

# Price Waterhouse Chartered Accountants LLP

## Independent auditors' report

### To the Members of Welspun Metalics Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Welspun Metalics Limited (the "Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income) for the period from July 31, 2020 (date of incorporation) to March 31, 2021, statement of changes in equity and statement of cash flows for the period from July 31, 2020 to March 31, 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period from July 31, 2020 to March 31, 2021.

#### Basis for opinion

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

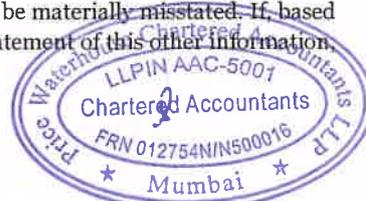
#### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditors' responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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To the Members of Welspun Metallics Limited  
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9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors subsequent to March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position as at March 31, 2021.
    - ii) The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2021.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period from July 31, 2020 to March 31, 2021.
    - iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the period from July 31, 2020 to March 31, 2021.



# Price Waterhouse Chartered Accountants LLP

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13. The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

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



Neeraj Sharma  
Partner  
Membership Number: 108391  
UDIN: 21108391AAAADW4554

Place: Pune  
Date: May 25, 2021

# Price Waterhouse Chartered Accountants LLP

## Annexure A to independent auditors' report

Referred to in paragraph 12(f) of the Independent auditors' report of even date to the members of Welspun Metallica Limited on the financial statements for the period from July 31, 2020 to March 31, 2021

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### Report on the internal financial controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Metallica Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the period from July 31, 2020 to March 31, 2021.

### Management's responsibility for internal financial controls

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

### Auditors' responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to independent auditors' report

Referred to in paragraph 12(f) of the Independent auditors' report of even date to the members of Welspun  
Metallics Limited on the financial statements for the period from July 31, 2020 to March 31, 2021

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### Meaning of internal financial controls with reference to financial statements

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

### Inherent limitations of internal financial controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Neeraj Sharma  
Partner  
Membership Number: 108391  
UDIN: 21108391AAAADW4554

Place: Pune  
Date: May 25, 2021

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent auditors' report

Referred to in paragraph 11 of the independent auditors' report of even date to the members of Welspun Metallics Limited on the financial statements as of March 31, 2021 and for the period ended from July 31, 2020 to March 31, 2021

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- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation, of property, plant and equipment.  
  
(b) The property, plant and equipment of the Company have been physically verified by the Management during the period from July 31, 2020 to March 31, 2021 and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) The title deeds of immovable properties, as disclosed in Note 3(a) on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The Company does not hold any inventory as at March 31, 2021. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013. The Company has not granted any loan or provided any guarantee or security to the parties covered under Section 185 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of income tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, duty of customs, and goods and service tax, which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of borrowings to bank and dues to debenture holders as at the balance sheet date. Further the Company does not have any loans from any bank, loans or borrowings from any financial institution or Government as at the balance sheet date. Accordingly, to this extent, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent auditors' report

Referred to in paragraph 11 of the independent auditors' report of even date to the members of Welspun Metallics Limited on the financial statements as of March 31, 2021 and for the period ended from July 31, 2020 to March 31, 2021

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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period from July 31, 2020 to March 31, 2021, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 13 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has made a private placement of fully convertible debentures during the period under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised. Further the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the period under review. Accordingly, to this extent, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Neeraj Sharma  
Partner  
Membership Number: 108391  
UDIN: 21108391AAAADW4554

Place: Pune  
Date: May 25, 2021

**Welspun Metallics Limited**

**Financial statements for the period from July 31, 2020 to March 31, 2021**

**Financial statements**

- Balance sheet as at March 31, 2021
- Statement of profit and loss for the period from July 31, 2020 to March 31, 2021
- Statement of changes in equity for the period from July 31, 2020 to March 31, 2021
- Statement of cash flows for the period from July 31, 2020 to March 31, 2021
- Notes comprising significant accounting policies and other explanatory information

Welspun Metallics Limited  
**Balance sheet**  
*(All amounts in Rupees million, unless otherwise stated)*

	Notes	As at March 31, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	445.13
Capital work-in-progress	3	954.35
Financial assets		
Investments	4	7.03
Loans	5	0.04
Other non-current assets	6	452.09
<b>Total non-current assets</b>		<b>1,858.64</b>
<b>Current assets</b>		
Financial assets		
Other receivables	7	1.54
Cash and cash equivalents	8	4.80
Current tax assets	9	0.44
<b>Total current assets</b>		<b>6.78</b>
<b>Total assets</b>		<b>1,865.42</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	10 (a)	0.11
Instruments entirely equity in nature	10 (a)	1,590.00
<b>Other equity</b>		
Reserves and surplus	10 (b)	(14.97)
<b>Total equity</b>		<b>1,575.14</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	17	-
<b>Total non-current liabilities</b>		<b>-</b>
<b>Current liabilities</b>		
Financial liabilities		
Other financial liabilities	11	284.70
Other current liabilities	12	5.58
<b>Total current liabilities</b>		<b>290.28</b>
<b>Total liabilities</b>		<b>290.28</b>
<b>Total equity and liabilities</b>		<b>1,865.42</b>

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

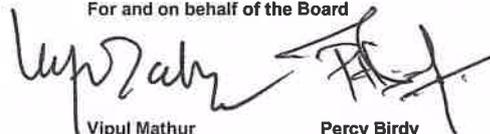
This is the balance sheet referred to in our report of even date.

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



Neeraj Sharma  
 Partner  
 Membership No.108391

For and on behalf of the Board



Vipul Mathur  
 Director  
 DIN No. 07990476

Percy Birdy  
 Director  
 DIN: 07634795



Arpit Bhandari  
 Company Secretary  
 ACS -43644

Place: Pune  
 Date: May 25, 2021

Place: Mumbai  
 Date: May 25, 2021



**Welspun Metallics Limited**  
**Statement of Profit and Loss**

(All amounts in Rupees million, unless otherwise stated)

	Notes	For the Period from July 31, 2020 to March 31, 2021
Other income	13	0.42
<b>Total income</b>		<b>0.42</b>
<b>Expenses</b>		
Depreciation expense	14	0.10
Other expenses	15	15.09
Finance costs	16	0.20
<b>Total expenses</b>		<b>15.39</b>
<b>Loss before tax</b>		<b>(14.97)</b>
<b>Income tax expense</b>	17	
- Current tax		-
- Deferred tax		-
<b>Total income tax expense</b>		<b>-</b>
<b>Loss for the period (A)</b>		<b>(14.97)</b>
<b>Other comprehensive income (B)</b>		
Items that will not be reclassified to profit or loss		-
<b>Total comprehensive income for the period (A+B)</b>		<b>(14.97)</b>
<b>Loss per equity share</b>		
- Basic and diluted loss per share (Rs.)	26	(1,360.91)

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

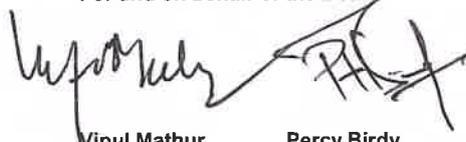
This is the statement of profit and loss referred to in our report of even date.

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



**Neeraj Sharma**  
Partner  
Membership No.108391

**For and on behalf of the Board**



**Vipul Mathur**      **Percy Birdy**  
Director                      Director  
DIN No. 07990476      DIN: 07634795



**Arpit Bhandari**  
Company Secretary  
ACS -43644

Place: Pune  
Date: May 25, 2021

Place: Mumbai  
Date: May 25, 2021



**Welspun Metallics Ltd**  
**Statement of cash flows**  
*(All amounts in Rupees million, unless otherwise stated)*

For the Period from  
July 31, 2020 to  
March 31, 2021

<b>Cash flows used in operating activities</b>	
Loss before tax	(14.97)
<b>Adjustments for</b>	
Depreciation expense	0.10
Fair valuation gain on investment	(0.42)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>(15.29)</b>
<b>Changes in operating assets and liabilities</b>	
Movement in other non-current assets	(103.02)
Movement in other current assets	(1.54)
Movement in Loans	(0.04)
Movement in other current liabilities	5.58
<b>Cash used in operations</b>	<b>(114.17)</b>
Income taxes paid (tax deducted at source)	(0.44)
<b>Net cash flows used in operating activities (A)</b>	<b>(114.61)</b>
<b>Cash flows used in investing activities</b>	
Payments for property, plant and equipment (including Capital work-in-progress)	(1,464.09)
Purchase of long term investments	(6.61)
<b>Net cash flows used in investing activities (B)</b>	<b>(1,470.70)</b>
<b>Cash flows from financing activities</b>	
Issue of Equity share capital	0.11
Issue of 10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	740.00
Issue of 0% Compulsorily Convertible Debentures (CCDs)	850.00
Loan from Holding Company	640.00
Repayment of Loan to Holding Company	(640.00)
<b>Net cash flows from financing activities (C)</b>	<b>1,590.11</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4.80</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>4.80</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>	
Cash and cash equivalents as per above comprise of the following:	
	As at
	<u>March 31, 2021</u>
Cash and cash equivalents:	
Balances with banks	
- in current accounts	4.80
<b>Balances per statement of cash flows</b>	<b>4.80</b>

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

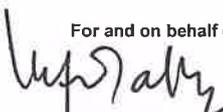
This is the statement of cash flows referred to in our report of even date.

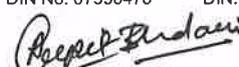
For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N / N500016

  
**Neeraj Sharma**  
Partner  
Membership No.108391

Place: Pune  
Date: May 25, 2021

For and on behalf of the Board

   
**Vipul Mathur**                      **Percy Birdy**  
Director                                  Director  
DIN No. 07990476                  DIN: 07634795

  
**Arpit Bhandari**  
Company Secretary  
ACS -43644

Place: Mumbai  
Date: May 25, 2021



**Welspun Metallics Ltd**  
**Statement of changes in equity**  
*(All amounts in Rupees million, unless otherwise stated)*

**A. Equity share capital**

Particulars	Notes	Amount
Balance as at July 31, 2020		-
Changes in equity share capital during the period	11	0.11
<b>Balance as at March 31, 2021</b>		<b>0.11</b>

**B. Instruments Entirely Equity in Nature**

**(a) 10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)**

Particulars	Notes	Amount
Balance as at July 31, 2020		-
Changes in CORPS during the period	11	740.00
<b>Balance as at March 31, 2021</b>		<b>740.00</b>

**(b) 0% Compulsorily Convertible Debentures (CCDs)**

Particulars	Notes	Amount
Balance as at July 31, 2020		-
Changes in CCDs during the period	11	850.00
<b>Balance as at March 31, 2021</b>		<b>850.00</b>

**B. Other equity**

	Reserves and surplus	Total other equity
	Retained Earnings	
Loss for the period	(14.97)	(14.97)
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>(14.97)</b>	<b>(14.97)</b>
<b>Balance as at March 31, 2021</b>	<b>(14.97)</b>	<b>(14.97)</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



**Neeraj Sharma**  
 Partner  
 Membership No.108391

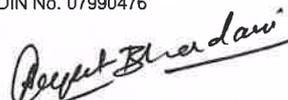
**For and on behalf of the Board**



**Vipul Mathur**  
 Director  
 DIN No. 07990476



**Percy Birdy**  
 Director  
 DIN: 07634795



**Arpit Bhandari**  
 Company Secretary  
 ACS -43644

Place: Pune  
 Date: May 25, 2021

Place: Mumbai  
 Date: May 25, 2021



**Welspun Metallics Limited**

**Notes annexed to and forming part of the balance sheet as at March 31, 2021**

**and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021**

**Background**

Welspun Metallics (the "Company") is a Company limited by shares incorporated on July 31, 2020 and domiciled in India under the Companies Act, 2013. Welspun Metallics Limited is engaged in manufacturing of liquid metal to be used for production of ductile iron pipes and also manufacturing and selling of pig iron.

The registered office of the Company and its principal place of business is at Survey No. 650, Welspun City, Village Versamedi, Taluka Anjar, Kutch, Gujarat – 370110.

These financial statements are presented in rupees and are authorised for issue by the directors on May 25, 2021

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 million unless otherwise stated.

**Note 1: Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

**(a) Basis of preparation**

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

The financial statements have been prepared on an accrual and on a historical cost basis, except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value

**(b) 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 makers who are Board of Directors.

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

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

**(d) Income tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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



**Welspun Metallics Limited**

Notes annexed to and forming part of the balance sheet as at March 31, 2021

and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021

**(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

**(f) Investments and other financial assets**

**(i) Classification**

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

- those to be measured subsequently at fair value (either through comprehensive income, or through profit or loss); and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which 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) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments**

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ other expenses as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expense (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income 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.

**(iii) Impairment of financial assets**

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

**(iv) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**Dividends**

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



**Welspun Metallics Limited**

**Notes annexed to and forming part of the balance sheet as at March 31, 2021**

**and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021**

**(g) Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of capital work-in-progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment and other assets 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 costs 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**

Depreciation is calculated using straight-line method to allocate their cost, net of their residual values, over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery and buildings wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

<b>Assets</b>	<b>Estimated useful lives</b>
Office and other equipments	5 years
Furniture and fixtures	10 years
Computers	3 years

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

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

**(h) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. 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 or loss as other income/finance costs as applicable.

**(i) 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.

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.

**(j) Provisions**

Provisions 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. 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.

**(k) Contributed Equity**

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



**Welspun Metallics Limited**

**Notes annexed to and forming part of the balance sheet as at March 31, 2021**

**and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021**

**(l) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**(ii) Diluted earnings per share**

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

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

**(m) Instruments Entirely Equity in Nature**

Instruments entirely equity in nature issued by the Company comprises of convertible 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. 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, if any, and not subsequently re-measured.

**(n) Rounding of amounts**

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

**(o) Recent Accounting Pronouncements**

**i) New and amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 31 July 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8

Amendments are made to Ind AS 1- Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, which use a consistent definition of materiality, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

- Definition of a Business – amendments to Ind AS 103

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

- COVID-19 related concessions – amendments to Ind AS 116

Amendments to Ind AS 116 Leases, provides a practical expedient to apply rent concessions occurring as a direct consequence of the COVID-19 pandemic. Lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments made to Ind AS 109 Financial Instruments, and Ind AS 107 Financial Instruments: Disclosures provide certain reliefs in relation to interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

The amendments listed above did not have any material impact on Company's financial statements.



**Welspun Metallics Limited**

**Notes annexed to and forming part of the balance sheet as at March 31, 2021**

**and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021**

**ii) Amended applicable from next Financial year**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, certain

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**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.

**Useful life of property, plant and equipment:**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, considering useful life as per Companies Act 2013. Increasing an asset's expected life would result in a reduced depreciation charge in the income statement.

The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. 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 Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2021  
and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31 2021  
(All amounts in Rupees million, unless otherwise stated)

Note 3: Property, plant and equipment (PPE) and Capital work-in-progress

	Buildings	Land	Office and other equipments	Computer equipments	Furniture and fixtures	Total PPE	Capital work-in-progress (CWIP)
Opening gross carrying amount as at July 31, 2020	-	-	-	-	-	-	-
Additions	1.36	440.75	0.67	0.74	1.70	445.22	954.35
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2021	1.36	440.75	0.67	0.74	1.70	445.22	954.35
Accumulated depreciation							
Opening accumulated depreciation as at July 31, 2020	-	-	-	-	-	-	-
Depreciation charge during the period	0.02	-	0.02	0.03	0.02	0.09	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and amortisation as at March 31, 2021	0.02	-	0.02	0.03	0.02	0.09	-
Net carrying amount as at March 31, 2021	1.34	440.75	0.65	0.71	1.68	445.13	954.35

Notes:

- (i) Capital work in progress comprises of assets under constructions at Anjar, Gujarat.  
(ii) Contractual obligations: Refer note 24 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



**Welspun Metallics Limited**

Notes annexed to and forming part of the balance sheet as at March 31, 2021

and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021

(All amounts in Rupees million, unless otherwise stated)

**Note 4: Non-current investments (refer note 22)**

	<u>As at</u> <u>March 31, 2021</u>
<b>Unquoted</b>	
<b>Investments carried at fair value through profit and loss (fully paid up)</b>	
<b>Investments in equity instruments</b>	
Welspun Captive Power Generation Limited	
59,075 equity shares of Rs.10 each	7.03
<b>Total non-current investments</b>	<u><u>7.03</u></u>
Aggregate amount of unquoted investments	7.03

**Note 5: Loans**

	<u>As at</u> <u>March 31, 2021</u>
<b>Non current</b>	
<b>Unsecured, considered good:</b>	
Security Deposits	0.04
<b>Total non-current loans</b>	<u><u>0.04</u></u>

**Note 6 : Other assets**

	<u>As at</u> <u>March 31, 2021</u>
<b>Non-current</b>	
Capital advances	349.07
Balance with statutory authorities	103.02
<b>Total other non-current assets</b>	<u><u>452.09</u></u>

**Note 7: Other Receivables**

	<u>As at</u> <u>March 31, 2021</u>
Other Receivables from	
Related parties (Refer Note 22)	1.54
<b>Total Other Receivables</b>	<u><u>1.54</u></u>

**Note 8 : Cash and cash equivalents**

	<u>As at</u> <u>March 31, 2021</u>
Balances with banks	
- in current accounts	4.80
<b>Total cash and cash equivalents</b>	<u><u>4.80</u></u>

**Note 9: Current tax assets**

	<u>As at</u> <u>March 31, 2021</u>
Opening balance	-
Add: Tax deducted at source	0.44
Less: Current tax payable for the period	-
<b>Total of current tax assets</b>	<u><u>0.44</u></u>



**Welspun Metallics Limited**

Notes annexed to and forming part of the balance sheet as at March 31, 2021  
and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021  
(All amounts in Rupees million, unless otherwise stated)

**Note 10: Equity share capital and other equity****10(a) Equity Share capital****(i) Authorised equity share capital**

	Number of Shares	Par value	Amount
As at July 31, 2020	-	-	-
Issued during the period	1,000,000	10.00	10.00
<b>As at March 31, 2021</b>	<b>1,000,000</b>	<b>10.00</b>	<b>10.00</b>

**(ii) Movement in equity shares capital**

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at July 31, 2020	-	-	-
Issued during the period	11,000	10.00	0.11
<b>As at March 31, 2021</b>	<b>11,000</b>	<b>10.00</b>	<b>0.11</b>

**(iii) Terms and rights attached to shares 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.

**(iv) Shares of the Company held by holding company**

	As at March 31, 2021	
	No. of shares	% holding
Welspun Corp Limited, including nominees	11,000	100.00%

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

	As at March 31, 2021	
	No. of shares	% holding
Welspun Corp Limited (the 'Holding company'), including nominees	11,000	100.00%

**10(b) 10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)****i) Authorised Preference share capital**

	Number of Shares	Par value	Amount
As at July 31, 2020	-	-	-
Issued during the period	89,000,000	10.00	890.00
<b>As at March 31, 2021</b>	<b>89,000,000</b>	<b>10.00</b>	<b>890.00</b>

**ii) Movement in Preference shares capital**

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at July 31, 2020	-	-	-
Issued during the period	74,000,000	10.00	740.00
<b>As at March 31, 2021</b>	<b>74,000,000</b>	<b>10.00</b>	<b>740.00</b>



**Welspun Metalics Limited**

Notes annexed to and forming part of the balance sheet as at March 31, 2021

and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021

(All amounts in Rupees million, unless otherwise stated)

**(iii) Terms and rights attached to shares Preference shares**

10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) have par value Rs. 10 each. Preference shares does 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. Conversion ratio is 1:1 One CORPS will be converted in to one equity share at par. The CORPS shall be Redeemable at the option of the Company in one or more tranches at any time before March 31, 2026 and CORPS shall be redeemed at par.

**(iv) Shares of the Company held by holding company**

Welspun Corp Limited

As at March 31, 2021	
No. of shares	% holding
74,000,000	100.00%

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

Welspun Corp Limited

As at March 31, 2021	
No. of shares	% holding
74,000,000	100.00%

**(vi) Details of Preference Shares**

Particulars	Number of Shares	Par value	Amount	Date of allotment
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	10,000,000	10	100	22-Mar-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	25,000,000	10	250	23-Mar-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	14,000,000	10	140	23-Mar-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	25,000,000	10	250	23-Mar-21
<b>Total</b>	<b>74,000,000</b>		<b>740</b>	

**10(c) 0% Compulsorily Convertible Debentures (CCDs)****i) Movement in 0% Compulsorily Convertible Debentures**

Issued, subscribed and paid up capital

As at July 31, 2020

Increase during the period

As at March 31, 2021

	Number of Debentures	Par value	Amount
As at July 31, 2020	-	-	-
Increase during the period	85,000,000	10.00	850.00
<b>As at March 31, 2021</b>	<b>85,000,000</b>	<b>10.00</b>	<b>850.00</b>



**Welspun Metalics Limited**

Notes annexed to and forming part of the balance sheet as at March 31, 2021

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(All amounts in Rupees million, unless otherwise stated)

**(ii) Terms and rights attached to Convertible Debentures**

-0% Compulsorily Convertible Debentures (CCDs) have par value Rs. 10 each. The CCDs will be issued at 0% interest.

-The CCDs can be converted at the option of the Company into Equity Shares of Rs.10/- each fully paid-up

-Conversion Ratio 1:1

-Tenor of CCDs : 18 months from the date of first allotment.

-If the CCDs have not been converted at the expiry of the Tenure of CCDs, the said CCDs shall be mandatorily converted into equity shares at the end of the Tenure of CCDs in accordance with the Conversion Ratio.

Category	Conversion option [refer note (vi) below]
I Issue of 500,000 shares	any time after six months from date of allotment and upto the Tenor
II Issue of 84,500,000 shares	any time after two months from date of allotment and upto the Tenor

**(iii) Debenture of the Company held by holding company**

As at March 31, 2021	
Number of Debentures	% holding
85,000,000	100.00%

Welspun Corp Limited

**(iv) Details of debenture holders holding more than 5% shares in the Company**

As at March 31, 2021	
Number of Debentures	% holding
85,000,000	100.00%

Welspun Corp Limited

**(vi) Details of compulsorily convertible debentures**

Particulars	Number of Debentures	Par value	Amount	Date of allotment
0% Compulsorily Convertible Debentures (CCDs)	7,000,000	10	70	29-Sep-20
0% Compulsorily Convertible Debentures (CCDs)	8,000,000	10	80	28-Sep-20
0% Compulsorily Convertible Debentures (CCDs)	5,000,000	10	50	06-Oct-20
0% Compulsorily Convertible Debentures (CCDs)	10,000,000	10	100	22-Oct-20
0% Compulsorily Convertible Debentures (CCDs)	10,000,000	10	100	12-Nov-20
0% Compulsorily Convertible Debentures (CCDs)	7,000,000	10	70	10-Dec-20
0% Compulsorily Convertible Debentures (CCDs)	23,000,000	10	230	10-Dec-20
0% Compulsorily Convertible Debentures (CCDs)	5,000,000	10	50	15-Jan-21
0% Compulsorily Convertible Debentures (CCDs)	2,500,000	10	25	19-Jan-21
0% Compulsorily Convertible Debentures (CCDs)	3,000,000	10	30	19-Jan-21
0% Compulsorily Convertible Debentures (CCDs)	2,500,000	10	25	19-Jan-21
0% Compulsorily Convertible Debentures (CCDs)	2,000,000	10	20	19-Jan-21
<b>Total</b>	<b>85,000,000</b>		<b>850</b>	



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**10(b) : Other Equity****Reserves and surplus**

	<b>As at March 31, 2021</b>
Retained earnings (refer note below)	(14.97)
<b>Total reserves and surplus</b>	<b>(14.97)</b>

**Note - Retained earnings:**

	<b>As at March 31, 2021</b>
Opening balance	-
Loss for the period	(14.97)
Item of other comprehensive income recognised directly in retained earnings	-
<b>Closing balance</b>	<b>(14.97)</b>

**Note 11: Other financial liabilities**

	<b>As at March 31, 2021</b>
<b>Current</b>	
Interest accrued but not due on borrowings (refer note 22)	3.24
Trade deposits	
Capital creditors	
total outstanding dues of micro enterprises and small enterprises (refer note 28)	0.14
total outstanding dues of creditors other than micro enterprises and small enterprises	
Related Parties (Refer Note 22)	15.93
Others	265.39
<b>Total other current financial liabilities</b>	<b>284.70</b>

**Note 12: Other current liabilities**

	<b>As at March 31, 2021</b>
Statutory dues including income tax and goods and service tax	5.58
<b>Total other current liabilities</b>	<b>5.58</b>

**Note 13: Other income**

Fair valuation gain on investment	0.42
<b>Total other income</b>	<b>0.42</b>

**Note 14: Depreciation**

	<b>For the Period from July 31, 2020 to March 31, 2021</b>
Depreciation of property, plant and equipment (refer note 3)	0.10
<b>Total depreciation expense</b>	<b>0.10</b>



**Welspun Metallics Limited**

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**Note 15: Other expenses**

	<u>For the Period from July 31, 2020 to March 31, 2021</u>
Rates and taxes	7.85
Travel and conveyance	0.99
Legal and professional fees	0.68
Security charges	1.04
Payment to auditors (refer note below)	1.00
Office Expenses	2.29
Miscellaneous expenses	1.24
<b>Total other expenses</b>	<b><u>15.09</u></b>

**Note:**

Details of payment to auditors excluding taxes, as applicable

As auditor:

Audit fee 1.00

**Total**

**1.00**

**Note 16: Finance costs**

	<u>For the Period from July 31, 2020 to March 31, 2021</u>
Finance charges	0.20
<b>Total finance costs</b>	<b><u>0.20</u></b>

**Note 17: Income Tax and Deferred Tax**

**17(a) Deferred Tax Liabilities (net)**

	<u>As at March 31, 2021</u>
<b>Deferred Tax Liabilities :</b>	
Fair value gain	0.07
Depreciation	0.04
<b>Total Deferred Tax Liability</b>	<b><u>0.11</u></b>
<b>Deferred Tax Assets :</b>	
Business loss and unabsorbed depreciation	1.41
Preliminary expense	1.27
<b>Total Deferred Tax Assets</b>	<b><u>2.68</u></b>
<b>Deferred Tax Liabilities (net)</b>	<b><u>*</u></b>

\*Deferred tax assets on business losses has been recognised only to the extent of deferred tax liabilities owing to Company being in capitalisation phase and this being the year of incorporation.



**Welspun Metallics Limited**

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**17(b) Income tax expense**

For the Period from  
July 31, 2020 to  
March 31, 2021

**(i) Income tax expense**

Current tax  
Deferred tax  
**Total income tax expense**

-  
-  
**-**

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

For the Period from  
July 31, 2020 to  
March 31, 2021

Loss before tax  
Tax rate  
Tax at normal rate

(14.97)  
17.16%  
**(2.57)**

Tax effects of amounts which are not deductible (taxable) in calculating taxable income :

Tax losses for which no deferred tax is required to be recognised (net)

2.57

Total tax losses for which no deferred tax was recognised

**2.57**

**(iii) Tax losses**

For the Period from  
July 31, 2020 to  
March 31, 2021

**Tax effects of unused tax losses for which no deferred tax has been recognised**

Unabsorbed depreciation (to be utilised for an indefinite period)  
Business loss (to be utilised till AY 2028-2029)

0.35  
1.06

**1.41**

**17(d): Deferred tax assets (net)**

**Movement in deferred tax asset and deferred tax liabilities:**

	Deferred tax asset			Deferred tax liabilities			Net Deferred tax assets
	Business loss and unabsorbed depreciation	Preliminary Expense	Total deferred tax asset	Depreciation	Fair Value	Total deferred tax liabilities	
<b>As at July 31, 2020</b>	-	-	-	-	-	-	-
Charged/(Credited) to profit and loss	1.41	1.27	2.68	(0.04)	(0.07)	(0.11)	2.57
<b>As at March 31, 2021</b>	<b>1.41</b>	<b>1.27</b>	<b>2.68</b>	<b>(0.04)</b>	<b>(0.07)</b>	<b>(0.11)</b>	<b>2.57</b>



Welspun Metallics Limited

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Note 18: Fair value measurements

Financial instruments by category

	As at March 31, 2021	
	FVPL	Amortised Cost
<b>Financial assets</b>		
Investments		
- Equity instruments	7.03	-
Security deposits	-	0.04
Other receivables	-	1.54
Cash and cash equivalents	-	4.80
<b>Total financial assets</b>	<b>7.03</b>	<b>6.38</b>
<b>Financial liabilities</b>		
Interest accrued but not due on borrowings	-	3.24
Capital creditors	-	281.46
<b>Total financial liabilities</b>	<b>-</b>	<b>284.70</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 at March 31, 2021

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Equity instruments	-	-	7.03	7.03
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>7.03</b>	<b>7.03</b>

Financial assets and liabilities which are measured at amortised cost for which fair value are at March 31, 2021

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Security Deposits	-	-	0.04	0.04
Other receivables	-	-	1.54	1.54
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1.58</b>	<b>1.58</b>
<b>Financial liabilities</b>				
Interest accrued but not due on borrowings	-	-	3.24	3.24
Capital creditors	-	-	281.46	281.46
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>284.70</b>	<b>284.70</b>

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 maximize the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Company has classified equity securities in this category.



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**Note 18: Fair value measurement (Contd...)**

**(ii) Valuation techniques used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

- 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 period ended March 31, 2021

	Unlisted equity securities	Total
As at July 31, 2021	-	-
Gain recognised in profit or loss	0.42	0.42
As at March 31, 2021	0.42	0.42
Unrealised gain recognised in profit or loss related to assets held at the end of March 31, 2021	0.42	0.42

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

Particulars	Fair value as at March 31, 2021	Significant unobservable inputs	Probability weighted average as at March 31, 2021	Sensitivity
Unquoted equity shares	7.03	Risk adjusted discount rate	14.50%	The estimated fair value would increase/(decrease) if - Discount rate were lower/(higher)

**(v) Valuation processes**

The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

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

	As at March 31, 2021	
	Carrying amount	Fair value
<b>Financial Assets</b>		
<b>Loans</b>		
Security deposits	0.04	0.04
<b>Other financial assets</b>		
Other Receivables	1.54	-
<b>Total</b>	<b>1.58</b>	<b>0.04</b>
<b>Financial liabilities</b>		
Interest accrued but not due on borrowings	3.24	3.24
Capital creditors	281.46	281.46
<b>Total</b>	<b>284.70</b>	<b>284.70</b>

a) The carrying amounts of interest accrued but not due on borrowings, capital creditors, other receivables and 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 are materially the same.



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**Note 19 : Financial risk management**

The Company's principal financial liability represents capital creditors. 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 represents investments and cash and cash equivalents.

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.

**(A) 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, foreign exchange transactions and other financial instruments. It is managed by unit head.

The Company has no trade receivables as at March 31, 2021, hence there is no credit risk for the period July 31, 2020 to March 31, 2021.

**(B) Liquidity risk**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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.

The Company does not have any outstanding borrowings as at March 31, 2021, hence there is no liquidity risk for the period July 31, 2020 to March 31, 2021. There is an approved funding plan which is sufficient to pay off capital creditors and other liabilities. Also the Company has received additional capital subsequent to the year end (refer note 28)

**(i) Financing arrangements**

The Company has the below mentioned undrawn borrowing facilities as at March 31, 2021.

	As at March 31, 2021
Floating rate Expiring after one year	2,232.00
<b>Total</b>	<b>2,232.00</b>

**(ii) Maturities of financial liabilities:**

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The Company does not have any derivative liabilities.

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

As at March 31, 2021

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Interest accrued but not due on borrowings	3.24	-	-	-	3.24	3.24
Other financial liabilities	281.46	-	-	-	281.46	281.46
<b>Total non-derivative liabilities</b>	<b>284.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284.70</b>	<b>284.70</b>

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and investment price risk.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to the payable for capital expenditure of creditors.

The Company does not have any foreign currency capital creditors as at March 31, 2021. Hence there is no foreign currency risk for the period July 31, 2020 to March 31, 2021.

**(ii) Interest rate risk**

The Company does not have any borrowings as at March 31, 2021. Hence there is no Interest rate risk for the period July 31, 2020 to March 31, 2021



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**Note 20 : Capital management**

**(a) Risk management**

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

The Company's objectives when managing capital are to:

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

The Company did not have any outstanding borrowings as at March 31, 2021, hence net debt reconciliation disclosure is not given.

**(i) Loan covenants**

The Company has no borrowings as at the end of the reporting period.

**(b) Dividends**

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

**Note 21: 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, processing and dealing in pig iron.

**(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:**

Since the Company has been incorporated in the current year, it is still in its capitalisation phase and has not begun any commercial operations. Hence, no revenue has been generated by the Company till March 31, 2021.

**(iv)** The Company is domiciled in India. Since the Company has not begun commercial operations in the current year, there is no reportable revenue both in India and outside India.

**(v)** The total of the non-current assets are located only in India as at March 31, 2021.



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**Note 22: Related party transactions****(a) Entities having significant influence**

Name	Type	Ownership interest
		March 31, 2021
Welspun Steel Limited (up to February 02, 2021)	Holding company	100%
Welspun Corp Limited (w.e.f February 03, 2021)	Holding company	100%

**(b) Key management personnel**

Name	Nature of relationship
Mr. Vipul Mathur	Non Executive, Additional Director (w.e.f. March 23, 2021)
Mr. Percy Birdy	Non Executive, Additional Director (w.e.f. March 23, 2021)
Mr. Mohan Kasiviswanathan Manikkan	Non Executive, Director (till March 23, 2021)
Mr. Devendra Patil	Non Executive, Director
Mr. Harish Chandra Gupta	Non Executive, Director
Mr. Arpit Bhandari	Company Secretary (w.e.f. March 23, 2021)

**(c) List of other entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the period and other related parties:**

Welspun Steel Limited
Welspun Captive Power Generation Limited
Welspun India Limited
Welspun Corp Limited
Welspun Anjar SEZ Limited
Welspun Tradings Limited
Welspun Specialty Solutions Limited
Welassure Private Limited
Rank Marketing LLP

**(d) Transactions with related parties**

The following transactions occurred with related parties:

	For the Period from July 31, 2020 to March 31, 2021
<b>1) Additions to Capital Work in Progress</b>	
Welspun Corp Limited	131.67
Welspun Steel Limited	1.96
Welspun India Limited	7.75
Welspun Speciality Solutions Limited	0.26
Welspun Captive Power Generation Limited	0.81
Welassure Private Limited	1.28
<b>Total Capital Work in Progress</b>	<b>143.73</b>
<b>2) Purchase of Land</b>	
Welspun Corp Limited	20.77
Welspun India Limited	19.27
Welspun Anjar SEZ Limited	179.19
<b>Total Land</b>	<b>219.23</b>
<b>3) Additions to Borrowings</b>	
Welspun Corp Limited	640.00
<b>Total Additions to Borrowings</b>	<b>640.00</b>
<b>4) Repayment of Borrowing</b>	
Welspun Corp Limited	640.00
<b>Total Repayment of Borrowing</b>	<b>640.00</b>
<b>5) Finance Cost</b>	
Welspun Tradings limited	0.23
<b>Total Finance Cost</b>	<b>0.23</b>
<b>6) Issue of 10% Convertible Non-Cumulative Optionally Redeemable Preference Share</b>	
Welspun Corp Limited	740.00
<b>Total Issuance of Preference Share</b>	<b>740.00</b>



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**Note 22: Related party transactions (Contd...)**

	For the Period from July 31, 2020 to March 31, 2021
<b>7) Issue of 0% Compulsorily Convertible Debentures (CCDs)</b>	
Rank Marketing LLP (refer note (a))	850.00
<b>Total Issuance of Compulsorily Convertible Debentures</b>	<b>850.00</b>
<b>8) Issue of equity share</b>	
Welspun Steel Limited (refer note (b))	0.11
<b>Total Issuance of equity share</b>	<b>0.11</b>
<b>9) Investment in equity shares</b>	
Welspun Captive Power Generation Limited	6.61
<b>Total Investment in equity shares</b>	<b>6.61</b>

Note (a) : The debentures were subsequently transferred to Welspun Corp Limited on January 22, 2021

Note (b) : The equity shares were subsequently transferred to Welspun Corp Limited on February 03, 2021

Note : Amount is inclusive of applicable taxes

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

**(e) Disclosure of significant closing balances:**

	As at March 31, 2021
<b>1) Capital creditors</b>	
Welspun Corp Limited	9.64
Welspun India Limited	4.27
Welspun Captive Power Generation Limited	0.81
Welassure Private Limited	1.21
<b>Total Capital Creditors</b>	<b>15.93</b>
<b>2) Other receivables</b>	
Welspun Steel Limited	1.38
Welspun Tradings Limited	0.16
<b>Total other receivables</b>	<b>1.54</b>
<b>3) Investments in equity instruments</b>	
Welspun Captive Power Generation Limited	6.62
<b>Total Investments in equity instruments</b>	<b>6.62</b>
<b>4) Equity Share Capital</b>	
Welspun Corp Limited	0.11
<b>Total Equity Share Capital</b>	<b>0.11</b>
<b>5) 10% Convertible Non-Cumulative Optionally Redeemable Preference Share</b>	
Welspun Corp Limited	740.00
<b>Total preference share capital</b>	<b>740.00</b>
<b>6) 0% Compulsorily Convertible Debentures</b>	
Welspun Corp Limited	850.00
<b>Total compulsory convertible debentures</b>	<b>850.00</b>
<b>7) Interest Accrued but not due on borrowings</b>	
Welspun Corp Limited	3.24
<b>Total Interest Accrued but not due on borrowings</b>	<b>3.24</b>

**(f) Terms and conditions**

All transactions were made on normal commercial terms and conditions and at market rates.

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



**Welspun Metalics Limited**

**Notes annexed to and forming part of the balance sheet as at March 31, 2021**

**and the statement of profit and loss for the Period from July 31, 2020 (Date of incorporation) to March 31, 2021**

*(All amounts in Rupees million, unless otherwise stated)*

**Note 23: Contingent liability**

There are no contingent liabilities as at March 31, 2021.

**Note 24: Commitments**

**(a) 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, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances of Rs. 267.62):	
Property, plant and equipment	2,154.40

**(b) Other commitments**

	As at March 31, 2021
Outstanding letters of credit	624.47

**Note 25: Note on Covid-19**

In light of the COVID-19 'outbreak and based on the information available upto the date of the approval of the financial statement, the Company has made detailed assessments of the recoverability and carrying values of its assets comprising property, plant and equipment (including capital work-in-progress), other receivables and other current assets as at March 31, 2021 and on the basis of evaluation, has concluded that there is no significant impact on its financial statement as at March 31, 2021. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with its nature and duration.

**Note 26: Loss per equity share**

	March 31, 2021
Loss attributable to the equity holders of the Company	(14.97)
Weighted average number of equity shares (Nos.)	11,000
Basic and diluted loss per share (Rs.)	(1,360.91)
Nominal value of an equity share (Rs.)	10.00

Note: Since there is a loss for the period July 31, 2020 to March 31, 2021, potential equity shares are not considered as dilutive and hence diluted EPS is same as Basic EPS.

**Note 27: Note on code on Social Security, 2020**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. Evaluation during the period is not required since there are no employees on payroll of the Company.



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**Note 28: 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:

Particulars	As at
	March 31, 2021
Principal amount due to suppliers under MSMED Act	2.91
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.18
	<b>3.08</b>
Payment made to suppliers (other than interest) beyond the appointed day, during the period	3.08
Interest due and payable to suppliers under MSMED Act, for payments already made	0.03
Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act (Refer Note 11)	0.14

**Note 29: Capital issued subsequent to the year end**

Subsequent to the year end the Company has issued following Securities

i) 11,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") (face value of Rs. 10 each) :

11,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") of Rs. 10/- each fully paid up allotted on April 7, 2021 at a total consideration of Rs. 110 millions

ii) 30,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") (face value of Rs. 10 each) :

30,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") of Rs. 10/- each fully paid up allotted on May 06, 2021 at a total consideration of Rs. 300 millions.

iii) 15,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") (face value of Rs. 10 each):

15,000,000 10% Convertible, Non-Cumulative, Optionally Redeemable Preference Shares ("CORPS") of Rs. 10/- each fully paid up allotted on May 10, 2021 at a total consideration of Rs. 150 millions.

The aggregate capital issued subsequent to the year end is Rs. 560 millions

**Note 30: Going Concern**

The Company was incorporated on July 31, 2020. The Holding Company has approved a funding plan for investment in the Company. Further subsequent to the year end, the Company has received further capital of Rs. 560 millions (Refer Note 28). Basis this, the Company has prepared its financial statements on a going concern basis.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N / N500016



Neeraj Sharma  
Partner  
Membership No.108391

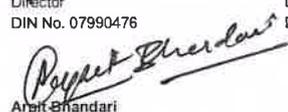
Place: Pune  
Date: May 25, 2021

For and on behalf of the Board



Vipul Mathur  
Director  
DIN No. 07990476

Percy Birdy  
Director  
DIN: 07634795

  
Anil Bhandari  
Company Secretary  
ACS-43644

Place: Mumbai  
Date: May 25, 2021

