

LENDERS INDEPENDENT ENGINEERS 3rd VISIT REPORT

Name of Owner: M/s. Welspun Home Solutions Ltd.

Plant Location: - Survey No. 674/P & 890/P, located in Welspun City, Village-Varsamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India.



Report Prepared For

Exim Bank

FOR THE PROJECT BEING IMPLEMENTED BY WELSPUN HOME
SOLUTIONS LTD.

Vastukala Consultants (I) Pvt. Ltd.

B1-001, U/B Floor, Boomerang, Chandivali Farm Road, Powai, Andheri(East), Mumbai - 400 072.

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Vastukala Consultants (I) Pvt. Ltd.

LIE 3rd Visit Report Prepared for: M/s. Welspun Home Solutions Ltd (12310/2309010)

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Vastu/Exim/Thane/11/2024/12310/2309010

12/14-95-APU

Date: - 12.11.2024

1. PREAMBLE

M/s. Welspun Home Solutions Ltd. having registered office at Welspun City, P.O. Box 21, Versamedhi, Anjar, Kachchh, Anjar, Gujarat, India, 370 110 has appointed **M/s Vastukala Consultants (I) Pvt. Ltd. (VCIPL)** as Lender's Independent Engineers for inspection and monitoring the progress of proposed Terry Towel manufacturing facility of Rs. 303.32 Crores by **M/s Welspun Home Solutions Ltd.**, (hereinafter referred to as either "WHSL" or "the borrower" or "the company"). Project cost is estimated to be approximately Rs. 303.32 crores which is proposed to be funded by way of term loan of Rs. 225.00 crores and balance Rs. 78.32 crores by way of promoter contribution.

(Rs in Cr)

S. No	Particular	Proposed
1	Project Cost	303.32
	Means of Finance	
1	Term Loan from Bank	225.00
2.	Mix of promoter contribution/ Preference Shares/ Debentures/ Unsecured loan/ Convertible Instruments/ Subordinated Debt etc from WLL	78.32
	Total	303.32

Pursuant to instructions from **M/s. Welspun Home Solutions Ltd.** having registered office at Welspun City, P.O. Box 21, Versamedhi, Anjar, Kachchh, Anjar, Gujarat, India, 370 110, as appointment of Lender's Independent Engineer, our Engineer visited the project site of Proposed Terry Towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District-Kachchh, PIN Code-370 110, State- Gujarat, Country-India 3rd time on 18.10.2024 with a view to ascertain and certify the quantity and amount of work progressively undertaken by the Company.



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2. ASSIGNMENT OVERVIEW

2.1 NATURE OF ASSIGNMENT

To review the status of the Proposed Terry Towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code- 370 110, State- Gujarat, Country-India on behalf of **Exim Bank**, Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai- 400 005 (Lender's).

2.2 SCOPE OF WORK: -

The scope of work is as per work order provided by the company is under: -

- Executive Summary, Brief Profile/ Basic information of the applicant Company.
- Periodic Progress Monitoring Report.
- Financial Progress.
- Validation of the Project Cost, Means of Finance details and Expenses.
- Bank related details.
- Site Visit & Physical Progress and Present Physical Status of the Project.
- Building & Civil Work
- Status of Plant & Machinery and Miscellaneous Fixed Assets.
- Verification of Invoice/ Purchase Orders received for Civil construction work.
- Details of Plant & Machinery Installed.
- Statutory Approvals for the Projects
- Monitoring of obtainment of the statutory approvals, clearances from appropriate authorities.
- Monitoring of the actuals with the timelines initially set for different stages of implementation for monitoring the time over run if any.
- Review of the production capacity (In Capacity terms and Volume) via-a-vis the original projections.
- Monitoring of the disbursement made viz-a-vis the original schedule and ensuring infusion of margins.
- Confirmation that retirement of LCs opened by WLL have been made towards purchase of Plant & Machinery for WHSL Project (Acquired/ to be acquired subsequently from WLL) and

that funds from Exim Bank term loan have been utilized for WHSL project which is partially funded by Exim Bank.

- Monitoring of the original purchase cost of assets from the related parties/group companies/ promoter company (WLL) and payments made thereof confirmation and certification about markup pricing for High Seas Sale between WLL and WHSL.
- Verification of the invoices and validation of the rates/commercial terms and conditions thereof vis-a-viz the original projections.
- Monitoring of the payments made to the suppliers, contractors, vendors etc.
- Monitoring changes in the external factors vis-a-viz the original estimates- government policies, policy changes.
- Monitoring of arrangement for continuous power and water supply, availability of labour.
- Environmental Clearances.
- Monitoring of logistics and infrastructure.
- Validate any other costing, expenditure as maybe required by Exim Bank.

2.3 DATE OF VISIT: -

- VCIPL's Engineer has visited the project site 3rd time on 18.10.2024.

2.4 DOCUMENTS PROVIDED: -

The following documents were perused during the said assignment:

- Revised Sanction Letter from EXIM Bank for term loan of Rs. 225.00 Crores for the proposed project vide Letter Ref. No. CBG:EOU-1197:2024-25:111 dated 26.06.2024.
- Certificate of Incorporation of WHSL.
- Land Lease Deed.
- Article of Association and Memorandum of Association.
- IEM Certificate.
- Pan Card of WHSL
- GST Certificate of WHSL
- Information memorandum dated April 2024.
- Provisional Consent Order in the name of M/s. Welspun Home Solutions Ltd. issued by Gujarat Pollution Control Board vide Application: CTE:CTE-Fresh, No. 310074 dated

02.04.2024, Granted On: 13.05.2024.

- Forwarding & Undertaking Letter vide inward no 310074 dated 02.04.2024 from WHSL submitted to The Member Secretary, Gujarat Pollution Control Board Paryavaran Bhavan, Sector-10/A, Gandhinagar – 382010 regarding Application for consent for establishing / operation the industrial plant / plants under Section 21 of the Air (prevention & Control of Pollution) Act, 1981.
- Letter and Plan showing New Factory Building along with machinery layout approved by Director, Industrial Safety & Health, Gujarat State dated 22.04.2024.
- Water Consumption & Generation details.
- Breakup of Hard Cost.
- CA Certificate regarding cost incurred toward the proposed project till 21.10.2024 dated 29.10.2024 issued by M/s. C.S Mangal & Co., Chartered Accountants, Mumbai.
- Quotation/ Proforma Invoices for Imported Plant & Machinery.
- Insurance Policy.
- Held Cover Letter for extension of EAR and Marine Policy issued by HDFC ERGO General Insurance Company Limited dated 11.11.2024 valid till 08.02.2025.
- Ledger Abstract.
- Proforma Invoice Copy.
- Application for CTE/CCA 29.10.2024.
- Approval to the drawing for the electrical installation of 4 x 11 KV Feeder Bay at WHSL- Electrical Control Room along with associated equipments for 1 I/C feeder and 3 O/G Feeders... & 3 x 2500.0 KVA 11/0.433KV KV Transformer(s) & 2 x 800.0 KVAr 0.415 KV Capacitor Bank(s) along with associated equipments issued by Office of the Chief Electrical Inspector, Gandhinagar vide No. No/CEI/Gan/Plan/124895/2024 dated 24.07.2024.
- License to work a Factory issued by Directorate Industrial Safety & Health valid till 31.12.2028.
- Certificate for Importer-Exporter Code dated 27.03.2024.
- Letter of sanction of Credit Facilities for WC- Fund Based (FB) and WC-Non-Fund Based issued by IDBI Bank Limited, LCG, Mittal Court, Nariman Point, Mumbai vide Letter Ref. No. IDBI/LCG/NPT/WHSL/2024-25/419 dated 24.10.2024.

2.5 METHODOLOGY ADOPTED

- ❖ LIE visit to the project site 3rd time on 18.10.2024.
- ❖ Perusal of documents and information provided by the Company.
- ❖ Physical verification of the project site with the following executives of the Company: -
 - Mr. Sandeep Galagali, A.V.P. Project (+91 98198 68583) of Welspun World.
 - Mr. Rohit Bhaskar, Dy. Manage, (+91 92699 02424) of Exim Bank.
- ❖ Explanations and information given by the following executives of the Company,
 - Mr. Vipul Bhatt, Sr. G. M Finance (+91 98219 67716) of Welspun World.
 - Mr. Ashish Shah, D.G.M. Finance & Treasury (+91 98219 75084) of Welspun World.
- ❖ Examinations of documents provided by the Company.
- ❖ Selective photographs of the project site are enclosed.
- ❖ Finalization of LIE Report.

3. ABOUT COMPANY & THE PROJECT

3.1. ABOUT COMPANY: -

M/s. Welspun Home Solutions Ltd. (“WHSL” or ‘Company”) is a Public Limited Company incorporated on 06.12.2023. It is registered at Registrar of Companies, Ahmedabad. Its authorized share capital is Rs. 10,00,00,000 and its paid-up capital is Rs. 10,00,00,000. WHSL’s Corporate Identification Number is (CIN) U13999GJ2023PLC146705 and registration number is 146705. Its registered address is Welspun City, P.O. Box 21, Versamedhi, Anjar, Kachchh, Gujarat- 370 110.

WHSL is a 100% subsidiary of Welspun Living Limited (Formerly Welspun India Limited) (“WLL”, “Sponsor”) is a part of US\$ 4 billion Welspun group. The Group Promoted by Mr. B.K. Goenka and Mr. Rajesh Mandawewala has experience of more than 35 years in setting up and running a fully integrated projects in different business verticals like home textiles, Line Pipes, flooring solutions, Infrastructure, Advanced textiles, warehousing, plastic products, steel & Oil & Gas.

WLL had an existing capacity of 90,000 MTPA of Bath linen in Anjar, Gujarat. The existing plant was running at average utilization of 85% to 90%. Considering the existing capacity utilization and growing demand of the product, group has proposed to increase the capacity of terry towel facility which will be implemented in Welspun Home Solutions Limited 100% subsidiary of WLL. Executive Summary of Company is as under:-

S. No	Particular	Details
1	Company Name	Welspun Home Solutions Limited (WHSL)
2	Incorporation Date	06.12.2023
3	Constitution	Limited Liability Company
4	CIN	U13999GJ2023PLC146705
5	Registered Address	Welspun City, P.O. Box 21Versamedhi,, Anjar, Kachchh, Anjar, Gujarat, India, 370 110
6	Industry	Home Textile

S. No	Particular	Details												
7	Nature of Activity	Company is in the field of manufacturing of Terry towels, Grey Fabric and processing.												
8	Company Directors	1. Sanjay Gupta 2. Sanjay Kanungo 3. Praveen Bhansali 4. Atul Shantilal Trivedi 5. Deepak Chandrabhan Singh Chauhan												
9	Shareholding	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Shareholder Name</th> <th>No. of Shares held</th> <th>Shareholding</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Welspun Living Ltd. including nominees of WLL</td> <td>1,00,00,000</td> <td>100%</td> </tr> <tr> <td></td> <td>Total</td> <td>1,00,00,000</td> <td>100%</td> </tr> </tbody> </table>	S. No.	Shareholder Name	No. of Shares held	Shareholding	1	Welspun Living Ltd. including nominees of WLL	1,00,00,000	100%		Total	1,00,00,000	100%
S. No.	Shareholder Name	No. of Shares held	Shareholding											
1	Welspun Living Ltd. including nominees of WLL	1,00,00,000	100%											
	Total	1,00,00,000	100%											
10	Plant Location	Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India												

3.2) ABOUT THE PROJECT

Welspun Home Solutions Limited, a wholly owned subsidiary of Welspun Living Limited, which is the flagship textile company of the esteemed Welspun Group, has been a prominent player in the Home textiles, Advance textile, and Flooring Solutions. Building on its market presence, the company has identified a strategic opportunity for expansion, particularly in response to the escalating demand for terry towels.

Currently, the existing production capacity of 90,000 MTPA is operating at an impressive 85%-90% utilization on average. To capitalize on this momentum and meet the surging demand for terry towels, Welspun Group is embarking on a substantial expansion initiative. This expansion involves the establishment of a terry towel manufacturing facility under the new entity, Welspun Home Solutions Limited.



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The proposed expansion project entails the creation of an additional manufacturing plant with a dedicated capacity of 7,920 MTPA for the production of high-quality terry towels. Additionally, the project includes the setup of a facility with a capacity of 2,880 MTPA for the production of Grey fabric.

WHSL proposes to set-up a terry towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India on a land admeasuring 36,422.00 Sq. M. The Land for the Proposed project is leased from WLL for the period of 25 years commencing from 1st April, 2024 and terminating on 31st March, 2049. Total estimated project cost is Rs. 303.32 Crores as indicated in table provided below for ready reference.

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)
A	Hard Cost	
1.	Land	0*
2.	Site Development and Building Cost	42.59
3.	Plant & Machinery	178.53
4.	Miscellaneous Fixed Asset	44.13
	Total (A)	265.24
B	Soft Cost	
5.	Contingencies	6.63
6.	IDC including Preoperative and Preliminary Expenses	13.45
7.	Margin money for working capital	18.00
	Total (B)	38.08
	Total (A+B)	303.32

NOTE:-

- *The Land admeasuring 36,422.00 m² is leased from WLL.
- Cost of Land is not considered in the project cost.

MEANS OF FINANCE

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)
1.	Promoter Contribution	78.32
2.	Term Loan	225.00
	Total	303.32

OBSERVATIONS: -

- EXIM Bank has revised sanctioned the term loan of Rs. 225.00 Crores for the proposed project vide Letter Ref. No. CBG:EOU-1197:2024-25:111 dated 26.06.2024.

3.3) LAND FOR THE PROJECT: -

WHSL proposes to set-up a terry towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India on a land admeasuring 36,422.00 Sq. M. The Land for the Proposed project is leased from WLL for the period of 25 years commencing from 1st April, 2024 and terminating on 31st March, 2049.

3.4) SITE DEVELOPMENT & BUILDINGS FOR THE PROJECT: -

As per Letter and Plan showing New Factory Building along with machinery layout approved by Director, Industrial Safety & Health, Gujarat State dated 22.04.2024 for terry towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India are as under: -

S. No.	Description	Length (m)	Width (m)	Area (Sq. M)
1	Ambulance Room & Ambulance Parking Shed	23.00	5.20	119.60
2	Creach Room	Irregular		203.41
3	Canteen Building	20.00	30.00	600.00
4	W.C Bath Urinal (Male)	5.66	10.14	57.39
5	W.C Bath Urinal (Male)	5.66	10.14	57.39
6	W.C Bath (Female)	5.66	10.14	57.39
7	W.C Bath (Female)	5.66	10.14	57.39

S. No.	Description	Length (m)	Width (m)	Area (Sq. M)
8	Cloak Room (Male & Female)	22.00	5.00	110.00
9	Lunch Room/ Rest Room (Male/ Female)	24.40	4.40	107.36
10	Terry Towel Process Plant		Irregular	26,879.20
11	Mezz (+4.70 M.)		Irregular	1,820.33
12	Utility at (+4.70 M.)		Irregular	3,245.07
			Total	33,314.54

OBSERVATIONS: -

- As per Plan, the total BUA is 33,314.54 m². The Cost of Site Development and Building estimated by WHSL is Rs. 42.59 Crores i.e. Rs. 12.877 per m². As per Industrial trends the Cost of Site Development and Building estimated by WHSL is Fair and Reasonable.
- Company has awarded the Site Development & Building work to M/s. ICC Projects Pvt Ltd, M/s. PEB360 Solutions (India) LLP, M/s. Jai Shakti Eng. & Construction and M/s. Gherzi Consulting Engineers Pvt. Ltd.
- M/s. ICC Projects Pvt Ltd, M/s. PEB360 Solutions (India) LLP, M/s. Jai Shakti Eng. & Construction and M/s. Gherzi Consulting Engineers Pvt. Ltd. has mobilized the site and commenced the construction of main plant building. The construction work is in advance stage.
- As a matter of confidentiality, the Company has not provided the WO/PO/Contract for Site Development & Building.

3.5) PLANT & MACHINERY FOR THE PROJECT: -

The plant & machinery includes both imported as well as indigenous machineries for proposed terry towel manufacturing project at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India. The total cost of plant & machinery is estimated at Rs. 178.53 Crores which includes core plant and machinery as well as other allied machineries. The cost of imported plant and machinery is estimated at Rs. 148.58 Crores and cost of indigenous plant and machinery is estimated around Rs. 29.95 Crores.

Breakup of Imported Plant & Machinery is as under: -

S. No.	Description	Qty.	Total Cost (Rs. In Lakhs)	Other Charges 5% of Total Cost (Rs. In Lakhs)	Total (Rs. In Lakhs)
A	Weaving				
1	Airjet Loom with Gantry - Jacquard Looms	36	2,141.71	107.09	2,248.80
2	Jacquard for above looms	36	1,868.76	93.44	1,962.20
3	Looms with Dobby	38	2,852.28	142.61	2,994.89
4	Beam Knotting Machine	3	99.35	4.97	104.31
5	Wvg + prep MHE	2	322.20	16.11	338.31
6	Side Loader	1	78.30	3.92	82.22
		Total (A)	7,362.60	368.13	7,730.73
B	Yarn Dyeing				
1	50 Kg	2	106.24	5.31	111.55
2	100 Kg	3	186.75	9.34	196.09
3	200 Kg	2	146.91	7.35	154.26
4	300 Kg	1	83.00	4.15	87.15
5	500 Kg	2	209.16	10.46	219.62
6	750 Kg	2	298.80	14.94	313.74
7	1050 Kg	2	345.28	17.26	362.54
8	1200 Kg	2	381.80	19.09	400.89
9	Yarn Sampling Machine	1	380.14	19.01	399.15
10	Soft Winding Machine(84 spindles each)	3	832.50	41.63	874.13
11	Color Kitchen	1	537.00	26.85	563.85
12	Dyeing Lab	1	179.00	8.95	187.95
13	Chiller	1	83.00	4.15	87.15
14	Hydro Extractors	3	112.77	5.64	118.41
		Total (B)	3,882.35	194.12	4,076.47
C	Fabric Dyeing, Washing, Finishing				
1	Fabric Dyeing Machine - 1600 KG - washing	2	340.10	17.01	357.11
2	Fabric Dyeing Machine - 1200 Kg	1	143.20	7.16	150.36
3	Fabric Dyeing Machine - 800 Kg	2	247.02	12.35	259.37
4	Fabric Dyeing Machine - 400 Kg	2	187.95	9.40	197.35
5	Fabric Dyeing Machine - 200 Kg	1	85.03	4.25	89.28
6	Fabric Dyeing Machine - 100 Kg	1	62.65	3.13	65.78
7	Fabric Dyeing Machine - 50 Kg	1	53.70	2.69	56.39
8	Fabric Dyeing Machine - 25 Kg	1	49.23	2.46	51.69
9	Fabric Lab	1	179.00	8.95	187.95
10	Color Kitchen	1	537.00	26.85	563.85

S. No.	Description	Qty.	Total Cost (Rs. In Lakhs)	Other Charges 5% of Total Cost (Rs. In Lakhs)	Total (Rs. In Lakhs)
11	Finishing Line new	1	630.98	31.55	662.52
12	Shearing Machine - Double Passage	2	250.60	12.53	263.13
	Total (C)		2,766.45	138.32	2,904.77
D	Combilift	1	49.23	2.46	51.69
E	Chiller	1	89.50	4.48	93.98
	Total (A to E)		14,150.12	707.51	14,857.62

OBSERVATIONS: -

➤ The Cost of Imported Plant & Machinery estimated by Company is Rs. 148.58 Crores.

Breakup of Indigenous Plant & Machinery is as under: -

S. No.	Machine Name	Qty.	Total Cost (Rs. In Lakhs)	GST @ 18% of Total Cost (Rs. In Lakhs)	Other Charges 5% of Total Cost (Rs. In Lakhs)	Total (Rs. In Lakhs)
A	Weaving					
1	Sectional Warping Machine with OHTC	3	345.00	62.10	17.25	424.35
2	Sizing Machine	1	340.00	61.20	17.00	418.20
3	Direct Warping	1	88.00	15.84	4.40	108.24
4	Beams - Weaving	1	195.00	35.10	9.75	239.85
5	Beams	76	68.40	12.31	3.42	84.13
6	Sizing Cooker & Vessel	1	15.00	2.70	0.75	18.45
7	Beam Storage system	1	210.00	37.80	10.50	258.30
8	Racks for Yarn Storage	1	30.00	5.40	1.50	36.90
9	Forklift/Stacker	1	25.00	4.50	1.25	30.75
10	Bottom Rewinding Machine	1	50.00	9.00	2.50	61.50
	Total (A)		1,366.40	245.95	68.32	1,680.67
B	Yarn Dyeing, Fabric & Cut & Sew					
1	Post Winding Machine (120 spindles each)	4	96.00	17.28	4.80	118.08
2	RF Dryer 125	3	210.00	37.80	10.50	258.30
3	5 Chamber Stenter	1	130.00	23.40	6.50	159.90
4	OHTC	10	25.00	4.50	1.25	30.75
5	Bobbins	50000	125.00	22.50	6.25	153.75
6	Dyeing Cages	1	50.00	9.00	2.50	61.50
7	Cone Pressing machine	3	22.50	4.05	1.13	27.68
8	MHE, Pullers	1	75.00	13.50	3.75	92.25
9	Misc. Trolleys fir Dye House, Process Etc	1	200.00	36.00	10.00	246.00
	Total (B)		933.50	168.03	46.68	1,148.21
C	Additional					

1	Fabric Batching Machine	2	70.00	12.60	3.50	86.10
2	Inspection Machine	2	40.00	7.20	2.00	49.20
3	Misc. MHE - Pullers etc	1	25.00	4.50	1.25	30.75
	Total (C)		135.00	24.30	6.75	166.05
	Total (A to C)		2,434.90	438.28	121.75	2,994.93

OBSERVATIONS: -

- The Cost of Indigenous Plant & Machinery estimated by Company is Rs. 29.95 Crores.

3.6) MISCELLANEOUS FIXED ASSET: -

Misc Fixed Asset Cost estimated by the company is Rs. 44.13 Crs for Water Systems, Sewage Systems, Fire & Electrical Systems, Compressor and its accessories etc. Breakup for the same is as under:-

S. No.	Machine Name	Qty.	Total Cost	GST @ 18% of Total Cost	Other Charges 2.5% of Total Cost	Total
A	Water		(Rs. In Lakhs)			
1	Raw Water System					
2	Hydropneumatics System	1	3.00	0.54	0.08	3.62
3	Pipeline & Valves	1	20.00	3.60	0.50	24.10
4	Installation Charges	1	5.00	0.90	0.13	6.03
	Total (A)		28.00	5.04	0.70	33.74
B	Soft Water System					
1	Hydropneumatics System	1	5.00	0.90	0.13	6.03
2	Pipeline & Valves - SS	1	75.00	13.50	1.88	90.38
3	Installation Charges	1	25.00	4.50	0.63	30.13
4	Soft water storage Tanks	1	1,037.76	186.80	25.94	1,250.50
	Total (B)		1,142.76	205.70	28.58	1,377.03
C	Effluent Treatment					
1	ETP & STP 5000 KLD (Only RO in Anjar)	1	637.97	114.83	15.95	768.75
2	SS Pipeline & Valves	1	50.00	9.00	1.25	60.25
3	Installation Charges	1	25.00	4.50	0.63	30.13
4	RO Storage(material + Shifting)	1	50.00	9.00	1.25	60.25
	Total (C)		762.97	137.33	19.08	919.38
D	Misc Pumps & Drains (RW/SW/EFF/DRAIN)	1	25.00	4.50	0.63	30.13
E	Chilled Water System					

S. No.	Machine Name	Qty.	Total Cost	GST @ 18% of Total Cost	Other Charges 2.5% of Total Cost	Total
1	Cooling Towers & Pumps	1	3.50	0.63	0.09	4.22
2	Pipeline & Fittings	1	5.00	0.90	0.13	6.03
3	Insulation & Erection	1	5.00	0.90	0.13	6.03
	Total (E)		13.50	2.43	0.34	16.27
F	Compressor, Pipeline and Accessories					
1	Pipeline & Accessories	1	25.00	4.50	0.63	30.13
	Total (F)		25.00	4.50	0.63	30.13
G	Pipeline Supports/ Structure/ Fabrication etc.					
1	Pipeline Supports/ Structure/ Fabrication etc.	1	25.00	4.50	0.63	30.13
	Total (G)		25.00	4.50	0.63	30.13
H	Steam System					
1	Condensate Recovery systems	1	25.00	4.50	0.63	30.13
2	PRS	2	16.00	2.88	0.40	19.28
3	Pipeline & Fittings	1	197.95	35.63	4.95	238.53
4	Insulation & Erection	1	73.50	13.23	1.84	88.57
	Total (H)		312.45	56.24	7.81	376.50
I	Fire System					
1	Water Tanks	1	35.00	6.30	0.88	42.18
2	Fire Pumps	1	20.00	3.60	0.50	24.10
3	Fire System - Pipeline / Fittings/ Valves	1	77.28	13.91	1.93	93.12
4	Misc. Fire Alarms/ Fire Safety equipment	1	15.00	2.70	0.38	18.08
5	Misc Fire Signage, Exit Alarm & accessories	1	7.50	1.35	0.19	9.04
	Total (I)		154.78	27.86	3.87	186.51
J	HVAC & Ventilation Systems					
1	H Plant-Wvg	1	130.00	23.40	3.25	156.65
2	H Plant-Prep	1	55.00	9.90	1.38	66.28
3	DUCTING AND INSULATION	1	99.20	17.86	2.48	119.54
4	Misc. Ventilation for Process	1	25.00	4.50	0.63	30.13
5	False Ceiling	8245	90.70	16.33	2.27	109.29
	Total (J)		399.90	71.98	10.00	481.87
K	Electrical					
1	VCB/Bus Coupler/LT	3	22.50	4.05	0.56	27.11

S. No.	Machine Name	Qty.	Total Cost	GST @ 18% of Total Cost	Other Charges 2.5% of Total Cost	Total
2	Transformer (2.5 mva)	2	52.00	9.36	1.30	62.66
3	Cables HT	1	30.00	5.40	0.75	36.15
4	Cables LT	1	50.00	9.00	1.25	60.25
5	Lighting and Accessories	1	25.00	4.50	0.63	30.13
6	Street Ligts	1	5.69	1.03	0.14	6.86
7	High Mast	2	8.50	1.53	0.22	10.25
8	DB's & MCC's /soft starter	1	35.00	6.30	0.88	42.18
9	Electrical Contractor	1	23.02	4.14	0.58	27.74
10	OTHERS Materials (Cable Tray, Jointing Kit, Electrical Poles, High Mast)	1	15.00	2.70	0.38	18.08
	Total (K)		266.71	48.01	6.68	321.40
L	Misc.					
1	EOT for Yarn Dyeing & Wvg Prep.	2	70.00	12.60	1.75	84.35
2	Machine Accessories like Cheese, Bobbin, Spring Bobbin, Harness, Reeds	2	50.00	9.00	1.25	60.25
3	FURNITURE & FIXTURE	1	30.00	5.40	0.75	36.15
4	High Speed Doors	1	2.50	0.45	0.06	3.01
5	Lift	1	6.50	1.17	0.16	7.83
6	IT Related Expenses + Security System	1	275.00	49.50	6.88	331.38
7	MHE and V Store	1	50.00	9.00	1.25	60.25
8	Dock Levellers	4	22.00	3.96	0.55	26.51
	Total (L)		506.00	91.08	12.65	609.73
	Total (A to L)		3,662.07	659.17	91.57	4,412.80

OBSERVATIONS: -

- The Cost of MFA estimated by Company is Rs. 44.13 Crores.

3.7 PRE-OPERATIVE EXPENSES

Company has estimated the pre-operative expense Rs. 13.45 Crore. The pre-operative expense consists of Interest during Construction period & Other Finance Cost, and other Misc expenditure towards traveling expenses, training, start up and trial run expenses etc.

3.8) CONTINGENCY

The contingency towards proposed project estimated by Company is Rs. 6.63 Crores (i.e. 2.5 % of Project Hard Cost).

3.9) MARGIN MONEY FOR WORKING CAPITAL

The Working capital margin for proposed project estimated by company is Rs 18 Crores. IDBI Bank vide its letter dated 24.10.2024 sanctioned working capital limit aggregating Rs. 55.00 Crores (FB+ NFB) to the Company.

3.10) POWER & WATER REQUIREMENT: -

The total connected load for the company would be around 4000.00 KW and the contract demand would be 3315.74 KW. The power breakup is as given under:

S. No.	Section	Nos. of Unit	Connected KW	Total connected KW	Loading Factor	Total KW
A	WEAVING					
1	Sectional Warping	3.00	28.20	84.60	50%	42.30
2	Direct Warping	1.00	18.20	18.20	50%	9.10
3	Cone Winding Machine	1.00	12.50	12.50	65%	8.13
4	Sizing m/c	1.00	65.00	65.00	35%	22.75
5	Sizing Kitchen	1.00	15.00	15.00	50%	7.50
6	Monorail for Warping	1.00	3.70	3.70	50%	1.85
7	EOT - Crane for Sizing	1.00	5.50	5.50	50%	2.75
8	H-Plant for Sizing &Warping	1.00	150.00	150.00	80%	120.00
9	Goods Lift	1.00	15.00	15.00	40%	6.00
10	Loom with J/Q - Jumbo	12.00	12.50	150.00	70%	105.00
11	Loom with J/Q	24.00	10.90	261.60	70%	183.12
12	Loom with Dobby	38.00	7.50	285.00	70%	199.50
13	Beam Racking System	1.00	22.00	22.00	90%	19.80
14	Office / Plant Lighting / AC / Misc.	1.00	75.00	75.00	100%	75.00
15	H-Plant for Looms	2.00	165	330.00	80%	264.00
16	Misc	1.00	100	100.00	40%	40.00
			Total (A)	1,593.10		1,106.80
B	TT Winding		0.80			
1	SSM Winding 60 spindles	7.00	10.80	75.60	50%	37.80
2	Rewinding m/c 90 Spindles	7.00	10.80	75.60	85%	64.26
3	Yarn Warehouse	1.00	5.50	5.50	85%	4.68
			Total (B)	156.70		106.74

S. No.	Section	Nos. of Unit	Connected KW	Total connected KW	Loading Factor	Total KW
C	Yarn Dyeing					
1	50 Kg sample machine	3.00	7.00	21.00	80%	16.80
2	162 Kg	7.00	25.00	175.00	80%	140.00
3	326 Kg	2.00	23.00	46.00	80%	36.80
4	400 Kg	5.00	35.00	175.00	80%	140.00
5	800 Kg	2.00	59.00	118.00	80%	94.40
6	1226 Kg	2.00	135.00	270.00	80%	216.00
7	Color Service	1.00	100.00	100.00	70%	70.00
8	Press M/c	2.00	2.20	4.40	70%	3.08
9	Hydroextractor	3.00	18.00	54.00	70%	37.80
10	RF Dryer/Not air dryer	2.00	190.00	380.00	85%	323.00
11	Monorai	2.00	3.75	7.50	50%	3.75
			Total (C)	1,350.90		1,081.63
D	Fabric Dyeing					
1	Fabric Dyeing Machine - 1600 KG – washing	2.00	75.00	150.00	50%	75.00
2	Fabric Dyeing Machine - 800 Kg	2.00	31.00	62.00	50%	31.00
3	Fabric Dyeing Machine - 400 Kg	3.00	21.0	63.00	50%	31.50
4	Fabric Dyeing Machine - 200 Kg	1.00	18.0	18.00	50%	9.00
5	Fabric Dyeing Machine Sample -50 KG	1.00	12.0	12.00	50%	6.00
6	Padding Mangle @ 80% retention	1.00	36.0	36.00	30%	10.80
7	Biancalani Tumble Dryer	1.00	325.0	325.00	80%	260.00
8	Stenter Dryer 3 Chamber	1.00	110.0	110.00	50%	55.00
9	Shearing Machine	2.00	60.0	120.00	50%	60.00
			Total (D)	896.00		538.30
E	Utilities					
1	Chillers	2.00	5.50	11.00	80%	8.80
2	Chilled water pump	2.00	9.01	18.02	80%	14.41
3	Cooling water pump	2.00	19.92	39.84	80%	31.87
4	ETP with RO	1.00	384.00	384.00	80%	307.20
5	Thermic Oil & its Pumping	1.00	150.00	150.00	80%	120.00
			Total (E)	602.85		482.28
			Total (A to E)	4,599.55		3,315.74

S. No.	Particular	Details
1	Total Load	3,315.74
2	Utilization factor	0.8

3	Power Required	2,652.59
4	KVA at 0.9 PF	2,792.21
5	Transformer selected	2 X 2,000 KVA
6	Transformer total Capacity	4,000 KVA
7	Loading of Transformer	0.70

The total connected load for the company would be around 4000 KW and the contract demand would be 3315.74 KW.

The total water requirement as estimated is 2513 KL per Day and the same will be provided by WLL. Water will be required for sizing, dyeing, bleaching, processing, etc.

OBSERVATIONS: -

- Water will be supplied by WLL. Company required of 2513 KL of Water per day. The said requirement will be sufficient for overall activity of the company.
- Construction Power available from WLL which is promoter company of WHSL.

3.11) APPOINTMENT OF CONSULTANT & CONTRACTORS: -

The consultant and contractor appointed for execution of proposes to set-up a terry towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India are as under:-

S. No	Particular	Name of Contractor/ Consultant
1	Soil Investigation	M/s. KBM Engineering Research Laboratory.
2	General Layout Plan	M/s. Gherzi Consulting Engineers Pvt. Ltd
3	WBM Road Work	M/s. Gherzi Consulting Engineers Pvt. Ltd
4	Civil Contractor	M/s. ICC Projects Pvt Ltd, M/s. PEB360 Solutions (India) LLP and M/s. Jai Shakti Eng. & Construction
5	PMC	Bureau Veritas (India) Private Limited, Ernst & Young LLP
6	Machinery Erection	M/s. Shree Engineering and M/s. J J Tex Mach
7	Fire Hydrant System	Mansh Firetech

S. No	Particular	Name of Contractor/ Consultant
8	Electrical Installation	SNC Consultant

OBSERVATIONS: -

- Company has appointed the Consultants & Contractors for the proposed project.
- Project activity is going on.

3.12) STATUTORY CLEARANCES AND APPROVALS: -

Status of Approvals and clearances is as under: -

S. No.	Approvals / Certifications	Approving / Sanctioning Authority	Status
1	Date of Incorporation	Registrar, Mumbai, Ministry of Corporate Affairs, GOI	Obtained
2	PAN Card	Income Tax, GOI	Obtained
3	GST Certificate	GOI	Obtained
4	Certificate of Importer - Exporter Code	Directorate General of Foreign Trade	Obtained
5	Land Possession		Lease deed executed
6	Building Plan approval	Director of Industrial Safety & Health	Obtained
7	Consent to establish	Gujarat Pollution Control Board	Consent to Establish received for the project. (the validity of CTE is for 7 years - up to 01/04/2031).
8	Provisional Fire NOC		N. A because the building height is less than 15 meters
9	Temporary Power Connection		Temporary power (for construction of project) is being supplied by WLL to WHSL, hence no approval is required from Chief Electrical Inspector.
10	Temporary Water Connection		MOU with WLL
11	Machinery Layout Plan	Director of Industrial Safety & Health	Obtained
12	Permanent Electricity Connection		After installation of all machines, drawing approval is to be submitted to Chief

S. No.	Approvals / Certifications	Approving / Sanctioning Authority	Status
			Electrical Inspector (CEI). After inspection, CEI will provide approval.
13	Drainage completion certificate		Require after Building Completed
14	Building Completion Certificate		Require after Building Completed
15	IBR Approvals	Directorate of Boilers	Not required as steam to be supplied by WLL.
16	Final Fire Department NOC		N. A because the building height is less than 15 meters
17	Consent to Operate		Required before commercial production
18	Factory License	Director of Industrial Safety & Health	Factory License Application will be submitted after completion of construction of the project.

3.13) IMPLEMENTATION SCHEDULE: -

Implementation Schedule for Proposed Terry Towel Project of WHSL at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code- 370 110, State- Gujarat, Country-India is as under: -

S. No.	Activity	Original Date as per Project Report		Remark
		Start Date	Completion Date	
1	Procurement of Land		Completed	Lease deed executed
2	Land Development		May-24	85% to 90% Construction work
3	Foundation of Building		Jun-24	Completed. Major Civil work is
4	Construction of Building		Jul-24	completed. Final Finishing work is pending
5	Machines Orders-Imported		Jul-24	Major Imported P&M arrived at site and are under installation
6	Machines Orders-Indigenous		Aug-24	Major Indigenous P&M arrived at site and are under installation
7	Machines Orders-MFA		Sep-24	Few Machineries arrived at site

S. No.	Activity	Original Date as per Project Report		Remark
		Start Date	Completion Date	
8	Receipt of P&M- Imported		Dec-24	Major Imported P&M arrived at site and are under installation
9	Receipt of P&M- Indigenous		Dec-24	Major Indigenous P&M arrived at site and are under installation
10	Receipt of P&M- MFA		Dec-24	Few Machineris arrived at site
11	Installation of P&M	Jun-24	Jan-25	Installation work is in Progress.
12	Assembling Fittings	Jan-25	Feb-25	Installation work is in Progress
13	Trail Run	Feb-25	Mar-25	
14	Commercial Production	April-25		

OBSERVATIONS: -

- The progress of the project is as per original Implementation schedule.

3.14) INSURANCE: -

Company has provided the held cover letter for Marine cum Erection Policy taken the insurance policy for proposed project at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India is as under: -

S. No.	Type of Policy	Policy Period	Sum Insured (₹)	Policy Issuer
1	Marine Open Policy			
I	Indigenous	09.11.2024 to 08.02.2025	329,450,000	HDFC Ergo General Insurance Co. Limited
II	Imported	09.11.2024 to 08.02.2025	1,634,380,000	HDFC Ergo General Insurance Co. Limited
		Total (1)	1,963,830,000	
2	Erection All Risk Policy	09.11.2024 to 08.02.2025	2,718,800,000	HDFC Ergo General Insurance Co. Limited

OBSERVATIONS: -

- Company has taken Erection All Risk Policy and Marine Open Policy for the proposed project. Insurance Policy is endorsed to Exim Bank.

3.15) ABOUT PRODUCT:-**A. TERRY TOWEL**

A terry towel is a textile product which is made with loop pile on one or both sides generally covering the entire surface or forming strips, checks or other patterns. Special type of weaving technique is required for terry towel manufacturing. Terry towels are often very complex with yarns of different types and colors, in combination with various loop pile and flat structures. The name "terry" comes from the word "tirer" which means to pull out, referring to the pulled out by hand to make absorbent traditional. Turkish toweling Latin "vellus" meaning hair has the derivation "velour" which is the toweling with cut loops.

B. GREY FABRIC

Grey cloth is a type of fabric that is woven from unbleached cotton or cotton blends. The fabric is called "grey" because it has a natural, undyed color that is a light shade of brown or beige. Grey cloth is used as a base fabric for many different types of finished textiles, including bed sheets, tablecloths, curtains, and clothing. The process of making grey cloth begins with the spinning of raw cotton fibers into yarn. The yarn is then woven on a loom to create the fabric. Grey cloth is typically made in large rolls or bolts, which can be several hundred meters long. The fabric is then sold to textile manufacturers who use it as a base fabric for a variety of different products. One of the main advantages of grey cloth is its versatility. Because it is a neutral color, it can be easily dyed or printed with a variety of different patterns and designs. This makes it an ideal choice for a wide range of textile applications. Grey cloth is also relatively inexpensive compared to other types of fabrics, which makes it a cost-effective choice for manufacturers.

C. RAW MATERIALS

The following raw materials are required for the project:

S. No.	Raw Material	Source
1	Cotton / Yarn	Domestic/Imported
2	Chemicals	Domestic
3	Packing Material	Domestic



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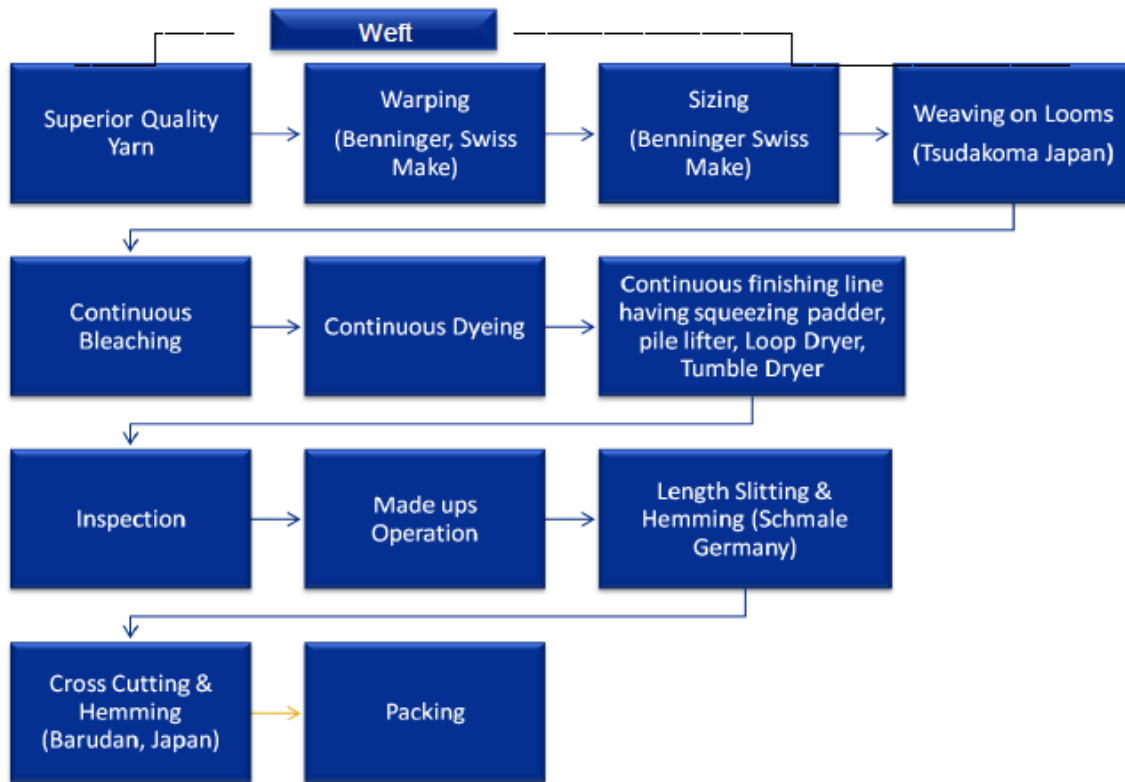
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As informed by WHSL, the above raw material is already being procured by Welspun Living Ltd, and hence availability of raw material will not be a concern.

3.16) MANUFACTURING PROCESS

The process flow chart of Terry Towel is as under:-



The basic manufacturing process for terry towels is fabric weaving, finishing (bleaching, dyeing, printing etc), making up and packing. The details of manufacturing process are as under:

- **Warping** : At warping the individual cones are put into creel (the number of cones depends upon fabric construction) and yarn from individual cones is pulled together in sheet form, wound on a barrel called warping beams (for Direct warping) or on weaving beams (for Sectional Warping). If warp sheet is with patterns of different colored yarns, it is processed on sectional warping machine.
- **Sizing**: Warp yarns are subject to very high tension and intensive abrasive action during weaving. Yarn needs protection for such abrasive action, otherwise frequent yarn breaks will occur in weaving. The object of sizing is to improve the strength of yarn by chemically binding the fibres with each other and to improve its friction resistance capacity by chemically coating the surface of yarn/fibres. Further, number of threads in warper beam sheet is very less against

number of threads required in whole width of fabric. Hence multiplication of sheets by drawing yarns together from many warps beams and again making one sheet is also performed on sizing machine. In case the yarn sheet presented to sizing is from sectional warping machine, this multiplication is not required.

- **Drawing – in:** Weaving is basically interlacements of two sets i.e. warp and weft threads in desired sequence and pattern. To obtain this interlacement, warp yarn sheet is bifurcated & opened in form of two layers/sheet and weft thread is inserted between so opened two warp sheets. During subsequent cycle, the sheet forming upper layer is lowered and made to form lower layer and vis-à-vis for opposite sheet. Thus the interlacement is formed. In order to get this sheet separation and their up and down movement, each warp thread is to be drawn through healds, reeds and drop pins. This operation is called “Drawing - in”.
- **Beam Gaiting / Knotting on Weaving Machine:** The drawn weavers beams are fixed on weaving machines, threads are ‘tied and heald shafts are coupled. This operation is called Beam Gaiting. Further, tying-up of the undrawn warp threads to the threads of finished beams is called Knotting. These operations are essential because normally weavers beam can carry only certain length of warp sheet on it and when so woven, whole length is converted to the fabric by weaving machine. Further, warp length is required to be fed which can be done by knotting or gaiting other beams on weaving machine.
- **Weaving:** During weaving warp yarns are divided into two sheets called top shed and bottom shed and a weft is inserted inside the shed. Weft can be inserted by mechanical means, by air or by water. For sheeting fabrics, weft insertion by air jet is very common. This type of loom is known as air-jet loom. Looms producing sheeting fabrics have large width as compared to those producing apparel fabrics. Reed space of looms in sheeting division is 340 cm. Shed formation in looms are of three types : cam, dobby and jacquard. Cam shedding is used for simple structures like plain, twill, sateen, oxford, matt etc. Dobby shedding can produce little motifs. Jacquards are used to produce large motifs on fabric. Fabric woven on loom is wound on to a roll on the loom. This fabric is known as grey or greige fabric. Grey fabric rolls are sent to inspection department.
- **Processing:** The fabric woven on weaving machines is in Grey stage and needs certain chemical/mechanical treatments to get its final finished stage. Since these operations are

altogether specialised and different from weaving technology, fabric is sent to process department wherein fabric is passed through the following processing stages;

- **Singeing & Desizing** - In singeing, the fabric runs on gas flame at a high speed of 80 Mtrs to 100 Mtrs/min. and the protruding fibres on the surface of fabrics are burnt during this process. After singeing, the fabric appears as clean shave look and then sent for desizing. During desizing, the fabrics are impregnated with enzyme solution to remove size chemicals (used prior to weaving during sizing process). Impregnated desized fabrics are kept on rotating batches for a period of 6 to 8 hours for effective removal of sizing chemicals.
- **Open width Scouring and Bleaching** - Desized fabrics are first washed in a bath of water and then treated for scouring and bleaching with caustic soda, good detergent /soap and peroxide with stabiliser. Fabric then passed through steamer so that reaction takes place with impurities and they are fully dissolved. The fabrics so washed are then clean and absorbent. This process is very important for obtaining good quality results in dyeing and printing.
- **Finishing** - The fabric is finished to finally keep control on width, bow and skew and its shrinkage. Further, to improve handle of fabrics special chemicals are used. Finishing is also done for obtaining stain free, soft and supple finish on fabrics. By using properly processed fabrics with appealing colors fast to washings, light, rubbing perspiration and having specialty finishes, fabrics look and value is added.
- **Length cutting** - Fabrics are cut to the desired width as per requirement on this machine. (At a time a full width fabric can be cut up to four different widths) on this machine accurately and automatically.

The terry towels are thoroughly checked for various types of defects such as uneven dyeing, quality of hemming, length and width, bleaching and dyeing defects, stitching defects, oil stains, patches /pattas. The final product is categorised quality-wise. The products then found okay are segregated and sent to packing department whereas defective ones are sent to correction.

Sets are formed as per the requirements of buyer in desired nos. and sizes and are packed together.

After inspection, the sets are wrapped in polythene bags and send for packing in suitable form as per buyer's specifications. Sets so formed and packed are then sent for final dispatches.

4. PROJECT EXECUTION

4.1) SITE SETUP: -

The project site setup as on LIE 3rd Visit is as under: -

S. No	Particular	Status as on LIE 3 rd Visit
1	Power	Available for construction
2	Water	Available for construction
3	Project Team	Available
4	Timing	8.00 a.m to 6.00 p.m
5	Project Office Setup	Furniture and office Equipments etc.
6	Staff	Recruitment ongoing
7	Lighting	Flood Lights
8	Labour Camp	Available
9	Canteen	Available

OBSERVATIONS: -

The site setup is satisfactory. The photographs of site setup are provided for ready reference in Photograph Section.

4.2) MANPOWER: -

The recruitment for the project execution is as under: -

S. No	Particular	Nos.
1	Project Head	1
2	Civil Engineer	3
3	Mechanical Engineer	11
4	Electrical Engineer	3
5	Maintenance, Operations, Total Quality Management, Product Development	139
6	Stores, Finance & Accounts, Training & Development	6

The outsource contract staff is as under: -

S. No	Particular	Nos.
1	Security	Common Plot Security
2	Erection	4 Teams
3	Contractor	4 Teams

OBSERVATIONS: -

The project team is experienced to handle the day-to-day operations of the project.

4.3) COST OF THE PROJECT: -

WHSL is proposes to set-up a terry towel manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State- Gujarat, Country-India on a land admeasuring 36,422 Sq. M. Total estimated project cost is Rs. 303.32 Crores as indicated in table provided below for ready reference.

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)
A	Hard Cost	
1.	Land	0*

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)
2.	Site Development and Building Cost	42.59
3.	Plant & Machinery	178.53
4.	Miscellaneous Fixed Asset	44.13
	Total (A)	265.24
B	Soft Cost	
5.	Contingencies	6.63
6.	IDC including Preoperative and Preliminary Expenses	13.45
7.	Margin money for working capital	18.00
	Total (B)	38.08
	Total (A+B)	303.32

NOTE:-

- *The Land admeasuring 36,422 m² is leased from WLL.
- Cost of Land is not considered in the project cost.

MEANS OF FINANCE

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)
1.	Promoter Contribution	78.32
2.	Term Loan	225.00
	Total	303.32

OBSERVATIONS:-

- EXIM Bank has sanctioned the term loan of Rs. 225.00 Crores for the proposed project vide revised sanction Letter Ref. No. CBG:EOU-1197:2024-25:111 dated 26.06.2024.

4.4) EXPENDITURE ON PROJECT: -

The expenditure on Cost on Project as on 21.10.2024 as per CA Certificate is as under: -

C. S. MANGAL & CO.

CHARTERED ACCOUNTANTS

C. S. Mangal
B. Com, F.C.A., A.C.S.
Proprietor

Block No. 9, Roxana Building
Ground Floor, 109, Maharshi Karve Road,
Churchgate, Mumbai - 400 020.
Mob.: 9820078230
Email : csmangal_24@yahoo.com

TO WHOMSOEVER IT MAY CONCERN

We C.S. Mangal & Co., Chartered Accountants hereby confirm that we have verified the books of accounts of Welspun Home Solutions Ltd (WHSL) and Welspun Living Ltd. (WLL) and hereby certify as under.

WHSL is newly incorporated wholly owned subsidiary company of WLL and WHSL is presently implementing project at total capital outlay of Rs. 303.32 crores which is to be financed by term loan aggregating Rs. 225 Crores and balance Rs. 78.32 crores from Promoters Contribution/ Equity/ Preference Shares/ Debentures/ unsecured loan.

On the basis of the information and explanations provided, records examined by us and the related documents produced to us, to the best of our knowledge and belief, we certify that till 21st October, 2024, the expenditure of Rs. 241.26 crores is incurred towards implementation of aforesaid project of WHSL.

We are giving below the details of expenditure incurred and the means of finance for the same:

Rs. In crores

Particulars	Approved Project Cost	Actual Expenditure incurred upto 21 st October, 2024.
Site development & Building	42.59	35.52
Plant & Machinery (Imported and Indigenous)	178.52	169.79
Misc. Fixed Assets	44.13	29.36
Preliminary & Pre-operative Expenses	13.45	6.59
Contingency	6.63	0.00
Margin Money	18.00	0.00
Total Expenditure	303.32	241.26

Page 1 of 2



The expenditure on Cost on Project as on 21.10.2024 as per CA Certificate is as under: -

Total Means of Finance **Rs. In crores**

Particulars	Projected Means of Finance	Actual Means of Finance
Term Loan from EXIM Bank	225.00	135.00
Promoters Contribution / Equity / OCD	78.32	54.00
Paid by Promotor Company (WLL)	-	23.20
Creditors	-	29.06
Total Means of Finance	303.32	241.26

In addition to above, WLL & WHSL have established Letters of Credit for supply of main machineries, and other equipment for the project for Rs. 42.61 Cr till 21st October, 2024.

Total L/c's outstanding with banks	Amount Rs. Crs.
State Bank of India (WLL)	38.96
EXIM Bank (WHSL)	3.65

For C. S. Mangal & Co.
Chartered Accountants




Proprietor
Membership No.: 35244
Place Mumbai
Date: 29th October, 2024
UDI Number: 24035244BJZZF8876

4.5) COST INCURRED TOWARD SITE DEVELOPMENT & BUILDING: -

As per C.A Certificate dated 29.10.2024, the Cost incurred towards site development & Building till 21.10.2024 is Rs. 35.52 Crores and the details are as under:-

S. No.	WBS Description	Head	Head-2	Cost incurred till 21.10.2024 (Rs.)
1	Site Grading & Level	Land & Site Development	Site Grading & Level	7,92,960
2	Horticulture	Land & Site Development	Horticulture	5,60,650
3	Civil & Consultant	Civil Work	Civil & Consultant	3,00,00,000
4	Site Grading & Level	Land & Site Development	Land & Site Development	18,00,833
5	Horticulture	Land & Site Development	Land & Site Development	11,15,415
6	Weaving Shed	Civil Work	Weaving Shed	11,09,13,839
7	Annex Building	Civil Work	Annex Building	3,48,95,154
8	Yarn Storage Area	Civil Work	Yarn Storage Area	30,33,622
9	Yarn Dyeing	Civil Work	Yarn Dyeing	59,51,139
10	Fabric Process Shed	Civil Work	Fabric Process Shed	6,05,13,028
11	Roads	Civil Work	Roads	12,63,938
12	Electrical Substation	Civil Work	Electrical Substation	16,76,102
13	Misc Tanks for Water	Civil Work	Misc Tanks for Water	9,41,250
14	Misc Foundations for	Civil Work	Misc Foundations for	1,31,98,832
15	Storm Water Drain, Pa	Civil Work	Storm Water Drain, Pa	34,67,390
16	Civil & Consultant	Civil Work	Civil & Consultant	39,38,630
17	Vastu Consultant	Civil Work	Vastu Consultant	2,30,59,000
18	PMC /Quality Consult	Civil Work	PMC /Quality Consult	21,83,434
19	Warping Area Trenches	Civil Work	Warping Area Trenches	67,21,189
20	Weaving Trenches	Civil Work	Weaving Trenches	1,50,18,593
21	H-Plant	Civil Work	H-Plant	3,09,36,280
22	Winding H-Plant	Civil Work	Winding H-Plant	1,43,813
23	Production Area - Fa	Civil Work	Production Area - Fa	30,79,722
			Total	35,52,04,813

5.6) COST INCURRED TOWARDS PLANT & MACHINERY: -

As per C.A Certificate dated 29.10.2024, the Cost incurred towards Plant & Machinery till 21.10.2024 is Rs. 169.79 Crores.

S. No.	WBS Description	Head	Head-2	Cost incurred till 21.10.2024 (Rs.)
A	Plant & Machinery Indigenous			
1	Sectional Warping Machine	P & M -Indigenous	Weaving	3,64,13,105
2	Sizing Machine	P & M -Indigenous	Weaving	4,11,05,275
3	Direct Warping	P & M -Indigenous	Weaving	1,64,96,026
4	Beams - Weaving	P & M -Indigenous	Weaving	2,35,45,908
5	Beams	P & M -Indigenous	Weaving	38,24,552
6	Sizing Cooker & Vess	P & M -Indigenous	Weaving	28,96,346
7	Racks for Yarn Stora	P & M -Indigenous	Weaving	1,34,91,002
8	Forklift/Stacker	P & M -Indigenous	Weaving	97,500
9	Machine Erection 2 f	P & M -Indigenous	Weaving	6,53,000
10	Post Winding Machine	P & M -Indigenous	Yarn Dyeing, Fabric	7,01,52,200
11	RF Dryer 125	P & M -Indigenous	Yarn Dyeing, Fabric	1,33,28,000
12	Sectional Warping Ma	P & M -Indigenous	Weaving	24,36,000
13	Direct Warping	P & M -Indigenous	Weaving	9,44,000
14	RF Dryer 125	P & M -Indigenous	Yarn Dyeing, Fabric Dying	24,50,000
			Total (A)	22,78,32,914
B	Plant & Machinery-Imported			
1	Air jet Loom with Gan	P & M -Import	Weaving Dept.	23,11,58,393
2	Jacquard Loom	P & M -Import	Weaving Dept.	19,36,85,408
3	Dobby Loom	P & M -Import	Weaving Dept.	28,70,48,168
4	Beam Knotting Machin	P & M -Import	Weaving Dept.	1,02,49,867
5	Wvg + prep MHE	P & M -Import	Weaving Dept.	70,000
6	Machine Erection 1 f	P & M -Import	Weaving Dept.	5,16,400
7	Yarn Dyeing-50 kg	P & M -Import	Yarn Dyeing	1,30,45,502
8	Yarn Dyeing-100 Kg	P & M -Import	Yarn Dyeing	1,96,65,184
9	Yarn Dyeing-200 KG	P & M -Import	Yarn Dyeing	1,54,47,686
10	Yarn Dyeing-300 Kg	P & M -Import	Yarn Dyeing	87,00,435
11	Yarn Dyeing-500 Kg	P & M -Import	Yarn Dyeing	2,20,20,782
12	Yarn Dyeing-750 Kg	P & M -Import	Yarn Dyeing	3,11,58,398
13	Yarn Dyeing-900 Kg	P & M -Import	Yarn Dyeing	3,62,77,736
14	Yarn Dyeing-1200 Kg	P & M -Import	Yarn Dyeing	4,01,68,206

S. No.	WBS Description	Head	Head-2	Cost incurred till 21.10.2024 (Rs.)
15	Soft Winding Machine	P & M -Import	Yarn Dyeing	8,48,98,480
16	Color Kitchen	P & M -Import	Yarn Dyeing	8,61,93,507
17	Hydro Extractors	P & M -Import	Yarn Dyeing	1,19,54,610
18	Yarn Sampling Machin	P & M -Import	Yarn Dyeing	3,99,02,818
19	Yarn Dyeing area- BB	P & M -Import	Yarn Dyeing	71,31,291
20	Fabric Dyeing M/c -	P & M -Import	Fabric Dyeing, Washing	3,58,87,099
21	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	2,64,43,125
22	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	1,96,76,238
23	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	89,01,050
24	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	56,61,673
25	Lab	P & M -Import	Fabric Dyeing, Washing	12,61,030
26	Color Kitchen	P & M -Import	Fabric Dyeing, Washing	8,64,873
27	Finishing Line new	P & M -Import	Fabric Dyeing, Washing	4,39,91,913
28	Shearing Machine - D	P & M -Import	Fabric Dyeing, Washing	3,19,81,698
29	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	1,53,46,456
30	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	65,58,781
31	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	51,94,185
32	Fabric Dyeing area-B	P & M -Import	Fabric Dyeing, Washing	31,39,767
33	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	3,01,70,532
34	Fabric Dyeing Machin	P & M -Import	Fabric Dyeing, Washing	67,48,239
35	Finishing Line 2 Bia	P & M -Import	Fabric Dyeing, Washing	3,76,79,910
36	Tow Truck EGS70	P & M -Import	Fabric Dyeing, Washing	2,72,000
37	Air jet Loom with Gantry	P & M -Import	Weaving	1,74,14,416
38	Lab	P & M -Import	Fabric Dyeing	1,27,71,840
39	Finishing Line new	P & M -Import	Fabric Dyeing	1,49,68,214
40	Shearing Machine - D	P & M -Import	Fabric Dyeing	58,77,427
			Total (B)	1,47,01,03,337
			Total (A+B)	1,69,79,36,251

4.6. A.) LIST OF HSSA: -

List of High Seas Sale Agreements (HSSA) executed between WHSL and WLL till the date of this report for purchase of new unused machinery (having usable life of more than ten years) by WHSL from WLL for implementation of WHSL project of Rs. 303.32 crores is as under:-

S. No.	Description	Supplier Name	Qty.	HSSA Date	HSSA Amount (Rs.)	Amount Paid in INR by WHSL to WLL (Rs.)
1	Soft Winding Machines	SSM Vertriebs AG	3	07-May-24	8,39,60,280	8,35,06,023
2	Hydroextractor	Galvanin S.P.A	3	30-May-24	73,79,619	73,44,076
3	Tumbler	Biancalani S.R.L	1	06-Jun-24	3,64,42,560	3,64,13,400
4	Jacquard	Vandewiele NV	24	20-Jun-24	14,88,67,860	-
5	Jacquard	Vandewiele NV	12	30-May-24	4,01,77,920	-
6	Looms	Tsudakoma Corp	26	04-Jun-24	18,27,39,986	17,98,71,217
7	Looms	Tsudakoma Corp	24	04-Jun-24	14,49,47,916	14,05,13,289
8	Looms	Tsudakoma Corp	24	30-May-24	13,49,69,304	14,11,97,703
9	1 No. High Performance Sizing Machine Type Prosize with All Standard Accessories	Karl Mayer Textilmaschinen Ag,	1	06-Jun-24	3,98,59,050	3,93,12,481
10	Universal Tying Machine Along with Standard Accessories	Groz-Beckert Europe Gmbh	18	01-Jul-24	1,00,82,835	99,47,423
11	Dyeing Machines	Fong's National Engineering Co Ltd	14	10-Jul-24	9,57,06,045	7,51,45,854
12	Dyeing Machines	Fong's National Engineering Co Ltd	10	16-Jul-24	12,37,42,880	9,71,59,630
13	Fully Automatic Dyes and Chemicals Dispensing	Color Service SRL	15	30-Jul-24	8,33,62,356	8,29,42,646
14	Multidirectional Reach Truck Model	Combilift ULC	1	29-Jul-24	79,26,257	79,37,506
15	Vollenweider Shearing Machine	Xetma Vollenweider Gmbh	2	22-Aug-24	3,12,95,048	2,50,52,596

S. No.	Description	Supplier Name	Qty.	HSSA Date	HSSA Amount (Rs.)	Amount Paid in INR by WHSL to WLL (Rs.)
16	HTHP Dyeing Machine with Standard Accessories and Spares	Brazzoli S.R.L	11	22-Aug-24	12,29,77,150	9,74,49,765
17	Weft Straightener Orthopac	Mahlo Gmbh Co.Kg	20	24-Sep-24	1,24,26,913	1,14,59,339
18	HTHP Dyeing Machine with Standard Accessories and Spares	Brazzoli S.R.L	3	13-Sep-24	3,59,87,028	2,93,78,899
				Total	1,34,28,51,007	1,06,46,31,847

OBSERVATIONS:-

- As informed by WHSL, Letters of Credit for import of critical machines for the project have been established by WLL. These machines are being sold by WLL to WHSL on High Seas Sale basis and WLL and WHSL have executed/ to be executed High Seas Sale Agreement (HSSA). Promoters of WHSL will have to arrange payment of additional Mark-up cost of about 2% over and above the actual machinery cost which is/ to be incurred by WLL for procurement of machines.
- The machinery cost including L/C opening charges, L/C amendment charges, L/C retirement charges and difference between High Seas Sale Agreement cost and the actual cost incurred by WLL due to change in assumed exchange rate in HSSA and actual exchange rate incurred by WLL shall be reimbursed by WHSL to WLL. Mark-up machinery value by about 2% of the actual machinery cost, in our opinion is fair and reasonable. The said mark-up machinery value is funded solely by WLL.

4.7) COST INCURRED TOWARDS MISCELLANEOUS FIXED ASSET: -

As per C.A Certificate dated 29.10.2024, the Cost incurred towards MFA till 21.10.2024 is Rs. 29.36 Crores.

S. No.	WBS Description	Heading	Total Rs.
1	Soft Water System	Misc. Fixed Assets	1,40,60,031
2	Effluent Treatment	Misc. Fixed Assets	65,24,473
3	Chilled Water System	Misc. Fixed Assets	2,85,000
4	Compressor, Pipeline	Misc. Fixed Assets	77,01,713
5	Pipeline -Supports/P	Misc. Fixed Assets	26,48,085
6	Steam System	Misc. Fixed Assets	1,71,94,009
7	Fire System	Misc. Fixed Assets	33,71,890
8	HVAC & Ventilation S	Misc. Fixed Assets	3,59,63,203
9	Electrical	Misc. Fixed Assets	2,94,56,280
10	IT Related Expenses	Misc. Fixed Assets	83,38,967
11	Soft Water System	Misc. Fixed Assets	12,97,29,803
12	Effluent Treatment	Misc. Fixed Assets	6,31,990
13	Misc Pumps & Drains	Misc. Fixed Assets	2,42,280
14	Chilled Water System	Misc. Fixed Assets	12,71,437
15	Pipeline -Supports/	Misc. Fixed Assets	1,49,047
16	Steam System	Misc. Fixed Assets	1,21,87,486
17	Fire System	Misc. Fixed Assets	4,40,335
18	H Plant-Wvg	Misc. Fixed Assets	2,25,700
19	H Plant-Prep	Misc. Fixed Assets	24,81,260
20	Electrical	Misc. Fixed Assets	1,59,73,750
21	EOT for Yarn Dyeing	Misc. Fixed Assets	44,61,200
22	IT Related Expenses	Misc. Fixed Assets	2,32,092
		Total	29,35,70,030

4.8) COST INCURRED TOWARDS PRELIMINARY AND PRE-OPERATIVE EXPENSES: -

As per C.A Certificate dated 29.10.2024, the Cost incurred towards preliminary and pre-operative expenses till 21.10.2024 is Rs. 6.59 Crores.

S. No.	WBS Description	Total Rs.
1	Interest During Construction & Training, Start-up expenses	6,59,15,193
	Total	6,59,15,193

4.9) SUMMARY OF TOTAL COST INCURRED TOWARDS PROJECT: -

Summary for Cost incurred toward project till 21.10.2024 is as under:-

S. No	Particular of Project	Estimated Project Cost (Rs. in Crores)	Cost incurred till 21.10.2024 (Rs. In Crores)
A	Hard Cost		
1.	Land	0*	0
2.	Site Development and Building Cost	42.59	35.52
3.	Plant & Machinery	178.53	169.79
4.	Miscellaneous Fixed Asset	44.13	29.36
	Total (A)	265.24	234.67
B	Soft Cost		
5.	Contingencies	6.63	0.00
6.	IDC including Preoperative and Preliminary Expenses	13.45	6.59
7.	Margin money for working capital	18.00	0.00
	Total (B)	38.08	6.59
	Total (A+B)	303.32	241.26

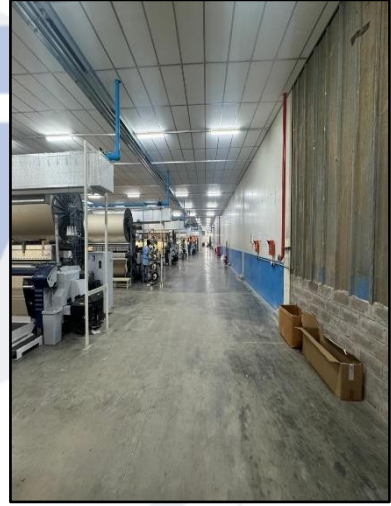
OBSERVATIONS: -

- ❖ Land is Leasehold, therefore land cost is not considered for the Project.
- ❖ Cost incurred toward total project is Rs. 241.26 Crores.

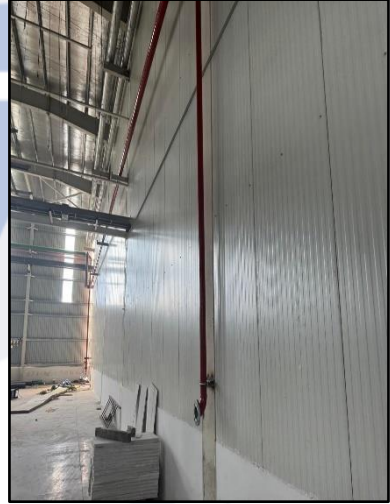
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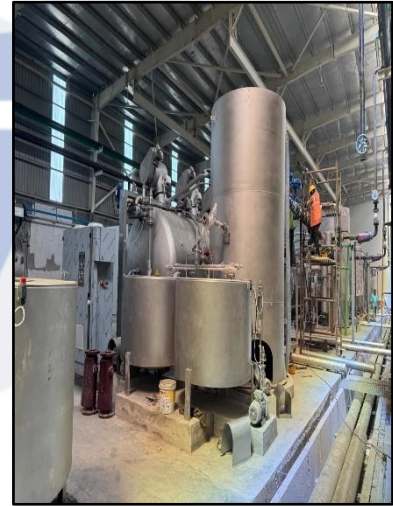
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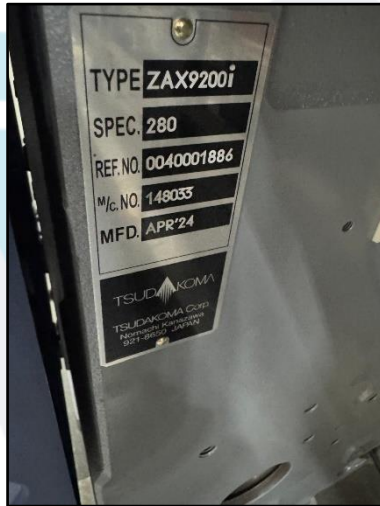
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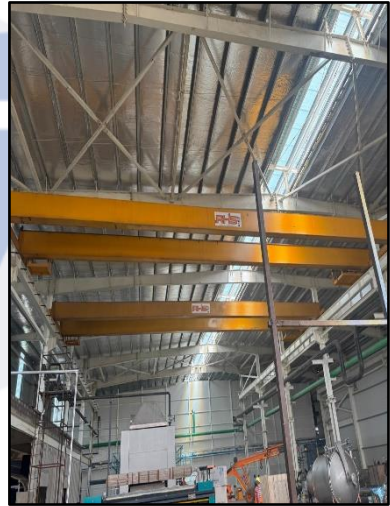
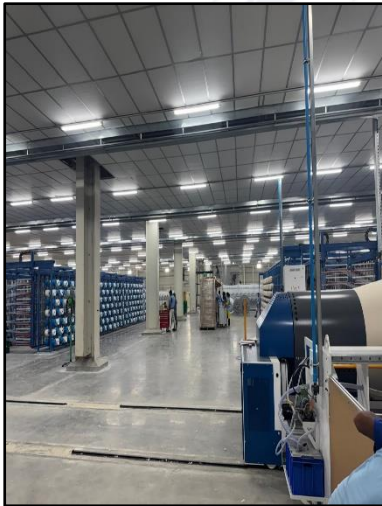
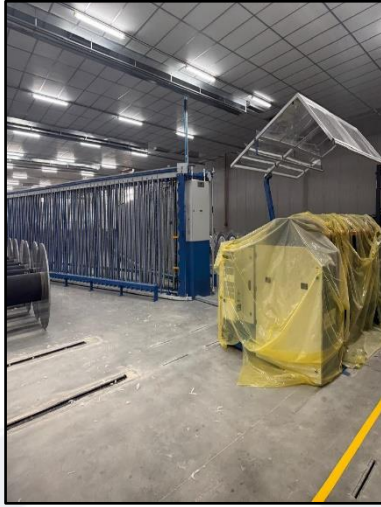
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PHOTOGRAPHS



6. NOTES, LIMITATIONS, DISCLAIMERS & CAVEATS

Notes, Limitations, Disclaimers & Caveats forms important part of the report.

- ❖ The Lender's independent engineer report is made to review the progress of project activities and to prepare the detail report outlining all activities completed along with the status.
- ❖ Our Engineer has visited the project site on 18.10.2024 with a view to ascertain and certify the quantity and amount of work progressively undertaken by the borrower.
- ❖ LIE progress report is based on the physical verification of the site on 18.10.2024, invoices provided, discussions held with the Company Officials and information and explanation given & documents provided. Accordingly, the percentage of work of completion of project activities is worked out. The photographs are enclosed.
- ❖ The progress of the project is as per our site visit and further information and documents provided by Company.
- ❖ The Company has provided the necessary documents. LIE has referred the same for preparation of report.
- ❖ During the date and time of our visit to the project site, the execution of project activities like final finishing of Main Plant Building, Installation of Plant & Machinery, Piping work, Electrical work is going on and it can be clearly seen from the photographs enclosed.
- ❖ The Credit details in other bank accounts are not verified by us and we have relied on CA Certificate and other documents provided by the party.
- ❖ Our report does not cover verification of ownership, title clearance, or legality and subject to adequacy of engineering / structural design.
- ❖ It should be noted that VCIPL's project progress assessments are based upon the facts and evidence available at the time of assessment and the documents provided. The lenders should do the progress assessment from time to time.
- ❖ The legal documents pertaining to the ownership of the properties has been referred to on its face value and that is presumed that Bank /financer have got the same verified through its legal counsel. We do not certify the veracity of the documents. This report does not certify valid or legal or marketable title of any of the parties over the property. Our report does not cover verification of ownership, title clearance, or legality and subject to adequacy of engineering / structural design.

- ❖ Our report is only for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.
- ❖ It is presumed that the soft copies of documents are taken from the originals duly tested and verified at the party's end.
- ❖ The progress report is made based on our visit, information furnished, discussions, documents made available at the time of visit. We presume optimistically that the project assessed by us will be a top success project. In case on a future date if the project does not come up to an expectation of the lenders and borrowers, due to various factors i.e., socio, economic and political factors in this region and country, any decrease in projections, profits, non-repayment of regular installments of loan and interest thereon, the VCIPL should not be held responsible on a future date. The market scenario in India at particular and the whole world at large is at volatile trend since last many months and future cannot be anticipated as of date.
- ❖ Our report should be read along with disclaimers. We have given our opinion as the percentage of work completion of the project as on date of visit to the project site.

7. SUMMARY

7.1) WORK COMPLETION FOR THE PROJECT: -

Activity wise progress of the project is as under: -

S. No.	Activities	% of Work Completion
	Project Documentation	
1	Detailed Project Report	100%
	Statutory Clearances	
2	Building Plan (initial approval)	100%
3	Pollution Control Board - Consent to establish	100%
4	Pollution Control Board - Consent to operate	0%
5	Power Sanction	0%
6	Insurance	100%
7	Bank Loan Sanction	100%
8	Disbursement – Term loan (Fund + non-Fund)	60%
	Site Setup	
9	Start of Payments	100%
10	Registrations PAN Card, GST, IEC, IEM, etc.	100%
11	Power –for construction purpose	100%
12	Water - for construction purpose	100%
13	Office setup at Site	60%
14	Recruitment	20%
	Civil Work	
15	Foundation	100%
16	Flooring Work	85%
17	Brick Work	85%
18	Roof	90%
19	Finishing	50%
20	Road	60%

S. No.	Activities	% of Work Completion
21	Infrastructure	60%
22	Drainage	60%
	Plant & Machinery	
	Imported Plant & Machinery	
23	Vendor Selection	95%
24	Purchase Order/ Contract/PI	90%
25	Delivery	80%
26	Erection	60%
27	Installation	60%
28	Electrification	60%
29	Trials & Commissioning	0%
	Indigenous Plant & Machinery	
30	Vendor Selection	90%
31	Purchase Order/ Contract/PI	80%
32	Delivery	70%
33	Erection	60%
34	Installation	60%
35	Electrification	60%
36	Trials & Commissioning	0%
	Miscellaneous Fixed Asset	
37	Vendor Selection	70%
38	Purchase Order/ Contract/PI	70%
39	Delivery	65%
40	Erection	50%
41	Installation	50%
42	Electrification	50%
43	Trials & Commissioning	0%

S. No.	Activities	% of Work Completion
	Electrical Fittings	
44	Vendor Selection	70%
45	Purchase Order/ Contract	70%
46	Delivery	65%
47	Erection	60%
48	Installation	60%
49	Electrification	60%
50	Trials & Commissioning	0%
	Total Work Completed	60%

7.2) DRAW DOWN SCHEDULE: -

The estimated draw down schedule is as under: -

(Rs. in Crores)

S. No.	Quarter Ended	Term Loan Disbursement (Rs. in Crores)
1	30.06.2024	91.50
2	30.09.2024	46.94
3	31.12.2024	43.28
4	31.03.2025	43.28
	Total	225.00

NOTE: -

- ❖ The above draw down schedule is tentative; however, the company is confident about achieving COD as estimated.

8. OPINION

Based on the physical inspection and verification of project site, information and explanation given to us and the documents referred by us; we are of the opinion that the progress of proposed Towel and Grey Fabric manufacturing facility at Survey No. 674/P & 890/P, located in Welspun City, Village-Versamedi, Taluka-Anjar, District- Kachchh, PIN Code-370 110, State-Gujarat, Country-India belonging to **M/s. Welspun Home Solutions Ltd.** is 60 % completed as per our information provided by the party, observation made during LIE 3rd visit to the project site on 18.10.2024 subject to observations made in the main report.

Date:-12.11.2024

Place:- Thane

For Vastukala Consultants (I) Pvt. Ltd.

Umang A Patel
Registered Valuer
Chartered Engineer (India)
Reg. No. IBBI/RV/04/2019/10803



Since 1989

Vastukala Consultants (I) Pvt. Ltd.

An ISO 9001 : 2015 Certified Company

