

Price Waterhouse Chartered Accountants LLP

Independent auditors' report

To the Members of Anjar TMT Steel Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Anjar TMT Steel Private Limited (the "Company"), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the period from April 23, 2021 (date of incorporation) to March 31, 2022, 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 period from April 23, 2021 to March 31, 2022.

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.

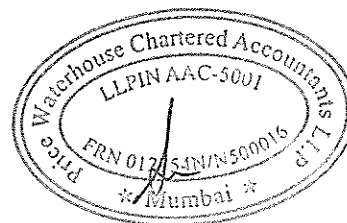
Other information

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)

Price Waterhouse Chartered Accountants LLP

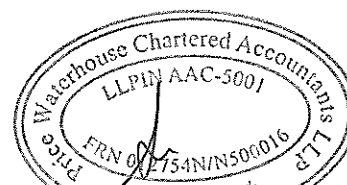
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Responsibilities of management and those charged with governance for the financial statements

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

Auditors' responsibilities for the audit of the financial statements

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



Price Waterhouse Chartered Accountants LLP

Independent auditors' report

To the Members of Anjar TMT Steel Private Limited

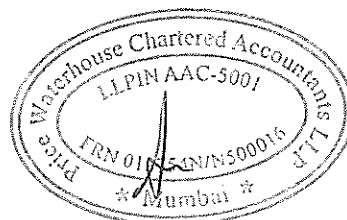
Report on the audit of the financial statements

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- 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 subsequent to 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:
 - 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 period from April 23, 2021 to March 31, 2022.



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- 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 35(d)(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 35(d)(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 period April 23, 2021 to March 31, 2022.
12. The Company has not paid/ provided for managerial remuneration during the period April 23, 2021 to March 31, 2022. 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: 22117839AJHZPZ4399

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 Anjar TMT Steel Private Limited on the financial statements for the period from April 23, 2021 to 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 Anjar TMT Steel Private Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the period from April 23, 2021 to March 31, 2022.

Management's responsibility for internal financial controls

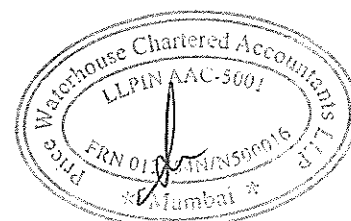
2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal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

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 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.



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 Anjar TMT Steel Private Limited on the financial statements for the period from April 23, 2021 to March 31, 2022
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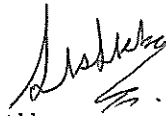
Inherent limitations of internal financial controls with reference to financial statements

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



Ali Akbar
Partner

Membership Number: 117839
UDIN: 22117839AJHZPZ4399

Place: Mumbai
Date: May 20, 2022

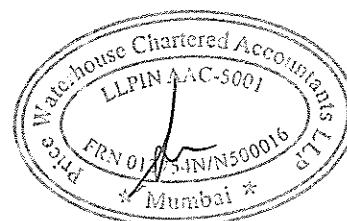
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Annexure B to Independent auditors' report

Referred to in paragraph 10 of the Independent auditors' report of even date to the members of Anjar TMT Steel Private Limited on the financial statements for the period from April 23, 2021 to March 31, 2022.

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- i. (a) (A) The Company does not own any property, plant and equipment as at March 31, 2022. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of right of use assets.
(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 Company does not own any property, plant and equipment as at March 31, 2022. However, the right of use assets of the Company have been physically verified by the Management during the period April 23, 2021 to March 31, 2022 and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 35(d)(xi) to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company does not own any property, plant and equipment or intangible assets as on March 31, 2022. The Company has chosen cost model for its right of use assets. 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 (including right of use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company does not hold any inventory as at March 31, 2022. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
(b) During the period April 23, 2021 to March 31, 2022, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013 (the "Act"). Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- 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 a case, and is regular in depositing undisputed statutory dues, including provident fund, goods and services tax, 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.



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 Anjar TMT Steel Private Limited on the financial statements for the period from April 23, 2021 to March 31, 2022.

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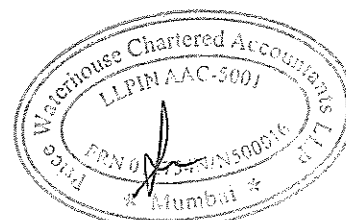
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the period April 23, 2021 to March 31, 2022 in the tax assessments under the Income 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 period April 23, 2021 to March 31, 2022.
- (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 (i.e. including optionally convertible debentures and compulsorily convertible debenture, both issued on right basis) have been applied for the purposes for which they were obtained, except for the following case:

Nature of the fund raised	Name of the lender	Amount diverted (Rs. million)	Purpose for which amount was sanctioned	Purpose for which amount was utilized	Remarks
Optionally Convertible Debentures	Welspun Steel Limited	22.00	Capitalization	Repayment of Short-term loan i.e. Non-convertible debentures issued on private placement basis	None

Further, an amount of Rs. 38.65 million is pending for utilization as at March 31, 2022 and is included under 'Cash and cash equivalents' and 'Bank deposits with more than 12 months maturity' in the financial statements.

Also refer Note 34(d) 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 (i.e. Non-convertible debentures issued on private placement basis) aggregating Rs. 22 million for long-term purposes (refer Note 34(d) to the financial statements).
- (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 period April 23, 2021 to March 31, 2022. 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 period April 23, 2021 to March 31, 2022. 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 period April 23, 2021 to March 31, 2022. 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 period April 23, 2021 to March 31, 2022, nor have we been informed of any such case by the Management.



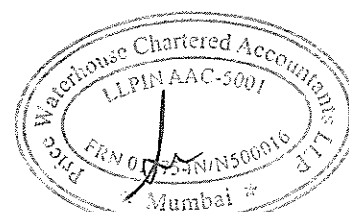
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- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the period April 23, 2021 to March 31, 2022 by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him 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 period April 23, 2021 to March 31, 2022. 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 35(c) 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. 2.67 million in the current financial period April 23, 2021 to March 31, 2022. Further the company is incorporated in the current financial period April 23, 2021 to March 31, 2022, accordingly the question of us commenting on the cash losses incurred in preceding financial year does not arise.
- xviii. There has been resignation of the statutory auditors during the period April 23, 2021 to March 31, 2022 and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 35(a) to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any



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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(b) 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



Ali Akbar
Partner
Membership Number: 117839
UDIN: 22117839AJHZPZ4399

Place: Mumbai
Date: May 20, 2022

Anjar TMT Steel Private Limited

Financial statements for the period from April 23, 2021 (Date of incorporation) to March 31, 2022

Financial statements

- Balance sheet as at March 31, 2022
- Statement of profit and loss for the period from April 23, 2021 to March 31, 2022
- Statement of changes in equity for the period from April 23, 2021 to March 31, 2022
- Statement of cash flows for the period from April 23, 2021 to March 31, 2022
- Notes comprising significant accounting policies and other explanatory information

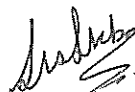
Anjar TMT Steel Private Limited
Balance sheet
(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2022
ASSETS		
Non-current assets		
Capital work-in-progress	3(a)	950.85
Right-of-use assets	3(b)	38.22
Financial assets		
Other financial assets	4	14.88
Other non-current assets	5	219.27
Total non-current assets		1,223.22
Current assets		
Financial assets		
Cash and cash equivalents	6	25.24
Other current assets	7	0.02
Current tax assets	8	0.25
Total current assets		25.51
Total assets		1,248.73
EQUITY AND LIABILITIES		
Equity		
Equity share capital	9 (a)	200.10
Instruments entirely equity in nature	9 (b)	248.15
Other equity		
Reserves and surplus	10	(10.68)
Total equity		437.57
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	11	702.83
Lease Liabilities	3(b)	38.16
Provisions	12	0.13
Deferred tax Liabilities (net)	21(a)	-
Total non-current liabilities		741.12
Current liabilities		
Financial liabilities		
Borrowings	11	3.80
Lease Liabilities	3(b)	4.17
Trade payables		-
total outstanding dues of micro and small enterprises		-
total outstanding dues other than above	13	0.45
Other financial liabilities	14	59.71
Provisions	12	0.27
Other current liabilities	15	1.64
Total current liabilities		70.04
Total liabilities		811.16
Total equity and liabilities		1,248.73

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



 Ali Akbar
 Partner
 Membership No. 117839

For and on behalf of the Board


 Harish Chandra Gupta
 Director
 DIN: 07559832


 Devendra Patil
 Director
 DIN: 00062784


 Sandip Chottara
 Chief Financial Officer


 Arpit Bhandari
 Company Secretary
 ACS-43644

Place: Mumbai
 Date: May 20, 2022

Place: Mumbai
 Date: May 20, 2022

Anjar TMT Steel Private Limited
Statement of profit and loss
(All amounts in Rupees million, unless otherwise stated)


	Notes	For the Period from April 23, 2021 to March 31, 2022
Other income	16	0.25
Total income		0.25
Expenses		
Employee benefit expense	17	0.99
Depreciation expense	18	1.24
Other expenses	19	1.38
Finance costs	20	3.42
Total expenses		7.03
Loss before tax		(6.78)
Income tax expense		
- Current tax	21(b)	-
- Deferred tax	21(b)	-
Total income tax expense		-
Loss for the period April 23, 2022 to March 31, 2022 (A)		(6.78)
Other comprehensive income (B)		
Items that will not be reclassified to profit or loss		-
Total comprehensive income for the period April 23, 2022 to March 31, 2022 (A+B)		(6.78)
Loss per equity share		
- Basic and diluted loss per share (Rs.)	30	(5.35)

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


Harish Chandra Gupta
Director
DIN: 07559832


Devendra Patil
Director
DIN: 00062784


Sandip Chottara
Chief Financial Officer


Arpit Bhandari
Company Secretary
ACS -43644

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

Anjar TMT Steel Private Limited
Statement of cash flows
(All amounts in Rupees million, unless otherwise stated)

For the Period from
April 23, 2021 to
March 31, 2022

A) Cash flows used in operating activities

Loss before tax (6.78)

Adjustments for

Depreciation expense 1.24
Interest and Finance charges on lease liability 2.87
Interest income from fixed deposits (0.25)
Interest on debenture (refer note 26) 0.22
(2.70)

Changes in operating assets and liabilities

Movement in other non-current assets (94.68)
Movement in other current financial assets (0.02)
Movement in other non-current financial assets (1.47)
Movement in provisions 0.40
Movement in trade payables 0.45
Movement in other current liabilities 1.64
(96.38)

Tax deducted at source (0.25)

Net cash flows used in operating activities (A) (96.63)

B) Cash flows used in investing activities

Payments for Capital work-in-progress (1,015.95)
Interest income from fixed deposits 0.25
Deposits with maturity of more than twelve months (13.41)

Net cash flows used in investing activities (B) (1,029.11)

C) Cash flows from financing activities

Issue of Equity share capital 0.10
Issue of 6.25% Optionally Convertible Debentures (OCDs) 200.00
Issue of 6.50% Compulsorily Convertible Debentures (CCDs) 248.15
Issue of 5% Non Convertible Debentures 30.00
Redemption of 5% Non Convertible Debentures (30.00)
Share issue expenses (3.90)
Loan from Bank 706.63

Net cash flows from financing activities (C) 1,150.98

Net increase in cash and cash equivalents (A+B+C) 25.24

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period (refer note 6) 25.24

Non-cash investing activities:

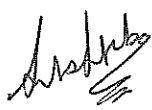
Acquisition of right-of-use assets (Refer note 3(b)) 39.46

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

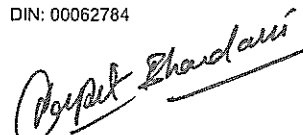
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Devendra Patil
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DIN: 00062784


Sandip Chottara
Chief Financial Officer


Anil Bhandari
Company Secretary
ACS -43644

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

Anjar TMT Steel Private Limited
Statement of changes in equity
(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance as at April 23, 2021		-
Changes in equity share capital during the period	9(a)	200.10
Balance as at March 31, 2022		200.10

B. Instruments Entirely Equity in Nature

7.75% Convertible Non-cumulative Optionally Redeemable Preference Shares

Particulars	Note	Amount
Balance as at April 23, 2021		-
7.75% Convertible Non-cumulative Optionally Redeemable Preference Shares issued	9(b)	248.15
Balance as at March 31, 2022		248.15


C. Other equity (refer Note 10)

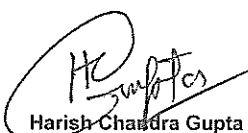
	Reserves and surplus	Total other equity
	Retained Earnings	
Loss for the period	(6.78)	(6.78)
Share issue expenses	(3.90)	(3.90)
Other comprehensive income	-	-
Total for the period	(10.68)	(10.68)
Balance as at March 31, 2022	(10.68)	(10.68)

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

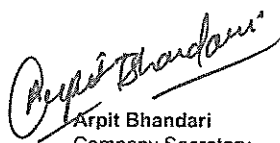
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Arpit Bhandari
Company Secretary
ACS -43644

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022

Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

Background

Anjar TMT Steel Private Limited (the "Company") is a Company limited by shares incorporated on April 23, 2021 and domiciled in India. Anjar TMT Steel Private Limited is engaged in manufacturing of TMT Bars.

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 Board of 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
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 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 1, 2022. 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.

(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 maker: (Refer note 25).

(c) Foreign currency translation

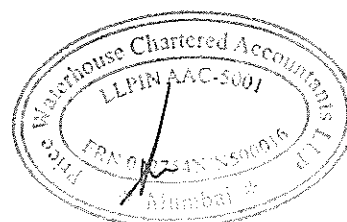
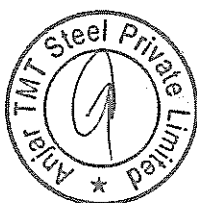
(i) Functional and presentation currency

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.



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

(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 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) Leases

As a Lessee

The Company leases various lands. Rental contracts are typically made for fixed periods of thirty years but may have extension options as described in note 3(b). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

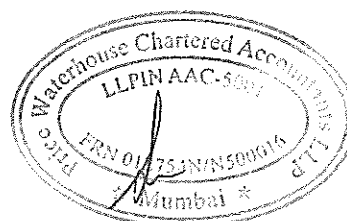
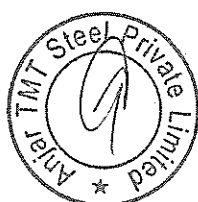
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

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



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

(f) 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.

(g) 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. 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.

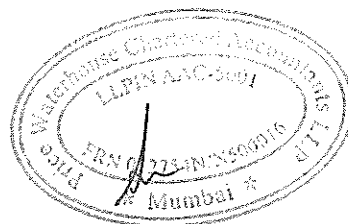
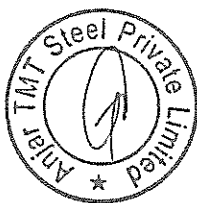
(iii) Measurement

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 (FVTPL):** 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.



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

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 instruments. 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.

(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.

Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

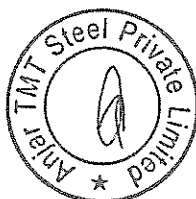
(B) Financial liabilities

(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.

(h) 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.

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.

(i) Borrowings

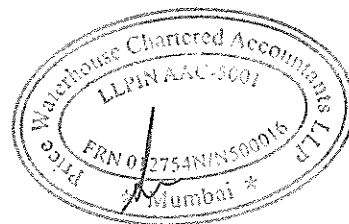
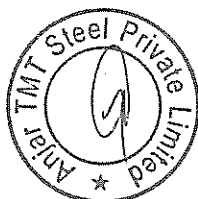
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using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



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

(j) 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.

(k) 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.

(l) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

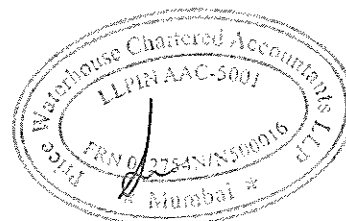
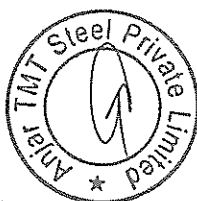
The liability for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the 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 provisions 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.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

Gratuity obligations

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

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

The net interest cost is calculated by applying discount rate to the net balance of the defined benefit obligation. The 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.

Defined contribution plans

Provident fund and employee pension scheme

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

(m) 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.

(n) Earning/ (Loss) per share

(i) Basic earning/(loss) per share

Basic earning/(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 year.

(ii) Diluted earning/(loss) per share

Diluted earning/(loss) per share adjusts the figures used in the determination of basic earning/(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 preference shares. These instruments have such terms and conditions that qualify them for being entirely equity in nature based on the criteria given in Para 16 of Ind AS 32 "Financial instruments- Presentation". Company assesses the terms and conditions specific to each instrument for deciding whether they are entirely equity in nature. This is recognised and included in shareholder's equity, net of income tax effects, and not subsequently re-measured.

(p) 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.

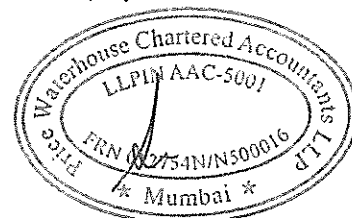
Note 2: Critical estimates and judgments

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.

Recognition of deferred assets (refer note 21)

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.



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of Incorporation) to March 31, 2022 (All amounts in Rupees million, unless otherwise stated)

Note 3 (a): Capital work-in-progress (CWIP)

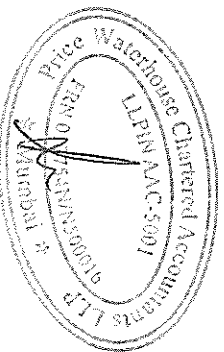
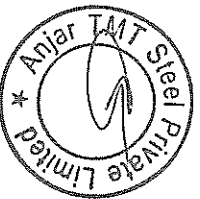
	CWIP
Period ended on March 31, 2022	
Gross Carrying Value	
Operating gross carrying amount as at April 23, 2021	-
Additions	950.85
Closing gross carrying amount as at March 31, 2022	950.85
Net carrying amount as at March 31, 2022	950.85

Notes:

- (i) Capital work in progress comprises of assets under constructions at Anjar
 - (ii) Contractual obligations: Refer note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (a) Ageing of Capital work-in-progress as at March 31, 2022**

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Project in progress	950.85	-	-	-	950.85

- (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.



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022

*(All amounts in Rupees million, unless otherwise stated)***Note 3(b) : Leases****(i) Amounts recognized in balance sheet**

	As at March 31, 2022
Right-of-use Assets	
Leasehold Land	38.22
Total Right-of-use Assets	38.22
Lease liabilities	
	As at March 31, 2022
Non-current	38.16
Current	4.17
Total Lease liabilities	42.33

Addition to the right-of-use assets during the current period were INR 39.46.

The Company has leased leasehold lands for a period of 30 years.

Extension options included in leasehold land contract of Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable by the Company and the respective lessor.

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

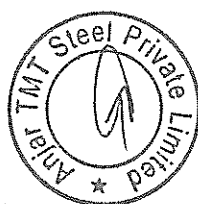
The statement of Profit & loss shows the following amount relating to leases

	For the Period from April 23, 2021 to March 31, 2022
Depreciation charge of Right-of-use assets (refer note 18)	
Leasehold land	1.24
Total	1.24
	For the Period from April 23, 2021 to March 31, 2022
Interest and finance charges on lease liabilities (refer note 20))	
Leasehold land	2.87
Total	2.87

The total cash outflow for the leases for the period from April 23, 2021 to March 31, 2022 was INR Nil.

Note 4: Other non current financial assets

	As at March 31, 2022
Non-current	
Bank Deposits with maturity of more than twelve months (including interest accrued)	13.41
Security Deposits	1.47
Total non-current financial assets	14.88



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 9: Equity share capital and instruments entirely equity in nature
9(a) Equity Share capital

(i) Authorised equity share capital

	Number of Shares	Par value	Amount
As at April 23, 2021	-	-	-
Increase during the period (refer note 34(a))	2,00,10,000	10.00	200.10
As at March 31, 2022	2,00,10,000	10.00	200.10

(ii) Movement in equity shares capital

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at April 23, 2021	-	-	-
Increase during the period (refer note 34(a))	2,00,10,000	10.00	200.10
As at March 31, 2022	2,00,10,000	10.00	200.10

(iii) Terms and rights attached to shares Equity shares

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

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

(iv) Shares of the Company held by holding company

	As at March 31, 2022	
	No. of shares	% holding
Welspun Corp Limited, including nominees	2,00,10,000	100.00%

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

	As at March 31, 2022	
	No. of shares	% holding
Welspun Corp Limited (the 'holding company'), including nominees	2,00,10,000	100.00%

(vi) Details of Equity shares

Particulars	Number of shares	Par value	Amount	Date of allotment
Equity Shares	10,000	10.00	0.10	April 23, 2021
Equity Shares	2,00,00,000	10.00	200.00	March 9, 2022
Total	-	-	200.10	

(vii) Details of shareholding of promoters

Name of the promoter	Year ended March 31, 2022		
	Number of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited	2,00,10,000	100.00%	100.00%
Total	2,00,10,000	100.00%	

9(b) Instruments entirely equity in nature:

7.75% Convertible Non-cumulative Optionally Redeemable Preference Shares (CORPS)

i) Authorised Preference share capital

	Number of Shares	Par value	Amount
As at April 23, 2021	-	-	-
Increase during the period	2,99,90,000	10.00	299.90
As at March 31, 2022	2,99,90,000	10.00	299.90

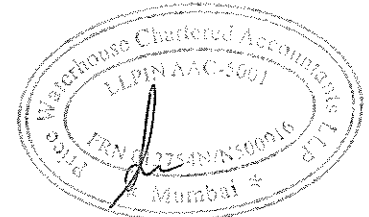
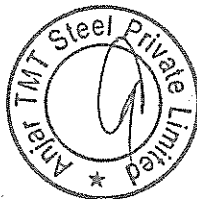
ii) Movement in Preference shares capital

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at April 23, 2021	-	-	-
Increase during the period	2,48,15,000	10.00	248.15
As at March 31, 2022	2,48,15,000	10.00	248.15

(iii) Terms and rights attached to shares Preference shares

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

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



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Net debt reconciliation

	As at March 31, 2022
Cash and cash equivalents	25.24
Borrowings (including accrued interest)	(717.37)
Lease liabilities (current and non-current)	(42.33)
	<u>(734.46)</u>

	Financial assets		Financial liabilities		Total [F] = [A]+[B]-[C]-[D]- [E]
	Cash and cash equivalents [A]	Borrowings [C]	Lease liabilities [D]		
Cash flow (net)	25.24	(1,154.78)			(1,129.54)
Interest expenses classified under CWIP		(21.93)			(21.93)
Interest expenses classified under Finance costs		(0.22)	(2.87)		(3.09)
Interest paid		10.73			10.73
Other non cash adjustments					-
Conversion to Equity shares		200.00			200.00
Conversion to Preference shares		248.15			248.15
Addition to lease liability during period			(39.46)		(39.46)
Others		0.68			0.68
Net debts as at March 31, 2022	25.24	(706.63)	(42.33)		(723.72)
Interest accrued as at March 31, 2022	-	(10.74)	-		(10.74)

* Includes interest accrued and current maturities of long-term borrowings

Note 12: Provisions

Non Current

	As at March 31, 2022
Gratuity (refer note 33(ii)-(vi))	0.13
Total non current provisions	<u>0.13</u>

Current

Leave encashment (refer note 33(i))	0.27
Total current provisions	<u>0.27</u>

Note 13: Trade payables

	As at March 31, 2022
total outstanding dues of micro enterprises and small enterprises (refer note 32)	-
total outstanding dues of creditors other than micro enterprises and small enterprises	0.45
Total trade payables	<u>0.45</u>

Trade payable ageing as at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables	-	-	-	-	-	-	-
(i) Micro enterprises and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	0.45	-	-	-	-	0.45
Total	-	0.45	-	-	-	-	0.45

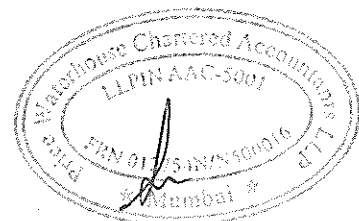
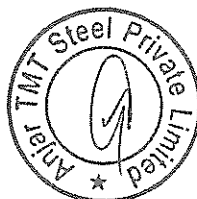
Note 14: Other financial liabilities

Current

	As at March 31, 2022
Interest accrued but not due on borrowings	
Related Parties (Refer Note 26)	6.12
Others	4.62
Capital creditors	
total outstanding dues of micro enterprises and small enterprises (refer note 32)	3.40
total outstanding dues of creditors other than micro enterprises and small enterprises	
Related Parties (Refer Note 26)	29.23
Others	16.34
Total other current financial liabilities	<u>59.71</u>

Note 15: Other current liabilities

	As at March 31, 2022
Statutory dues payable	1.63
Employee dues payable	0.01
Total other current liabilities	<u>1.64</u>



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 22: Fair value measurements

Financial instruments by category

	As at March 31, 2022	
	FVPL	Amortised Cost
Financial assets		
Security Deposit		1.47
Other non-current financial assets	-	13.41
Cash and cash equivalents	-	25.24
Total financial assets	-	40.12
Financial liabilities		
Borrowing		706.63
Trade payables	-	0.45
Interest accrued but not due on borrowings	-	10.74
Capital creditors	-	48.97
Total financial liabilities	-	766.79

(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 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 Deposit			1.47	1.47
Other non-current financial assets	-	-	13.41	13.41
Total financial assets	-	-	14.88	14.88
Financial liabilities				
Borrowing	-	-	706.63	706.63
Total financial liabilities	-	-	706.63	706.63

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 item 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 does not have any item under this category.

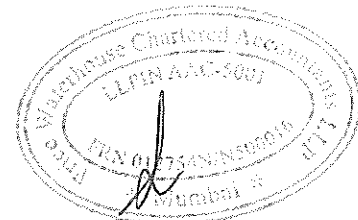
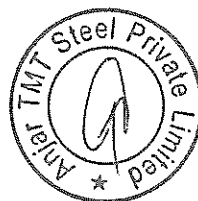
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

	As at March 31, 2022	
	Carrying amount	Fair value
Financial Assets		
Security Deposit	1.47	1.47
Other non-current financial assets	13.41	13.41
Total	14.88	14.88
Financial liabilities		
Borrowing	706.63	706.63
Total	706.63	706.63

a) The carrying amounts of trade payables, cash and cash equivalent, other current financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 23 : Financial risk management

The Company's principal financial liabilities 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 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 and other financial instruments. It is managed by unit head.

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

a) Trade receivables

The Company has no trade receivables as at March 31, 2022, hence there is no credit risk for the period April 23, 2021 to March 31, 2022.

b) Other financial assets

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

(ii) Liquidity risk

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

(a) Financing arrangements

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

	As at March 31, 2022
Floating rate	
Expiring after one year	780.00
Total	780.00

(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. The Company does not have any derivative liabilities.

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

As at March 31, 2022

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowing	59.88	263.52	339.00	282.98	945.38	706.63
Interest accrued but not due on borrowings	10.74	-	-	-	10.74	10.74
Other financial liabilities	48.97	-	-	-	48.97	48.97
Trade Payable	0.45	-	-	-	0.45	0.45
Lease Liability	4.17	4.65	5.00	118.61	132.43	42.33
Total non-derivative liabilities	124.21	268.17	344.00	401.59	1,137.97	809.12

(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 security prices.

(a) 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 does not have any foreign currency liability as at March 31, 2022. Hence there is no foreign currency risk for the period April 23, 2021 to March 31, 2022

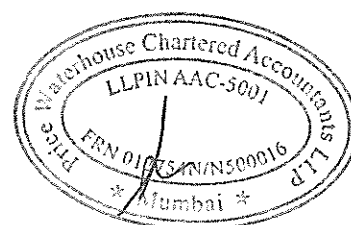
(b) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates arising principally on changes in State Bank of India 6 month MCLR rates, which expose the Company to cash flow interest rate risk.

(i) 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
Floating rate borrowings	706.63



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

(ii) Sensitivity

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

	Impact on profit March 31, 2022
Increase by 50 basis points	(3.53)
Decrease by 50 basis points	3.53

(c) Security prices

The Company does not have any investment in Securities, hence not exposed to this risk.

Note 24 : 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	734.46
Total equity	437.57
Net debt equity ratio	1.68

Net Debt includes total borrowings (including current maturities) and lease liabilities net of cash and cash equivalents, other bank balances and current investments

(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 25: Segment information**(i) Description of segments and principal activities**

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

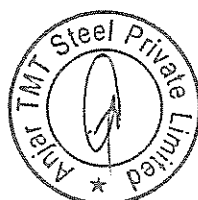
(ii) The chief operating decision makers primarily uses a measure of profit/ (loss) before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from major customers:

Since the company has been incorporated in the current period, it is still in capitalisation phase and has not commenced any commercial operations, hence no revenue has been generated by the company during the period April 23, 2021 to March 31, 2022.

(iv) The company is domiciled in India. Since the company has not begun any commercial operations there is no reportable revenue inside India and Outside India till March 31, 2022.

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



Note 26: Related party transactions

(a) Entities having significant influence

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

(b) Holding company

Name	Type	Ownership interest
		March 31, 2022
Welspun Corp Limited	Holding company	100%

(c) Key management personnel

Name	Nature of relationship
Mr. Anuj Burakia	Non executive, Non-independent Director (w.e.f. June 01, 2021)
Mr. Mohan Kasiviswanathan Manikkan	Non executive, Non-independent Director
Mr. Devendra Patil	Non executive, Non-independent Director
Mr. Harish Chandra Gupta	Non executive, Non-independent Director
Mr. Sandip Chottlara	Chief Financial Officer (w.e.f. May 20, 2022)
Mr. Arpit Bhandari	Company Secretary (w.e.f. May 20, 2022)

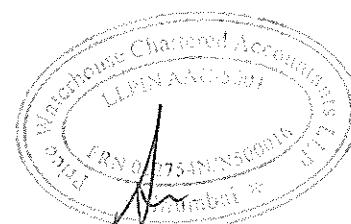
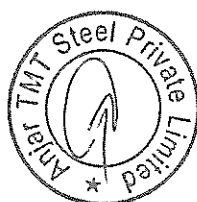
(d) List of other entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the period and other related parties:

Welspun India Limited
Welspun Corp Limited
Welspun Metallics Limited
Welspun Di Pipes Ltd
MGN Agro Properties Pvt Ltd

(e) Transactions with related parties

The following transactions occurred with related parties:

	For the Period from April 23, 2021 to March 31, 2022
1) Additions to Capital Work in Progress	
Welspun Corp Limited	28.42
Welspun Metallics Limited	0.26
Welspun India Limited	0.03
Welspun Di Pipes Ltd	11.95
Total Additions to Capital Work in Progress	40.66
2) Finance cost	
MGN Agro Properties Pvt Ltd	0.22
Total finance cost	0.22
3) Issue of 6.50% Compulsorily Convertible Debentures (CCDs)	
Welspun Corp Limited	248.15
Total Issuance of 6.50% Compulsorily Convertible Debentures (CCDs)	248.15
4) 6.50% Compulsorily Convertible Debentures (CCDs) converted to 7.75% Non-cumulative, Optionally Redeemable Preference Shares (CORPS)	
Welspun Corp Limited	248.15
Total conversion of 6.50% Compulsorily Convertible Debentures (CCDs) to 7.75% Non-cumulative, Optionally Redeemable Preference Shares (CORPS)	248.15
5) 5% Non Convertible Debenture	
MGN Agro Properties Pvt Ltd	30.00
Total issuance of 5% Non Convertible Debenture	30.00
6) 5% Non Convertible Debenture repaid	
MGN Agro Properties Pvt Ltd	30.00
Total repayment of 5% Non Convertible Debenture	30.00
7) Issue of Equity Share	
Welspun Corp Limited	0.10
Total Issuance of Equity Share	0.10



Note 26: Related party transactions (Contd...)

	For the Period from April 23, 2021 to March 31, 2022
8) Issue of 6.25% Optionally Convertible Debentures (OCDs)	
Welspun Corp Limited	
Total issuance of 6.25% Optionally Convertible Debentures (OCDs)	200.00
9) 6.25% Optionally Convertible Debentures (OCDs) converted to Equity Shares	
Welspun Corp Limited	
Total 6.25% Optionally Convertible Debentures (OCDs) conversion to Equity Shares	200.00
10) Reimbursement of expenses paid	
Welspun Corp Limited	
Total Reimbursement of expenses paid	4.21
11) Lease rent expense	
Welspun Corp Limited	
Total Lease rent expense	2.35
	2.35

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:

	March 31, 2022
1) Other Financial Liabilities	
Welspun Corp Limited	24.14
Welspun Di Pipes Ltd	11.00
Welspun India Limited	0.02
MGN Agro Properties Pvt Ltd	0.19
Total Other Financial Liabilities	35.35
2) Equity Share Capital	
Welspun Corp Limited	200.10
Total Equity Share Capital	200.10
3) 7.75% Convertible Non-Cumulative Optionally Redeemable Preference Share	
Welspun Corp Limited	248.15
Total preference share capital	248.15

(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 27: Contingent liability

There are no contingent liabilities as at March 31, 2022

Note 28: Commitments

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
Estimated amount of contracts remaining to be executed on capital account (net of advances of INR 124.59):	
Property, plant and equipment	623.19

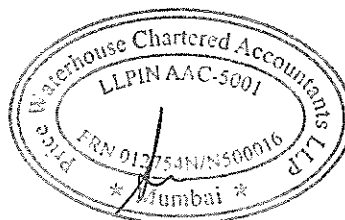
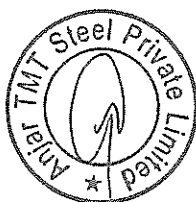
Note 29: Note on Covid-19

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 30: Earning/(Loss) per equity share

	For the period from April 23, 2021 to March 31, 2022
Loss attributable to the equity holders of the Company	(6.78)
Weighted average number of equity shares outstanding during the period	1,266,202
Basic and diluted loss per share (Rs.)	(5.35)
Nominal value of an equity share (Rs.)	10.00

Note: Since there is a loss for the period April 23, 2021 to March 31, 2022, potential equity shares are not considered as dilutive and hence diluted EPS is same as Basic EPS.



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 31: 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.

Note 32: 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
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	3.40
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	3.40
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	-
Interest accrued and remaining unpaid at the end of each accounting year	-
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	-

Note 33: Employee benefit obligations

(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 Non funded plan.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk.

(iii) Balance sheet amounts - gratuity

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

	Present value of	Fair value of plan assets	Net amount
April 23, 2021			
Current service cost	0.13	-	0.13
Total amount recognised in profit or loss	0.13	-	0.13
Remeasurements			
Experience (gains)/losses	-	-	-
Gain/loss from change in financial assumptions	-	-	-
Total amount recognised in other comprehensive income	-	-	-
Benefit payment			
March 31, 2022	0.13	-	0.13

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

Present value of unfunded obligations	As at March 31, 2021
Fair value of plan assets	0.13
Deficit of unfunded plan	-
Non-current (refer note 12)	0.13
Current (refer note 12)	0.13

(iv) Significant actuarial assumptions are as follows:

Discount rate	As at March 31, 2022
Salary growth rate	7.27%
	6.00%

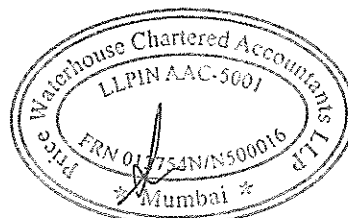
(v) Sensitivity analysis

Assumptions	Impact on defined benefit obligation				
	Change in assumption (%)	Increase in assumption INR		Decrease in assumption INR	
		March 31, 2022		March 31, 2022	
Discount rate	1% Decrease by	0.02	Increase by	0.02	
Salary growth rate	1% Increase by	0.02	Decrease by	0.02	

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Defined benefit obligations- Gratuity	-	-	0.01	0.49	0.51



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 34: Other financial instruments

a. 6.25% Optionally Convertible Debentures (OCDs)

i) Movement in 6.25% Optionally Convertible Debentures
Issued, subscribed and paid up OCDs

	Number of Debentures	Par value	Amount
Issued during the period	2,00,00,000	10.00	200.00
Converted during the period	(2,00,00,000)	10.00	(200.00)
As at March 31, 2022	-	-	-

ii) Terms and rights attached to Convertible Debentures

Category	Conversion option
Issue of 20,000,000 6.25% Optionally Convertible Debentures	anytime within 24 months from the date of allotment of OCDs, into 1 equity share for every 1 OCD.

-6.25% Optionally Convertible Debentures (OCDs) have par value Rs. 10 each. The OCDs are issued at 6.25% interest.

-The OCDs 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 OCDs : If OCDs are not converted into equity shares of the Company within the period of 24 months from the date of allotment, then OCDs shall be compulsorily redeemable at the end of 8 years with an accumulated interest @ 6.25% p.a

- Interest payment: Interest as mentioned above, shall be payable only in case of redemption of OCDs. If OCDs are converted into equity, no interest shall accrue or payable.

iii) Conversion of OCDs into Equity shares

During the period April 23, 2021 to March 31, 2022, 20,000,000 6.25% Optionally Convertible Debentures (OCDs) were issued and converted to Equity shares.

b. 6.50% Compulsorily Convertible Debentures (CCDs)

i) Movement in 6.50% Compulsorily Convertible Debentures
Issued, subscribed and paid up CCDs

	Number of Debentures	Par value	Amount
Issued during the period	2,48,15,000	10.00	248.15
Converted during the period	(2,48,15,000)	10.00	(248.15)
As at March 31, 2022	-	-	-

ii) Terms and rights attached to Convertible Debentures

Category	Conversion option
Issue of 24,815,000 6.50% Compulsorily Convertible Debentures	Anytime within the tenure of CCDs into one 7.75% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) for every 1 CCD

-6.50% Compulsorily Convertible Debentures (CCDs) have par value Rs. 10 each. The CCDs are issued at 6.50% interest.

-The CCDs can be converted at the option of the Company into 7.75% Convertible Non-Cumulative Optionally Redeemable Preference Share (CORPS) of Rs.10/- each fully paid-up

-Conversion Ratio 1:1

-Tenor of CCDs : 8 years

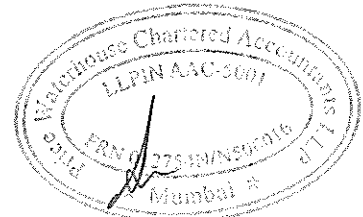
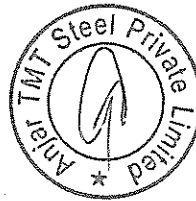
iii). Conversion of CCDs into Preference shares

During the period April 23, 2021 to March 31, 2022 , 24,815,000 6.50% Compulsorily Convertible Debentures (CCDs) were issued and converted to 7.75% Convertible Non-cumulative Optionally Redeemable Preference Shares.

c. 5.00% Non Convertible Debentures (NCDs)

i) Movement in 5.00% Non Convertible Debentures
Issued, subscribed and paid up NCDs

	Number of Debentures	Par value	Amount
Issued during the period	30,00,000	10.00	30.00
Repaid during the period	(30,00,000)	10.00	(30.00)
As at March 31, 2022	-	-	-



Anjar TMT Steel Private 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 period from April 23, 2021 (Date of incorporation) to March 31, 2022
(All amounts in Rupees million, unless otherwise stated)

Note 35: Additional regulatory information required by Schedule III
a. Financial ratios

Sr	Ratio	Numerator	Denominator	Current Period
1	Current ratio (times)	Current assets	Current liabilities	0.36
2	Debt-equity ratio (times)	Total Debt	Total equity	1.61
3	Debt service coverage ratio (times)	Earnings available for Debt service	Debt Service	(0.11)
4	Return on equity (%)	Net loss for the period	Shareholders Equity	-1.55%
5	Inventory turnover ratio (times)	Cost of Goods Sold	Inventory	NA
6	Trade receivables turnover ratio (times)	Revenue from operations	Trade Receivable	NA
7	Trade payable turnover ratio (times)	Purchases	Trade Payable	NA
8	Net capital turnover ratio (times)	Revenue from operations	Working Capital	NA
9	Net Profit ratio (%)	Net loss for the period	Revenue from operations	NA
10	Return on capital employed (%)	Earnings before interest and tax	Capital Employed	-0.32%
11	Return on investment (%)	Earnings before interest and tax	Total Assets	-0.30%

As this is the first year of incorporation of the Company and the Company is under capitalisation phase, hence the reason for the variation in the ratios has not been given.

Notes:

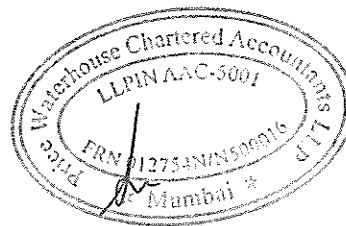
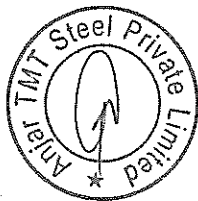
- 1 Total Debt = Non-current borrowings and Current borrowings
- 2 Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest
- 3 Debt service = Interest and principal repayments including lease payments.
- 4 Cost of Goods Sold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

b. **Going concern**

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.

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

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



d. Additional regulatory information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

The company has not taken borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful defaulter

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

(iv) Relationship with struck off companies

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

(v) Compliance with number of layers of companies

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

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

The company has not entered into any scheme of arrangement which has an accounting impact on current 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

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current 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 period.

(x) Valuation of PP&E (including Capital work-in-progress) and Right-of-use asset

The company has not revalued its property, plant and equipment (including capital work-in-progress) and Right-of-use asset during the current period.

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

The Company does not own any immovable properties. Further properties where the company is the lessee, the lease agreements are duly executed in favour 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.

Note 36: Capital issued subsequent to the year end

Subsequent to the year end the Company has issued following Securities to the Holding Company

i) 250,000 7.75% Convertible Non-cumulative Optionally Redeemable Preference Shares (CORPS) (face value of Rs. 10 each) :

250,000 CORPS of Rs. 10/- each fully paid up allotted on April 29, 2022 at a total consideration of INR 2.5 million.

ii) 570,000 CORPS (face value of Rs. 10 each) :

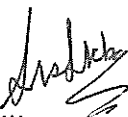
570,000 CORPS of Rs. 10/- each fully paid up allotted on April 30, 2022 at a total consideration of INR 5.7 million.

iii) 1,686,620 CORPS (face value of Rs. 10 each) :

1,686,620 CORPS of Rs. 10/- each fully paid up allotted on May 5, 2022 at a total consideration of INR 16.87 million.

As per our attached report of even date

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



Ali Akbar
Partner
Membership No. 117839

For and on behalf of the Board



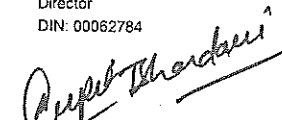
Harish Chandra Gupta
Director
DIN: 07559832



Devendra Patil
Director
DIN: 00062784



Sanjiv Chottara
Chief Financial Officer



Arpit Bhandari
Company Secretary
ACS -43644

Place: Mumbai
Date: May 20, 2022

Place: Mumbai
Date: May 20, 2022