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Independent Auditor's Report

To the Members of Welspun Specialty Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Welspun Specialty Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 financial statements give the information required by the Companies Act, 2013 ("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 31 March 2025, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's 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 on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

See Note 40 to financial statements	
The key audit matter	**How the matter was addressed in our audit**
Deferred Tax Asset As outlined in Note 40 of the financial statements, the Company has recognised deferred tax assets (DTA) of Rs. 3340. lakhs as at 31 March 2025 (previous year: Rs. 3387 lakhs), towards accumulated tax losses carried forward under the Indian Income-tax Act, 1961 ('the Act'). Further, the Company has not recognised DTA	In view of the significance of the matter, we applied the following audit procedures in this area to obtain sufficient appropriate audit evidence. **Test of Controls:** We tested the design, implementation, and operating effectiveness of key controls over the critical inputs and assumptions used in projecting future taxable profits of the Company.

of ₹25,965 lakhs on unabsorbed depreciation which has unlimited expiry as stipulated under the Act. The Company has recognized deferred tax assets to the extent it is probable that future taxable profits will be available against which such carried forward tax losses can be utilized before they expire. The management believes that the Company will be able to utilize the accumulated tax losses within the timeframe allowed under the Act due to: • enhanced operational performance; and • reduced interest expenses, facilitated by the repayment of borrowings through capital raised via a Rights Issue during the current year. The Company's assessment of the recoverability of DTA involves significant judgments and estimates in forecasting future taxable profits that will result in utilization of the accumulated tax losses. This is considered to be a key audit matter considering the Company's past history of losses, complexity of tax rules, and subjectivity involved in assumptions used in preparing the forecasts of future taxable profits.	**Test of details:** • Challenged the key underlying assumptions used in forecasting future taxable profits and the expected timing of utilization of the carried forward tax losses; • Assessed the historical accuracy of key inputs and assumptions such as volume and revenue growth rate, by comparing management's projections of the prior years to actual outcomes. • Read the minutes of relevant board meetings to verify the budgets have been formally approved by the Board of Directors. • Performed sensitivity analysis of the key assumptions to evaluate the impact of change in key assumptions on future taxable profits. • Tested the arithmetical accuracy of computation of deferred tax. • Performed necessary procedures to verify the adequacy of disclosures made in the financial statements, in compliance with the applicable accounting standards and accounting principles generally accepted in India.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the financial statements and auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under relevant laws and regulations.

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Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. The financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor who had expressed an unmodified opinion on 26 April 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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 except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors on 1 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 B".

B. 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, in our opinion and to the best of our information and

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according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 37 to the financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50(vii) to the financial statements, 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 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.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50(vii) to the financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account, which have has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i) The feature of recording audit trail (edit log) facility was not enabled at the application level for certain fields and changes performed by users having privileged access for the accounting software.

ii) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention

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C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

B. M. Dhupelia

Bhavesh Dhupelia

Partner

Membership No.: 042070

ICAI UDIN:25042070BMKVBF1025

Place: Mumbai

Date: April 29, 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	14	RMG Alloy Steel Limited	No	30 Years	Title deeds are held in the former name of the Company
Right of use assets	351	RMG Alloy Steel Limited	No	30 Years	Title deeds are held in the former name of the Company

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investments in government bonds. The Company has not made any investments in companies, firms and limited liability partnerships. Accordingly, provisions of clauses 3(iii)(a), 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are not prejudicial to the interest of the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2025 *(Continued)*

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

However, the Company has received a demand under the Gujarat Sales Tax Act for Rs. 20.27 lakhs for the financial year 2003-04. This amount has been paid under protest and the matter is currently pending with the Joint Commissioner of Sales Tax (Appeal), Vadodara.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2025 *(Continued)*

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are 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, clause 3(xvi)(a) of the Order is not applicable.

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has three CICs as part of the Group

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and we have duly 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, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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. 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 to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the

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Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia

Partner

Membership No.: 042070

ICAI UDIN:25042070BMKVBF1025

Place: Mumbai

Date: 29 April 2025

Annexure B to the Independent Auditor's Report on the financial statements of Welspun Specialty Solutions Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Welspun Specialty Solutions Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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.

Auditor's Responsibility

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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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Annexure B to the Independent Auditor's Report on the financial statements of Welspun Specialty Solutions Limited for the year ended 31 March 2025 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

B.H. Dhupelia

Bhavesh Dhupelia

Partner

Place: Mumbai

Membership No.: 042070

Date: 29 April 2025

ICAI UDIN:25042070BMKVBF1025

General Information

Welspun Specialty Solutions Limited ("the Company") is a public limited Company incorporated in India with its registered office in Plot No 1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat – 393-110. The Company is listed on the Bombay Stock Exchange (BSE). The Company is a multi-product manufacturer of Billet, Rolled Bar, Black Bar, Ingot, Bloom and Seamless Pipe and Tubes.

The financial statements as at March 31, 2025 were approved for issue by the Board of Directors on April 29, 2025.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). 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 lakhs unless otherwise stated.

Note 1: Material Accounting Policies

This note provides a list of the material 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) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The Financial statements present the financial position of the Company.

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 the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

c) 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.

d) Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS- 117 Insurance Contracts and amendments to Ind AS 116- Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

1.2 Revenue recognition

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a) Sale of goods

The Company derives revenue principally from sale of Stainless Steel (SS) bars, SS pipes and tubes (including Billet, Rolled Bar, Black Bar, Ingot, Bloom and Seamless Pipe and Tubes).

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

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

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates, etc.

Revenue is recognized at a determined transaction price when identified performance obligations are satisfied. The bill and hold contracts are entered at the request of the customer. Revenue excludes any taxes and duties collected on behalf of the government.

The Company's payment terms range from 0 to 120 days from date of delivery, depending on the market and product sold.

b) Sale of services

Revenue from job work charges are recognised based on stage of completion of the contract. Stage of completion is determined using "Input methods" as a proportion of cost incurred to date to the total estimated contract cost.

1.3 Government grants

Other income includes export and other recurring and non-recurring incentives from Government (referred as "incentives"). Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the consolidated statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

In case of SGST incentive, the Company is following the gross basis of accounting of government grants. As per this method, the balance sheet would reflect the cumulative net amount of grant that has been amortised to date and the cash that has been received / reasonably assured to be received under the terms of the grant and corresponding government grant is recognised in the statement of profit and loss.

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Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Remission of Duties and Taxes on Export Products ("RoDTEP") and Duty Drawback scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme and RoDTEP are recognised on shipment of direct exports.

1.4 Income tax and deferred tax

The Income tax expense or credit for the year 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.

a) 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 and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the Company 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.

b) Deferred tax

Deferred tax is, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not recognized if they arise from the initial recognition of goodwill.

Deferred 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 tax assets is realized or deferred tax liability is settled.

Deferred tax is recognised for all deductible temporary difference 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 is not accounted for if it arises from initial recognition of an asset or liability in a transaction a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient future taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

1.5 Property, plant and equipment

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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 cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

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. Overhaul expenditure is capitalised where the activities undertaken improves the economic benefits expected to arise from the asset.

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment 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 cost 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.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements is amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Lives (in years)	Useful Life as per Companies Act, 2013
Buildings		
Building	30	30
Residential and other buildings	60	60
Electrical Installation.	10	10
Office and Other Equipment		
Office equipment	Ranging between 3 to 5 years	5 years
Computer	3 years except Networking equipment's which are depreciated over useful life of 5 years	Ranging between 3 to 6 years
Plant and Machinery	Ranging between 5-30 years	Ranging between 5-25 years
Vehicles	10	Ranging between 6 to 10 years
Furniture and fixtures	10	Ranging between 8 to 10 years

The useful lives have been determined based on technical evaluation done by management's expert which may differ from those specified in Schedule II of the Companies Act, 2013 (as indicated in table above) in order to reflect the actual usage of the assets.

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The estimated useful lives of plant and machinery, determined based on internal technical advice, considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

The residual values are not more than 5% of the original cost of the asset.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss.

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.
Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income or other expenses, as applicable.

1.6 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment of assets excludes: other than investment property, inventories, contract assets and deferred tax assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of
money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable

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expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due

1.7 Inventories

Raw materials (including acquired scrap), stores and spares, work in progress, traded goods, and finished goods

Raw materials (including acquired scrap), stores and spares, work in progress, traded goods, and finished goods are stated at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-Item basis. Cost of raw materials, traded goods and acquired scrap comprises cost of purchases on moving weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on moving weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when increase in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

1.8 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.

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 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. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(II) Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables) 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. However, trade receivables do not contain significant financing component are measured at transaction price. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is

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the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) Debt instruments

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

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest 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 income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss (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.

(ii) 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 is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments and gain/loss on restatement of equity shares held in foreign currency 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.

(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.

For trade receivables and contract assets, 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

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- 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

(i) Interest income

Interest income from a financial asset 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.

Interest on income tax and indirect tax are recognised in the year in which it is received.

(VI) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(VII) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

b) 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.

(II) Derecognition

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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 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 and 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.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. 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 presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

Trade payables includes acceptances arrangements where operational suppliers of goods are paid by banks while the Company continues to recognise the liability till settlement with the banks.

c) Derivatives and hedging activities

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

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

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

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

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

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

(I) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).
When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

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

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

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

(II) Derivatives that are not designated as hedges

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

d) 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

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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.

f) **Compound financial instruments**

Compound financial instruments issued by the Company comprise Non-cumulative redeemable preference shares denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. 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. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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 of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualified for inclusion in the cost of an asset). On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

1.9 Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits 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.

b) 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

c) Contingent Assets

Contingent Assets is not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

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1.10 Other accounting policy

a) Contract assets and contract liabilities

When the Company performs a service or transfers a good in advance of receiving consideration, it recognises a contract asset or receivable.

A contract asset is a Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. If the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records a contract asset when the nature of the Company's right to consideration for its performance is other than passage of time. A contract asset will be classified as a receivable when the Company's right to consideration is unconditional (that is, when payment is due only on the passage of time) The Company assesses a contract asset for impairment in accordance with Ind AS 109. Impairment of a contract asset is measured, presented and disclosed on similar basis as other financial asset in nature of trade receivable within the scope of Ind AS 109. The Company discloses contract assets under "Other Assets".

The Company recognises a contract liability if the customer's payment of consideration precedes the Company's performance. A contract liability is recognised if the Company receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. The Company discloses contract liabilities under "Other Liabilities".

b) Intangible assets

Intangible assets 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

Intangible assets comprise of computer software which is amortised on a straight-line basis over its expected useful life of five years which is based on a technical evaluation done by the Management.

c) Leases

As a lessee

The Company leases various leasehold lands, buildings, vehicles, and office and other equipments. Rental contracts are typically made for fixed periods of three to ninety-nine 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

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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, wherever applicable:

- 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 measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

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 of equipment 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, without a purchase option. Low-value assets and short term lease assets comprises of dumpsite land, laptops and other office equipment.

d) 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.

All other borrowing costs are expensed in the period in which they are incurred.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

e) Employee benefits

1) 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.

2) Other long-term employee benefit obligations
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the

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reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

3) 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, superannuation fund and pension fund.

(I) Defined Benefit Plans

(i) Gratuity obligations

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

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

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

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

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

(II) Defined contribution plans

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

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

(ii) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

4) Bonus Plan

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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5) Equity-settled share-based payments (ESOP)

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Equity settled share-based payments". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Equity settled share-based payments" are transferred to the "General Reserve".
When the options are exercised, the Company issues new equity shares of the Company of Rs. 6 each fully paid-up. The proceeds received and the related balance standing to credit of the Equity settled share-based payments, are credited to share capital (nominal value) and Securities Premium.

f) Contributed Equity

Equity shares are classified as equity.

g) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

h) Earnings per share

1)Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

2)Diluted earnings per share

Diluted earnings per share adjust 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.

i) Cash Flow Statement

Cash flows are reported using the indirect method set out in Ind AS 7 'Statement of Cash Flows', whereby net loss/profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

j) Segment reporting

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The chief operating decision makers are the Board of Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of manufacturing of steel and steel products which in the opinion of the management is a single business segment in the context of Ind AS 108 on "Operating Segment".

k) Foreign currency translation

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1) 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 Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR/Rs.), which is the Company's functional and presentation currency.

2) 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 expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

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.

The Company has elected to apply the exemption from the transition date i.e. April 01, 2015 in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the financial statement have been accounted in accordance with previous GAAP as given below:

- Foreign exchange differences on account of depreciable assets are adjusted in the cost of depreciable assets and depreciated over the balance life of the assets.

In other cases, foreign exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term assets / liabilities.

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. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

ii) Estimation of useful life of Property, Plant and Equipment

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Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Estimation of Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

iv) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

v) Recoverability of deferred tax asset on unabsorbed losses and unabsorbed depreciation

Deferred 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 tax assets is realized or deferred tax liability is settled.

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

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

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WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Balance Sheet as at March 31, 2025
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	19,253	19,453
Capital work-in-progress	3(b)	249	523
Right-of-use assets	3(c)	246	249
Intangible assets	4	44	104
Other tax assets	5	111	44
Financial assets			
Other financial assets	6	68	109
Deferred tax assets (net)	40	3,340	3,387
Other non-current assets	7	606	169
Total non-current assets		23,917	24,038
Current assets			
Inventories	8	24,268	26,856
Financial assets			
Investments	12(a)	2,431	-
Trade receivables	9	12,367	4,853
Cash and cash equivalents	10	7,213	1
Bank balances other than cash and cash equivalents	11	73	55
Other financial assets	12	75	67
Other current assets	13	2,442	2,848
Total current assets		48,869	34,680
Total assets		72,786	58,718
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	39,756	31,805
Other equity			
Equity component of compound financial instruments	16(a)	3,775	3,775
Reserves and surplus	15(a)	(3)	(26,316)
Items of other comprehensive income	15(b)	(91)	44
Total equity		43,437	9,308
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	2,092	12,232
Other financial liabilities	17	-	615
Provisions	18	306	195
Total non-current liabilities		2,398	13,042
Current liabilities			
Financial liabilities			
Borrowings	19	-	13,719
Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		1,470	511
- total outstanding dues other than above		24,300	20,317
Other financial liabilities	21	139	620
Other current liabilities	22	837	1,044
Provisions	23	205	157
Total current liabilities		26,951	36,368
Total liabilities		29,349	49,410
Total equity and liabilities		72,786	58,718

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No.042070
Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors
Welspun Specialty Solutions Limited
CIN: L27100GJ1980PLC020358

B.K. Goenka
Chairman
DIN: 00270175
Place: Mumbai
Date: April 29, 2025

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211
Place: Mumbai
Date: April 29, 2025

Navin Agarwal
Chief Financial Officer
Place: Mumbai
Date: April 29, 2025

Suhas Pawar
Company Secretary
ACS: 36560
Place: Mumbai
Date: April 29, 2025

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	24	72,372	69,667
Other income	25	2,537	2,150
Total Income		**74,909**	**71,817**
Expenses			
Cost of materials consumed	26	43,114	48,427
Changes in inventories of work-in-progress and finished goods	27	3,651	(4,546)
Employee benefits expense	28	4,440	4,165
Finance costs	29	4,397	3,325
Depreciation and amortisation expense	30	1,619	1,548
Power and Fuel Expense		6,438	6,196
Consumption of Stores and Spares		4,682	4,750
Other expenses	31	6,968	5,092
Total expenses		**75,309**	**68,957**
Profit / (Loss) before tax		**(400)**	**2,860**
Income tax expense / (credit)			
Current tax	41	-	-
Deferred tax	40	9	(3,387)
Total income tax expense/ (credit)		**9**	**(3,387)**
Profit / (Loss) for the year (A)		**(409)**	**6,247**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Fair value change gain/ (loss) on derivatives designated as cash flow hedge (net)		(135)	137
Income tax relating to this item		(23)	-
		(158)	**137**
Items that will not be reclassified to profit or loss			
Remeasurements gain/ (loss) on defined benefit obligations		(59)	(13)
Income tax relating to this item		(15)	-
		(74)	**(13)**
Other comprehensive income for the year, net of tax (B)		**(232)**	**124**
Total comprehensive income for the year (A+B)		**(641)**	**6,371**
Earnings per equity share			
Basic earnings per share of face value of Rs. 6 each (in Rupees)	35	(0.08)	1.18
Diluted earnings per share of face value of Rs. 6 each (in Rupees)	35	(0.08)	1.18

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.042070
Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors
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ACS: 36560
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WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of cash flows for the period year ended March 31, 2025

(Rs. Lakhs)

	Year ended March 31, 2025	Year ended March 31, 2024
A) Cash flow from operating activities		
(Loss)/Profit before tax	(400)	2,860
Adjustments for:		
Depreciation and amortisation expense	1,619	1,548
Loss/(Gain) on sale/discarding of property, plant and equipment (net)	7	(20)
Finance costs	4,397	3,325
Gain on sales of investments	(42)	(4)
Loss allowance on trade receivables	125	-
Interest income	(95)	(6)
Unrealised (gain) / loss on foreign currency transactions and translations	(194)	106
Liabilities/ provisions no longer required written back	(65)	(119)
	5,792	4,829
Operating profit before changes in working capital	**5,392**	**7,689**
Movement in working capital		
Movement in other non-current financial assets	41	(37)
Movement in inventories	2,588	(7,019)
Movement in trade receivables	(7,584)	(690)
Movement in other current financial assets	(2)	(58)
Movement in other current assets	406	(246)
Movement in current provisions	159	39
Movement in trade payables	5,039	946
Movement in other current financial liabilities	13	(214)
Movement in other current liabilities	(208)	348
Movement in current provisions	-	1
Net movement in working capital	**452**	**(6,930)**
Cash flow from operations	**5,844**	**759**
Income taxes paid	(67)	(12)
Net cash generated from operating activities (A)	**5,777**	**747**
B) Cash flow from investing activities		
Payments for property, plant and equipment (including Capital work-in-progress, capital advance and capital creditors)	(1,591)	(1,266)
Proceeds from disposal of property, plant and equipments	30	20
Proceeds from redemption of investments	9,875	3,489
Purchase of investments	(12,264)	(3,465)
Purchase of intangible assets	(3)	(4)
Investments in fixed deposits (net)	(18)	(4)
Interest received	88	6
Net cash used in investing activities (B)	**(3,883)**	**(1,244)**
C) Cash flow from financing activities		
Proceeds from issue of equity share capital	34,769	-
Repayment of non current borrowings	(10,140)	(965)
Proceeds from current borrowings	10,000	3,387
Repayment of current borrowings	(23,719)	-
Interest paid	(5,592)	(1,953)
Net cash generated from financing activities (C)	**5,318**	**469**
Net increase/decrease in cash and cash equivalents (A+B+C)	**7,212**	**(28)**
Cash and cash equivalents at the beginning of the year	1	29
Cash and cash equivalents at the end of the year	**7,213**	**1**
Net increase/decrease in cash and cash equivalents	**7,212**	**(28)**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	1	1
Balances with banks		
- In current accounts	1,241	-
Deposits with original maturity of less than three months	5,971	
Balance per statement of cash flows	**7,213**	**1**

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.042070
Place: Mumbai
Date: April 29, 2025

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Company Secretary
ACS: 36560
Place: Mumbai
Date: April 29, 2025

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of changes in equity for the period year ended March 31, 2025
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 01, 2023	**31,805**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**31,805**
Changes in equity share capital during the year (refer Note 14)	7,951
Balance as at March 31, 2025	**39,756**

B. Other equity [refer note 15(a), 15(b) and 16(a)]

	Reserves and surplus				Items of Other comprehensive income	Equity Component of compound financial instruments	
	Retained earnings	Securities premium	General reserve	Total reserve and surplus	Cash flow hedging reserve	Equity Component of 12% Non-cumulative redeemable preference shares (Refer note 16(a))	Total other equity
Balance as at April 01, 2023	**(61,952)**	**28,849**	**553**	**(32,550)**	**(93)**	**3,775**	**(28,868)**
Profit for the year	6,247	-	-	**6,247**	-	-	6,247
Other comprehensive income / (loss) for the year	(13)	-	-	**(13)**	137	-	124
Total comprehensive income for the year	**6,234**	**-**	**-**	**6,234**	**137**	**-**	**6,371**
Balance as at March 31, 2024	**(55,718)**	**28,849**	**553**	**(26,316)**	**44**	**3,775**	**(22,497)**
Opening Balance as at April 01, 2024	**(55,718)**	**28,849**	**553**	**(26,316)**	**44**	**3,775**	**(22,497)**
Loss for the year	(409)	-	-	(409)	-	-	**(409)**
Other comprehensive income / (loss) for the year	(97)	-	-	(97)	(135)	-	**(232)**
Share Premium on Right Issue (refer Note 14)	-	26,819	-	26,819	-	-	**26,819**
Total comprehensive income for the year	**(506)**	**26,819**	**-**	**26,313**	**(135)**	**-**	**26,178**
Balance as at March 31, 2025	**(56,224)**	**55,668**	**553**	**(3)**	**(91)**	**3,775**	**3,681**

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

As per our report of even date attached
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.042070
Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors
Welspun Specialty Solutions Limited
CIN: L27100GJ1980PLC020358

B.K. Goenka
Chairman
DIN: 00270175
Place: Mumbai
Date: April 29, 2025

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211
Place: Mumbai
Date: April 29, 2025

Navin Agarwal
Chief Financial Officer
Place: Mumbai
Date: April 29, 2025

Suhas Pawar
Company Secretary
ACS: 36560
Place: Mumbai
Date: April 29, 2025

WELSPUN SPECIALTY SOLUTIONS LIMITED

(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

3(a) Property, plant and equipment

Carrying amounts	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2023								
Gross carrying amount								
Balance as at April 01, 2023	14	11,693	39,536	2,682	70	29	217	54,231
Additions	-	18	556	-	6	0	39	619
Disposals	-	-	4	97	-	-	-	101
Gross carrying amount as at March 31, 2024	**14**	**11,701**	**40,088**	**2,585**	**76**	**29**	**256**	**54,749**
Year ended March 31, 2024								
Gross carrying amount								
Additions	-	35	1,328	-	1	-	27	1,391
Disposals	-	-	50	-	-	-	5	55
Gross carrying amount as at March 31, 2025	**14**	**11,736**	**41,366**	**2,586**	**76**	**29**	**279**	**56,085**

Accumulated depreciation	Freehold land	Buildings	Plant and machinery	Electrical installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2023								
Balance as at April 01, 2023	-	6,173	25,325	2,211	51	14	143	33,917
Additions	-	319	1,056	61	3	4	36	1,478
Disposals	-	-	4	97	-	-	-	100
Accumulated depreciation as at March 31, 2024	**-**	**6,492**	**26,378**	**2,175**	**54**	**18**	**179**	**35,294**
Year ended March 31, 2024								
Additions	-	342	1,107	63	4	4	34	1,553
Disposals	-	-	14	-	-	-	4	18
Accumulated depreciation as at March 31, 2025	**-**	**6,833**	**27,470**	**2,237**	**58**	**21**	**210**	**36,829**

Net carrying amount of property, plant and equipment

Balance as at March 31, 2024	14	5,209	13,711	410	22	11	76	**19,453**
Balance as at March 31, 2025	14	4,903	13,896	348	18	8	69	**19,263**

* Amount is below the rounding off norm adopted by the Company.

Note:
1. For property, plant and equipment pledged as security, refer note 16 and note 19.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

3(b) Capital work-in-progress

Opening balance as at April 01, 2023	**117**
Additions	979
Capitalisation	573
Closing balance as at March 31, 2024	**523**

Opening balance as at April 01, 2024	**523**
Additions	1,063
Capitalisation	1,337
Closing balance as at March 31, 2025	**249**

Capital work-in-progress aging :
Aging for capital work-in-progress (CWIP) as at March 31, 2025 is as follows:

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	249	-	-	-	249
Total	**249**	-	-	-	**249**

Capital work-in-progress aging :
Aging for capital work-in-progress (CWIP) as at March 31, 2024 is as follows:

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	523	-	-	-	523
Total	**523**	-	-	-	**523**

Notes:
1. For Capital work-in-progress pledged as security, refer note 16 and note 19.
2. There are no projects temporarily suspended as at March 31, 2025 and March 31, 2024.
3. The completion schedule for the above capital work-in-progress is not overdue nor has exceeded its cost compared to its original plan.
4. Capital work-in-progress majorly comprises of plant and machinery and buildings.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

3(c) Right-of-use assets

	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
Leasehold land	351	351
Accumulated Depreciation		
Opening balance	102	99
Amortisation accounted in statement of Profit and Loss	4	3
Closing balance	106	102
Net carrying amount	**245**	**249**

(i) Amount recognised in balance sheet

The Balance sheet shows the following amounts relating to leases:

Right-of-use asset		
Leasehold land	245	249
	245	249

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

The statement of profit or loss shows the following amounts relating to leases:

	As at March 31, 2025	As at March 31, 2024
Depreciation charge of Right-of-use assets	4	3
Expense relating to low value leases (included in other expenses)	14	14
Total	4	17

Note:

1.The lease period for land is 99 years and the Company has made upfront payment for lease rentals at the time of inception of lease. Therefore there is no lease liability and finance cost in relation to right-of-use asset

2. For right-of-use asset pledged as security refer note 16 and note 19.

3. The Company has leases of Delhi and Mumbai offices which are of low value. The Company elected not to recognise right to use assets and lease liabilities for these leases. The lease payment of such leases are directly debited to Statement of Profit and Loss.

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Notes forming part of the financial statements as at and for the year ended March 31, 2025
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

4 Intangible assets

Carrying amounts	**Computer Software**
Gross carrying amount	
Balance as at April 01, 2023	379
Additions	4
Disposals	-
Gross carrying amount as at March 31, 2024	**383**
Gross carrying amount	
Additions	3
Disposals	-
Gross carrying amount as at March 31, 2025	**386**

Accumulated amortisation	**Computer Software**
Balance as at April 01, 2023	214
Additions	65
Disposals	-
Accumulated amortisation as at March 31, 2024	**279**
Additions	62
Disposals	-
Accumulated amortisation as at March 31, 2025	**342**

Net carrying amount of Intangible assets

As at March 31, 2024	104
As at March 31, 2025	44

Note:
1. None of the above intangible assets are internally generated.

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		As at March 31, 2025	As at March 31, 2024
5	**Other tax assets**		
	Advance taxes paid including tax deducted at source [net of provision for tax March 31, 2025: Nil (March 31, 2024: Nil)] (Refer Note 41(d))	111	44
	Total Income tax assets	**111**	**44**

		As at March 31, 2025	As at March 31, 2024
6	**Other non current financial assets**		
	Unsecured, considered good		
	Security deposits	68	109
	Total other non-current financial assets	**68**	**109**

		As at March 31, 2025	As at March 31, 2024
7	**Other non current assets**		
	Unsecured, considered good		
	Capital advances	606	169
	Total other non-current assets	**606**	**169**

		As at March 31, 2025	As at March 31, 2024
8	**Inventories**		
	Raw materials	4,870	4,469
	Goods-in-transit for raw materials	410	-
	Work-in-progress	5,687	9,860
	Finished goods	9,300	8,978
	Stores and spares	3,801	3,549
	Total inventories	**24,268**	**26,856**

Note:
Write-downs of inventories to net realisable value amounted to Rs. 400 lakhs (Rs. 80 lakhs as on March 31, 2024). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress and finished goods in statement of profit and loss.

For inventories pledged as security, refer note 16 and note 19.

		As at March 31, 2025	As at March 31, 2024
9	**Trade receivables**		
	Trade receivables from others	13,101	5,462
	Less: Loss allowance	(734)	(609)
	Total	**12,367**	**4,853**
	Break up of security details		
	Considered good - Unsecured	12,367	4,853
	Trade Receivables which have significant increase in credit risk	734	609
	Total	**13,101**	**5,462**
	Loss allowance	(734)	(609)
	Total trade receivables	**12,367**	**4,853**

Note:
1. Refer note 46 for ageing schedule of trade receivables.
2. For trade receivables pledged as security, refer note 16 and note 19.

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		As at March 31, 2025	As at March 31, 2024
10	**Cash and cash equivalents**		
	Cash on hand	1	1
	Balances with banks		
	- in current accounts	1,241	-
	Deposits with original maturity of less than three months	5,971	-
	Total cash and cash equivalents	**7,213**	**1**

		As at March 31, 2025	As at March 31, 2024
11	**Bank balances other than cash and cash equivalents**		
	Other bank balances:		
	Deposits with original maturity of more than three months but less than twelve months# (including Interest accrued on deposits)	67	53
	Margin money deposits	6	2
	Total bank balances other than cash and cash equivalents	**73**	**55**

includes Rs. 67 Lakhs (March 31, 2024: 53 Lakhs) on which a lien has been created.

12	**Other current financial assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	67	-
		67	-
	Interest accrued on		
	Current investments	6	-
		6	(0)
	Unsecured, considered good		
	Others Receivables	2	67
		2	67
	Total other current financial assets	**75**	**67**

		As at March 31, 2025	As at March 31, 2024
13	**Other current assets**		
	Unsecured, considered good		
	Balance with statutory authorities	1,233	1,906
	Advance to suppliers	358	339
	Prepaid expenses	303	307
	Advance to employees	14	2
	Export benefit receivable	63	51
	Incentive receivable (refer note 34)	426	243
	Other receivables*	45	0
	Total other current assets	**2,442**	**2,848**

* Amount is below the rounding off norm adopted by the Company.

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		As at March 31, 2025	As at March 31, 2024
15	**(a) Reserves & Surplus**		
	(i) Securities premium		
	Opening balance	28,849	28,849
	Movement during the year (refer note (i) below)	26,819	-
	Closing balance	**55,668**	**28,849**
	(ii) General reserve		
	Opening balance	553	553
	Movement during the year	-	-
	Closing balance	**553**	**553**
	(iii) Retained earnings		
	Opening balance	(55,718)	(61,952)
	Net profit / (loss) for the year	(447)	6,247
	Item of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post employment benefit obligations, net of tax	(59)	(13)
	Closing balance	**(56,224)**	**(55,718)**
	Total Reserves & Surplus	**(3)**	**(26,316)**

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. On February 24, 2025, the Rights Issue Committee of the Board of Directors of the Company approved issuance of 13,25,22,289 Equity Shares of Face Value of Rs. 6 each at a price of Rs. 26.40 per Rights Equity Share (including Premium of Rs. 20.40 per Rights Equity Share), in the ratio of 1 Rights Equity Share for every 4 existing fully paid equity shares held by the eligible equity shareholders as on March 01, 2025, the Record Date. Rights issue expenses of Rs. 217 lakhs has been adjusted against securities premuim account.

(ii) General reserve

General Reserve represents appropriation of profit by the Company. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(iii) Retained Earnings

Retained earnings comprises of prior years as well as current year's undistributed earnings after taxes.

		As at March 31, 2025	As at March 31, 2024
15	**(b) Items of Other comprehensive income**		
	Cash flow hedging reserve		
	Opening balance	44	(93)
	Amount recognised in cash flow hedging reserve during the year (net)	(118)	243
	Gain transferred to statement of profit and loss	(17)	(106)
	Closing balance	**(91)**	**44**

Nature and purpose of other reserve

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulating gain or loss arising on changes in the fair value of the designated portion of hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

		As at March 31, 2025	As at March 31, 2024
17	**Other non-current financial liabilities**		
	Interest accrued on borrowings	-	615
	Total other non-current financial liabilities	**-**	**615**

		As at March 31, 2025	As at March 31, 2024
18	**Non Current Provisions**		
	Employee benefit obligations		
	Gratuity (refer note 36)	306	195
	Total non-current provisions	**306**	**195**

		As at March 31, 2025	As at March 31, 2024
19	**Current borrowings**		
	Secured		
	Cash credit from banks (Refer note below)	-	3,891
	Current maturities of long-term borrowings (Refer note 16(i))	0	965
	Unsecured		
	Loan from related party (Refer note 16(ii) and note 39)	-	8,863
	Total current borrowings	**-**	**13,719**

Note:

Cash credit from banks is secured by way of:

i. First Pari Passu charge on all current assets of the Company both present and future.

ii. Second Pari Passu charge on Property, plant and equipment and Right-of-use assets of the Company both present and future.

iii. Corporate Guarantee by Welspun Corp Limited.

Interest on cash credit ranges from 8.72% to 9.25% (March 31, 2024: 8.50% to 9.65%) varies from bank to bank. It is reset after every 3 months based on the RBI interest rate. Interest are charged either on 3 months T-Bill plus margin or 1 year MCLR plus margin.

		As at March 31, 2025	As at March 31, 2024
20	**Trade payables**		
	Trade payables: dues of micro and small enterprises (refer note 20(a))	1,470	511
	Trade payables other than above:		
	Trade payables for acceptances (refer note 20(b))	13,924	15,045
	Trade payable to related parties (refer note 39)	1,130	724
	Trade payables others	9,246	4,548
	Total trade payables	**25,770**	**20,828**

Refer note 47 for ageing schedule of trade payable.

20(a) Micro, Small and Medium Enterprises Development Act, 2016

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, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,456	511
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	*	*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,513	668
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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 year) but without adding the interest specified under the MSMED Act	14	9
Interest accrued and remaining unpaid at the end of the accounting year	14	9
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	24	13

* Amount is below the rounding off norm adopted by the Company.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

20(b) Trade payables for acceptances represents the interest bearing credit offered by the supplier which is secured against Usance Letter of Credit (LC) Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the credit period. The interest for the credit period payable to the bank on maturity of the LC has been presented under Finance Cost.

		As at March 31, 2025	As at March 31, 2024
21	**Other current financial liabilities**		
	Interest accrued on borrowings	-	580
	Security deposits*	13	0
	Capital creditors	-	38
	Foreign exchange forward contracts	126	2
	Total other current financial liabilities	**139**	**620**

* Amount is below the rounding off norm adopted by the Company.

		As at March 31, 2025	As at March 31, 2024
22	**Other current liabilities**		
	Advance received from customers	194	582
	Statutory dues payable	433	297
	Employee dues payable	210	165
	Total other current liabilities	**837**	**1,044**

		As at March 31, 2025	As at March 31, 2024
23	**Current Provisions**		
	Employee benefit obligations		
	Gratuity (refer note 36)	84	56
	Leave obligations (refer note 36)	121	101
	Total current provisions	**205**	**157**

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

		Year ended March 31, 2025	Year ended March 31, 2024
24	**Revenue from operations**		
	Sale of products		
	Sale of products	71,110	68,135
		71,110	**68,135**
	Other operating revenue		
	Export incentives	415	478
	Scrap sales	583	133
	Job-work sales	199	921
	Liabilities/ Provision no longer required written back	65	-
		1,262	**1,532**
	Total revenue from operations	**72,372**	**69,667**

The Company is primarily engaged in the business of manufacture and distribution of steel and steel products and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

Revenue from operations is same as contract price and no discount or any other adjustments required to be done.

The amount of Rs 582 lakhs included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025. (The amount of Rs 498 lakhs included in contract liabilities at 31 March 2023 has been recognised as revenue during the year ended 31 March 2024).

No information is provided about remaining performance obligations at 31 March 2025 or at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

The Company applies the optional practical expedient to immediately expense sales commission since the amortisation period of the asset that would have been recognised is one year or less.

		Year ended March 31, 2025	Year ended March 31, 2024
25	**Other income**		
	Interest income under effective interest rate method on Fixed deposits	92	6
	Interest income on investments through FVPL	3	-
	Interest Income on tax refund	9	-
	Interest from Customers & others	64	85
	Other non-operating income		
	Incentive income (Refer note 34)	1,559	1,181
	Net foreign exchange differences	755	736
	Net gain on sale of property plant and equipments	-	20
	Gain on sale of investments	42	4
	Liabilities/ Provision no longer required written back	-	118
	Miscellaneous income	13	0
	Total other income	**2,537**	**2,150**

		Year ended March 31, 2025	Year ended March 31, 2024
26	**Cost of materials consumed**		
	Raw materials at the beginning of the year	4,469	2,708
	Add: Purchases	43,925	50,188
		48,394	52,896
	Less : Raw materials at the end of the year (including Goods in transit)	5,280	4,469
	Total cost of materials consumed	**43,114**	**48,427**

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		Year ended March 31, 2025	Year ended March 31, 2024
27	**Changes in inventories of work-in-progress and finished goods**		
	Opening balance		
	Work-in-progress	9,860	8,681
	Finished goods	8,978	5,611
	Total opening balance	**18,838**	**14,292**
	Closing balance		
	Work-in-progress	5,887	9,860
	Finished goods	9,300	8,978
	Total closing balance	**15,187**	**18,838**
	Net (Increase)/Decrease		
	Work-in-progress	3,973	(1,179)
	Finished Goods	(322)	(3,367)
	Total changes in inventories of work-in-progress and finished goods	**3,651**	**(4,546)**

		Year ended March 31, 2025	Year ended March 31, 2024
28	**Employee benefits expense**		
	Salaries, wages and bonus	4,010	3,797
	Contribution to provident and other funds (refer note 36)	210	176
	Gratuity expense (refer note 36)	80	63
	Staff welfare expenses	140	129
	Total employee benefits expense	**4,440**	**4,165**

		Year ended March 31, 2025	Year ended March 31, 2024
29	**Finance costs**		
	Interest on financial liabilities not at fair value through profit and loss		
	Interest on Term Loan	130	225
	Interest on working capital loan	210	100
	Interest on loan from related party	1,193	1,328
	Interest on inter corporate deposit	492	-
	Interest on others*	704	197
	Interest on acceptances and charges on letter of credit	1,089	724
	Interest on 12% Non-cumulative redeemable preference shares (Refer note 16)	225	201
	Other finance cost (including corporate guarantee charges)	354	551
	Total finance cost	**4,397**	**3,325**

* Note: This pertains to interest paid on discounting of vendor bill of exchange

		Year ended March 31, 2025	Year ended March 31, 2024
30	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	1,553	1,480
	Depreciation of right-of-use assets	4	3
	Amortisation of intangible assets	62	65
	Total depreciation and amortisation expense	**1,619**	**1,548**

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		Year ended March 31, 2025	Year ended March 31, 2024
31	**Other expenses**		
	Labour charges	1,091	966
	Job work charges	1,297	753
	Freight, material handling and transportation	1,740	988
	Hire charges-Equipments	141	91
	Hire charges-Vehicle	124	116
	Rental charges	14	14
	Rates and taxes	165	129
	Repairs and maintenance		
	Plant and machinery	168	186
	Buildings	62	32
	Others	209	170
	Travel and conveyance expenses	166	195
	Communication expenses	11	12
	Legal and professional fees	571	482
	Insurance	199	163
	Directors' sitting fees (refer note 39)	22	9
	Printing and stationery	22	24
	Security charges	137	103
	Membership and fees	15	19
	Payment to auditors (refer note 30(a) below)	22	26
	Sales promotion expenses	160	124
	Commission on sales to agents	268	324
	Loss allowance on trade receivables (net)	48	-
	Loss on disposal of property, plant and equipment (net)	7	-
	Donation	8	0
	Miscellaneous expenses	301	166
	Total other expenses	**6,968**	**5,092**

		Year ended March 31, 2025	Year ended March 31, 2024
31(a)	**Payment to auditors**		
	As auditor:		
	Audit fees	18	18
	Tax audit fees	3	2
	In other capacities		
	Certification fees (Refer note below)	15	4
	Reimbursement of expenses	2	2
	Total payment to auditors	**37**	**26**

Note:
Rs. 15 Lakhs paid to statutory auditors for certification fees pertaining to rights issue and other certification work.

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12(a) Current investments

	As at March 31, 2025	As at March 31, 2024
Bonds	2,431	-
Total current investments	**2,431**	**-**

Unquoted
Investment carried at fair value through profit and loss
I. Investments in bonds

	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
8.40% Indian Renewable Energy Development Agency Ltd. Perpectual NCD (Series PD1)	24	2,431	-	-
Total investments in bonds	**24**	**2,431**	**-**	**-**

Note: The Company had acquired 24 units of the above mentioned Bond at the acquisition cost of Rs 1,01,30,000 per Bond which had a face value of Rs 1,00,00,000.

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14 Equity share capital

	Equity shares		
	Number of Shares	Par value	Amount
Authorised share capital			
As at April 01, 2023	**55,00,00,000**	**6**	**33,000**
Increase/ (decrease) during the year	-	-	-
As at March 31, 2024	**55,00,00,000**	**6**	**33,000**
Increase/ (decrease) during the year	30,00,00,000	6	18,000
As at March 31, 2025	**85,00,00,000**	**6**	**51,000**
Issued, subscribed and paid up capital	**53,00,89,156**	**6**	**31,805**
Equity shares of Rs.6 each	13,25,22,289	6	7,951
Total equity share capital	**66,26,11,445**	**6**	**39,756**

a) Movement in equity shares capital

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at April 01, 2023	**53,00,89,156**	**6**	**31,805**
Increase/ (decrease) during the year	-		-
As at March 31, 2024	**53,00,89,156**	**6**	**31,805**
Increase/ (decrease) during the year (refer Note 14(b))	13,25,22,289	6	7,951
As at March 31, 2025	66,26,11,445	6	39,756

Note on Rights Issue (refer Note 49)

b) Terms and rights attached to equity shares

The Company has 662,611,445 equity shares having (March 31, 2024: 530,089,156 equity shares) par value of Rs. 6/- each fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed if any, by the board of Directors is subject to the approval of the Shareholders in ensuing annual general meeting.

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

c) Details of shareholders holding more than 5% shares in the company

Name of the Shareholders	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of total number of shares	No. of shares	% of total number of shares
Welspun Corp Limited (Holding company)	33,82,97,477	51.06%	26,51,90,034	50.03%
Dilipkumar Lakhi	15,26,65,717	23.04%	12,21,32,717	23.04%

d) Details of shareholding of promoters

Name of the Shareholders	As at March 31, 2025		
Equity Shares	**No. of shares**	**% of total number of shares**	**Percentage of change during the year**
Welspun Corp Limited	33,82,97,477	51.06%	1.03%
MGN Agro Properties Private Limited	1,86,66,666	2.82%	-0.70%
Welspun Group Master Trust	85,73,078	1.29%	-0.33%

Name of the Shareholders	As at March 31, 2024		
Equity Shares	**No. of shares**	**% of total number of shares**	**Percentage of change during the year**
Welspun Corp Limited	26,51,90,034	50.03%	0.00%
MGN Agro Properties Private Limited	1,86,66,666	3.52%	0.00%
Welspun Group Master Trust	85,73,078	1.62%	100.00%

e) Share Pledge details

No shares are pledged by the promoter and promoter group companies as on March 31, 2025 (March 31, 2024: Nil).

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	As at March 31, 2025	As at March 31, 2024
16 Non- current Borrowings		
Secured		
Measured at amortised cost		
- Rupee Term Loan from bank (refer note (i) below)	-	965
Unsecured		
Loan from related party (Refer note (ii) below and note 39)	-	9,400
Liability component of compound financial instruments		
12% Non-cumulative redeemable preference shares of Rs.10/- each fully paid up (Refer note 16(a)(iv))	2,092	1,867
Total borrowings	**2,092**	**12,232**

(i) Term loan

Rupee term loan of Rs. Nil (March 31, 2024: Rs. 1,930 Lakhs (including current maturities of Rs. 965 Lakhs) (Previous year Rs. 2,895 Lakhs, including current maturities of Rs. 965 Lakhs) is secured as per details below:

1. First Pari Passu charge on Property, plant and equipment and Right-of-use assets of the Company both present and future.

2. Second Pari Passu charge on all current assets of the Company both present and future.
3. Corporate Guarantee by Welspun Corp Limited.

The Rupee term loan carries interest rate of 8.72%-9.25% p.a. (March 31, 2024: 8.26%-8.85% p.a.). varies from bank to bank. It is reset after every 3 months based on the RBI interest rate. Interest are charged either on 3MT-Bill plus margin or 1 YR MCLR plus margin.

(ii) Loan from related party

1. The loan from related party carries interest rate of 7.25% p.a. (March 31, 2024: 7.25% p.a.).

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16(a) Details of preference shareholders

i Preference share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Preference Shares of Rs. 10/- each	23,50,00,000	23,500	23,50,00,000	23,500
Increase/ (decrease) during the year	(18,00,00,000)	(18,000)	-	-
As at March 31, 2025	5,50,00,000	5,500	23,50,00,000	23,500
Issued, Subscribed and Paid up:				
12% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	5,09,04,271	5,090	5,09,04,271	5,090

Note:
Authorised preference share capital reduced during the FY 24-25 by Rs. 18,000 lakhs (Face value Rs.10/-) on account of increase in Authorised equity share capital by Rs. Rs. 18,000 lakhs (Face value Rs.6/-)

ii Reconciliation of the number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
Preference shares : face value of Rs. 10 each	**No. of shares**	**Amount**	**No. of shares**	**Amount**
As at beginning of the year	5,09,04,271	5,090	5,09,04,271	5,090
Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	**5,09,04,271**	**5,090**	**5,09,04,271**	**5,090**

iii Details of preference shareholders holding more than 5% shares

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Right Growth Trading Private Limited	5,09,04,271	100%	5,09,04,271	100%

iv Rights, preference and restrictions attached to preference shares

a. The non-cumulative redeemable preference shares carry dividend of 12% per annum;

b. The non-cumulative redeemable preference shares are redeemable at par on February 19, 2033 or any date before based on the availability of the cash flow.

c. Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

d. Refer note 33 and note 42 for recognition of the fair value of the preference shares.

	As at March 31, 2025	As at March 31, 2024
12% Non-cumulative redeemable preference shares		
Face value	5,090	5,090
Equity component	3,775	3,775
Accumulated Interest expense	777	552
Interest paid	-	-
Non-current borrowings portion	**2,092**	**1,867**

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32 **Going Concern**
During the current year, the Company has raised funds by way of Rights issue, for an aggregate amount of Rs 34,986 lakhs to the eligible equity shareholders. The net worth of the Company is positive as at March 31, 2025. The Company also has positive cashflows for the year ended March 31, 2025.
The Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

33 In the FY 2022-23, the Company reassessed the nature of 12% Non-Cumulative Redeemable Preference Shares (NCRPS), resulting in change in liability portion of the same. On initial recognition the fair value of the instrument is bifurcated into liability and equity component. The fair value of the liability component on initial recognition was determined as the present value of the eventual redemption amount discounted at the market rate of return. The equity component was the residual amount. (Refer Note 16 a(iv))

34 The Company is eligible for refund of State Goods and Service Tax paid through cash ledger under the "Scheme for Relief and Concessions to the viable sick industrial enterprises" issued by the Government of Gujarat Industries & Mines Department. The scheme was launched by the Government of Gujarat for the rehabilitation of sick enterprises registered with the Board for Industrial and Financial Reconstruction/ Gujrat Board for Industrial and Financial Reconstruction. During the year, the Company has recognised an income of Rs 1,559 Lakhs (Previous year - Rs 1,161 Lakhs) on account of such refund and the same has been recognised under the head 'Other Income'.

35 **Earnings / (loss) per share**

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Nominal value of an equity shares	6.00	6.00
Profit / (Loss) after tax attributable to the equity holders of the Company	(409)	6,247
Basic earnings/ (loss) per share:		
Weighted average number of equity shares used as denominator for calculating basic EPS	54,46,12,147	53,00,89,156
Basic earnings per share (Rs.)	(0.08)	1.18
Diluted earnings/ (loss) per share:		
Profit / (Loss) after tax attributable to the equity holders of the Company	(409)	6,247
Weighted average number of equity shares used as denominator for calculating diluted EPS	54,46,12,147	53,00,89,156
Diluted earnings per share (Rs.)	(0.08)	1.18
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of equity shares used as denominator for calculating basic EPS	54,46,12,147	53,00,89,156
Total weighted average potential equity shares	-	-
Weighted average number of equity shares used as denominator for calculating diluted EPS	54,46,12,147	53,00,89,156

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36 Employee benefit obligations

A. Defined contribution plans

The Company has recognised the following amounts in the Statement of Profit & Loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Employer's Contribution to Provident Fund	207	173
Employer's Contribution to Employees' State Insurance Corporation	-	-
Employer's Contribution to Superannuation fund	3	3
Total expense recognised in the statement of Profit and loss	**210**	**176**

* Amount is below the rounding off norm adopted by the Company.

B. Defined Benefit Obligations

(i) 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 unfunded and the Company does not make any contributions to funds.

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

As per Ind AS "Employee Benefits " (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

Particulars	As at March 31, 2025	As at March 31, 2024
I) Amount recognised in the balance sheet		
Present value of obligations	390	251
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**390**	**251**
ii) Statement of profit and loss		
Current service cost	59	48
Interest cost	21	15
Total amount recognised in profit or loss	**80**	**63**
Remeasurements		
(Gain) from change in demographic assumptions	-	(1)
(Gain) from change in financial assumptions	85	(29)
Loss from change in experience adjustment	(26)	43
Total loss amount recognised in other comprehensive income	**59**	**13**
iii) Reconciliation of defined benefit obligation		
Opening defined benefit obligation	251	207
Adjustment due to transfer in	40	-
Current Service cost	59	48
Interest cost	21	15
Actuarial loss on obligation	59	13
Benefits paid	(40)	(32)
Closing defined benefit obligation	**390**	**251**
iv) Bifurcation of liability as per schedule III		
Current	84	56
Non-Current	306	195
Net Liability	**390**	**251**
v) Actuarial assumptions	**%**	**%**
Discount Rate	6.99%	7.22%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 30 Years	30%	30%
From 31 to 44 Years	28%	28%
Above 45 Years	21%	21%
vi) Sensitivity to key assumptions		
Impact on defined benefit obligation:		
Due to the change in discount rate		
increased by 0.5%	(6.60)	(4.10)
decreases by 0.5%	6.82	4.24
Due to the change in salary increase		
increased by 0.5%	6.98	4.35
decreases by 0.5%	6.82	(4.25)

Note: At 31 March 2025, the weighted-average duration of the defined benefit obligation is 11.98 years (31 March 2024: 11.75 years)

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36 Employee benefit obligations (contd.)

vii) Defined benefit liability and employer contributions
Expected contribution to post-employment benefit plans for next year ended March 31, 2026 is Rs. 95 Lakhs.

viii) Maturity Profile of Defined Benefit Obligation
The expected maturity analysis of undiscounted gratuity benefits is as follows:

Year	As at March 31, 2025	As at March 31, 2024
Upto 1 years	109	72
Between 1 to 2 years	16	17
2 years to 5 years	257	192
Over 5 years	52	-
Total	**434**	**281**

C. Other employee benefits
Provision for leave obligation as at March 31, 2025 is Rs. 121 Lakhs (March 31, 2024 is Rs. 101 Lakhs) recognised under:

Particulars	As at March 31, 2025	As at March 31, 2024
Current	121	101
Non-Current	-	-
Net Liability	**121**	**101**

Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the balance sheet date.

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37 Contingent liabilities and capital commitments

a) Contingent liabilities

The Company has contingent liabilities as at the year end in respect of:

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debts	255	328
Disputed indirect taxes:		
Sales tax/ Value Added Tax	20	20

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.
The Company does not expect any re-imbursements in respect of the above contingent liabilities.

b) 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, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances):	2,031	21

38 Segment information

a) Description of segments and principle activities

The Company's chief operating decision maker consists of the Board of Directors (BOD) and Chief Executive Officer (CEO) of the Company who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing and sale of steel and steel products.

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

c) Detail of customer contributing 10% or more of total revenue.

For the year ended	Number of Customers	Amount	% to revenue from operations
As at March 31, 2025	1	11,347	16%
As at March 31, 2024	2	17,816	26%

d) The Company's is domiciled in India. The amount of its revenue recognised from sale at a point in time and other operating income from external customers broken down by location of the customers is shown in the table below:

Revenue From Operation	As at March 31, 2025	As at March 31, 2024
Outside India	26,159	25,724
Within India	46,213	43,943
Total	**72,372**	**69,667**

e) The total of non-current assets other than income tax assets, broken down by location of the assets, is shown below:

Segment assets	As at March 31, 2025	As at March 31, 2024
Outside India	-	-
Within India	20,398	20,607
Total non - current assets	**20,398**	**20,607**

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39 Related party transactions

a) List of related parties
Parties where control exists

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2025	As at March 31, 2024
Welspun Corp Limited	Holding company	51.06%	50.03%

Fellow Subsidiaries (with whom transactions exist)
Welspun Tradings Limited
Welspun Metallics Limited (merged with Welspun Corp Ltd. w.e.f. October 29, 2023)
Anjar TMT Steel Private Limited

Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka*	Non-Executive Chairman
Mr. Vipul Mathur*	Non-Executive Director
Mr. Anuj Burakia	CEO and Whole Time Director
Mr. Prakashmal Tatia*	Non-Executive Director
Mr. Atul Desai	Independent Director (upto May 26, 2024)
Mr. K.H. Viswanathan	Independent Director
Ms. Amita Misra	Independent Director
Mr. Myneni Narayana Rao	Independent Director
Ms. Dipali Sheth	Independent Director (w.e.f. April 26, 2024 till November 23, 2024)
Mr. Ravindra Pandey	Independent Director (w.e.f. November 23, 2024)
Mr. Navin Agarwal	Chief Financial Officer (w.e.f. December 19, 2024)
Mr. Brijveer Singh	Chief Financial Officer (upto December 19, 2024)
Mr. Suhas Pawar	Company Secretary

*No transactions during the year

List of others related parties over which key management personnel or relatives of such personnel exercise significant influence or
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Enterprises Limited
Welassure Private Limited
Welspun Living Limited (Formerly known as Welspun India Limited)
Welspun Transformation Service Limited
Welspun Global Trade LLC
Welspun Steel Limited (merged with Welspun Corp Ltd. w.e.f. March 16, 2022)
Welassure Private Limited (uptill February 12, 2025)

(b) Disclosure in respect of significant transactions with related parties during the year:

	Transactions	
	As at March 31, 2025	As at March 31, 2024
1) Sale of goods and services (including job work)		
Welspun Corp Limited	-	239
Total sale of goods and services	**-**	**239**
2) Purchase of goods and expenses incurred		
Welspun Corp Limited	575	805
Welassure Private Limited	76	77
Welspun Global Brands Limited	17	9
Welspun Global Trade	168	88
Anjar TMT Steel Private Limited	60	20
Welspun Transformation Services Limited	222	179
Welspun Realty Private Limited	13	13
Welspun Enterprise Limited	1	1
Total purchase of goods and expenses incurred	**1,132**	**1,192**
3) Interest expenses on loan availed		
Welspun Corp Limited	1,193	1,328
Total of interest expenses on loan availed	**1,193**	**1,328**

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Related party transactions (Contd...)

	Transactions	
	As at March 31, 2025	**As at March 31, 2024**
4) Loans and deposit repaid		
Welspun Corp Limited	18,263	-
Total loans and deposit repaid	**18,263**	**-**
5) Interest on Loans and deposit paid		
Welspun Corp Limited	2,269	-
Total interest on loans and deposit repaid	**2,269**	**-**
6) Key management personnel compensation #		
Anuj Burakia		
Short-term employee benefit	256	246
Navin Agarwal		
Short-term employee benefit	28	-
Brijveer Singh		
Short-term employee benefit	69	65
Suhas Pawar		
Short-term employee benefit	26	18
Total key management personnel compensation	**379**	**329**
7) Directors' sitting fees		
Atul Desai	0	1
Amita Misra	5	3
Myneni Narayana Rao	6	2
K.H. Viswanathan	8	3
Dipali Sheth	2	-
Ravindra Pandey	1	-
Total directors' sitting fees	**22**	**9**

Note : Amount is exclusive of applicable taxes
With respect to post-employment benefits, as these liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(c) Disclosure of significant closing balances:

	As at March 31, 2025	**As at March 31, 2024**
1) Trade receivables		
Welspun Transformation Services Limited	0*	-
Welassure Private Limited	0*	-
Welspun Global Trade	0*	-
Total trade receivables	**0***	**-**
2) Trade payables		
Welspun Corp Limited	1,082	626
Welspun Transformation Services Limited	-	13
Welspun Global Trade LLC	-	70
Welassure Private Limited	-	9
Anjar TMT Steel Private Limited	47	5
Welspun Enterprises Limited	0	1
Total trade payables	**1,129**	**724**
3) Trade Advance (other current liabilities)		
Welspun Living Limited (Formerly known as Welspun India Limited)	-	0*
Total trade advance	**-**	**0***
4) Security deposits		
Welspun Enterprises Limited	1	1
Total security deposits	**1**	**1**
5) Borrowings		
Welspun Corp Limited	-	18,263
Total borrowings	**-**	**18,263**
6) Interest accrued on borrowings		
Welspun Corp Limited	-	1,195
Total Interest accrued on borrowings	**-**	**1,195**

* Amount is below the rounding off norms adopted by the Company
Apart from above, the Company has taken guarantee from Welspun Corp Limited (Holding company) and guarantee charges paid are included in 'Purchase of goods and expenses incurred' above. Total corporate guarantee given by holding company is Rs 33,739 Lakhs as on March 31, 2025 (March 31, 2024 - Rs 33,739 Lakhs)

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40 Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
The balance comprises of temporary differences attributable to:		
Deferred tax assets:		
Brought forward income tax losses	5,481	5,597
Employee benefit obligations	129	89
Loss allowance on trade receivables (net)	184	153
Others	37	15
	5,831	**5,854**
Deferred tax liabilities:		
Property, plant and equipment	2,491	2,467
	2,491	**2,467**
Total Deferred tax assets (net)	**3,340**	**3,387**

Note:
The Company has unabsorbed tax losses and depreciation that are available for offseting against future taxable profits of the Company. The Company had recognised deferred tax assets on the brought forward losses and unabsorbed depreciation
The Company has unabsorbed tax losses and depreciation that are available for offsetting against future taxable profits of the Company. In view of the profit made during the financial year 2023-24 and expected continued profitability in future. The Company has recognised net deferred tax asset of Rs 3,340 lakhs as at March 31, 2025 (Rs 3,387 lakhs as at March 31, 2024). Based on the projection of taxable profit for the next 3 years on prudent basis.

Estimation of Deferred tax recoverable Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has recognised deferred tax assets on carries forward losses and accumulated depreciation. The Company has made losses in the past. In the current year, the Company has made taxable profit and is expected to continue to make profit in the future. Hence the Company has recognises deferred tax assets based on projected profit in the next four years. The Company will continue to evaluate the expected recovery and recognises additional deferred tax assets in the future as considered appropriate.

In the previous year the Company had recognised deferred tax assets on carried forward losses as the Company has made taxable profit and expected to continue to make profit in the future. However, in the current year the company's performance has seen dip in quarter two and then has been improving every quarter, but full year has seen lower profit than previous year. The Company has not made any changes to deferred tax assets based on projected profit in the next three years. The Company will continue to evaluate the expected recovery and recognises additional deferred tax assets in the future as considered appropriate.

Also, refer note 41

41 Income tax expense / (credit)

a) Amounts recognised in profit and loss

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Current income tax		
Current tax on profit for the year	-	-
Total current tax expense	-	-
Increase / (Decrease) in deferred tax assets	47	(3,274)
(Decrease) in deferred tax liabilities	-	(113)
Total deferred tax expense / (credit) (Refer note 40)	**47**	**(3,387)**
Total income tax credit recognised in statement of profit and loss	**47**	**(3,387)**

b) Reconciliation of tax expense and the accounting profit multiplied by effective tax rate:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Profit / (Loss) before tax	(400)	2,860
Tax rate	25.17%	25.17%
Tax at normal rate	(101)	720
Tax effect of:		
Current year losses on which no deferred tax assets is recognised	101	-
Set off of brought forward business loss against taxable income	-	(720)
Reveral / (Recognition) of deferred tax assets	47	(3,387)
Net effective income tax	**47**	**(3,387)**
Tax impact on items classified as Other Comprehensive Income	(38)	-
Total income tax	9	(3,387)

c) Brought forward income tax losses and unabsorbed depreciation on which no deferred tax asset is recognised in Balance Sheet

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**Expiry period**
Brought forward income tax losses	-	-	
Unabsorbed tax depreciation	25,965	36,152	Does not have expiry period
Total	**25,965**	**36,152**	

d) Advance taxes paid including tax deducted at source

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Opening balance	44	30
Current tax expense	-	-
Tax paid during the year including tax deducted at source	67	52
Less: Refund received during the year	-	38
Closing balance	**111**	**44**

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41 Income tax expense / (credit) (contd..)

e) Movement in deferred tax assets and deferred tax liabilities:

Particulars	Deferred tax assets					Deferred tax liabilities		Net deferred tax assets recognised/reversal
	Brought forward income tax losses	Employee benefit obligations	Loss allowance on trade receivables (net)	Others	Total deferred tax assets	Property, plant and equipment	Total deferred tax liabilities	
As at April 01, 2023	2,328	78	159	15	2,580	2,580	2,580	-
Recognised in the								
Statement of profit and loss	3,269	11	(6)	-	3,274	(113)	(113)	3,387
Other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2024	5,597	89	153	15	5,854	2,467	2,467	3,387
Recognised in the								
Statement of profit and loss	(116)	40	31	-	(45)	25	25	(70)
Other comprehensive income	-	-	-	23	23	-	-	23
As at March 31, 2025	5,481	129	184	37	5,831	2,491	2,491	3,340

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42 Fair value measurements

a) Financial instruments by category

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments				
Bonds	2,431	-	-	-
Trade receivables	-	12,367	-	4,853
Cash and cash equivalents	-	7,213	-	1
Bank balances other than cash and cash equivalents	-	73	-	55
Other financial assets				
Security deposits	-	68	-	109
Derivatives not designated as hedges				
Forward contracts	75	-	67	-
Total financial assets	**2,506**	**19,721**	**67**	**5,018**
Financial liabilities				
Borrowings((includes interest accrued)	-	2,092	-	27,146
Trade payables	-	25,770	-	20,828
Other financial liabilities				
Forward contracts	126	-	2	-
Others	-	13	-	38
Total financial liabilities	**126**	**27,875**	**2**	**48,012**

b) Fair value hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Investments		2,431	-	2,431
Forward Contracts	-	75	-	75
Total financial assets	-	2,506	-	**2,506**
Financial liabilities				
Borrowings (liability component of Compound financial instrument)	-	-	-	-
Forward contracts	-	126	-	126
Total financial liabilities	-	**126**	-	**126**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2025

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	68	68
Others	-	-	-	-
Total financial assets	-	-	**68**	**68**
Financial liabilities				
Borrowings (includes interest accrued)	-	-	2,092	2,092
Total financial liabilities	-	-	**2,092**	**2,092**

Carrying amount approximates to amortised cost.

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42. Fair value measurements (Contd...)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Forward contracts	-	67	-	67
Total financial assets	**-**	**67**	**-**	**67**
Financial liabilities				
Forward contracts	-	2	-	2
Total financial liabilities	**-**	**2**	**-**	**2**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	109	109
Total financial assets	**-**	**-**	**109**	**109**
Financial liabilities				
Borrowings (includes interest accrued)	-	-	27,146	27,146
Total financial liabilities	**-**	**-**	**27,146**	**27,146**

Level 1: This hierarchy includes financial instruments measured using quoted prices. There is no item under this category as at March 31, 2025 and as at March 31, 2024.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

c) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the year ended March 31, 2025 and March 31, 2024

	Borrowings (liability component of Compound financial instrument)
As at April 01, 2023	**1,666**
Interest expenses charged to profit and loss	201
As at March 31, 2024	**1,867**
Interest expenses charged to profit and loss	225
As at March 31, 2025	**2,092**

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42 Fair value measurements (Contd...)

d) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs	Probability weighted average		Sensitivity
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024	
Borrowings (liability component of Compound financial instrument)	2,092	1,867	Risk adjusted discount rate	12.05%	12.05%	The estimated fair value would increase by Rs.152 lakhs (March 31, 2024 Rs.152 lakhs) if the discount rate were lower by 1% and the same would decrease by Rs. 139 lakhs (March 31, 2024 Rs. 138 lakhs) if the discount rate were higher by 1%.

e) Valuation techniques used to determine fair value

The fair values of liability component of Compound financial instrument (Borrowing) is based on discounted cash flows using a credit adjusted borrowing rate as at the reporting date.

The fair value of forward contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.

The fair value of bonds and government securities are derived based on the indicative quotes of price and yields prevailing in the market or latest available prices.

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security deposits	68	68	109	109
Total	**68**	**68**	**109**	**109**
Financial liabilities				
Borrowings (includes interest accrued)	2,092	2,092	27,146	27,146
Total	**2,092**	**2,092**	**27,146**	**27,146**

(i) The carrying amounts of cash and cash equivalents, other bank balances, trade receivables, current borrowings including accrued interest, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short term nature.

(ii) The fair values and carrying values of borrowings (other than that referred in (i) above) are materially the same.

g) Classification of interest income by instrument categories

	Year ended March 31, 2025	Year ended March 31, 2024
Interest income at amotised cost:		
Fixed deposits	92	6
Interest from Customers	64	83
Other Interest Income		
Income tax refund	9	2

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43 Financial risk management objectives and policies

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables and other financial assets	Ageing analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts and derivative contracts

The Company's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. 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. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

A Credit risk on financial assets

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank, foreign exchange transactions and other financial instruments.

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

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. The expected loss rates are based on the payment profile of sales over of a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach (i.e. lifetime expected credit loss model) for impairment of trade receivables/ contract assets. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

The Company was engaged in the production of Stainless Steel, Pipe and Alloy. The Company had significant loss allowance on trade receivables from Alloy business. However, the Company is not producing Alloy products currently. Based on the past exposure, there is low credit risk or allowance of trade receivable required on steel and pipe business. Exposures of trade receivable broken into ageing bucket. The Company's trade receivable do not carry a significant financing element. Hence, trade receivables are measured at transaction price. The Company makes a loss allowance using simplified approach for expected credit loss and on a case to case basis.

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Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Trade Receivables	12,367	4,853
Total	**12,367**	**4,853**

Reconciliation of loss allowance on trade receivables:

	As at March 31, 2025	As at March 31, 2024
Opening balance	609	609
Changes in loss allowance	125	-
Closing balance	734	609

Ageing analysis of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	As at March 31, 2025			
Particulars	**Gross trade receivables**	**Expected loss rate**	**Expected loss**	**Carrying amount of trade receivables**
Trade receivables (Refer note 46):				
Not Due	11,202	0.00%	-	11,202
Less than 6 Months	1,037	0.00%	-	1,037
6 Months to 1 Year	182	29.48%	54	128
1 Year to 2 Years	91	100.00%	91	-
2 Years to 3 Years	11	100.00%	11	-
More than 3 Years	578	100.00%	578	-
Total	**13,101**		**734**	**12,367**

	As at March 31, 2024			
Particulars	**Gross trade receivables**	**Expected loss rate**	**Expected loss**	**Carrying amount of trade receivables**
Trade receivables (Refer note 46):				
Not Due	3,291	0.18%	6	3,285
Less than 6 Months	1,553	0.26%	4	1,549
6 Months to 1 Year	32	46.88%	15	17
1 Year to 2 Years	53	96.23%	51	2
2 Years to 3 Years	17	100.00%	17	-
More than 3 Years	516	100.00%	516	-
Total	**5,462**		**609**	**4,853**

b) Other financial assets

The Company maintains exposure in cash and cash equivalents, other bank balances, derivative financial instruments. Credit limits and concentration of exposures are actively monitored by the Company.

Expected credit loss for other than trade receivables has been assessed and based on life-time expected credit loss, no loss allowance provision has been required.

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43 Financial risk management objectives and policies (contd....)

B Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost. The company is also supported by holding company as and when the need arises.

The Company maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 45 - 180 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value.

a) Financing arrangements

The Company had below undrawn borrowing facilities for working capital as at March 31, 2025 and March 31, 2024.

	As at March 31, 2025	As at March 31, 2024
Floating rate		
Expiring within one year	-	-
Expiring beyond one year	16,075	11,064
Total	**16,075**	**11,064**

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

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

As at March 31, 2025

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	-	2,092	2,092	2,092
Trade payables	25,770	-	-	-	25,770	25,770
Lease liability	-	-	-	-	-	-
Other financial liabilities	13	-	-	-	13	13
Total non-derivative liabilities	**25,783**	**-**	**-**	**2,092**	**27,875**	**27,875**
Derivatives						
Forward contracts	126	-	-	-	126	126
Total derivative liabilities	**126**	**-**	**-**	**-**	**126**	**126**

As at March 31, 2024

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	14,299	10,980	-	1,867	27,146	27,146
Trade payables	20,828	-	-	-	20,828	20,828
Other financial liabilities	38	-	-	-	38	38
Total non-derivative liabilities	**35,165**	**10,980**	**-**	**1,867**	**48,012**	**48,012**
Derivatives						
Forward contracts	2	-	-	-	2	2
Total derivative liabilities	**2**	**-**	**-**	**-**	**2**	**2**

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43. Financial risk management objectives and policies (contd....)

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(i) Foreign currency risks

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

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

Foreign currency exposures specifically covered by forward exchange contracts as at year end are as follows:

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

a) Foreign currency risk exposure

	As at March 31, 2025		As at March 31, 2024	
	USD	EUR	USD	EUR
Financial assets				
Investment in preference share	-	-	-	-
Trade receivables	203	235	-	1,725
Derivatives not designated as hedges				
Forward contracts (Sell foreign currency)	(203)	(235)	-	(1,725)
Derivatives designated as hedges				
Forward contracts (Sell foreign currency)	(200)	(5,015)	(313)	(7,495)
Net exposure to foreign currency risk (assets)	**(200)**	**(5,014)**	**(313)**	**(7,495)**
Financial liabilities				
Trade payables	1,727	7	1,929	32
Derivatives not designated as hedges				
Forward contracts (Buy foreign currency)	(1,727)	(7)	(1,929)	(32)
Derivatives designated as hedges				
Forward contracts (Buy foreign currency)	(1,858)	(2,038)	(630)	(71)
Net exposure to foreign currency risk (liabilities)	**(1,858)**	**(2,038)**	**(630)**	**(71)**
Total Net exposure to foreign currency risk	**(0)**	**0**	**-**	**-**
Net Derivatives designated as hedges	**1,658**	**(2,977)**	**317**	**(7,424)**

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Foreign currency exposures not specifically covered by forward exchange contracts as at year end are Nil.

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43. Financial risk management objectives and policies (contd....)

Foreign currency sensitivity
The Company does not have any unhedged foreign currency exposure, hence there is no foreign currency exchange risk.

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate is disclosed in the respective notes to the financial statements of the Company. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107. The following table analyses the breakdown of the financial assets and liabilities by type of interest rate:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Interest bearing - Fixed interest rate		
Current fixed deposit	67	53

Particulars	As at March 31, 2025	As at March 31, 2024
Financial Liabilities		
Interest bearing		
Borrowings - Floating interest rate		
Cash credit from bank	-	3,891
Rupee term loan from bank	-	1,930
Borrowings - Fixed interest rate		
Loan from related party	-	18,263

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Increase in 50 bps points		
Effect on profit/(loss) before tax	-	(29)
Decrease in 50 bps points		
Effect on profit/(loss) before tax	-	29

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43. Financial risk management objectives and policies (contd....)

D Impact of hedging activities

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

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2025

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge **Foreign exchange risk** Forward contract	5,215	3,929	(31)	(61)	Apr 25 - Oct 25	1:1

As at March 31, 2024

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge **Foreign exchange risk** Forward contract	7,808	701	44	(1)	Apr 24-Nov 24	1:1

Cash Flow Hedge Foreign Exchange Risk	(118)	-	(17)	Revenue

As at March 31, 2024

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge Foreign Exchange Risk	243	-	(106)	Revenue

b) Movements in cash flow hedging reserve

	As at March 31, 2025	As at March 31, 2024
Cash flow hedging reserve		
Opening balance	44	(93)
Amount recognised in cash flow hedging reserve during the year (net)	(118)	243
Gain/ (loss) transferred to statement of profit and loss (net)	(17)	(106)
Closing balance	**(91)**	**44**

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

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

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2025 and March 31, 2024.

(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

44 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (including interest accrued)	2,092	27,146
Less: Cash and Cash Equivalents	(7,213)	(1)
Net debt (a)	**(5,121)**	**27,145**
Equity	43,437	9,308
Total equity (b)	**43,437**	**9,308**
Net debt equity ratio (a/b)	**(0.12)**	**2.92**

The Company has complied with all the loan covenants applicable.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

45 Net debt reconciliation

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	7,213	1
Borrowings (including interest accrued)	(2,092)	(27,146)
Net Debt	**5,121**	**(27,145)**

	Financial assets	Financial liabilities	Total
	Cash and cash equivalents [A]	Borrowings [B]	[C] = [A]+[B]
Net debts as at April 1, 2023	**29**	**(23,351)**	**(23,322)**
Cash flow (net)	(28)	(2,423)	(2,451)
Interest expenses	-	(3,325)	(3,325)
Interest paid	-	1,953	1,953
Net debts as at March 31, 2024	**1**	**(27,147)**	**(27,146)**
Cash flow (net)	7,212	23,860	31,072
Interest expenses	-	(4,397)	(4,397)
Interest paid	-	5,592	5,592
Net debts as at March 31, 2025	**7,213**	**(2,092)**	**5,121**

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

46 Ageing for trade receivables as at March 31, 2025 is as follows:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
considered good	-	11,202	1,037	128	-	-	-	12,367
which have significant increase in credit risk	-	-	-	53	91	11	132	288
Less: Loss allowance	-	-	-	(53)	(91)	(11)	(132)	(288)
Total Undisputed trade receivables (a)	-	11,202	1,037	128	-	-	-	12,367
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	445	445
Less: Loss allowance	-	-	-	-	-	-	(445)	(445)
Total Disputed trade receivables (b)	-	-	-	-	-	-	-	-
Total trade receivables (a +b)	-	11,202	1,037	128	-	-	-	12,367

Ageing for trade receivables as at March 31, 2024 is as follows:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
considered good	-	3,285	1,549	17	2	-	-	4,853
which have significant increase in credit risk	-	6	4	15	51	17	71	164
Less: Loss allowance	-	(6)	(4)	(15)	(51)	(17)	(71)	(164)
Total Undisputed trade receivables (a)	-	3,285	1,549	17	2	-	-	4,853
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	445	445
Less: Loss allowance	-	-	-	-	-	-	(445)	(445)
Total Disputed trade receivables (b)	-	-	-	-	-	-	-	-
Total trade receivables (a +b)	-	3,285	1,549	17	2	-	-	4,853

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Notes forming part of the financial statements as at and for the year ended March 31, 2025
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

47 Ageing for trade payables as at March 31, 2025 is as follows:

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 enterprise and small enterprises	-	1,469	1	-	-	*	1,470
(ii) Others	893	20,917	1,866	574	10	40	24,300
Total	**893**	**22,386**	**1,867**	**574**	**10**	**40**	**25,770**

* Amount is below the rounding off norm adopted by the Company.

Ageing for trade payable as at March 31, 2024 is as follows:

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 enterprise and small enterprises	-	268	243	-	-	-	511
(ii) Others	413	15,490	4,315	17	9	73	20,317
Total	**413**	**15,758**	**4,558**	**17**	**9**	**73**	**20,827**

There are no disputed trade payables as on March 31, 2025 and March 31, 2024.

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(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

46 Analytical Ratios to the Financial Statements as of and for the year ended March 31, 2025

Sr. no.	Ratios	Numerator	Denominator	March 31, 2025	March 31, 2024	Variance in %	Remark
1	Current ratio (times)	Current assets	Current liabilities	1.81	0.95	90%	Ratio improved due to prepayment of current portion of long term borrowings.
2	Debt-equity ratio (times)	Total debt	Equity	0.05	2.92	-98%	Ratio improved due to increase in net worth on account of Rights issue of equity share capital and prepayment of major loans during current year
3	Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	-0.13	2.65	-105%	Debt Service Coverage ratio has significantly reduced due to prepayment of all loans during the year.
4	Return on equity ratio (%)	Profit / (Loss) for the year	Average shareholders equity	-1.76%	102.05%	-102%	Return on equity ratio has increased due to increase of share capital on account of Rights Issue, Issue done at Premium
5	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	1.83	2.08	-12%	Variation is not material (below 25%)
6	Trade receivables turnover ratio (times)	Revenue from operations	Average Trade receivable	8.41	15.51	-46%	Due to higher credit sales during the year
7	Trade payable turnover ratio (times)	Net Credit purchases	Average Trade Payables	2.66	3.28	-19%	Variation is not material (below 25%)
8	Net capital turnover ratio (times)	Revenue from operations	Working capital	3.31	-41.26	-108%	Working capital improved due to prepayment of all current portion of long term liability loans during the year.
9	Net Profit margin (%)	Profit / (Loss) for the year	Revenue from operations	-0.65%	8.97%	-107%	Decrease due to loss during the year .
10	Return on capital employed (%)	Earnings before interest and tax	Capital employed	8.64%	17.54%	-51%	Return on capital employed has decreased due to reduction in the EBIT in the current year.
11	Return on investment (%)	Treasury Income	Average Investment	3.20%	10.64%	-70%	Decrease is on account of increase in the average treasury investment at the year end due temporory fund lying at the yearend from right issue.

Notes:

1. Total debt = Non-current borrowings and Current borrowings
2. Earning for debt service = Profit for the year + Non-cash operating expenses like depreciation and other amortisations + Interest expenses
3. Debt service = Interest and principal repayments
4. Cost of Goods Sold = Cost of material consumed + Changes in inventories of finished goods and work-in progress
5. Working capital =Current assets (-) Current liabilities
6. Capital employed = Tangible net worth + Total debt
7. Net Credit purchases = Raw materials purchase during the year + Stores and spares purchases during the year + Other expenses (excluding non cash expenses)

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49 Note on Rights Issue

A) On February 24, 2025, Rights Issue Committee of the Board of Directors of the Company approved issuance of 13,25,22,289 Equity Shares of Face Value of Rs. 6 each at a price of Rs. 26.40 per Rights Equity Share (including Premium of Rs. 20.40 per Rights Equity Share), in the ratio of 1 Rights Equity Share for every 4 existing fully paid equity shares held by the eligible equity share holders respectively as on March 01, 2025, the Record Date.

The Rights Issue Committee (the "Committee") of the Company at its meeting held on March 24, 2025, approved the allotment of 13,25,22,289 fully paid-up Equity Shares at an Issue price of Rs. 26.40 per Rights Equity Share (including a premium of Rs 20.40 per Rights Equity Share) to eligible equity shareholders, pursuant to the Rights Issue.

The objects of the Rights Issue was to utilize the Net Proceeds for Repayment and/or Prepayment, in full or in part, of certain outstanding borrowings availed by the Company and General corporate purposes.

i) The company has raised Rs. 34,986 lakhs

ii) During the year ended 31st March 2025, the Company has utilized Rs. 28,790 lakhs from the rights issue proceeds for prepayment / repayment of borrowings and general corporate purpose as mentioned above.

iii) Balance proceeds from rights issue is temporarily parked in the fixed deposits with bank

B) There has been no deviation in the use of proceeds of the Rights Issue, from the objects stated in the Offer document.

50 Additional regulatory requirements under 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 borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(iii) Willful defaulter
The company has not been declared willful 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 or previous financial year.

(vii) Utilisation of borrowed funds and share premium
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 group (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 or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E and intangible asset
The company has not revalued its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the current or previous year.

xi) Title deeds of immovable properties not held in name of the company
The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) on property, plant and equipment and 3(b) on right of use assets to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in Lakhs)	Period held
Freehold Land	14	30 Years
Right of use assets	351	30 Years

Title deeds are held in the former name of the Company

(xii) 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.

(xiii) Registration of Charges or satisfaction with Registrar of Companies (ROC)
The Company does not have any charge or satisfaction not registered with the ROC beyond the statutory period.

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51 Core Investment Companies (CIC)

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.042070
Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors
Welspun Specialty Solutions Limited
CIN: L27100GJ1980PLC020358

B.K. Goenka
Chairman
DIN: 00270175
Place: Mumbai
Date: April 29, 2025

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211
Place: Mumbai
Date: April 29, 2025

Navin Agarwal
Chief Financial Officer
Place: Mumbai
Date: April 29, 2025

Suhas Pawar
Company Secretary
ACS: 36560
Place: Mumbai
Date: April 29, 2025

WELSPUN SPECIALTY SOLUTIONS LIMITED