

Price Waterhouse Chartered Accountants LLP

Independent auditors' report

To the Members of Welspun Metallics Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Welspun Metallics Limited (the "Company"), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "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.

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

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

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- i. The Company does not have any pending litigations which would impact its financial position as at March 31, 2022.
 - ii. The Company was not required to recognise a provision as at March 31, 2022, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37 (vii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37 (vii) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
12. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

Ali Akbar
Partner
Membership Number: 117839
UDIN: 22117839AJHZBD9223

Place: Mumbai
Date: May 20, 2022

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent auditors' report

Referred to in paragraph 11(f) of the Independent auditors' report of even date to the members of Welspun
Metallics Limited on the financial statements for the year ended March 31, 2022

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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 Metallics Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 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 auditors' 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.

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

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent auditors' report

Referred to in paragraph 11(f) of the Independent auditors' report of even date to the members of Welspun
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and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Place: Mumbai
Date: May 20, 2022

Ali Akbar
Partner
Membership Number: 117839
UDIN: 22117839AJHZBD9223

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent auditors' Report

Referred to in paragraph 10 of the Independent auditors' report of even date to the members of Welspun
Metallics Limited on the financial statements for the year ended March 31, 2022

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

(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any intangible assets and accordingly, reporting under this Clause is not applicable.
- (b) The property, plant and equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its property, plant and equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company does not hold any inventory as on March 31, 2022. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured or unsecured loans or advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order 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 in respect of investments made. The Company has not granted any loans or provided any guarantees or securities to the parties covered under Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits 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 generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in one case, and is regular in depositing undisputed statutory dues, including goods and services tax, provident

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- fund, duty of customs, cess, 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 statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) 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 loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, except for Rs. 0.64 million which is pending for utilisation and are included under cash and cash equivalents. (Also refer Note 37 (xiii) to the financial statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating Rs. 2,944.70 million for long-term purposes.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures, or associate companies during the year. Accordingly, the reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

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- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle - blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of 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 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations provided by the management of the Company, the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended) has three CICs as part of the Group as detailed in Note 38 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of Rs. 96.53 million in the financial year and of Rs. 15.29 million in the immediately preceding financial period from July 31, 2020 (date of incorporation) to March 31, 2021.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 36 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial

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statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,

which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due. Also Refer Note 35 to the financial statements.

- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Place: Mumbai
Date: May 20, 2022

Ali Akbar
Partner
Membership Number: 117839
UDIN: 22117839AJHZBD9223

Welspun Metallics Limited
Financial statements for the year ended March 31, 2022

Financial statements

- Balance sheet as at March 31, 2022
- Statement of profit and loss for the year ended March 31, 2022
- Statement of changes in equity for the year ended March 31, 2022
- Statement of cash flows for the year ended March 31, 2022
- Notes comprising significant accounting policies and other explanatory information

Welspun Metalics Limited
Balance sheet

(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	494.43	445.13
Capital work-in-progress	3	8,294.02	954.35
Financial assets			
Investments	4	6.73	7.03
Other financial assets	5(a)	0.57	0.04
Other non-current assets	7	1,567.63	452.09
Total non-current assets		10,363.38	1,858.64
Current assets			
Financial assets			
Cash and cash equivalents	9(a)	49.37	4.80
Bank balances other than cash and cash equivalents	9(b)	0.31	-
Loans	6	0.20	-
Other financial assets	5(b)	26.63	1.54
Current tax assets	10	2.25	0.44
Other current assets	8	32.23	-
Total current assets		110.99	6.78
Total assets		10,474.37	1,865.42
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	850.11	0.11
Instruments entirely equity in nature	11(b) & (c)	2,120.00	1,590.00
Other equity			
Reserves and surplus	11(d)	(138.81)	(14.97)
Other reserve	11(e)	(3.19)	-
Total equity		2,828.11	1,575.14
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14(a)	2,781.53	-
Provisions	15(a)	6.84	-
Deferred tax liabilities (net)	23(a)	-	-
Total non-current liabilities		2,788.37	-
Current liabilities			
Financial liabilities			
Borrowings	14(b)	2,994.18	-
Trade Payables	12(a)		
total outstanding dues of micro and small enterprises		-	-
total outstanding dues other than above		4.59	0.90
Other financial liabilities	12(b)	1,836.33	283.80
Other current liabilities	13	18.48	5.58
Provisions	15(b)	4.31	-
Total current liabilities		4,857.89	290.28
Total liabilities		7,646.26	290.28
Total equity and liabilities		10,474.37	1,865.42

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

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

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

For and on behalf of the Board

Ali Akbar
Partner
Membership No. 117839

Vipul Mathur
Director
DIN No. 07990476

Percy Birdy
Whole time director and
Chief Financial officer
DIN: 07634795

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

Welspun Metallics Limited
Statement of profit and loss

(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2022	For the period from July 31, 2020 to March 31, 2021
Revenue from operations	16	628.84	-
Other income	17	0.71	0.42
Total income		629.55	0.42
Expenses			
Purchases of stock-in-trade	18	636.99	-
Employee benefit expenses	19	31.71	-
Depreciation expense	22	2.95	0.10
Other expenses	20	44.70	15.09
Finance costs	21	19.91	0.20
Total expenses		736.26	15.39
Loss before tax		(106.71)	(14.97)
Income tax expense	23(b)		
- Current tax		-	-
- Deferred tax		-	-
Total income tax expense		-	-
Loss for the year / period (A)		(106.71)	(14.97)
Other comprehensive income (B)			
Items that may be reclassified to profit or loss	11(e)	(3.19)	-
The effective portion of gains and loss on hedging instruments in a cash flow hedge			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15(b)	(1.35)	-
Other comprehensive income for the year / period, net of tax (B)		(4.54)	-
Total comprehensive income for the year / period (A+B)		(111.25)	(14.97)
Loss per equity share			
- Basic and diluted loss per share (Rs.)	32	(1.26)	(0.33)

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

For and on behalf of the Board

Ali Akbar
Partner
Membership No. 117839

Vipul Mathur
Director
DIN No. 07990476

Percy Birdy
Whole time director and
Chief Financial officer
DIN: 07634795

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

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

	Year ended March 31, 2022	For the period from July 31, 2020 to March 31, 2021
A) Cash flows used in operating activities		
Loss before tax	(106.71)	(14.97)
Adjustments for		
Depreciation expense	2.95	0.10
Fair valuation loss/ (gain) on investment	0.30	(0.42)
Interest income from fixed deposits	(0.49)	-
Net gain on sale of current investments	(0.22)	-
Net unrealised exchange	6.93	-
Operating loss before changes in operating assets and liabilities	(97.24)	(15.29)
Changes in operating assets and liabilities		
Movement in other non-financial assets	(0.53)	(0.04)
Movement in other non-current assets	(1,001.84)	(103.02)
Movement in current loans	(0.20)	-
Movement in other current financial assets	(25.09)	-
Movement in other current assets	(32.23)	-
Movement in trade payables	3.69	-
Movement in provisions	9.80	(1.54)
Movement in other current liabilities	12.90	5.58
Cash used in operations	(1,130.74)	(114.17)
Income taxes paid (tax deducted at source)	(1.81)	(0.44)
Net cash flows used in operating activities (A)	(1,132.55)	(114.61)
B) Cash flows used in investing activities		
Payments for property, plant and equipment (including Capital work-in-progress)	(5,892.58)	(1,464.09)
Sale of capital work in progress	27.23	-
Investment in fixed deposits	(0.31)	-
Interest received	0.49	-
Purchase of long term investments	-	(6.61)
Net cash flows used in investing activities (B)	(5,865.17)	(1,470.70)
C) Cash flows from financing activities		
Issue of equity share capital	-	0.11
Issue of 10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	1,380.00	740.00
Issue of 0% Compulsorily Convertible Debentures (CCDs)	-	850.00
Share issue expenses	(15.78)	-
Interest paid	(97.64)	-
Loan from related party	4,990.58	640.00
Repayment of loan to related party	(2,499.80)	(640.00)
Long term borrowings from bank	2,781.53	-
Short term borrowings from bank	503.40	-
Net cash flows from financing activities (C)	7,042.29	1,590.11
Net increase in cash and cash equivalents (A+B+C)	44.57	4.80
Cash and cash equivalents at the beginning of the year/ period	4.80	-
Cash and cash equivalents at the end of the year/ period (refer below)	49.37	4.80
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following (refer note 9(a)):		
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents:		
Balances with banks		
- in current accounts	49.37	4.80
Balances per statement of cash flows	49.37	4.80

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

For and on behalf of the Board

Ali Akbar
Partner
Membership No. 117839

Vipul Mathur
Director
DIN No. 07990476

Percy Birdy
Whole time director and
Chief Financial officer
DIN: 07634795

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

Welspun Metallics Limited
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(a)	0.11
Balance as at March 31, 2021		0.11
Changes in equity share capital during the year	11(a)	850.00
Balance as at March 31, 2022		850.11

B. Instrument 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(b)	740.00
Balance as at March 31, 2021		740.00
Changes in CORPS during the year	11(b)	1,380.00
Balance as at March 31, 2022		2,120.00

(b) 0% Compulsorily Convertible Debentures (CCDs)

Particulars	Notes	Amount
Balance as at July 31, 2020		-
Changes in CCDs during the period	11(c)	850.00
Balance as at March 31, 2021		850.00
Changes in CCDs during the year	11(c)	(850.00)
Balance as at March 31, 2022		-

C. Other equity

	Reserves and surplus		Other reserve	Total other equity
	Retained Earnings			
Balance as at July 31, 2020				
Loss for the period		(14.97)	-	(14.97)
Other comprehensive income		-	-	-
Total comprehensive income for the period		(14.97)	-	(14.97)
Balance as at March 31, 2021		(14.97)	-	(14.97)
Loss for the year		(106.71)	-	(106.71)
Other comprehensive income		-	-	-
Total comprehensive income for the year		(106.71)	-	(106.71)
Cash flow hedging reserve		-	(3.19)	(3.19)
Share issue expenses		(15.78)	-	(15.78)
Remeasurements of post employment benefit obligations		(1.35)	-	(1.35)
Balance as at March 31, 2022		(138.81)	(3.19)	(142.00)

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

For and on behalf of the Board

Ali Akbar
 Partner
 Membership No. 117839

Vipul Mathur
 Director
 DIN No. 07990476

Percy Birdy
 Whole time director and
 Chief Financial officer
 DIN: 07634795

Pradeep Joshi
 Company Secretary
 FCS-4959

Place: Mumbai
 Date: May 20, 2022

Place: Mumbai
 Date: May 20, 2022

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022

Background

Welspun Metallics (the "Company") is a Company limited by shares incorporated on July 31, 2020 and domiciled in India . 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 authorised for issue by the directors on May 20, 2022

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
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e 12 months) and other criteria set out in Schedule III (Division II) to the Act.

(iv) Use of going concern assumption

These financial statements have been prepared on a going concern basis as Welspun Corp Limited, the holding company is committed to provide financial support to the company.

(v) 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 April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(vi) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2021. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(vii) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Loan (non-current)	0.04	(0.04)	-
Other financial assets (non-current)	-	0.04	0.04

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(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 (refer note 27).

(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.

(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 (if any) are shown within borrowings in current liabilities in the balance sheet.

(f) Financial Instruments

(A) Financial assets

(i) Classification

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

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

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which 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. The company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

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

(iii) Measurement

At initial recognition, the Company measures a financial asset 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 finance 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 income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (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 or other expenses (as applicable) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

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

(v) Derecognition of Financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(vi) Income recognition

Interest income

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

(B) Financial liabilities

(i) Measurement

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

(ii) Derecognition

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

(iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised initially at, their fair value, and subsequently measured at amortised cost using effective interest rate method.

(C) Offsetting financial instruments

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

(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 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.

Assets	Estimated useful
Buildings	3 - 30 years
Vehicles	8 years
Office and other equipments	5 years
Computers	3 years
Furniture and fixtures	10 years

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

The useful lives in respect of building have been determined based on internal technical evaluation done by the project head which are different than those specified in Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the building. The residual values are not more than 5% of the original cost of the asset. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

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

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

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(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, contingent liabilities and contingent assets

i) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

ii) Contingent liabilities

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

iii) Contingent assets

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

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(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.

(l) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Company enters into forward and interest rate swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market to their fair value at the end of each reporting period.

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

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

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

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

(i) Cash flow hedges that qualify for hedge accounting

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

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

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the deferred forward contracts, if any are included within the initial cost of the asset.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expense (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit or loss at the time of the hedge relationship rebalancing.

(ii) Derivatives that are not designated as hedges

The Company enters into derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income or other expenses (as applicable).

(m) Sale of Products :

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

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

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022

Delivery occurs when the products have been shipped or delivered in accordance with the agreed delivery terms with the customer. The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting liquidated damages, included but not limited to, discounts, volume rebates etc.

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

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

Revenue from sale of products are net of returns, trade allowances, rebates, value added tax, goods and service tax (GST) and amounts collected on behalf of third parties.

(n) Earnings /(Loss) per share

(i) Basic earnings /(loss) per share

Basic earnings /(loss) per share is calculated by dividing:

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

(ii) Diluted earnings /(loss) per share

Diluted earnings /(loss) per share adjusts the figures used in the determination of basic earnings /(loss) 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.

(o) Instruments entirely equity in nature

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

(p) Employee benefits

a) Short-term obligations

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

b) Other long-term employee benefit obligations

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund and superannuation fund.

(l) Defined Benefit Plans

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(i) Gratuity obligations

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

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

(II) Defined contribution plans

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

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

(q) Rounding of amounts

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

Note 2: Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Useful life of property, plant and equipment (refer note 3):

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.

Recognition of deferred tax assets (refer note 23)

The recognition of deferred tax assets is based upon, whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future profits, reference is made to the approved business plan of the Company. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Significant items on which the Company has exercised accounting judgement include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement as described above.

Estimation of defined benefit obligation (refer note 15 (b))

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

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

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31 2022

(All amounts in Rupees million, unless otherwise stated)

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

	Buildings	Land	Vehicle	Office and other equipments	Computers	Furniture and fixtures	Total PPE	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
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	-
Closing accumulated depreciation 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
Opening gross carrying amount as at April 01, 2021	1.36	440.75	-	0.67	0.74	1.70	445.22	954.35
Additions	2.04	36.58	2.79	1.26	8.60	0.98	52.25	7,366.90
Disposals	-	-	-	-	-	-	-	(27.23)
Closing gross carrying amount as at March 31, 2022	3.40	477.33	2.79	1.93	9.34	2.68	497.47	8,294.02
Accumulated depreciation								
Opening accumulated depreciation as at April 01, 2021	0.02	-	-	0.02	0.03	0.02	0.09	-
Depreciation charge during the year	0.26	-	0.56	0.28	1.62	0.23	2.95	-
Closing accumulated depreciation as at March 31, 2022	0.28	-	0.56	0.30	1.65	0.25	3.04	-
Net carrying amount as at March 31, 2022	3.12	477.33	2.23	1.63	7.69	2.43	494.43	8,294.02

Notes:

(i) Capital work in progress comprises of assets under constructions at Anjar, Gujarat.

(ii) Contractual obligations: Refer note 30(a) 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, 2022
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(Contd.. Note 3)

(iii) Capital work-in-progress

(a) Ageing of Capital work-in-progress

For the year ended on March 31, 2022

Capital work-in-progress	Amount in CWIP for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	7,391.92	902.10	-	-	8,294.02
Projects temporarily suspended	-	-	-	-	-
Total	7,391.92	902.10	-	-	8,294.02

For the period ended on March 31, 2021

Capital work-in-progress	Amount in CWIP for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	954.35	-	-	-	954.35
Projects temporarily suspended	-	-	-	-	-
Total	954.35	-	-	-	954.35

(b) The completion schedule for the above capital work in progress is not overdue or has not exceeded its cost compared to its original plan.

Note 4: Non-current investments (refer note 28)

	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investments carried at fair value through profit and loss (fully paid up)		
Investments in equity instruments		
Welspun Captive Power Generation Limited 59,075 (March 31, 2021: 59,075) equity shares of Rs.10 each	6.73	7.03
Total non-current investments	6.73	7.03
Aggregate amount of unquoted investments	6.73	7.03

Note 5: Other financial assets

5(a) : Non-current

	As at March 31, 2022	As at March 31, 2021
Unsecured considered, good		
Security Deposits		
Others than related parties	0.57	0.04
Total non-current other financial assets	0.57	0.04

5(b) : Current

	As at March 31, 2022	As at March 31, 2021
Unsecured considered, good		
Other Receivable from related parties (Refer Note 28)	24.08	1.54
Security Deposits	2.55	-
Total current other financial assets	26.63	1.54
Total financial assets	27.20	1.58

Welspun Metallica Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***Note 6: Loans****Current****Unsecured considered, good**

Loans to employees

As at March 31, 2022	As at March 31, 2021
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0.20	-
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Total Current loans

0.20	-
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Note 7: Other non-current assets

Capital advances

Balance with statutory authorities

As at March 31, 2022	As at March 31, 2021
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462.77	349.07
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1,104.86	103.02
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Total other non-current assets

1,567.63	452.09
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Note 8: Other current assets

Prepaid expenses

Employees advances

As at March 31, 2022	As at March 31, 2021
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32.03	-
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0.20	-
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Total other current assets

32.23	-
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Note 9 (a): Cash and cash equivalents

Balances with banks

- in current accounts

As at March 31, 2022	As at March 31, 2021
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49.37	4.80
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Total cash and cash equivalents

49.37	4.80
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Note 9 (b): Bank balances other than cash and cash equivalents

Margin money deposits (refer note below)

As at March 31, 2022	As at March 31, 2021
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0.31	-
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Total bank balances other than cash and cash equivalents

0.31	-
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Fixed deposits of INR 0.31 (March 31, 2020: Nil) represent earmarked balances with banks.

Note 10: Current tax assets

Opening balance

Add: Tax deducted at source

As at March 31, 2022	As at March 31, 2021
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0.44	-
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1.81	0.44
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Total current tax assets

2.25	0.44
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Welspun Metallics Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2022
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Note 11: Equity share capital and other equity

11(a) Equity Share capital

(i) Authorised equity share capital

As at July 31, 2020

Increase during the period

As at March 31, 2021

Increase during the year

As at March 31, 2022

	Number of Shares	Par value	Amount
	-	-	-
	1,000,000	10.00	10.00
	1,000,000	10.00	10.00
	87,000,000	10.00	870.00
	88,000,000	10.00	880.00

(ii) Movement in equity shares capital

Issued, subscribed and paid up capital

As at July 31, 2020

Increase during the period

As at March 31, 2021

Increase during the year (refer note 11(c))

As at March 31, 2022

	Number of Shares	Par value	Amount
	-	-	-
	11,000	10.00	0.11
	11,000	10.00	0.11
	85,000,000	10.00	850.00
	85,011,000	10.00	850.11

(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

Welspun Corp Limited, including nominees

As at March 31, 2022		As at March 31, 2021	
No. of shares	% holding	No. of shares	% holding
85,011,000	100.00%	11,000	100.00%

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

Welspun Corp Limited (the 'Holding company'), including nominees

As at March 31, 2022		As at March 31, 2021	
No. of shares	% holding	No. of shares	% holding
85,011,000	100.00%	11,000	100.00%

(vi) Details of shareholding of promoters

Name of the promoter	Year ended March 31, 2022			Year ended March 31, 2021		
	Number of shares	% of total number of shares	Percentage of change during the year	Number of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited (including nominees)	85,011,000	100.00%	0.00%	11,000	100.00%	100.00%
Total	85,011,000	100.00%		11,000	100.00%	

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11(b) 10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) (refer note 28)

i) Authorised Preference share capital

	Number of Shares	Par value	Amount
As at July 31, 2020	-	-	-
Increase during the period	89,000,000	10.00	890.00
As at March 31, 2021	89,000,000	10.00	890.00
Increase during the year	123,000,000	10.00	1,230.00
As at March 31, 2022	212,000,000	10.00	2,120.00

ii) Movement in Preference shares capital

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at July 31, 2020	-	-	-
Increase during the period	74,000,000	10.00	740.00
As at March 31, 2021	74,000,000	10.00	740.00
Increase during the year	138,000,000	10.00	1,380.00
As at March 31, 2022	212,000,000	10.00	2,120.00

(iii) Terms and rights attached to shares Preference shares

10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) have par value Rs. 10 each. 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, 2036 and CORPS shall be redeemed at par.

(iv) Shares of the Company held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Welspun Corp Limited	212,000,000	100.00%	74,000,000	100.00%

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

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Welspun Corp Limited	212,000,000	100.00%	74,000,000	100.00%

(vi) Details of shareholding of promoters

Name of the promoter	Year ended March 31, 2022			Year ended March 31, 2021		
	Number of shares	% of total number of shares	Percentage of change during the year	Number of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited	212,000,000	100.00%	0.00%	74,000,000	100.00%	100.00%
Total	212,000,000	100.00%		74,000,000	100.00%	

(vii) 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
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	10,000,000	10	100	07-Apr-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	1,000,000	10	10	07-Apr-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	30,000,000	10	300	06-May-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	150	10-May-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	150	25-May-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	150	25-May-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	4,000,000	10	40	14-Jun-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	13,000,000	10	130	14-Jun-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	150	23-Jun-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	15,000,000	10	150	30-Jun-21
10% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS)	5,000,000	10	50	14-Jul-21
Total	212,000,000		2,120	

Welspun Metallics Limited
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11(c) 0% Compulsorily Convertible Debentures (CCDs) (refer note 28)

i) Movement in 0% Compulsorily Convertible Debentures

	Number of Debentures	Par value	Amount
Issued, subscribed and paid up capital			
As at July 31, 2020	-	-	-
Increase during the period	85,000,000	10.00	850.00
As at March 31, 2021	85,000,000	10.00	850.00
Decrease during the year	(85,000,000)	10.00	(850.00)
As at March 31, 2022	-	-	-

(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
I Issue of 500,000 CCDs	any time after six months from date of allotment and upto the Tenor
II Issue of 84,500,000 CCDs	any time after two months from date of allotment and upto the Tenor

(iii) The CCDs have been fully converted to equity shares during the year April 01, 2021 to March 31, 2022.

(iv) CCD's of the Company held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of CCD's	% holding	No. of CCD's	% holding
Welspun Corp Limited, including nominees	-	-	85,000,000	100.00%

(v) Details of holders holding more than 5% CCD's in the Company

	As at March 31, 2022		As at March 31, 2021	
	No. of CCD's	% holding	No. of CCD's	% holding
Welspun Corp Limited (the 'holding company'), including nominees	-	-	85,000,000	100.00%

(vi) Details of Promoter holding

Name of the promoter	Year ended March 31, 2022			Year ended March 31, 2021		
	Number of CCDs	% of total number of CCDs	Percentage of change during the year	Number of CCDs	% of total number of CCDs	Percentage of change during the year
Welspun Corp Limited	-	-	100.00%	85,000,000	100.00%	100.00%
Total	-	-		85,000,000	100.00%	

(vii) 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
Total	85,000,000		850	

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Notes annexed to and forming part of the balance sheet as at March 31, 2022
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Note 12(b): Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	14.57	-
Interest accrued but not due on borrowings to related parties (refer note 28)	50.16	3.24
Capital creditors		
total outstanding dues of micro enterprises and small enterprises (refer note 34)	15.49	3.08
total outstanding dues of creditors other than micro enterprises and small enterprises		
Related parties (refer note 28)	113.96	15.93
Others	1,632.03	261.55
Derivatives designated as hedges		
Forward contracts	3.19	-
Derivatives not designated as hedges		
Forward contracts	6.93	-
Total other current financial liabilities	1,836.33	283.80

Note 13: Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Trade Advances	0.15	-
Statutory dues payable	17.68	5.58
Employee dues payable	0.65	-
Total other current liabilities	18.48	5.58

Note 14: Borrowings

14 (a) Non- Current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan from a bank (refer notes (i) and (ii (a)) below)	2,781.53	-
Total non - Current borrowings	2,781.53	-

14 (b) Current borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Buyers' credit (refer notes (i) and (ii (b)) below)	37.90	-
Short term loan from bank (refer notes (i) and (ii (b)) below)	465.50	-
Unsecured		
Short term loan from related party (refer notes ii (c) and 28)	2,490.78	-
Total Current borrowings	2,994.18	-

(i) Nature of security for borrowings

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

(ii) Terms of repayment and interest

a) The capital loan from UBI led consortium of Banks are payable in 10 years commencing from December 2023 in quarterly installments. The rate of interest of the consortium lenders are linked to respective bank's MCLR plus spread, such that, applicable rate of interest is linked to 8.30% p.a.

(b) Carries an interest in range of 4% to 6% pa. and repayable at maturity of 12 months.

(c) Carries an interest of 7 % and repayable at maturity of 12 months

(iii) The Company has used funds raised on short-term basis to the extent of INR 2,944.70 for long-term purposes.

Net debt reconciliation

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	49.37	4.80
Interest accrued but not due on borrowings	(64.73)	(3.24)
Borrowings	(5,775.71)	-
	(5,791.07)	1.56

	Financial Assets	Financial Liabilities	Total
	Cash and cash equivalents [A]	Borrowings [B]	
Net debts as at April 01, 2021	4.80	-	4.80
Interest accrued as at April 01, 2021		(3.24)	(3.24)
Cash flow (net)	44.57	(5,775.71)	(5,731.14)
Interest expenses charged in CWIP	-	(159.13)	(159.13)
Interest paid		97.64	97.64
Net debts as at March 31, 2022	49.37	(5,775.71)	(5,726.34)
Interest accrued as at March 31, 2022		(64.73)	(64.73)

Welspun Metallics Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2022
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Note 15: Provisions

15(a) Non-current

Gratuity (Refer notes (ii) to (vi) below)

Total non-current provisions

15(b) Current

Leave obligations (Refer note (i) below)

Gratuity (Refer notes (ii) to (vi) below)

Total current provisions

Total provisions

	As at March 31, 2022	As at March 31, 2021
Gratuity (Refer notes (ii) to (vi) below)	6.84	-
Total non-current provisions	6.84	-
	As at March 31, 2022	As at March 31, 2021
Leave obligations (Refer note (i) below)	3.99	-
Gratuity (Refer notes (ii) to (vi) below)	0.32	-
Total current provisions	4.31	-
Total provisions	11.15	-

Notes:

(i) Leave obligations

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

(ii) Post-employment obligations - Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a unfunded plan.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - Gratuity

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

Present value of obligation

Opening balance

Current service cost

Interest expense

Total amount recognised in statement of profit or loss

Liabilities transferred in from other group companies

Total

Remeasurements

Total Actuarial (Gain)/Loss on Obligation

Experience losses

Loss from change in financial assumptions

Loss from change in demographic assumption

Total amount recognised in other comprehensive income

Benefit Payment

Closing balance

Non-current

Current

The net liability disclosed above relating to unfunded plan is as follows:

	March 31, 2022	March 31, 2021
Unfunded plans	7.16	-

	March 31, 2022	March 31, 2021
Opening balance	-	-
Current service cost	0.25	-
Interest expense	0.35	-
Total amount recognised in statement of profit or loss	0.60	-
Liabilities transferred in from other group companies	5.21	-
Total	5.21	-
Remeasurements		
Total Actuarial (Gain)/Loss on Obligation		
Experience losses	1.35	-
Loss from change in financial assumptions	-	-
Loss from change in demographic assumption	-	-
Total amount recognised in other comprehensive income	1.35	-
Benefit Payment	-	-
Closing balance	7.16	-
Non-current	6.84	-
Current	0.32	-

Welspun Metallics Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2022
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(All amounts in Rupees million, unless otherwise stated)

(iv) Significant actuarial assumptions are as follows:

	March 31, 2022	March 31, 2021
Discount rate	7.25%	-
Salary growth rate	6.00%	-

(v) Sensitivity analysis

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

Assumptions	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption				Decrease in assumption	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount rate	0.50%	-	Decrease by	0.05	-	Increase by	0.05	-
Salary growth rate	0.50%	-	Increase by	0.05	-	Decrease by	0.05	-

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Total
March 31, 2022				
Defined benefit obligations- Gratuity	0.32	1.01	3.27	4.60
March 31, 2021				
Defined benefit obligations- Gratuity	-	-	-	-

Note: There were no employees during the period from July 31, 2020 to March 31, 2021.

Note 16: Revenue from operations

	For the year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Revenue from contract with customers		
Sale of products		
Traded goods	628.84	-
Total revenue from contract with customers	628.84	-

The Company has sold one of the raw material and derived the revenue as per point in time aggregated to INR 628.84 for the year ended March 31, 2022 (March 31, 2021: INR Nil)

Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Contract price		
Adjustments for:		
Liquidated damages	628.84	-
Revenue from operations	628.84	-

Note 17: Other income

	For the year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Interest income from fixed deposits	0.49	-
Fair valuation gain on investment	-	0.42
Net gain on sale of current investments	0.22	-
Total other income	0.71	0.42

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022

(All amounts in Rupees million, unless otherwise stated)

Note 18: Purchases of stock-in-trade

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Purchases of coke (stock-in-trade)	636.99	-
Total purchases of stock-in-trade	636.99	-

Note 19: Employee benefit expenses

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Salaries, wages and bonus	20.00	-
Contribution to provident and other funds (Refer note below)	3.91	-
Gratuity (refer note 15(b))	0.60	-
Staff welfare expenses	7.20	-
Total employee benefit expenses	31.71	-

Note:**Defined contribution plans**

- i. Employers' Contribution to Provident Fund and Employee's Pension Scheme, 1995
- ii. National pension scheme

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

Employer's Contribution to Provident Fund	3.57	-
Employer's Contribution to National Pension Scheme	0.34	-
Total expenses recognised in the statement of profit and loss	3.91	-

Note 20: Other expenses

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Rates and taxes	0.63	7.85
Travel and conveyance	0.19	0.99
Legal and professional fees	10.89	0.68
Security charges	4.87	1.04
Payment to auditors (refer note below)	1.58	1.00
Fair valuation loss on Investment	0.30	-
Miscellaneous expenses	26.24	3.53
Total other expenses	44.70	15.09

Note:**Details of payment to auditors excluding taxes, as applicable**

As auditor:		
Audit fee	1.00	1.00
Tax audit fee	0.20	-
Certification fees	0.38	-
Total	1.58	1.00

Note 21: Finance costs

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Finance charges	19.91	0.20
Total finance costs	19.91	0.20

Note 22: Depreciation expenses

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	2.95	0.09
Total depreciation expense	2.95	0.09

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 23: Income tax and deferred tax

23(a) Deferred tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities :		
Fair value gain	(0.02)	(0.07)
Total Deferred tax liabilities	(0.02)	(0.07)
Deferred Tax Assets :		
Business loss and unabsorbed depreciation	1.40	-
Property, plant and equipment	17.82	2.64
Cash flow hedges	0.55	-
Employee benefit Obligation	1.91	-
Total Deferred tax assets	21.68	2.64
Net Deferred tax Assets	21.66	2.57
Deferred tax Assets (net) recognised	-	-

*Deferred tax assets has been recognised only to the extent of deferred tax liabilities owing to Company being in capitalisation phase.

23(b) Income tax expense

	Year ended March 31, 2022	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

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
Loss before tax	(106.71)	(14.97)
Tax rate	17.16%	17.16%
Tax at normal rate	(18.31)	(2.57)
Unrecognised Deferred Tax Assets (net)	18.31	2.57
Total tax expense as per statement of Profit & loss	-	-

23(c): Deferred tax assets (net)

Movement in deferred tax asset and deferred tax liabilities:

	Deferred tax asset					Deferred tax liabilities		Net Deferred tax assets	Net Deferred tax assets recognised
	Business loss and unabsorbed depreciation	Cash flow hedges	Employee benefit Obligation	Property, plant and equipment	Total deferred tax asset	Fair Value	Total deferred tax liabilities		
As at July 31, 2020	-	-	-	-	-	-	-	-	-
Charged/(Credited) to profit and loss	-	-	-	(2.64)	(2.64)	0.07	0.07	(2.57)	-
As at March 31, 2021	-	-	-	2.64	2.64	(0.07)	(0.07)	2.57	-
Charged/(Credited) to profit and loss	(1.40)	(0.55)	(1.91)	(15.18)	(19.04)	(0.05)	(0.05)	(19.09)	-
As at March 31, 2022	1.40	0.55	1.91	17.82	21.68	(0.02)	(0.02)	21.66	-

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(All amounts in Rupees million, unless otherwise stated)

Note 24: Fair value measurements**Financial instruments by category**

	As at March 31, 2022		As at March 31, 2021	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Investments				
- Equity instruments	6.73	-	7.03	-
Cash and cash equivalents	-	49.37	-	4.80
Bank balances other than cash and cash equivalents	-	0.31	-	-
Other financial assets				
Security deposits	-	3.12	-	0.04
Other financial assets	-	24.08	-	1.54
Loans				
Loans to employees	-	0.20	-	-
Total financial assets	6.73	77.08	7.03	6.38
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term borrowings)	-	5,840.44	-	3.24
Trade payables	-	4.59	-	0.90
Capital creditors	-	1,761.48	-	280.56
Derivatives not designated as hedges				
Forward Contract	6.93	-	-	-
Total financial liabilities	6.93	7,606.51	-	284.70

Note: Derivatives designated as hedges are fair valued through other comprehensive income and hence and not included as part of above table

(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, 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	6.73	6.73
Total financial assets	-	-	6.73	6.73
Financial liabilities				
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	6.93	-	6.93
Total financial liabilities	-	6.93	-	6.93

Welspun Metallics Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

Note 24: Fair value measurement (Contd...)

Financial assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial Assets				
Security deposits	-	-	0.57	0.57
Total financial assets	-	-	0.57	0.57
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term borrowings)	-	-	5,840.44	5,840.44
Total financial liabilities	-	-	5,840.44	5,840.44

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments	-	-	7.03	7.03
Total financial assets	-	-	7.03	7.03

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

	Level 1	Level 2	Level 3	Total
Financial Assets				
Security Deposits	-	-	0.04	0.04
Total financial assets	-	-	0.04	0.04
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term borrowings)	-	-	3.24	3.24
Total financial liabilities	-	-	3.24	3.24

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. The Company has derivatives which are not designated as hedges for which all significant inputs required to fair value an instrument falls under level 2.

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

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Note 24: 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.
- the fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.

(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, 2022 and March 31, 2021

	Unlisted equity securities	Total
As at July 31, 2020	-	-
Purchase of Investment	6.61	6.61
Gain recognised in profit or loss	0.42	0.42
As at March 31, 2021	7.03	7.03
Loss recognised in profit or loss	(0.30)	(0.30)
As at March 31, 2022	6.73	6.73
Unrealised (loss)/gain recognised in profit or loss related to assets held at the end of the reporting		
March 31, 2022	(0.30)	(0.30)
March 31, 2021	0.42	0.42

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at March 31, 2022	Significant unobservable inputs	Probability weighted average as at March 31, 2022	Sensitivity
Unquoted equity shares	6.73	Risk adjusted discount rate	14.00%	The estimated fair value would increase/(decrease) if - Discount rate were lower/(higher)
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)

Welspun Metallics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

*(All amounts in Rupees million, unless otherwise stated)***Note 24: Fair value measurement (Contd...)****(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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Other financial assets				
Security deposits	0.57	0.57	0.04	0.04
Total	0.57	0.57	0.04	0.04
Financial liabilities				
Borrowings (includes interest accrued and current maturities of long-term borrowings)	5,840.44	5,840.44	3.24	3.24
Total	5,840.44	5,840.44	3.24	3.24

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

b) The fair values and carrying value of security deposits and borrowings are materially the same.

(vii) Classification of interest income by instrument category

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income at amortised cost		
Interest income from fixed deposits	0.49	-
Total	0.49	-

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***Note 25 : Financial risk management**

The Company's principal financial liability represents capital creditors and borrowings. The main purpose of these financial liabilities is to pay for the plant setup in Anjar, Gujarat, India. The Company's principal financial assets consists of investments and cash and cash equivalents.

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.

(I) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. It is managed by unit head.

(a) Trade receivable

The Company has no trade receivables as at March 31, 2022 and March 31, 2021, hence there is no credit risk as at March 31, 2022 and March 31, 2021.

(b) Other financial assets

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

(II) Liquidity risk

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

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

The holding company is committed to provide financial support to the company. There is an approved funding plan which is sufficient to pay off capital creditors and other liabilities.

(a) Financing arrangements

The Company has the below mentioned undrawn borrowing facilities at the end of reporting period

	As at March 31, 2022	As at March 31, 2021
Floating rate		
Expiring after one year	1,858.12	2,232.00
Total	1,858.12	2,232.00

(b) 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 and derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

As at March 31, 2022

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (including Interest)	2,807.33	1,368.90	1,004.84	1,542.68	6,723.75	5,840.44
Other financial liabilities- Capital Creditors	1,776.21	-	-	-	1,776.21	1,761.48
Trade Payables	4.59	-	-	-	4.59	4.59
Total non-derivative liabilities	4,588.13	1,368.90	1,004.84	1,542.68	8,504.55	7,606.51
Derivatives						
Forward contracts	10.12	-	-	-	10.12	10.12
Total derivative liabilities	10.12	-	-	-	10.12	10.12

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Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022

(All amounts in Rupees million, unless otherwise stated)

As at March 31, 2021

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Interest accrued but not due on borrowings	3.24	-	-	-	3.24	3.24
Other financial liabilities- Capital Creditors	280.56	-	-	-	280.56	280.56
Trade Payables	0.90	-	-	-	0.90	0.90
Total non-derivative liabilities	284.70	-	-	-	284.70	284.70

(III) 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.

(1) 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.

a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in Rupees Million is as follows:

	As at March 31, 2022			As at March 31, 2021		
	USD	EUR	Others	USD	EUR	Others
Financial liabilities						
Non-current borrowings	-	-	-	-	-	-
Other financial liabilities- Capital creditors	1,070.04	2.27	-	-	-	-
Buyer's Credit	-	37.90	-	-	-	-
Derivatives not designated as hedges						
Forward contracts	(1,070.34)	(39.87)	-	-	-	-
Net exposure to foreign currency risk (liabilities)	(0.30)	0.30	-	-	-	-
Total Net exposure to foreign currency risk	0.30	(0.30)	-	-	-	-

b) As at the Balance Sheet date, following foreign currency exposures (including non financial assets and liabilities) are not hedged by a derivative instrument or otherwise:

	Amount in Rupees	Equivalent amount in USD (in millions)	Amount in Rupees	Equivalent amount in USD (in millions)
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
Liabilities				
Non-current borrowings	-	-	-	-
Other financial liabilities- Capital Creditors	1,072.31	14.15	-	-
Buyers Credit	37.90	0.50	-	-
	1,110.21	14.65	-	-
Less: Forward Contract (USD-INR)	(1,070.34)	(14.12)	-	-
Less: Forward Contract (EUR-INR)	(39.87)	(0.53)	-	-
Net unhedge foreign currency exposure	-	-	-	-

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022 and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***c) Sensitivity**

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

	Impact on profit before tax
	As at March 31, 2022
USD sensitivity	
INR/USD - Increase by 1%	(0.003)
INR/USD - Decrease by 1%	0.003
EUR sensitivity	
INR/EUR - Increase by 1%	(0.003)
INR/EUR - Decrease by 1%	0.003

* Holding all other variables constant for which foreign fluctuation may occur.

(2) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates arising principally on changes in 6 month MCLR rates, which expose the company to cash flow interest rate risk. The Company's borrowings were at fixed rate and floating rate in March 31, 2022.

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

(a) Interest rate risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings	2,490.78	-
Floating rate borrowings	3,284.93	-
	5,775.71	-

(b) Sensitivity

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

	Impact on profit before tax	
	As at March 31, 2022	As at March 31, 2021
Interest rate increase by 100 basis points*	(32.85)	-
Interest rate decrease by 100 basis points*	32.85	-

* Holding all other variables constant

3) Investment Price Risk**a) Exposure**

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

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

b) Sensitivity

The table below summarises the impact of increases/decreases of 1% increase in price of securities.

	Impact on profit before tax	
	As at March 31, 2022	As at March 31, 2021
Increase in rate 1% (March 31, 2021 - 1%)	(0.07)	(0.07)
Decrease in rate 1% (March 31, 2021 - 1%)	0.07	0.07

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022****and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***25. Financial risk management (Contd...)****(IV) Impact of hedging activities**

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

a) Disclosure of effects of hedge accounting on financial position:**As at March 31, 2022**

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge Foreign exchange risk Forward contract	-	494.33	-	3.19	Nov 22 - Mar 23	1:1

As at March 31, 2022

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

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

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

- (i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- (ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2022 and March 31, 2021.

b) Movements in cash flow hedging reserve

Risk category	Foreign currency risk	Total
Derivative instruments	Forward contracts	
Cash flow hedging reserve		
Loss recognised in cash flow hedging reserve during the year (net)	(2.56)	(2.56)
Add: Loss transferred to the statement of profit and loss	(0.63)	(0.63)
As at March 31, 2022	(3.19)	(3.19)

Welspun Metallics Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 26 : 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 monitors capital on the basis of the following gearing ratio:

	As at March 31, 2022
Net debt (total borrowings (including current maturities) net of cash and cash equivalents and other bank balances)	5,726.03
Total equity	2,828.11
Net debt equity ratio	2.02

Note: There were no borrowings as on March 31, 2021, hence the above ratio was not calculated for March 31, 2021

(i) Loan covenants

The Company has borrowings as at the end of the reporting period, however, as per the terms of bank sanction letter debt covenants are not applicable for current financial year.

(b) Dividends

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

Note 27: Segment information

(i) Description of segments and principal activities

The Company's chief operating decision makers are its Board of Directors Company who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing of liquid metal to be used for production of ductile iron pipes and also manufacturing and selling of 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:

For the year / period ended	Number of customer	Amount	% to revenue from operations
March 31, 2022	1	628.84	100%
March 31, 2021	-	-	-

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

Revenue from external customers	Year ended March 31, 2022	Year ended March 31, 2021
India	628.84	-
Total	628.84	-

(v) The total of non-current assets broken down by location of the assets, is shown below:

	For year ended March 31, 2022	Year ended March 31, 2021
Outside India	84.94	-
Within India	10,278.44	1,858.64
Total	10,363.38	1,858.64

Welspun Metallica Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

Note 28: Related party transactions

(a) Entities having significant influence

Name	Type	Ownership interest	Ownership interest
		March 31, 2022	March 31, 2021
Welspun Group Master Trust (entity has significant influence on Welspun Corp Limited, holding company)	Significant influence	44.86%	44.87%

(b) Holding Companies

Name	Type	Ownership interest	Ownership interest
		March 31, 2022	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%	100%

(c) Key management personnel

Name	Nature of relationship
Mr. Vipul Mathur	Whole time director & Chief Financial Officer (w.e.f. April 07, 2021) Non Executive, Additional Director (w.e.f. March 23, 2021)
Mr. Percy Birdy	Non Executive, Additional Director (w.e.f. March 23, 2021 till May 20, 2022), Whole time director and Chief Financial Officer (w.e.f. May 20, 2022)
Mr. Mohan Kasiviswanathan Manikkan	Non Executive, Director (till March 23, 2021)
Mr. Devendra Patil	Non Executive, Director (till March 23, 2021)
Mr. Harish Chandra Gupta	Non Executive, Director (w.e.f. July 31, 2020)
Mr. Arpit Bhandari	Company Secretary (w.e.f. March 23, 2021 till May 20, 2022)
Mr. Pradeep Joshi	Company Secretary (w.e.f. May 20, 2022)

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

Welspun Captive Power Generation Limited
Welspun India Limited
Welspun Corp Limited
Welspun Steel Limited (Steel Division merged with Welspun Corp Limited)
Welspun Anjar SEZ Limited
Welspun Tradings Limited
Welspun Speciality Solutions Limited
Welassure Private Limited
Welspun DI Pipes Limited
Anjar TMT Steel Private Limited
Welspun Reality Private Limited
Welspun Global Brands Limited
Rank Marketing LLP

(e) Transactions with related parties

The following transactions occurred with related parties:

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
1) Sale of materials clubbed under CWIP		
Welspun Corp Limited	26.38	-
Welspun DI Pipes Limited	0.59	-
Anjar TMT Steel Private Limited	0.26	-
Total sale of materials clubbed under CWIP	27.23	-

Welspun Metallics Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

(..Contd Note 28)

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
2) Additions to capital work in progress		
Welspun Corp Limited	267.02	131.67
Welspun Steel Limited (Steel Division merged with Welspun Corp Limited)	-	1.96
Welspun India Limited	15.39	7.75
Welspun Speciality Solutions Limited	-	0.26
Welspun Captive Power Generation Limited	15.91	0.81
Welassure Private Limited	9.79	1.28
Welspun DI Pipes Limited	10.83	-
Welspun Reality Private Limited	0.72	-
Welspun Global Brands Limited	0.05	-
Total additions to capital work in progress	319.71	143.73
3) Purchase of Land		
Welspun Corp Limited	-	20.77
Welspun India Limited	-	19.27
Welspun Anjar SEZ Limited	29.97	179.19
Total purchase of land	29.97	219.23
4) Reimbursement of expenses		
Welspun India Limited	9.01	-
Welspun Corp Limited	61.12	-
Total reimbursement of expenses	70.13	-
5) Additions to borrowings		
Welspun Corp Limited	3,465.58	640.00
Welspun DI Pipes Limited	1,525.00	-
Total additions to borrowings	4,990.58	640.00
6) Repayment of borrowing		
Welspun Corp Limited	974.80	640.00
Welspun DI Pipes Limited	1,525.00	-
Total repayment of borrowing	2,499.80	640.00
7) Finance cost		
Welspun Tradings limited	-	0.23
Total finance cost	-	0.23
8) Conversion of CCD to equity share capital		
Welspun Corp Limited	850.00	-
Total conversion of CCD to equity share capital	850.00	-
9) Issue of 10% Convertible Non-Cumulative Optionally Redeemable Preference Share		
Welspun Corp Limited	1,380.00	740.00
Total issuance of preference share	1,380.00	740.00
10) Issue of 0% compulsorily convertible debentures (CCDs)		
Rank Marketing LLP (Transferred to Welspun Corp Limited on January 22, 2021)	-	850.00
Total issuance of compulsorily convertible debentures	-	850.00

Welspun Metalics Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

(..Contd Note 28)

	Year ended March 31, 2022	For the Period from July 31, 2020 to March 31, 2021
11) Issue of equity share		
Welspun Steel Limited (Steel Business merged with Welspun Corp Limited w.e.f February, 2021)	-	0.11
Total issuance of equity share	-	0.11
12) Investment in equity shares		
Welspun Captive Power Generation Limited	-	6.61
Total investment in equity shares	-	6.61

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.

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

	As at March 31, 2022	As at March 31, 2021
1) Capital creditors		
Welspun Corp Limited	99.56	9.64
Welspun India Limited	11.32	4.27
Welspun Captive Power Generation Limited	2.05	0.81
Welassure Private Limited	1.03	1.21
Total capital creditors	113.96	15.93
2) Other Receivables		
Welspun Corp Limited	24.08	1.38
Welspun Tradings Limited	-	0.16
Total other receivables	24.08	1.54
3) Investments in equity instruments		
Welspun Captive Power Generation Limited	6.73	7.03
Total investments in equity instruments	6.73	7.03
4) Equity share capital		
Welspun Corp Limited	850.11	0.11
Total equity share capital	850.11	0.11
5) 10% Convertible Non-Cumulative Optionally Redeemable Preference Share		
Welspun Corp Limited	2,120.00	740.00
Total preference share capital	2,120.00	740.00
6) 0% Compulsorily Convertible Debentures		
Welspun Corp Limited	-	850.00
Total compulsory convertible debentures	-	850.00
7) Interest accrued but not due on borrowings		
Welspun Corp Limited	50.16	3.24
Total interest accrued but not due on borrowings	50.16	3.24
8) Borrowings		
Welspun Corp Limited	2,490.78	-
Total borrowings	2,490.78	-
9) Trade payables		
Welspun Corp Limited	2.56	-
Total trade payables	2.56	-

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***(g) 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.

Note 29: Contingent liability

There are no contingent liabilities as at March 31, 2022 and March 31, 2021.

Note 30: 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, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances): Property, plant and equipment (Net of advances March 31, 2022: INR 462.77 (March 31, 2021 : INR 349.07))	2,671.63	2,154.40

(b) Other commitments

	As at March 31, 2022	As at March 31, 2021
Outstanding letters of credit	734.63	624.47

Note 31: Note on Covid-19

Management has made an assessment of the impact of COVID 19 in preparation for these financial statements. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of its assets, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial statements have been identified, However, the impact assessment of COVID 19 will be a continuing process given the uncertainties associated with its nature and duration and no significant impact is envisaged on the operations.

Note 32: Earning/ (Loss) per equity share

	March 31, 2022	March 31, 2021
Loss attributable to the equity holders of the Company	(106.71)	(14.97)
Weighted average number of equity shares (Nos.)	85,011,000	45,597,066
Basic and diluted loss per share (Rs.)	(1.26)	(0.33)
Nominal value of an equity share (Rs.)	10.00	10.00

Note: Since there is a loss for the period from July 31, 2020 to March 31, 2021 and for the year ended March 31, 2022, potential equity shares are not considered as dilutive and hence diluted EPS is same as Basic EPS.

Note 33: Note on code on Social Security, 2020

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

Welspun Metallics Limited**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022***(All amounts in Rupees million, unless otherwise stated)***Note 34: 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, 2022	As at March 31, 2021
Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at period end	14.07	2.91
Interest accrued and due to suppliers registered under the MSMED Act and remaining unpaid as at period end	0.23	0.17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	14.30	3.08
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	376.93	3.08
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act	0.62	0.03
Interest accrued and remaining unpaid at the end of each accounting year	0.80	0.14
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	1.42	0.18
Trade Payables	-	-
Capital Creditors	15.49	3.08

Note 35: Going Concern

The Company was incorporated on July 31, 2020. The Holding Company has approved a funding plan for investment in the Company. The Company is under capitalisation phase. The management has made an assessment on the basis of the financial ratios ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and has not noted any material uncertainty that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Basis this, the Company has prepared its financial statements on a going concern basis.

Welspun Metalics Limited

Notes annexed to and forming part of the balance sheet as at March 31, 2022

and the statement of profit and loss for the year ended March 31, 2022

(All amounts in Rupees million, unless otherwise stated)

Note 36 : Key Financial Ratio with explanations

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance in %	Reasons
Current ratio (times)	Current assets	Current liabilities	0.02	0.02	-	Not applicable
Debt-equity ratio (times)	Total debt	Total equity	2.04	N.A.	N.A.	Not applicable
Debt service coverage ratio (times)	Earnings available for debt service	Debt service	-0.58	-3.83	-84.86%	Decrease in the ratio is mainly on account of higher interest (including interest capitalised) in the current year
Return on equity (%)	Loss for the period	Average shareholders equity	-4.85%	-1.90%	154.99%	Increase is mainly on account of Increase in the loss in the current year.
Inventory turnover ratio (times)	Cost of goods sold	Average inventory	N.A.	N.A.	N.A.	Not applicable (refer note 7)
Trade receivables turnover ratio (times)	Revenue from operations	Trade receivable	N.A.	N.A.	N.A.	Not applicable (refer note 7)
Trade payable turnover ratio (times)	Purchases	Trade payable	N.A.	N.A.	N.A.	Not applicable (refer note 7)
Net capital turnover ratio (times)	Revenue from operations	Working capital	(0.13)	N.A.	N.A.	Not applicable
Net Profit ratio (%)	Loss for the period	Revenue from operations	-17%	N.A.	N.A.	Not applicable
Return on capital employed (%)	Earnings before interest and tax	Capital employed	-1.24%	-0.95%	30.50%	Increase is mainly on account of Increase in the loss in the current year.
Return on investment (%)	Earnings before interest and tax	Total assets	-1.02%	-0.80%	26.95%	Increase is mainly on account of Increase in the loss in the current year.

Notes:

- 1 Total Debt = Non-current borrowings and Current borrowings
- 2 Earning for debt service = Loss for the year + Non-cash operating expenses like depreciation and other amortisations + Interest
- 3 Debt service = Interest and principal repayments including lease payments.
- 4 Cost of Goods Sold = Cost of material consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress
- 5 Working capital = Current assets minus Current liabilities.
- 6 Capital employed = tangible net worth + total debt + deferred tax liability.
- 7 Since, the Company under capitalisation phase and does not have any inventory, trade receivables, trade payables relating to operating activities, the following ratios are not applicable for the year:
 - Inventory turnover ratio
 - Trade receivable turnover ratio
 - Trade payable turnover ratio

Welspun Metallics Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

Note 37: Additional regulatory information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

The Company does not have borrowing secured against current assets.

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

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

(v) Compliance with number of layers of companies

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

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

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

(vii) Utilisation of borrowed funds

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

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Welspun Metallics Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2022
and the statement of profit and loss for the year ended March 31, 2022**

(All amounts in Rupees million, unless otherwise stated)

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

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

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

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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

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

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

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

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

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken except for INR 0.64 million which is pending for utilisation and are included under cash and cash equivalents as at March 31, 2022.

Note 38: Core Investment Companies (CIC)

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

Note 39 : The figures for the previous period have been regrouped wherever necessary.

As per our attached report of even date

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

For and on behalf of the Board

Ali Akbar
Partner
Membership No. 117839

Vipul Mathur
Director
DIN No. 07990476

Percy Birdy
Whole time director and Chief
Financial Officer
DIN: 07634795

Place: Mumbai
Date: May 20, 2022

Pradeep Joshi
Company Secretary
FCS-4959

Place: Mumbai
Date: May 20, 2022