SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608
EMAIL: suresh@surekas.com

INDEPENDENT AUDITOR'S REPORT
To the Members of **WELSPUN ANJAR SEZ LIMITED**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **WELSPUN ANJAR SEZ LIMITED** ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs),as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 audit opinion on the standalone Ind AS financial statements.

Responsibility of Management for the Standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

In preparing the standalone Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

   (h) With respect to the other matters to be included in the Auditor's 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:

SUREKA ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 22 May 2019

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608
EMAIL: suresh@surekas.com

ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of **Welspun Anjar SEZ Ltd** on the financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative detail and situation of fixed assets.

(b)These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

(c)The title deed of immovable properties is held in the name of the company.

ii. The Company does not have any inventory. Hence, the question of verification thereof does not arise.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of the investments made.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its business.

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 and service tax, and is regular in depositing undisputed statutory dues, including sales tax,, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any borrowings from banks or financial institutions or has not issued any debentures. Hence the question of any default does not arise.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of term loans nor by way of initial public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

SUREKA ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

xi. The Company has not paid nor provided for any managerial remuneration during the year.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act.The details of such related party transactions have been disclosed in the financial statements as required under Ind Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has made preferential allotment of fully paid preference shares during the year under review and has complied with section 42 of the Companies Act,2013.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

Place : Mumbai
Date : 22 May, 2019

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **Welspun Anjar SEZ Limited** on the financial statements as of and for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Welspun Anjar SEZ Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SUREKA ASSOCIATES**
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 22 May 2019

WELSPUN ANJAR SEZ LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

	Notes	As At March 31, 2019	As At March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment, CWIP	2	2,97,47,72,005	2,90,48,60,480
Capital work-in-progress	2	-	8,82,47,306
Intangible assets	2(a)	2,175	5,775
Deferred Tax Assets	3	-	4,78,32,902
Other non-current assets	4	5,12,27,228	5,01,04,903
Total non-current assets		**3,02,60,01,408**	**3,09,10,51,366**
Current assets			
Financial assets			
(i) Investments	5(a)	26,02,34,160	19,48,43,169
(ii) Trade Receivables	5(b)	2,02,84,731	1,00,75,602
(iii) Cash and Cash Equivalents	5(c)	67,75,251	20,41,782
Other current assets	6	59,05,265	43,75,221
Total current assets		**29,31,99,407**	**21,13,35,774**
Total assets		**3,31,92,00,816**	**3,30,23,87,140**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	7(a)	5,07,000	5,07,000
Other Equity			
Reserves and surplus	7(b)	2,16,25,28,916	1,99,06,36,479
Others	7(c)	15,66,27,996	14,59,48,723
Total equity		**2,31,96,63,912**	**2,13,70,92,202**
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	8	55,44,10,199	47,72,21,833
- Other financial liabilities	9	33,48,971	33,48,971
- Defer Tax Liabilities	3	3,70,42,285	-
Total non-current liabilities		**59,48,01,455**	**48,05,70,804**
Current liabilities			
Financial Liabilities			
(i) Trade payables			
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	10	32,85,548	6,94,63,463
(ii) Other financial liabilities	11	39,77,92,871	59,98,04,797
Current tax liabilities	12	29,77,310	29,94,450
Other current liabilities	13	6,79,720	1,24,61,424
Total current liabilities		**40,47,35,449**	**68,47,24,134**
Total equity and liabilities		**3,31,92,00,816**	**3,30,23,87,140**

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

This is the Balance Sheet referred to in our report of the even date.

For Sureka Associates
Firm Registration No:110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No:34132
Place: Mumbai
Date: 22 MAY 2019

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

22/5/2019

For and on behalf of the Board of Directors

Altaf Jiwani Director DIN: 05166241	Dinesh Jain Director DIN: 06807650
Amit Shah CFO & CEO	Shashikant Thorat Company Secretary

Welspun Anjar SEZ

WELSPUN ANJAR SEZ LIMITED

STATEMENT OF PROFIT AND LOSS AS ON MARCH 31, 2019

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	14	3,10,52,427	2,41,93,020
Other Income	15	1,18,59,417	2,32,15,853
Total revenue		**4,29,11,844**	**4,74,08,873**
Expenses			
Depreciation and amortization expense	16	2,08,50,853	2,19,55,829
Other expenses	17	78,32,511	38,14,800
Finance costs	18	1,85,66,974	3,23,77,542
Total expenses		**4,72,50,338**	**5,81,48,171**
Profit before tax		(43,38,494)	(1,07,39,298)
Income Tax Expense			
- Current Tax		5,02,310	24,75,000
Less : Minimum Alternative Tax Credit Availed		(5,02,310)	(24,75,000)
- Tax for earlier years		-	1,59,164
		-	1,59,164
- Deferred Tax		33,57,369	14,89,195
Total Income Tax Expense		**33,57,369**	**16,48,359**
Profit for the year		**(76,95,863)**	**(1,23,87,657)**
Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2018 : Rs. 10)]			
Basic earning per share	25	(151.79)	(244.33)
Diluted earning per share	25	(151.79)	(244.33)

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

This is the Statement of Profit and Loss referred to in our report of the even date.

For Sureka Associates
Firm Registration No:110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No:34132
Place: Mumbai
Date:
22 MAY 2019

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Altaf Jiwani
Director
DIN: 05166241

Dinesh Jain
Director
DIN: 06807650

Amit Shah
CFO & CEO

Shashikant Thorat
Company Secretary

Welspun Anjar SEZ Limited

WELSPUN ANJAR SEZ LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	(43,38,494)	(1,07,39,298)
	Adjustments for :		
	Depreciation and Amortisation Expenses	2,08,50,853	2,19,55,829
	Profit from sale of Assets	-	(1,37,17,745)
	Interest income	(1,16,25,257)	(94,98,108)
	Profit on Investments	(2,34,160)	
	Interest and Other Expenses	1,85,66,974	3,23,77,542
		2,75,58,410	3,11,17,518
	Operating Profit Before Working Capital Changes	2,32,19,916	2,03,78,220
	Change in operating assets and liabilities :		
	Trade Receivables	(1,02,09,129)	(67,95,453)
	Trade and Other Payables and Provisions	(6,61,77,915)	2,47,71,067
	Other current assets	11,28,388	(10,35,670)
	Other non-current assets	(11,22,325)	1,12,90,123
	Other non-current financial liabilities	-	23,62,381
	Other financial liabilities	(20,20,11,926)	18,78,463
	Other current financial liabilities	(1,17,81,704)	1,17,67,119
	Current Tax liabilities	(5,09,563)	3,60,286
		(29,06,84,174)	4,45,98,316
	Cash Flow Generated from Operations	(26,74,64,258)	6,49,76,536
	Income Tax paid	(26,58,432)	(24,82,589)
	Net Cash Flow from Operating Activities	(27,01,22,690)	6,24,93,947
B.	**CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES**		
	Purchase of Fixed Assets and Capital Work-in-Progress	(25,11,472)	(35,56,49,365)
	Sale of Fixed Assets	-	1,39,00,000
	Investments	19,96,70,000	
	Share Application Money Pending Allotment	-	1,14,00,000
	Net Cash Flow used in Investing Activities	19,71,58,528	(33,03,49,365)
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**		
	Proceeds from Issue of Pref Shares / Share Application Money pending A	7,77,00,000	26,53,50,000
	Proceeds from Borrowings (Net)	-	-
	Interest Income	-	-
	Interest and Other Finance Expenses	(2,369)	(2,506)
	Net Cash Flow (used in)/ from Financing Activities	7,76,97,631	26,53,47,495
	Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	47,33,469	(25,07,924)
	Cash and Cash Equivalents at the beginning of the year	20,41,782	45,49,706
	Cash and Cash Equivalents at the end of the year	67,75,251	20,41,782
	Net Increase in Cash and Cash Equivalents	47,33,469	(25,07,924)

Notes :

1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

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

This is the Cash Flow referred to in our report of the even date.

For Sureka Associates
Firm Registration No:110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No:34132
Place: Mumbai
Date:
22 MAY 2019

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Altaf Jiwani
Director
DIN: 05166241

Dinesh Jain
Director
DIN: 06807650

Amit Shah
CFO & CEO

Shashikant Thorat
Company Secretary

Welspun Anjar SEZ Limited

WELSPUN ANJAR SEZ LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2019

a. Equity Share Capital

Particulars	Notes	Amount
Balance as at April 1, 2017	7 (a)	5,07,000
Changes in equity share capital during the year		-
Balance as at March 31, 2018	7 (a)	**5,07,000**
Changes in equity share capital during the year		-
Balance as at March 31, 2019	7 (a)	**5,07,000**

b. Other Equity

	Notes	Share Application money	Equtiy Component of financial	Reserves and Surplus		Total Equity
				Capital Reserve	Retained earnings	
Balance as at March 31, 2017		**94,00,000**	**5,61,52,896**	**2,20,49,54,790**	**(20,19,30,655)**	**2,06,85,77,031**
Profit for the year	7 (b)	-		-	(1,23,87,657)	**(1,23,87,657)**
		94,00,000	**5,61,52,896**	**2,20,49,54,790**	**(21,43,18,312)**	**2,05,61,89,375**
Transaction with owners in their capacity as owners :						
Additions during the year		27,67,50,000	7,83,95,827	-	-	35,51,45,827
Preference share alloted		(27,47,50,000)		-	-	(27,47,50,000)
Balance as at March 31, 2018		**1,14,00,000**	**13,45,48,723**	**2,20,49,54,790**	**(21,43,18,312)**	**2,13,65,85,202**

	Notes	Share Application money	Equtiy Component of financial	Reserves and Surplus		Total Equity
				Capital Reserve	Retained earnings	
Balance as at March 31, 2018		**1,14,00,000**	**13,45,48,723**	**2,20,49,54,790**	**(21,43,18,312)**	**2,13,65,85,202**
Profit for the year	7 (b)	-	-	-	(76,95,863)	(76,95,863)
Revaluation of investments net of Defer Tax					17,95,88,300	17,95,88,300
		1,14,00,000	**13,45,48,723**	**2,20,49,54,790**	**(4,24,25,874)**	**2,30,84,77,639**
Additions during the year		7,77,00,000	2,20,79,273	-	-	9,97,79,273
Preference share alloted		(8,91,00,000)	-	-	-	(8,91,00,000)
Balance as at March 31, 2019		-	**15,66,27,996**	**2,20,49,54,790**	**(4,24,25,874)**	**2,31,91,56,912**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

During the year, the Company has received Rs. 77,700,000 as share application money for subscribing to 7,770,000, 7% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each which are redeemable on March 30, 2031 or at the option of the Company at any time after 10 years from the date of allotment. The option may be exercised in full or in part by the Company

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Welspun Anjar SEZ Limited *

Welspun Anjar SEZ Limited

Notes to the Financial Statements for the year ended March 31, 2019

General Information

Welspun Anjar SEZ Limited (hereinafter referred as "the Company") is a public limited company incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India. The Company is engaged in the business of leasing factory buildings. The Company has land and building at Anjar, Gujarat.

The financial statements were authorised for issue by the board of directors on May 22, 2019.

Note 1: Significant Accounting Policies

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

1.1 Basis of preparation of financial statements

a) Compliance with Ind AS

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

b) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that is measured at fair value as stated in subsequent policies.

1.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits associated with the transaction will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Lease Rent Income

The Company has leased certain tangible assets and such leases where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of Profit and Loss on a straight line basis over the lease term which is representative of the pattern in which benefit derived from the use of the leases asset is diminished. Initial direct costs are recognised as an expense in the statement of Profit and loss in the period in which they are incurred.

1.3 Income Tax

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

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax

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

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

1.4 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

1.5 Leases

As a lessee

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Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost comprises of purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All items of 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 the statement of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written Down Value method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	**Estimated Useful Life**
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years
Vehicles	10 years
Factory Building	30 years
Office Building	30 years
Road, Fencing, etc	Ranging between 3 to 5 years

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

1.7 Intangible assets

Computer Software

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

Amortisation methods and periods

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Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

1.8 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.9 Financial Instruments

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

Financial Assets

(i) Classification

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

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

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

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

(ii) Measurement

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

a. 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

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income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ expenses as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss 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/ expenses as applicable in the period in which it arises. Interest income from these financial assets is included in other income.

b. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and there will be 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 gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) 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.

(v) Income recognition

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a. Interest income

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

b. Dividends

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

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, 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.
For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within borrowings in current liabilities in statement of financial position and which are considered as integral part of the Company's cash management policy.

(vii) Trade receivable

Trade receivable are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financial liabilities

(i) Measurement:

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

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

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

(iv) 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 fair value, and subsequently measured at amortised cost using effective interest rate method.

Compound instrument

Compound financial instrument issued by the Company comprises of compulsorily redeemable non-convertible preference shares. Compound financial instruments are split into separate equity and liability components. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have discretionary dividend feature/ off market interest rate. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Interest related to the liability component of compound instrument is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

Offsetting financial instruments

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

1.10 Borrowing costs

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

1.11 Provisions and contingent liabilities

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

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

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.

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

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

1.12 Contributed Capital

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.

1.13 Dividends

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Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.14 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year (refer note 25)

Diluted earnings per share

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

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

1.15 Rounding of amounts

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 2 : Property, Plant and Equipment

	Free Hold Land	Building	Temporary Structures	Other Building	Computers	Total	Capital Work in Progress
Year ended 31 March 2018							
Gross carrying amount	2,54,08,61,535	4,54,80,830	4,73,171	20,76,551	30,952	2,58,89,23,039	7,32,82,959
Addition	27,79,86,998	3,20,85,894		3,06,12,127		34,06,85,019	10,93,35,700
Disposals	1,82,255	-	-	-	-	1,82,255	
Transfers	-	-	-	-	-	-	9,43,71,353
Closing gross carrying amount	2,81,86,66,278	7,75,66,724	4,73,171	3,26,88,678	30,952	2,92,94,25,803	8,82,47,306
Accumulated Depreciation	-	21,54,421	2,98,902	1,46,754	13,017	26,13,094	
Depreciation charge during the year	-	71,64,168	1,10,086	1,46,66,645	11,330	2,19,52,229	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	-	93,18,589	4,08,988	1,48,13,399	24,347	2,45,65,323	-
Net Carrying amount	2,81,86,66,278	6,82,48,135	64,183	1,78,75,279	6,605	2,90,48,60,480	8,82,47,306
Year ended 31 March 2019							
Gross carrying amount							
Opening gross carrying amount	2,81,86,66,278	7,75,66,724	4,73,171	3,26,88,678	30,952	2,92,94,25,803	8,82,47,306
Additions	47,96,811	-		8,59,61,967		9,07,58,778	65,88,059
Disposals		-	-	-	-	-	
Transfers	-	-	-	-	-	-	9,48,35,365
Closing gross carrying amount	2,82,34,63,089	7,75,66,724	4,73,171	11,86,50,645	30,952	3,02,01,84,581	-
Accumulated depreciation and impairment							
Opening accumulated depreciation	-	93,18,589	4,08,988	1,48,13,399	24,347	2,45,65,323	-
Depreciation charge during the year	-	64,83,577	40,542	1,43,18,962	4,172	2,08,47,253	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment	-	1,58,02,166	4,49,530	2,91,32,361	28,519	4,54,12,576	-
Net carrying amount	2,82,34,63,089	6,17,64,558	23,641	8,95,18,284	2,433	2,97,47,72,005	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 2 a : Intangible Assets

	Computer Software
Year ended 31 March 2018	
Gross carrying amount	**18,000**
Addition	-
Closing gross carrying amount	**18,000**
Accumulated Depreciation	8,625
Amortisation during the year	3,600
Closing accumulated depreciation	**12,225**
Net Carrying amount	**5,775**
Year ended 31 March 2019	
Gross carrying amount	
Opening gross carrying amount	18,000
Additions	-
Closing gross carrying amount	**18,000**
Accumulated depreciation and impairment	
Opening accumulated depreciation	**12,225**
Amortisation during the year	3,600
Closing accumulated depreciation and impairment	**15,825**
Net carrying amount	**2,175**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

		As At March 31, 2019	As At March 31, 2018
Note 3 : Deferred Tax Assets / (Liabilities) net			
Minimum Alternative Tax Credit		34,79,563	29,78,000
Deferred Tax Assets		28,80,080	8,46,49,773
Deferred Tax Liabilities		(4,34,01,928)	(3,97,94,871)
		(3,70,42,285)	4,78,32,902
Note 4 : Other non-current assets			
Capital Advances to Others		2,80,15,000	2,80,15,000
Security Deposits to Others (with Govt. Authorities)		2,32,12,228	2,20,89,903
Total		5,12,27,228	5,01,04,903
5 (a) : Current investments			
Investment in Preference Share (not quoted)			
Nil (4,59,670)	In 8% Redeemable Preference Shares of Rs 10 each fully paid up of Worli Realty Pvt Ltd	-	19,48,43,169
	Investment in Mutual Funds		
841,54.857 (Nil)	- SBI Overnight Fund - Growth	26,02,34,160	-
Total		26,02,34,160	19,48,43,169
5 (b) : Trade receivables			
Unsecured			
- Considered Good			
Trade Receivables		1,95,87,690	86,00,542
Receivables from related parties		6,97,041	14,75,060
Total		2,02,84,731	1,00,75,602
5 (c) : Cash and cash equivalents			
Balances with banks			
- In current accounts		67,75,008	20,41,539
Cash on Hand		243	243
Total		67,75,251	20,41,782
Note 6 : Other current assets			
Advances Recoverable in Cash or Kind			
- Considered Good		6,45,492	5,90,452
- Balances other Government Authorities			
- Considered Good		1,18,752	73,116
Others			
- Advance Tax and Tax Deducted at Source		51,41,021	37,11,653
Total		59,05,265	43,75,221

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

Note 7 (a) : Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
9,50,00,000 Equity Shares of Rs. 10 each (Previous Year 9,50,00,000)	95,00,00,000	95,00,00,000
Issued, Subscribed and Paid Up		
50,700 Equity Shares of Rs. 10 each, fully paid up (Previous Year 50,700)	5,07,000	5,07,000

(i) Movements in Equity Share Capital	Equity Shares of Rs.10 each fully paid up	
	Number of shares	Amount
As at April 1, 2017	**50,700**	**5,07,000**
Additions during the year	-	
As at March 31, 2018	**50,700**	**5,07,000**
Additions during the year	-	
As at March 31, 2019	**50,700**	**5,07,000**

Terms and rights attached to equity shares

Equity shares have a par value of Rs. 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares :				
Welspun India Limited	50,700	5,07,000	50,700	5,07,000
	50,700	**5,07,000**	**50,700**	**5,07,000**

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

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	50,700	100.00	50,700	100.00

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

	As At March 31, 2019	As At March 31, 2018
Note 7 (b) : Reserves and surplus		
Capital Reserve on revaluation of Land	2,20,49,54,790	2,20,49,54,790
Retained earnings	(4,24,25,874)	(21,43,18,312)
Total	**2,16,25,28,916**	**1,99,06,36,479**
(I) Retained earnings		
Opening Balance	(21,43,18,312)	(20,19,30,655)
Net profit for the period	(76,95,863)	(1,23,87,657)
Revaluation of investments as per Ind AS	25,32,11,462	-
Deferred tax assets	(7,36,23,162)	-
Closing Balance	**(4,24,25,874)**	**(21,43,18,312)**

Note 7 (c) : Other Equity

(i) Equity Component of Preference Shares		
Opening Balance	13,45,48,723	5,61,52,896
Additions during the year	2,20,79,273	7,83,95,827
Closing Balance (a)	**15,66,27,996**	**13,45,48,723**
(ii) Share Application Money Pending Allocation		
Opening Balance	1,14,00,000	94,00,000
Additions during the year	7,77,00,000	27,67,50,000
Shares alloted during the year	8,91,00,000	27,47,50,000
Closing Balance (b)	-	**1,14,00,000**
Total (a+b)	**15,66,27,996**	**14,59,48,723**

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Welspun Anjar SEZ Limited *

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

	As At March 31, 2019	As At March 31, 2018
Note 8 : Non-current borrowings		
Unsecured :		
Liability component of compound financial instruments	55,44,10,199	47,72,21,833
Total non-current borrowings	**55,44,10,199**	**47,72,21,833**
Note 9: Non-current - Other financial liabilities		
Security Deposits	33,48,971	33,48,971
Total other non-current financial liabilities	**33,48,971**	**33,48,971**
Note 10 : Trade payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note below]	-	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Trade payables to related parties	-	-
- Others	32,85,548	6,94,63,463
Total	**32,85,548**	**6,94,63,463**

Note : There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2019. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

Note 11 : Current - Other financial liabilities		
Retention money payable	19,19,176	39,31,102
Payable to Welspun Corp Ltd (Towards refund of Leasehold Land Premium)	39,58,73,695	59,58,73,695
Total other current financial liabilities	**39,77,92,871**	**59,98,04,797**

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

Welspun Anjar SEZ Limited

WELSPUN ANJAR SEZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

	As At March 31, 2019	As At March 31, 2018
Note 12: Current tax liabilities		
Provision for income tax	29,77,310	29,94,450
Total current tax liabilities	**29,77,310**	**29,94,450**
Note 13: Other current liabilities		
Statutory dues (including GST and Tax deducted at Source)	5,91,970	20,48,533
Advance from customers	87,750	1,04,12,891
Total	**6,79,720**	**1,24,61,424**

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Welspun Anjar SEZ Limited

WELSPUN ANJAR SEZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
Note 14 : Revenue from operations		
Lease rent	2,75,40,031	2,09,55,663
Maintenance Charges	35,12,396	32,37,357
	3,10,52,427	**2,41,93,020**
Note 15 : Other Income		
Profit on Sale of Land	-	1,37,17,745
Interest income from investment in Preference Shares	1,16,15,369	94,98,108
Interest received on Income tax refund	9,888	-
Profit on Investments	2,34,160	-
	1,18,59,417	**2,32,15,853**
Note 16 : Depreciation and amortization expense		
Depreciation property, plant and equipment	2,08,47,253	2,19,52,229
Amortisation on intangible assets	3,600	3,600
Total depreciation and amortization expense	**2,08,50,853**	**2,19,55,829**
Note 17 : Other Expenses		
General Maintenance & Repairs	16,15,820	-
Share issue Expense	26,680	38,386
Directors' Sitting Fees	1,64,000	3,32,504
Rent	10,80,000	10,80,000
Rates and Taxes	45,10,109	16,22,230
Printing and Stationery	2,214	16,515
Legal and Professional Charges	3,50,118	6,67,801
Payments to auditors (refer note 17 a given below)	57,500	47,935
Miscellaneous	26,070	9,429
Total Other Expenses	**78,32,511**	**38,14,800**
Note 17 (a) : Details of Payments to auditors		
Payments to auditors		
As auditor:		
Audit fee	30,000	22,935
Tax audit fee	27,500	25,000
Total payments to auditors	**57,500**	**47,935**
Note 18 : Finance costs		
Interest Charge on debt component of preference shares	1,85,64,605	3,23,75,036
Discounting and Bank Charges	2,369	2,506
Finance cost expensed in profit or loss	**1,85,66,974**	**3,23,77,542**

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Welspun Anjar SEZ Limited *

Note 20 : Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

The Company's risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Since subsential amount of receivables of the Company are from its own Subsidiaries and Associates credit risk is mitigated.

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Welspun Anjar SEZ Limited

PERIOD MARCH 31, 2019:

(a) Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-30 days past due	31 - 60 days past due	61 - 90 days past due	91 - 120 days past due	121 - 180 days past dues	Beyond 181 days past dues	Total
Gross carrying amount		20,78,786	22,76,386	24,30,611	14,84,034	20,87,421	99,27,493	2,02,84,731
Expected loss rate		-	-	-	-	-		-
Expected credit losses (Loss allowance provision)		-	-	-	-	-		-
Carrying amount of trade receivables (net of impairment)	-	**20,78,786**	**22,76,386**	**24,30,611**	**14,84,034**	**20,87,421**	**99,27,493**	**2,02,84,731**

(B) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The Company does not have any credit facility with banks or other lending agencies.

(ii) Maturities of financial liabilities

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

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

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities March 31, 2019	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	-	-	-	-	-	55,44,10,199	55,44,10,199
Trade payables	17,01,083	8,292	13,67,967	2,08,206	-	-	32,85,548
Other Financial Liabilities	-	33,48,971	-	19,19,176	39,58,73,695	-	40,11,41,842
Total non-derivative liabilities	17,01,083	33,57,263	13,67,967	21,27,382	39,58,73,695	55,44,10,199	95,88,37,589

Contractual maturities of financial liabilities March 31, 2018	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	-	-	-	-	-	47,72,21,833	47,72,21,833
Trade payables	6,70,68,401	2,75,213	15,38,022	5,81,827	-	-	6,94,63,463
Other Financial Liabilities	18,78,463	23,62,381	-	30,39,229	59,58,73,695	-	60,31,53,768
Total non-derivative liabilities	6,89,46,864	26,37,594	15,38,022	36,21,056	59,58,73,695	47,72,21,833	1,14,98,39,064

(C) Market risk

(ii) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

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

	March 31, 2019	March 31, 2018
Fixed rate borrowings	55,44,10,199	47,72,21,833
Floating rate borrowings	-	-
Total borrowings	55,44,10,199	47,72,21,833

Welspun Anjar SEZ Limited

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

WELSPUN ANJAR SEZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 21 : Capital Management

(a) Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.
fund generation.
The Company is not subject to any externally imposed capital requirements.
The following table summarizes the capital of the Company:

	31-Mar-19	31-Mar-18
Long term borrowings	55,44,10,199	47,72,21,833

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 22 : Segment information

(i) Information about Primary Business Segment

The Company is exclusively engaged in the business of leasing of factory buildings, which in the context of Ind AS 108 on Operating segments, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the period are all as reflected in the financial statements for the year ended March 31, 2019 and as on that date

(ii) Information about Secondary Geographical Segments:

The Company is exclusively engaged in sales to customers located in India. Consequently the Company does not have separate reportable geographical segments for March 2019.

Note 23 : Related party transactions

(a) List of Related Parties

- Holding company - Welspun India Limited
- Fellow Subsidiary - Welspun Floorings Limited
- List of Others over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year. - Welspun Floorings
  - Welspun Corp Limited
  - Worli Reality Pvt. Ltd.
- Key management personnel
  - K H Vishwanathan
  - Ram Gopal Sharma

(b) Transactions with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-19	31-Mar-18
Transactions During the year		
Lease Rent Income	9,18,100	22,93,451
Purchases of Fixed Assets / CWIP	-	6,34,85,652
Advances received during the year	-	73,891
Preference Share Issue	8,91,00,000	27,47,50,000
Share application money	7,77,00,000	27,67,50,000
Director's Sitting Fees	1,64,000	3,32,504

(c) Outstanding balances arising from sale/purchases of goods and services

	31-Mar-19	31-Mar-18
Balance sheet heads (Closing balances):		
Advances received	-	73,891
Other payables	39,58,73,695	59,58,73,695
Trade Payables	-	6,24,09,624
Investment held	-	19,48,43,169
Share application money pending allocation	-	1,14,00,000
Trade Receivables, Advance given and other receivables for rendering services	6,97,041	14,75,060

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Welspun Anjar SEZ Limited *

WELSPUN ANJAR SEZ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 24 : Commitments

Non-cancellable operating leases

Where the Company is a lessee:

Operating Lease

The Company has taken land under operating lease where agreements are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease is generally of five years.
The aggregate rental expenses of all the operating leases for the year are Rs. 10,80,000 (Previous Year: Rs. 10,80,000)

Note 25 : Earning per share

Basic and diluted earnings per share	**March 31, 2019**	**March 31, 2018**
Earnings per share attributable to the equity holders of the company	(151.79)	(244.33)
Profit for the year	(76,95,863)	(1,23,87,657)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (Number of shares)	50,700	50,700

For Sureka Associates
Firm Registration No:110640W
Chartered Accountants

Suresh Sureka
Partner
Membership No:34132
Place: Mumbai
Date: 22 MAY 2019

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Altaf Jiwani
Director
DIN: 05166241

Dinesh Jain
Director
DIN: 06807650

Amit Shah
CFO & CEO

Shashikant Thorat
Company Secretary

Welspun Anjar SEZ Limited