other comprehensive income</b>	<b>0.05</b>
<b>March 31, 2023</b>	<b>0.79</b>
	<b>₹ Present value of obligation</b>
<b>April 01, 2023</b>	<b>0.79</b>
Current service cost	0.36
Interest expense/ (income)	0.06
<b>Total amount recognised in profit or loss</b>	<b>0.42</b>
<b>Remeasurements</b>	
Loss from change in financial assumptions	0.04
Loss from change in demographic assumption	(0.05)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.01)</b>
Benefit payment	0.06
Adjustment due to transfer out	(0.07)
<b>March 31, 2024</b>	<b>1.19</b>

The net liabilities disclosed above relating to unfunded plans are as follows:

	₹ As at March 31, 2024	₹ As at March 31, 2023
Present value of unfunded obligations	1.19	0.79
Fair value of plan assets	-	-
<b>Deficit of unfunded plan</b>	<b>1.19</b>	<b>0.79</b>
<b>Non-current (refer note 15(a))</b>	<b>1.16</b>	<b>0.76</b>
<b>Current (refer note 15(b))</b>	<b>0.03</b>	<b>0.03</b>

(iv) Significant actuarial assumptions are as follows:

	₹ As at March 31, 2024	₹ As at March 31, 2023
Discount rate	7.24%	7.48%
Salary growth rate	6.00%	6.00%





31. Employee benefit obligations (Contd...)

(v) 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		Decrease in assumption	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Discount rate	1.00%	1.00%	Decrease by 0.13	(0.08)	Increase by 0.16	0.09
Salary growth rate	1.00%	1.00%	Increase by 0.16	0.09	Decrease by (0.13)	(0.08)

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 14 years (March 31, 2023: 13). The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2024					
Defined benefit obligations- Gratuity	0.03	0.03	0.17	3.38	3.61
March 31, 2023					
Defined benefit obligations- Gratuity	0.03	0.03	0.11	2.04	2.21

(vii) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

- (A) Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- (B) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- (C) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- (D) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



32. Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
<b>Investments</b>						
Equity Instruments	2.39	-	-	3.79	-	-
Trade receivables	-	-	92.32	-	-	54.08
Cash and cash equivalents	-	-	11.58	-	-	9.89
Bank balances other than cash and cash equivalents	-	-	3.55	-	-	3.23
<b>Other financial assets</b>						
Security deposits	-	-	2.12	-	-	0.56
Margin money deposits	-	-	0.46	-	-	0.08
<b>Derivatives designated as hedges</b>						
Forward contracts	-	0.15	-	-	-	-
Others	-	-	0.62	-	-	0.62
<b>Total financial assets</b>	<b>2.39</b>	<b>0.15</b>	<b>110.65</b>	<b>3.79</b>	<b>-</b>	<b>68.46</b>
<b>Financial liabilities</b>						
Borrowings (includes interest accrued and current maturities of long-term borrowing)	-	-	481.26	-	-	461.21
Trade payables	-	-	66.99	-	-	90.75
<b>Other financial liabilities</b>						
<b>Derivatives designated as hedges</b>						
Forward contracts	-	0.03	-	-	0.07	-
<b>Derivatives designated as hedges</b>						
Forward contracts	-	-	-	0.25	-	-
Deposit received	-	-	1.26	-	-	0.02
Capital creditors	-	-	27.46	-	-	23.10
<b>Total financial liabilities</b>	<b>-</b>	<b>0.03</b>	<b>576.97</b>	<b>0.25</b>	<b>0.07</b>	<b>575.08</b>

(i) Fair value hierarchy

This section explains the judgments 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 and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Investments	-	-	2.39	2.39
<b>Derivatives designated as hedges at FVOC</b>				
Forward contracts	-	0.15	-	0.15
<b>Total financial assets</b>	<b>-</b>	<b>0.15</b>	<b>2.39</b>	<b>2.54</b>
<b>Derivatives designated as hedges at FVOCI</b>				
Forward contracts	-	0.03	-	0.03
<b>Total financial liabilities</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>

Financial assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2024

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Other financial assets</b>				
Security deposits	-	-	2.12	2.12
Margin money deposits	-	-	0.46	0.46
Others	-	-	0.62	0.62
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>3.20</b>	<b>3.20</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued and current maturities of long-term borrowing)	-	-	481.26	481.26
<b>Other financial liabilities</b>				
Deposits received	-	-	1.26	1.26
Capital creditors	-	-	27.46	27.46
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>509.98</b>	<b>509.98</b>



32. Fair value measurements (Contd...)

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

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Investments	-	-	3.79	3.79
<b>Total financial assets</b>	-	-	3.79	3.79
<b>Financial liabilities</b>				
<b>Derivatives designated as hedges at FVPL</b>				
Forward contracts	-	0.25	-	0.25
<b>Derivatives designated as hedges at FVOCI</b>				
Forward contracts	-	0.07	-	0.07
<b>Total financial liabilities</b>	-	0.32	-	0.32

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

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Other financial assets</b>				
Security deposits	-	-	0.56	0.56
Margin money deposits	-	-	0.08	0.08
Others	-	-	0.62	0.62
<b>Total financial assets</b>	-	-	1.26	1.26
<b>Financial liabilities</b>				
Borrowings (includes interest accrued and current maturities of long-term borrowing)	-	-	461.21	461.21
<b>Other financial liabilities</b>				
Deposit received	-	-	0.02	0.02
Capital creditors	-	-	23.10	23.10
<b>Total financial liabilities</b>	-	-	484.33	484.33

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

- Level 1: This hierarchy includes financial instruments measured using quoted prices. The Company does not have any investment under this category.
- 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 has derivatives which are designated as hedges for which all significant inputs required to fair value an instrument falls under level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

(ii) Valuation technique used to determine fair value

- Specific valuation techniques used to value financial instruments include:
  - the fair value of forward foreign exchange contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.
  - the fair value of unlisted equity instruments are determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2024 and March 31, 2023

	Unlisted equity shares	Total
<b>As at April 01, 2022</b>	-	-
Acquisition	3.38	3.38
Gain recognised in profit or loss	0.41	0.41
<b>As at March 31, 2023</b>	3.79	3.79
Loss recognised in profit or loss	1.40	1.40
<b>As at March 31, 2024</b>	2.39	2.39
Unrealised gain/ (loss) recognised in profit or loss related to assets held at the end of the reporting period	-	-
Year ended March 31, 2024	(1.40)	(1.40)
Year ended March 31, 2023	0.41	0.41



## 32. Fair value measurements (Contd...)

## (iv) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
Unlisted equity shares	2.39	3.79	Risk adjusted discount rate	14.00%	14.00%	The estimated fair value would not be material on account of increase/ (decrease) if -Discount rate were lower/ (higher)

## (v) Valuation processes:

The fair value of unlisted equity shares determined using discounted cash flow analysis by an independent valuer.

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

	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>Other financial assets</b>				
Security deposits	2.12	2.12	0.56	0.56
Margin money deposits	0.46	0.46	0.08	0.08
Others non current financial assets	0.62	0.62	0.62	0.62
<b>Total</b>	<b>3.20</b>	<b>3.20</b>	<b>1.26</b>	<b>1.26</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued and current maturities of long-term borrowings)	481.26	481.26	461.21	461.21
<b>Other financial liabilities</b>				
Deposit received	1.26	1.26	0.02	0.02
Capital creditors	27.46	27.46	23.10	23.10
<b>Total</b>	<b>509.98</b>	<b>509.98</b>	<b>484.33</b>	<b>484.33</b>

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

b) The fair values and carrying value of security deposits, other non current financial assets, borrowings and deposit received are materially the same.

## (vii) Classification of interest income by instrument category

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Interest income at amortised cost:</b>		
Fixed deposits	0.17	0.05
<b>Other interest income</b>		
Income tax refund	0.02	0.01
<b>Total</b>	<b>0.19</b>	<b>0.06</b>



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 33. Financial risk management

The Company's principal financial liability represents trade payables and borrowings. The main purpose of these financial liabilities is to pay for the plant setup in Anjar, Gujarat, India. The Company's principal financial assets consists of investments and cash and cash equivalents, other bank balances, trade receivables, and other financial assets. The company also holds investment held at fair value through profit and loss.

The Company's activities exposes it to credit risk, liquidity risk and market risk. The directors of the Company (considering size of business) oversees the management of these risks which are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, cash & cash equivalents, other bank balances and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Trade receivables, Trade payables & other financial liability	Sensitivity analysis	Forward foreign exchange contracts and derivative contracts
Market risk – interest rate risk	Borrowings	Sensitivity analysis	Mix of fixed and floating rate borrowing
Market risk – security prices risk	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

## (I) Credit risk

Credit risk is the risk that counterparty will not meet its obligations 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 banks 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. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the loss allowances (Refer note 9).

## b) Other financial assets

The Company maintains exposure majorly in cash and cash equivalents and term deposits with banks. The Company has diversified portfolio of bank balances with various banks 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.



Welspun DI Pipes Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2024  
(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

33 Financial risk management (Contd...)

(II) Liquidity risk

Liquidity risk refers to 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, banking facilities and reserve borrowing facilities comprises of undrawn borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and liquid funds and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The liquidity risk is monitored through budgets (comprises of undrawn borrowings below) and cash and cash equivalents on the basis of expected cash flows by the management presented by the Board of Directors.

a) Financing arrangements

The Company had access to the following undrawn borrowing facilities for working capital at the end of the reporting period:

	As at March 31, 2024	As at March 31, 2023
<b>Floating rate</b>		
Expiring within one year		
Borrowing	192.03	59.20
Working capacity facility	28.39	252.00
<b>Total</b>	<b>220.42</b>	<b>311.20</b>

b) Maturities of financial liabilities

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

All non-derivative financial liabilities, and derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

As at March 31, 2024

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings (includes interest accrued and current maturities of long-term debt)	180.63	147.55	145.26	148.26	621.70	481.26
Trade payables	66.99	-	-	-	66.99	66.99
Lease liability	-	-	-	-	-	-
Deposit received	1.26	-	-	-	1.26	1.26
Capital creditors	27.46	-	-	-	27.46	27.46
<b>Total non-derivative liabilities</b>	<b>276.34</b>	<b>147.55</b>	<b>145.26</b>	<b>148.26</b>	<b>717.41</b>	<b>576.97</b>
<b>Derivatives</b>						
Foreign exchange forward contracts	0.03	-	-	-	0.03	0.03
<b>Total derivative liabilities</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>

As at March 31, 2023

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings (includes interest accrued and current maturities of long-term debt)	166.27	182.62	119.11	122.65	590.65	461.21
Trade payables	90.75	-	-	-	90.75	90.75
Deposit received	0.02	-	-	-	0.02	0.02
Capital creditors	23.10	-	-	-	23.10	23.10
<b>Total non-derivative liabilities</b>	<b>280.14</b>	<b>182.62</b>	<b>119.11</b>	<b>122.65</b>	<b>704.52</b>	<b>575.08</b>
<b>Derivatives</b>						
Foreign exchange forward contracts	0.32	-	-	-	0.32	0.32
<b>Total derivative liabilities</b>	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>0.32</b>



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 33. Financial risk management (Contd...)

## (III) 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.

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 Rs is as follows:

	As at March 31, 2024			As at March 31, 2023		
	USD	GBP	EUR	USD	GBP	EUR
<b>Financial liabilities</b>						
Non-current borrowings	-	-	-	-	-	-
Buyer's credit	-	-	-	5.32	-	-
Acceptances	-	-	-	80.26	-	-
Trade payables	1.65	-	-	0.22	0.18	-
Capital creditors	19.07	-	-	0.24	-	-
<b>Forward contracts (buy foreign currency)</b>	<b>(78.10)</b>	<b>-</b>	<b>(25.12)</b>	<b>(94.62)</b>	<b>-</b>	<b>-</b>



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 33. Financial risk management (Contd...)

## b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and impact on other components of equity arises from foreign forward exchange contracts, designated as cash flow hedges.

	Net impact on profit/ loss before tax		Net impact on other reserve	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>USD sensitivity</b>				
INR/USD - Increase by 1% (March 31, 2023 - 1%)#	(0.28)	(0.08)	(0.71)	0.17
INR/USD - Decrease by 1% (March 31, 2023 - 1%)#	0.28	0.08	0.71	(0.17)
<b>GBP sensitivity</b>				
INR/GBP - Increase by 1% (March 31, 2023 - 1%)#	-	*	-	-
INR/GBP - Decrease by 1% (March 31, 2023 - 1%)#	-	*	-	-
<b>EUR sensitivity</b>				
INR/GBP - Increase by 1% (March 31, 2023 - 1%)#	0.24	-	(0.24)	-
INR/GBP - Decrease by 1% (March 31, 2023 - 1%)#	(0.24)	-	0.24	-

# Holding all other variables constant

\* Amounts are below rounded off norms adopted by the company.

## (2) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates arising principally on changes in 6 month MCLR rates, which expose the Company to cash flow interest rate risk. The Company borrowings were at fixed rate and floating rate in current and previous years.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings (including interest accrued)	35.98	7.90
Floating rate borrowings (including interest accrued)	445.28	453.31
<b>Total borrowings</b>	<b>481.26</b>	<b>461.21</b>

## b) Sensitivity

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

	Impact on profit before tax		Net impact on other reserve	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Interest rate increase by 100 basis points (March 31, 2023 - 100 basis points)*	(4.45)	(4.53)	-	-
Interest rate decrease by 100 basis points (March 31, 2023 - 100 basis points)*	4.45	4.53	-	-

\* Holding all other variables constant

## 3) Investment price risk

There are no Investments exposed to investment price risk as on March 31, 2024 and March 31, 2023.





33. Financial risk management (Contd...)

(IV) Impact of hedging activities

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 contracts and derivative contracts.

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2024

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge Foreign exchange risk Forward contract	-	103.22	0.15	0.03	Apr 24-Feb 25	1:1

As at March 31, 2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge Foreign exchange risk Forward contract	-	94.62	-	0.32	Apr 23-Jul 23	1:1

b) Disclosure of effects of hedge accounting on financial performance:

As at March 31, 2024

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge Foreign Exchange Risk	0.23	-	-	

As at March 31, 2023

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge Foreign Exchange Risk	0.06	-	-	

The Company uses 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 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.

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. Ineffectiveness is recognised on a cash flow hedge and net investment hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale and purchase transactions, hedges of interest rate risk and hedges of net investment this may arise if:



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 33. Financial risk management (Contd...)

- (i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- (ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2024 and March 31, 2023.

## c) Movements in cash flow hedging reserve

Risk category	Foreign currency risk
Derivative instruments	Forward contracts
<b>Cash flow hedging reserve</b>	
<b>As at April 01, 2022</b>	(0.13)
Changes in fair value of forward contracts	0.06
Income tax on amount recognised in hedging reserve	(0.01)
<b>As at March 31, 2023</b>	<b>(0.08)</b>
Changes in fair value of forward contracts	0.23
Income tax on amount recognised in hedging reserve	(0.04)
<b>As at March 31, 2024</b>	<b>0.11</b>



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 34. Related party transactions

## a) Entities having significant influence

Name	Type	Ownership interest	Ownership interest
		March 31, 2024	March 31, 2023
Welspun Group Master Trust (entity has significant influence on Welspun Corp Limited, holding company)	Significant influence	44.91%	44.76%

## b) Holding Companies

Name	Type	Ownership interest	Ownership interest
		March 31, 2024	March 31, 2023
Welspun Corp Limited	Holding company	100%	100%

## c) Key management personnel

Name	Nature of relationship
Mr. Vipul Mathur	Director (Non-executive and Non- Independent)
Mr. Percy Birdy	Whole-time Director
Mr. Debasish Mazumdar	Director (Non-executive and Non- Independent) (w.e.f. Feb 07, 2024)
Mr. Harish Chandra Gupta	Director (Non-executive and Non- Independent) (w.e.f Aug 06, 2020)
Mr. Neeraj Kant	Whole-time Director (w.e.f. May 22, 2023 till January 31, 2024)
Ms. Amita Misra	Director (Independent) (w.e.f. January 27, 2023)
Mr. Nilesh Javker	Company secretary (w.e.f. March 23, 2021 till May 20, 2022)
Mr. Navin Agarwal	Chief financial officer (w.e.f. May 20, 2022)
Mr. Suhas Pawar	Company secretary (w.e.f. May 20, 2022 till Oct 28, 2022)
Mr. Paras Shah	Company secretary (w.e.f. Jan 27, 2023)

## d) List of other entities over which key management personnel or relatives of such personnel exercise significant influence or control and entities which are members of same group with whom transaction have taken place during the year and other related parties:

Welspun Captive Power Generation Limited
Welspun Living Limited (formerly known as Welspun India Limited)
Welspun Anjar SEZ Limited
Welassure Private Limited
Welspun Metallics Limited (merged with Welspun Corp Ltd w.e.f October 29, 2023)
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Global Services Limited
Anjar TMT Steel Private Limited
Welspun Advanced Materials (India)
Welspun Enterprises Limited
Welspun Flooring Limited
IMR Metallurgical Resources AG (w.e.f from August 4, 2023)
Welspun Transformation Services Limited

## e) Transactions with related parties

The following transactions occurred with related parties:

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sale of products and services</b>		
Welspun Corp Limited	2.53	0.98
Welspun Metallics Limited (merged with Welspun Corp Ltd w.e.f October 29, 2023)	-	0.86
Anjar TMT Steel Private Limited	1.50	0.03
Welspun Enterprises Limited	5.41	1.38
Welspun Living Limited (formerly known as Welspun India Limited)	0.02	-
Welspun Anjar SEZ Limited	(1.78)	2.15
<b>Total sale of products and services</b>	<b>7.68</b>	<b>5.40</b>

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Other Income (Dividend)</b>		
Welspun Captive Power Generation Limited	0.12	-
<b>Total Other Income</b>	<b>0.12</b>	<b>-</b>



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 34. Related party transactions (contd...)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sale of property, plant and equipment</b>		
Welspun Corp Limited	0.01	-
Anjar TMT Steel Private Limited	0.01	-
<b>Total sale of property, plant and equipment</b>	<b>0.02</b>	<b>-</b>
<b>Additions to capital work in progress</b>		
Welspun Corp Limited	-	3.03
Welspun Realty Private Limited	-	0.03
Welspun Global Brands Limited	-	0.54
Welspun Global Services Limited	-	0.02
Welspun Transformation Services Limited	-	0.01
Welspun Metallics Limited (merged with Welspun Corp Ltd w.e.f October 29, 2023)	-	0.88
Welassure Private Limited	-	0.06
Welspun Captive Power Generation Limited	-	0.24
Anjar TMT Steel Private Limited	-	0.22
Welspun Advanced Materials (India)	-	0.02
<b>Total additions to capital work in progress</b>	<b>-</b>	<b>5.05</b>
<b>Purchase of goods and expenses incurred</b>		
Welspun Corp Limited	16.49	1.53
Welspun Anjar SEZ Limited	0.34	0.08
Welspun Realty Private Limited	0.08	0.05
Welspun Global Brands Limited	1.93	0.86
Welspun Global Services Limited	-	0.02
Welspun Transformation Services Limited	2.96	0.55
Welspun Metallics Limited (merged with Welspun Corp Ltd w.e.f October 29, 2023)	930.01	234.66
Welassure Private Limited	25.22	8.85
Anjar TMT Steel Private Limited	4.23	-
Welspun Captive Power Generation Limited	9.81	13.84
IMR Metallurgical Resources AG	7.92	-
Welspun Flooring Limited	0.01	-
Welspun Living Limited (formerly known as Welspun India Limited)	7.06	1.32
Ms Amita Mishra (Director's sitting fee)	0.03	-
<b>Total purchase of goods and expenses incurred</b>	<b>1,006.09</b>	<b>261.76</b>
<b>Reimbursement of expenses</b>		
Welspun Corp Limited	7.09	0.39
Welspun Living Limited (formerly known as Welspun India Limited)	0.02	0.04
<b>Total reimbursement of expenses</b>	<b>7.11</b>	<b>0.43</b>
<b>Additions to borrowings</b>		
Welspun Corp Limited	42.00	11.50
<b>Total additions to borrowings</b>	<b>42.00</b>	<b>11.50</b>
<b>Repayment of borrowing</b>		
Welspun Corp Limited	15.53	4.00
<b>Total repayment of borrowing</b>	<b>15.53</b>	<b>4.00</b>
<b>Investments in equity instruments</b>		
Welspun Captive Power Generation Limited	-	3.37
<b>Total investments in equity instruments</b>	<b>-</b>	<b>3.37</b>
<b>Conversion of CORPS to equity</b>		
Welspun Corp Limited	-	17.48
<b>Total conversion of CORPS to equity</b>	<b>-</b>	<b>17.48</b>
<b>Issue of equity share</b>		
Welspun Corp Limited	-	5.01
<b>Total issue of equity share</b>	<b>-</b>	<b>5.01</b>



## Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

## 34. Related party transactions (contd...)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest on borrowings</b>		
Welspun Corp Limited	2.01	0.40
<b>Total Interest on borrowings</b>	<b>2.01</b>	<b>0.40</b>

## f) Disclosure of closing balances:

	As at March 31, 2024	As at March 31, 2023
<b>1) Trade payables</b>		
Welspun Corp Limited	11.87	3.41
Welspun Living Limited (formerly known as Welspun India Limited)	1.93	1.39
Welspun Captive Power Generation Limited	4.10	7.55
Welspun Global Brands Limited	0.51	1.17
Welasure Private Limited	3.11	2.33
Welspun Transformation Services Limited	0.26	0.29
Welspun Metallics Limited (merged with Welspun Corp Ltd w.e.f October 29, 2023)	-	51.25
Anjar TMT Steel Private Limited	0.33	0.14
Welspun Anjar Sez Limited	0.12	-
Ms Amita Misra	-	-
IMR Metallurgical Resources AG	0.62	-
Welspun Advanced Materials (India)	-	0.02
<b>Total trade payables</b>	<b>22.86</b>	<b>67.55</b>
<b>2) Trade receivables</b>		
Welspun Enterprises Limited	1.50	0.54
Welspun Anjar SEZ Limited	-	2.50
<b>Total trade receivables</b>	<b>1.50</b>	<b>3.04</b>
<b>3) Borrowings</b>		
Welspun Corp Limited (including interest accrued but not due on borrowing)	35.98	7.90
<b>Total borrowings</b>	<b>35.98</b>	<b>7.90</b>
<b>4) Investments in equity instruments</b>		
Welspun Captive Power Generation Limited	2.39	3.79
<b>Total Investments in equity instruments</b>	<b>2.39</b>	<b>3.79</b>

## g) Terms and conditions

All outstanding balances are unsecured and are repayable through banking channels.



## 35. 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, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.61	2.83
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.06	-
	<b>5.67</b>	<b>2.83</b>
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	3.63	2.90
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.	-	-
Interest accrued and remaining unpaid at the end of each accounting year	0.06	0.06
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	-	0.06
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	0.06	0.12
<b>Total dues to micro and small enterprises</b>	<b>5.67</b>	<b>2.83</b>

\* amount is below the rounding off norms adopted by the company.

Note: Includes dues of micro, small and medium enterprises.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024**

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

**36. Capital management****(I) 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 monitors capital on the basis of the following gearing ratio:

	As at March 31, 2024	As at March 31, 2023
Net debt (total borrowings (including current maturities) net of cash and cash equivalents, and other bank balances)	464.06	445.26
Total equity	287.37	184.80
<b>Net debt equity ratio</b>	<b>1.61</b>	<b>2.41</b>

**Loan covenants**

The Company has complied with all the loan covenants applicable, mainly debt service coverage ratio, debt equity ratio and asset coverage ratio attached to the borrowings.

**(II) Dividend**

The Company has not declared dividends in the current reporting period.



**Welspun DI Pipes Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

**37. Contingent liabilities**

There are no contingent liabilities as at March 31, 2024 and March 31, 2023.

**38. Capital and other commitments****i) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances):		
Property, plant and equipment (net of capital advances)	58.69	15.13

**ii) Other commitments**

	As at March 31, 2024	As at March 31, 2023
Outstanding letters of credit	8.21	3.72
Export obligation for EPCG government grant	364.38	364.50

**39. Segment information****i) Description of segments and principal activities**

The Company's chief operating decision makers are its Board of Directors Company who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing of Ductile iron pipes in accordance with IND AS 108.

ii) The chief operating decision makers 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:**

Revenues of approximately Rs. 609.40 (March 31, 2023 – 150.89) are derived from 10 (March 31, 2023 - 4) external customers. These revenues are attributed to the India segment.

For the year ended	Number of customers	Amount	% of revenue from operations
March 31, 2024	10.00	609.40	40%
March 31, 2023	4.00	150.89	57%

iv) The company is domiciled in India. Amount of revenue from external customers broken down by location of customer is shown in the table below :

Revenue from External customers	As at March 31, 2024	As at March 31, 2023
India	1,514.32	265.72
Outside India	0.12	-
<b>Total</b>	<b>1,514.44</b>	<b>265.72</b>

v) The total of the non-current assets are located as below

	As at March 31, 2024	As at March 31, 2023
Outside India	12.45	0.35
Within India	650.76	645.57
<b>Total</b>	<b>663.21</b>	<b>645.92</b>





Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024  
(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

40. Key Financial Ratio with explanations

Sr.no	Ratio	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance in %	Reason for variance
1	Current ratio (times)	Current assets	Current liabilities	1.13	1.02	11%	No major variance
2	Debt-equity ratio (times)	Total debt (Note 1)	Total Equity	1.67	2.48	-33%	Decrease is mainly on account of increase in total equity inline with profits during the current year.
3	Debt service coverage ratio (times)	Earnings available for debt service (Note 2)	Debt service (Note 3)	1.84	0.72	156%	Increase is mainly on account of profit and earnings in current year.
4	Return on equity (%)	Profit / (loss) for the year	Average shareholders equity	43.36%	-11.72%	-470%	Increase is mainly on account of profit in the current year compared to loss in previous year.
5	Inventory turnover ratio (times)	Cost of goods sold (Note 4)	Closing inventory	7.10	2.42	193%	Increase is on account of increase in business operations during the current year which has resulted in increase in cost of goods sold.
6	Trade receivables turnover ratio (times)	Revenue from operations	Closing trade receivables	16.40	4.91	234%	Increase is on account of increase in business operations during the current year which has resulted in increase in revenue from operations.
7	Trade payable turnover ratio (times)	Purchase and other expenses (Note 7)	Closing trade payables	19.15	3.39	465%	Increase is mainly on account of increase in business operations during the current year which has resulted in increase in purchase and other expenses.
8	Net capital turnover ratio (times)	Revenue from operations	Working capital (Note 5)	45.57	71.80	-37%	Decrease is mainly due to decrease in working capital in current year.
9	Net Profit ratio (%)	Profit / (loss) for the year	Revenue from operations	6.76%	-8.54%	-179%	Increase is mainly on account of profit in the current year compared to loss in previous year.
10	Return on capital employed (%)	Earnings before interest and tax	Capital employed (Note 6)	22.63%	-2.55%	-987%	Increase is mainly on account of profit in the current year compared to loss in previous year.
11	Return on investment (%)	Earnings before interest and tax	Total assets	18.18%	-1.96%	-1025%	Increase is mainly on account of profit in the current year compared to loss in previous year.

Notes:

- Total debt = Non-current borrowings and Current borrowings
- Earning for debt service = Profit/(loss) for the year + Non-cash operating expenses like depreciation and other amortisations + Interest expenses
- Debt service = Interest and principal repayments
- Cost of Goods Sold = Cost of material consumed + Changes in inventories of finished goods and work-in progress
- Working capital = Current assets (-) Current liabilities
- Capital employed = Tangible net worth + Total debt + Deferred tax liability
- Purchase and other expenses = Cost of purchase + Other expenses



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024**

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

**41. 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 has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

**(iii) Wilful defaulter**

The company have 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**

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:

- 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 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:

- 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

**(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 books 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.



**Welspun DI Pipes Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2024**

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

**41. Additional regulatory information required by Schedule III (contd..)**

**(x) Valuation of PP&E, intangible asset and investment property**

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 title deeds of all the immovable properties as disclosed in note 3 are held in the name of the Company.

**(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 borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken except for Nil which is pending for utilisation and are included under cash and cash equivalents as at March 31, 2024 (March 31, 2023 - INR 0.09).

**(xiv) Loans or advances to specified person**

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

**42. Note on code on Social Security, 2020**

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.

**43. Earnings/ (Loss) per equity share**

	Year ended March 31, 2024	Year ended March 31, 2023
Nominal value of an equity share	10.00	10.00
Profit / (loss) after tax attributable to the equity holders of the Company	102.37	(22.69)
<b>Basic earnings/ (loss) per share:</b>		
Weighted average number of equity shares used as denominator for calculating basic EPS	52,000,000	43,282,622
Basic earnings/ (loss) per share (Rs.)	19.69	(5.24)
<b>Diluted earnings/ (loss) per share:</b>		
Weighted average number of equity shares used as denominator for calculating diluted EPS	214,521,000	43,282,622
Diluted earnings/ (loss) per share (Rs.)	4.77	(5.24)

Note: Since there is a loss for the year ended March 31, 2023 potential equity shares are not considered as dilutive and hence diluted EPS is same as Basic EPS.

**44. Core Investment Companies (CIC)**

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

**45. Write-downs of inventories on account on physical verification amounted to Rs. 14.18 (March 31, 2023 – Rs.Nil). These were recognised as an expense during the year and included in 'Cost of materials consumed' and 'Changes in inventories of finished goods and work-in-progress', as appropriate, in the statement of profit and loss.**



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***Note 46. Summary of Other Accounting Policies****46.1 Intangible assets**

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

**Amortisation methods and periods**

Intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life of five years which is based on a technical evaluation done by the Management.

**46.2 Employee benefits****a) Short-term obligations**

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

**b) Other long-term employee benefit obligations**

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

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

**c) Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity;
- defined contribution plans such as provident fund and employee's pension scheme; and
- superannuation funds

**(I) Defined Benefit Plans****Gratuity obligations**

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

The present value of the defined benefit obligation denominated in INR/Rs. 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.



**Welspun DI Pipes Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2024**

*(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

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

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

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

**(II) Defined contribution plans**

**• Provident Fund, Employee State Insurance Corporation (ESIC) and Pension Fund**

The Contribution towards provident fund, ESIC and pension fund for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

**• Superannuation fund**

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.

**46.3 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.

**46.4 Earnings per share**

**a) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**b) Diluted earnings per share**

Diluted earnings per share adjust 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.

**46.5 Cash Flow Statement**

Cash flows are reported using the indirect method set out in Ind AS 7 'Statement of Cash Flows', whereby net loss/profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



**Welspun DI Pipes Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2024**

*(All amounts in Rupees (Rs.) crores, unless otherwise stated)*

**46.6 Segment reporting**

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

**46.7 Provisions, contingent liabilities and contingent assets**

**a) 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.

**b) 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.

**c) Contingent Assets**

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

**46.8 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.



**Welspun DI Pipes Limited****Notes forming part of the financial statements as at and for the year ended March 31, 2024***(All amounts in Rupees (Rs.) crores, unless otherwise stated)***46.9 Foreign currency translation****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 recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

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



Welspun DI Pipes Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(All amounts in Rupees (Rs.) Crore, unless otherwise stated)

47. The figures for the previous year have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of the Board

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016

Ali Akbar

Partner

Membership No. 117839

Debasish Mazumdar

Director

DIN No.10496111

Place : Anjar

Paras Shah

Company Secretary

ACS -30357

Place: Mumbai

Date: April 24, 2024

Percy Birdy

Director

DIN: 07634795

Place: Mumbai

Navin Agarwal

Chief Financial Officer

Place: Mumbai

Date: April 24, 2024

Place: Mumbai

Date: April 24, 2024