



### **Forward-looking Statements**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



To view this report online and to know more about Welspun Specialty Solutions, visit:  
[www.welspunspecialty.com](http://www.welspunspecialty.com)



## **Embrace the new**

## **Embrace the change**

What does it really take to drive exponential growth? Growth beyond expectations is rarely a targeted outcome. It is often a byproduct of breakthrough opportunities arising from a vision created for people, businesses and the planet. A result of not just doing things right, but also, doing the right things.

Our new logo is a modern and concise depiction of our positioning for the Group and all its businesses. The letter 'W' is inspired by 2 ticks, 'Doing things right', and 'Doing the right thing' that signifies how the growth of our business is helping us realize our potential to rise to the power of our Vision... The Power of Right.

The new logo captures the essence of Welspun's growth, innovation, and adaptability in a rapidly changing business landscape, reflecting our evolution. It encapsulates our Company's core values, vision, and mission, making it easier for customers to identify and connect with us.

Tomorrows are inevitable. Challenges will keep coming. How good the future will depend on how well we plan and prepare our present, to create the next level opportunities and experiences for tomorrow.

At Welspun, we commit to Foresee the Change, Predict the Potential, Gauge the Growth, Evaluate the Value, Expand to Prepare, Innovate to Equip, and Leap to Go Beyond. So, when tomorrow comes, we are ready to conquer it.

*We are rising to the power of our potential.*

*We are rising to the power of Welspun.*

WE ARE **RISEING** TO THE  
**POWER OF OUR POTENTIAL**

WE ARE RISING TO THE  
**POWER OF WELSPUN**



**Welspun Specialty Solutions Limited  
Jhagadia, Bharuch, Gujarat, India**



Fully Integrated Manufacturing Facility for Stainless Steel Long Products and Seamless Pipes & Tubes (Hot Extrusion Process) spread over an area of 126 acres

Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) ('WSSL'), is an integrated manufacturer of best in class Alloy & Stainless Steel products that are globally benchmarked.

**Unique Features:**

- Fully integrated manufacturer of primary Stainless Steel & Nickel-Alloy products with forward integration into Bright Bars, Heat-treated Bars, Seamless Pipes & Tubes, U-Bend tubes etc.
- Vertical type extrusion press (Schlomann) for seamless pipes delivering better concentricity and superior wall tolerances.
- State of the art cold process set-up with Pilger Mills up to 5.5" input and Draw Benches up to 75T capacity.
- Supplier of bars and tubes for niche and critical applications including customized product solutions.
- Speed to market owing to in-house stainless steel bar making facility.
- Significant global presence across various geographies and growing.

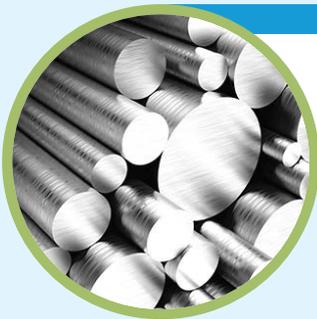
**Competitive advantage:**

With integrated manufacturing process including steel making, WSSL has been able to establish competitive edge in cost optimisation, maintaining superior quality, strong operational efficiency and timely deliveries which adds further value to all our stakeholders.

With unwavering focus on processes and commitment to customers, the company has invested heavily in the latest infrastructure and equipped with ultra-modern technologies.

**Strong Focus on Certifications & Accreditations**

Agency	Certification
TUV-Nord/ DQS	International Organization for Standardization (ISO) – ISO 9001:2015, ISO 14001 & OHSMS 45001
TUV-SUD	Pressure Equipment Directive (PED) – 2014/69/EU & AD 2000-Merkblatt WO
NABL	ISO/IEC 17025 - National accreditation board for testing and calibration laboratories
IBR	Indian Boilers Regulations (IBR)
GULF LLOYD	The Norwegian Shelf's Competitive Position (NORSOK)
BIS	Bureau of Indian Standards (BIS)
RINA	Marine Certification

**Our Products****Stainless steel bars****Stainless steel pipe and tubes****Stainless steel hollow bars****Blooms****U-bend tube**

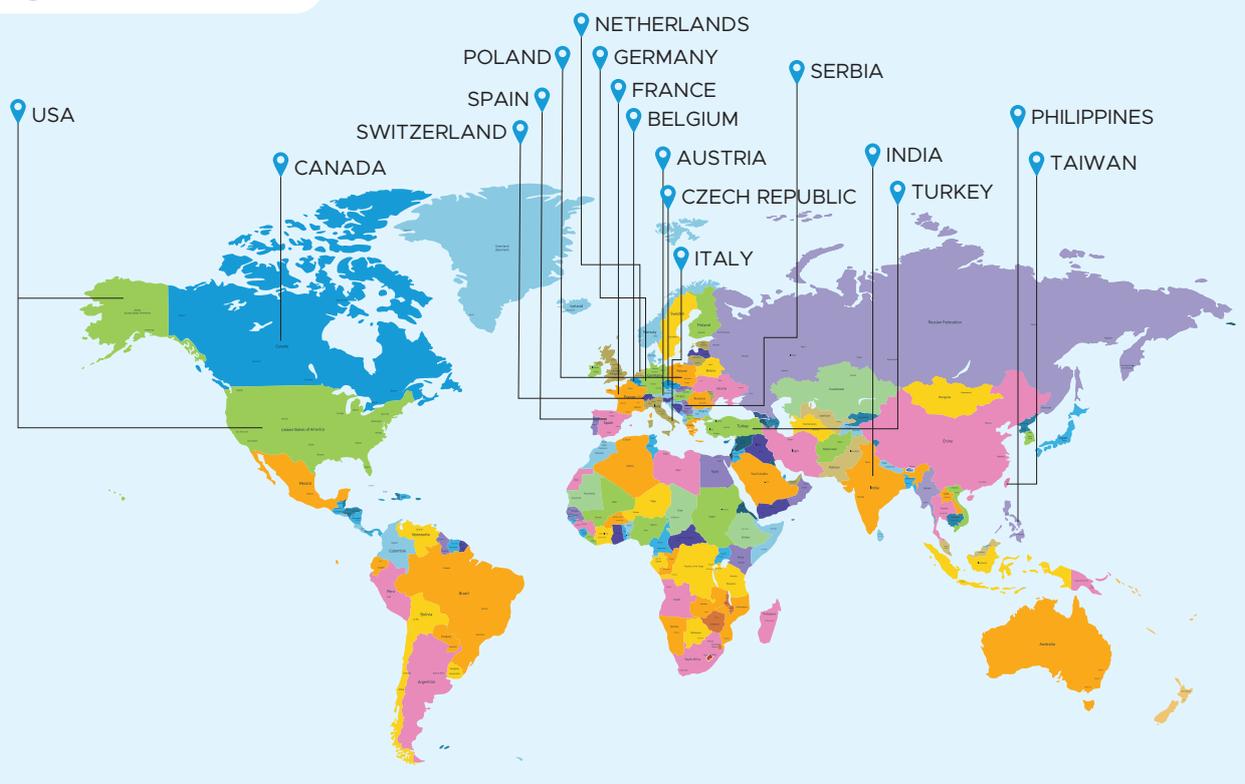
**Product range of Stainless Steel & Ni-Alloys:**

- Blooms & Ingots
- Bright Bars (Peeled & polished)
- Heat exchanger and H&I Tubing
- U-Bend Tubes
- Round Bars & RCS (Round cornered square)
- Seamless Pipes & Tubes
- Hollow Bars

**Focus on R&D and Product Innovation:**

Successfully developed, produced and delivered new grades including Monel 400 tubes for a large Oil & Gas PSU, HP heater (High Pressure Heater) U-bent tubes in Grade 304N, Ni-Alloy Grade UNS N08825 Pipes amongst others. WSSL has been supplying these products (Stainless Steel bars and pipes & tubes) to leading international & domestic customers, and to the projects of national importance. WSSL endeavors to keep expanding its product portfolio and currently offers a very unique and wide bar size range from 50mm to 350mm diameter in stream of various SS and Ni-Alloy grades.

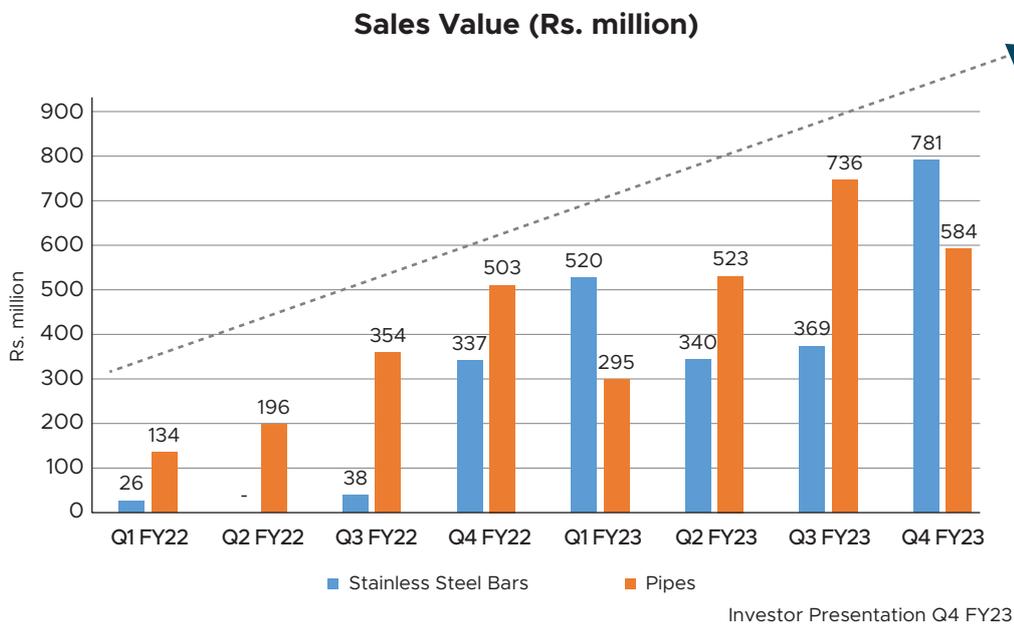
**Growing Market Presence**



The Company continues to calibrate its strategy and accelerate its sales in existing markets. Additionally, the Company has made a strategic plan to enter the US & UK Markets by leveraging on its product portfolio, process integration and market experience.

**Operational and Financial Excellence:**

The company believes that operational excellence is the foundation of sustainable growth. Throughout the year, it has implemented robust processes, streamlined operations and optimized supply chain management. These efforts have not only improved both operational and financial performances but also enhanced its ability to meet customer demands with quick turnaround time and deliver superior quality products. WSSL has strong focus on ESG aspects and continues to work on energy optimization initiatives / reduction of GHG emissions in its quest of moving towards greener steel.

**Strong Visible Turnaround in Business****Solid Foundation for Growth**

- Total Order Book ~ 3,500 MT valued at ~ Rs.1545 million
- Products gaining traction both in the domestic and export markets
- Moving towards higher value added grades
- Make in India initiatives by the government
- Implementation of BIS and other accreditations
- Anti-Dumping Duty on substandard imports

**Positioning as a Leading Player:**

Industry demand for stainless steel applications has been strong and expected to grow further. Along with new applications, strong replacement demand due to growing awareness and life cycle cost concept has been driving Stainless Steel demand in India, which is one of the fastest growing markets for Stainless Steel. WSSL has been serving various industries including defence, oil & gas, thermal energy, nuclear energy etc. The Company embraced growth across both product verticals during FY23. Backed by its integrated manufacturing process, superior quality commitment and product offerings, WSSL is ready to position itself as a leading player in both domestic and International markets.



## Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)

### Corporate Information

#### BOARD OF DIRECTORS

Mr. Balkrishan Goenka	- Chairman
Mr. Anuj Burakia	- CEO & Whole Time Director
Mr. Atul Desai	- Independent Director
Ms. Amita Misra	- Independent Director
Mr. Prakashmal Tatia	- Non-Executive Director
Mr. M. Narayana Rao	- Independent Director
Mr. K. H. Viswanathan	- Independent Director
Mr. Vipul Mathur	- Non-Executive Director

#### KEY MANAGERIAL PERSONNEL (other than Directors)

Mr. Brijveer Singh	- Chief Financial Officer
Mr. Suhas Pawar	- Company Secretary

#### AUDITORS

Price Waterhouse Chartered Accountants LLP

#### BANKERS

Indusind Bank Ltd.  
Union Bank of India  
Yes Bank Ltd.

#### REGISTERED OFFICE AND FACTORY

Plot No. 1, G. I. D. C. Industrial Estate,  
Valia Road, Jhagadia, Dist. Bharuch,  
Gujarat 393 110

#### CORPORATE OFFICE

5th Floor, Welspun House, Kamala Mills Compound,  
S. B. Marg, Lower Parel (W), Mumbai 400 013  
Tel No.: 022 6133 6796 / 2490 8000  
Email ID: companysecretary\_wssl@welspun.com  
Website: www.welspunspecialty.com  
CIN: L27100GJ1980PLC020358

#### LISTING OF SHARES

BSE Limited,  
Phiroze Jeejeebhoy Tower, Dalal Street,  
Mumbai 400 001

#### REGISTRAR AND TRANSFER AGENT

Bigshare Services Private Limited  
(Unit: Welspun Specialty Solutions Limited)  
Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai 400 093  
Email ID: Investor@bigshareonline.com  
Tel No.: 022 6263 8200  
Fax No.:022 6263 8261

#### AUDIT COMMITTEE

Mr. K. H. Viswanathan	Chairman
Ms. Amita Misra	Member
Mr. M Narayana Rao	Member

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. K. H. Viswanathan	Chairman
Ms. Amita Misra	Member
Mr. M Narayana Rao	Member

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. K. H. Viswanathan	Chairman
Ms. Amita Misra	Member
Mr. Anuj Burakia	Member
Mr. Vipul Mathur	Member

#### RISK MANAGEMENT COMMITTEE

Mr. K. H. Viswanathan	Chairman
Ms. Amita Misra	Member
Mr. M Narayana Rao	Member
Mr. Anuj Burakia	Member
Mr. Vipul Mathur	Member
Mr. Brijveer Singh	Member

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## Welspun Specialty Solutions Limited

(Formerly known as RMG Alloy Steel Limited)  
CIN: L27100GJ1980PLC020358

**Registered Office:** Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat- 393110

**Corporate Office:** 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai – 400013.

Email : companysecretary\_wssl@welspun.com • Website: www.welspunspecialty.com

Tel: +91 -22-6133 6796 Fax: +91-22-2490 8020

## NOTICE

**NOTICE** is hereby given that the 41st Annual General Meeting of **Welspun Specialty Solutions Limited** (Formerly known as RMG Alloy Steel Limited) will be held on Wednesday, September 20, 2023 at 12.00 noon Indian Standard Time ("IST") through Video Conferencing / Other Audio-Visual Means to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2023, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Prakashmal Tatia (DIN:06559106), Non-Executive Non-Independent Director who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. Ratification of payment of remuneration to the Cost Auditors.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the total remuneration of Rs.50,000/- plus taxes as applicable and reimbursement of out of pocket expenses incurred in connection with the audit, payable to M/s. Kiran J. Mehta & Co. Cost Accountants (Firm Registration No. 000025), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company for conducting the audit of the

cost records of the Company for the Financial Year ending March 31, 2024, be and is hereby ratified and confirmed."

4. Increase in remuneration of CEO & Whole Time Director of the Company:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including statutory modification(s) or re-enactment(s) thereof for the time being in force, and in partial modification to the special resolution passed by the Members on December 31, 2021 through postal ballot and subject to such other permissions, sanctions, approvals as may be required, the consent of the Members of the Company be and is hereby accorded for increase in remuneration payable to Mr. Anuj Burakia (DIN:02840211), CEO & Whole Time Director of the Company with effect from July 1, 2023 for the remaining period of his present term of appointment i.e. up to July 28, 2024, as recommended by the Nomination and Remuneration Committee and the Board, up to Rs. 250 Lakh (includes Rs.200 Lakh fixed component and Rs.50 Lakh variable component) per annum inclusive of all perquisites, allowances, benefits, gratuity and in addition to the above, considering the financial turnaround achieved in the business over the last three years, the new customer additions, plant accreditations, increase in production and improvement in quality, and his continuous efforts, commitment, dedication and skills of operational planning, Mr. Burakia be paid one time ex-gratia amount of Rs.41.75 Lakh during the current financial year.

**RESOLVED FURTHER THAT** the foregoing resolution shall remain valid for the current tenor of appointment of Mr. Burakia as CEO & Whole Time Director and in the event of the Company has no profits or its profits are inadequate, the Company do pay to Mr. Burakia remuneration and

one time ex-gratia amount as mentioned in the aforesaid resolution pursuant to Schedule V and other applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to increase, alter, vary and modify the remuneration of the CEO & Whole Time Director during his existing tenure within the overall limit of maximum remuneration as aforesaid and to do all such acts, deeds, matters and things as may be deemed necessary and settle any question or difficulty that may

arise for giving effect this resolution without being required to seek further consent and approval of the Members of the Company."

**By Order of the Board of Directors**

**Suhas Pawar**  
Company Secretary  
ACS - 36560

Date : August 18, 2023  
Place: Mumbai

**Welspun Specialty Solutions Limited**

**Registered Office:**

Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia,  
Gujarat 393 110

Website: [www.welspunspecialty.com](http://www.welspunspecialty.com)

Email ID: [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com)

CIN:L27100GJ1980PLC020358

## NOTES:

1. Pursuant to the General Circulars 10/2022, 2/2022, 21/2021 and other circulars issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'the Circulars'), the companies are permitted to conduct the Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), dispensing the requirement of physical presence of the Members at the meeting venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), and MCA Circulars, the AGM of the Company is being held through VC / OAVM and the proceedings of which shall be deemed to be conducted at the Registered Office of the Company at Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Gujarat 393 110.
2. In compliance with the Circulars, the Annual Report 2022-23, the Notice of the AGM, instructions for e-voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participant(s).
3. Brief details of the Director, who is seeking re-appointment / fixation of remuneration, are provided in the Notice as provided under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
4. A statement pursuant to Section 102 (1) of the Act, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Since the AGM will be held through VC or OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting during the AGM will be provided by NSDL.
7. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.
8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Sections 112 and 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting. Such Members, who are intending to appoint their authorized representatives, are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at mansi@jmja.in with a copy marked to companysecretary\_wssl@welspun.com.
11. In line with MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM along with Annual Report of FY 2022-23 is available on the website of the Company at [www.welspunspecialty.com](http://www.welspunspecialty.com). The same can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Besides, it is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the

Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com).

13. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Transfer Agent ("RTA") M/s. Bigshare Services Pvt. Ltd., Pinnacle Business Park, Office No S6-2, 6th Floor, Mahakali Caves Rd, Next to Ahura Centre, Andheri (East), Mumbai, 400093, Contact person: Mr. Vinod Yadav (Client Executive) Tel: 91-22-62638200/22/23, Fax: 91-22-6263 8261, Email: [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com), and are also requested to immediately inform their change of address, change of e-mail address or consolidation of folios, if any, to the Company's said Registrar and Transfer Agent.
14. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc. to their Depository Participant in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
15. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for nomination or would want to opt-out, are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at <https://www.bigshareonline.com/Resources.aspx>. Members are requested to submit the said form to their Depository Participant in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
16. The Company will send Notice of AGM in electronic mode to its Members who have registered their e-mail addresses for the purpose. Those Shareholders/ Members who have not got their email address registered or wish to update a fresh email address may do so in the following manner:
  - a) For Members holding physical shares  
 The Members holding equity shares of the Company in physical form and who have not registered their email ID may get their email IDs registered with Company's RTA by submitting Investor Service Request Form (Form ISR1) duly filled and signed as per the specimen signature registered with the Company along with self-attested ID Proof and address proof and supporting mentioned thereon. The Investor Service Request form can be downloaded from website of the RTA <https://www.bigshareonline.com/> -> for Investors -> Investors Resources -> Form ISR1.
  - b) For Members holding shares in demat mode:  
 The Members holding shares in demat mode are requested to register their email IDs, with the respective Depository Participants.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Bigshare Services Pvt. Ltd, RTA, for consolidation into a single folio.
18. The Notice for the AGM and other documents referred to in the Notice will be available for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of AGM. The Notice will also be available on the Company's website at [www.welspunspecialty.com](http://www.welspunspecialty.com).
19. A person, whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM.
20. Ms. Mansi Damania (FCS:7447 CP:8120) or failing her, Mr. Jigar Shah (FCS: 8918 CP: 13936) of M/s. JMJA & Associates LLP, Practicing Company Secretaries have been appointed as the Scrutinizer to conduct and scrutinize the voting by way of e-voting process in a fair and transparent manner.

21. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through remote e-voting and e-voting system during the AGM in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 working days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
22. The Result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.welspunspecialty.com](http://www.welspunspecialty.com), notice board of the Company at the registered office as well as the corporate office and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

Please read the instructions for e-voting before exercising the vote.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING AGM ARE AS UNDER:-**

The remote e-voting period begins on Saturday, September 16, 2023 at 9:00 am and ends on Tuesday, September 19, 2023 at 5:00 pm. The remote e-voting module shall be disabled

by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 13, 2023, may cast their vote electronically. The voting right of shareholders/ members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 13, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

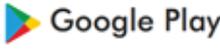
**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual Shareholders / Members holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders/ Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders/ Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders/ Members holding securities in demat mode is given below:

Type of Shareholders/ Members	Login Method
Individual Shareholders/ Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of Shareholders/ Members	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders/ Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders/ Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders/ Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders/ Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 – 4886 7000 and 022 – 2499 7000.
Individual Shareholders/ Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

**B) Login Method for e-Voting and joining virtual meeting for Shareholders/ Members other than Individual Shareholders/ Members holding securities in demat mode and Shareholders/ Members holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- 2) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- 3) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- 4) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- 5) Password details for Shareholders/ Members other than Individual Shareholders/ Members are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders/ Members whose email ids are not registered.

- 6) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - 8) Now, you will have to click on "Login" button.
  - 9) After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system.

How to cast your vote electronically and join AGM on NSDL e-Voting system?

- 1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- 2) Select "EVEN" of Welspun Specialty Solutions Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- 3) Now you are ready for e-Voting as the Voting page opens.
- 4) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 5) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for Shareholders/ Members

1. Institutional Shareholders/ Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mansi@jmja.in](mailto:mansi@jmja.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional Shareholders/ Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders/ Members and e-voting user manual for Shareholders/ Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those Shareholders/ Members whose Email IDs are not registered with the depositories for procuring user id and password and registration of E mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com) or [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com) or [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com). If you are an Individual Shareholders/ Members holding securities in demat mode,

you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders/ Members holding securities in demat mode.

3. Alternatively Shareholder/ Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders/ Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders/ Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password

for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Shareholders/ Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
3. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Wednesday, September 13, 2023, shall be entitled to avail of the facility of remote e-voting before AGM as well as e-voting during AGM.

Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a Member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e. Wednesday, September 13, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using 'Forgot User Details / Password' or 'Physical User Reset Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact on Tel. no. 022 - 4886 7000 and 022 - 2499 7000. In case of Individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as on the cut-off date i.e. Wednesday, September 13, 2023, may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-voting system'.

4. Shareholders/ Members are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further Shareholders/ Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their Name, Demat Account Number/Folio Number, Email ID, Mobile Number at [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their Name, Demat Account Number/Folio Number, Email ID, Mobile Number at [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com). These queries will be replied to by the company suitably by email.
8. Only those Shareholders/ Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the Shareholders/ Members through the e-voting available during the AGM and if the same Shareholders/ Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders/ Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders/ Members attending the meeting.
10. Members who need guidance / help before or during the AGM with respect to use of technology, can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or may contact at 022 - 4886 7000 / and 022 - 2499 7000; or contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**By Order of the Board of Directors**

**Suhas Pawar**  
Company Secretary  
ACS - 36560

Date : August 18, 2023

Place: Mumbai

**Welspun Specialty Solutions Limited**

**Registered Office:**

Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia,  
Gujarat 393 110

Website: [www.welspunspecialty.com](http://www.welspunspecialty.com)

Email ID: [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com)

CIN:L27100GJ1980PLC020358

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE ACT AND THE INFORMATION AS REQUIRED PURSUANT TO SEBI LISTING REGULATIONS.**

**ITEM NO. 2**

Mr. Prakashmal Tatia (DIN:06559106) aged 69 years, is a Mechanical Engineer with Post Graduate Diploma in Business Management, and has over 45 years' of rich experience in steel and related sectors. His core expertise include marketing, planning & procurement for steel industries with strong knowledge of international trade for bulk commodities. He has presented papers on industry/business in various National & International Steel Conferences across globe. He was the Chairman of Sponge Iron Manufacturing Association of India and is presently a member of Steel Committee of CII & FICCI. Presently, he is also Vice President of Indian Stainless Steel Pipes Manufacturing Association (ISSMA).

Mr. Tatia has been on the Board of the Company since August 28, 2018 and currently holds no other Directorships in any Company. Mr. Tatia does not hold any membership in any of the Committees of the Board of Directors of the Company. He is not related to any other Director of the Company. He has not resigned from any of the listed entities during the last three years. His shareholding in the Company as on March 31, 2023 was 4,28,213 (0.08%) equity shares. Other details including the nature of expertise in specific functional areas and the number of Board Meetings attended by him are given in the Corporate Governance Report.

Mr. Tatia is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 or debarred from holding the office of director by virtue of SEBI order or any other authority.

Except Mr. Tatia, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, whether financially or otherwise, in the proposed resolution set out at item no.2.

In terms of Regulation 17 of the SEBI Listing Regulations, the Board recommends passing of the ordinary resolution set out at item no. 2 of the accompanying Notice for approval by the Members of the Company.

**ITEM NO. 3**

As provided under the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 24, 2023, appointed M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025) as the Cost

Auditors of the Company for the Financial Year ending March 31, 2024 to conduct the audit of cost records of the Company and also to perform other duties under the applicable provisions of the law, at a total remuneration of Rs.50,000/- (Rupees Fifty Thousand Only), subject to ratification by the Members in General Meeting. Accordingly, approval of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2024.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, whether financially or otherwise, in the Ordinary Resolution as set out at item no 3.

In terms of Regulation 17 of the SEBI Listing Regulations, the Board recommends passing of the ordinary resolution as set out at item no. 3 of the accompanying Notice for approval by the Members of the Company.

**ITEM NO. 4**

Mr. Anuj Burakia (DIN:02840211), aged 44 years, has been associated with the Company since May 28, 2015 and was re-appointed as the Whole Time Director by way of a special resolution passed by the Members at the Annual General Meeting held on August 31, 2021, for a period of three years with effect from July 29, 2021 without any remuneration. Further, the Members vide special resolution passed through postal ballot on December 31, 2021, approved the remuneration of Mr. Burakia of Rs.166.98 Lakh per annum (includes Rs.133.58 Lakh fixed component and Rs.33.40 Lakh variable component) inclusive of all perquisites, allowances, benefits and gratuity w.e.f. November 1, 2021, with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1st July commencing from the financial year 2022-2023. Keeping in view the active involvement, effective performance of Mr. Burakia in transforming the Company, the Board of Directors at its meeting held on May 23, 2022, re-designated Mr. Burakia as the CEO & Whole Time Director of the Company.

Considering the financial position of the Company and transformation phase through which the Company was going through, it was considered prudent and mutually agreed that there would be no revision in remuneration of Whole Time Director for the financial year 2022-23.

Considering the financial turnaround achieved in the business over the last three years, the new customer additions, plant accreditations, increase in production and improvement in quality, and his continuous efforts, commitment, dedication and skills of operational planning which enabled the Company

to turn into profitability, the Board is of the view that the remuneration payable to Mr. Burakia be increased up to Rs.250 Lakh (includes Rs.200 Lakh fixed component and Rs.50 Lakh variable component) per annum inclusive of all perquisites, allowances, benefits, gratuity and in addition to the said increased remuneration, Mr. Burakia be paid one time ex-gratia amount of Rs.41.75 Lakh, which is 25% of previous CTC, during the current financial year, as mentioned in the resolution set out at item no.4.

The aforesaid remuneration has been approved by the Board of Directors at the recommendation of the Nomination and Remuneration Committee. Further, the Company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditors.

In case of inadequacy of profit or absence of profit under Sections 197, 198 of the Companies Act, 2013, the aforesaid remuneration shall be paid to Mr. Burakia in compliance with the Schedule V and other applicable provisions of the Companies Act, 2013.

Details of directorship and the membership of Committees held by Mr. Burakia are as under:

Company Name	Committee Type	Chairmanship / Membership
Welspun Specialty Solutions Limited	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member
Welspun Steel Resources Private Limited	-	-
Welassure Private Limited	-	-

Other details including number of board meetings attended by him are given in the Corporate Governance Report.

Disclosures pursuant to Section II of Part II of Schedule V of the Companies Act 2013:

#### I. General information:

- (1) Nature of industry: Specialty Steel/ Stainless Steel long products.
- (2) Date or expected date of commencement of commercial production: 1996.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

- (4) Financial performance based on given indicators:

(Rs. In Lakh)

Particulars	2023-22	2021-22	2020-21
Sales and other income	43,259	18,241	9,504
Profit/(Loss) before interest, depreciation and exceptional items	3,148	74	(1,904)
Interest and Financial charges	3,031	1,869	1,147
Depreciation and Amortization	1,491	1,449	1,381
Profit/ (Loss) before exceptional items and tax	(1,374)	(3,244)	(4,432)
Exceptional items	0	0	13,761
Profit/(Loss) before tax	(1,374)	(3,244)	9,329

- (5) Foreign investments or collaborations, if any.: None

#### II. Information about the appointee:

- (1) Background details: Mr. Anuj Burakia is a qualified Chartered Accountant having experience of over 20 years in the Steel industry. Mr. Burakia is aged about 44 years and has remained involved since the year 2002 with various businesses of Welspun group from time to time. Since 2008, he has been heading Steel business of the group namely Welspun Steel Limited and later at the Company as the CEO & Whole Time Director. He possesses very strong business acumen and exercises effective controls over end to end aspects of strategy, manufacturing, supply chain, marketing etc.
- (2) Past remuneration: Rs. 166.98 Lakh (includes Rs.133.58 Lakh fixed component and Rs.33.40 Lakh variable component) per annum inclusive of all perquisites, allowances and gratuity from the Company for the financial year 2022-23.
- (3) Recognition or awards: None
- (4) Job Profile and suitability: Mr. Burakia has over 20 years of experience in the Steel industry. He possesses strong business insight and has been leading the overall business activities of the Company since 8 years. He has played a key role in turning around the business of the Company.
- (5) Remuneration proposed: Rs. 250 Lakh (includes Rs.200 Lakh fixed component and Rs.50 Lakh variable component) per annum inclusive of all perquisites, allowances, benefits, and gratuity, with effect from July 1, 2023 and in addition to the said remuneration, Mr. Burakia paid one time ex-gratia amount of Rs.41.75 Lakh, which is 25% of previous CTC, during the current financial year.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the size of the Company, the remuneration proposed is comparable with the similar position in the industry.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.:

Mr. Burakia is not related, directly or indirectly, to any other Director or Key Managerial Personnel of the Company. He holds 10,35,000 (0.20%) Equity Shares of the Company. Apart from holding position of the CEO & Whole Time Director and shareholding as disclosed, Mr. Burakia has no pecuniary relationship with the Company, directly or indirectly.

### III. Other information:

- (1) Reasons of loss or inadequate profits:

Although the Company is growing and making good business, the financial year 2022-23 had been a year of challenges from the beginning with the imposition of export duty on export of stainless steel bars affecting the business considerably. The Export duty was withdrawn in the month of November, 2022 and the Government imposed import duty on seamless pipes which supported the business for a better performance in the second half of the financial year resulted in reduction of overall losses. In the first quarter of the current financial year, the Company has continued with a growth path with profits. The Company has been focusing more on high value product portfolio for growth and better market position.

- (2) Steps taken or proposed to be taken for improvement:

The Company is expanding geographically with acquisition of new customers based in the existing market and foray into new markets. The Company has also developed and delivered successfully the new grade products in critical categories. This has resulted in positive performance for the first quarter in the current financial year and the Company plans to continue on the growth path.

- (3) Expected increase in productivity and profits in measurable terms:

The Company expects improvement in operational performance on the basis of building of order book position from domestic as well as international market for value added products. Further, the Company's continued thrust to improve operational efficiency and revenue is expected to result in sustainable cash flows.

Except Mr. Anuj Burakia and his relatives to the extent of their shareholding in the Company, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, whether financially or otherwise, in the Special Resolution as set out at item no.4.

In terms of Regulation 17 of the SEBI Listing Regulations, 2015, the Board recommends passing of the special resolution as set out at item no.4 of the accompanying Notice for approval by the Members of the Company.

**By Order of the Board of Directors**

**Suhas Pawar**  
Company Secretary  
ACS - 36560

Date : August 18, 2023

Place: Mumbai

**Welspun Specialty Solutions Limited**

**Registered Office:**

Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia,  
Gujarat 393 110

Website: [www.welspunspecialty.com](http://www.welspunspecialty.com)

Email ID: [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com)

CIN:L27100GJ1980PLC020358

## DIRECTORS' REPORT

To,  
The Members,  
**Welspun Specialty Solutions Limited**  
(Formerly known as RMG Alloy Steel Limited)

Your Directors are pleased to present the Forty-First Annual Report together with Audited Financial Statement of the Company for the year ended March 31, 2023.

### 1. FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2022-23	2021-22*
Sales and other income	43,259	18,241
Profit/(Loss) before interest, depreciation and exceptional items	3,149	74
Interest and Financial charges	3,031	1,869
Depreciation and Amortization	1,491	1,449
Profit/ (Loss) before exceptional items and tax	(1,374)	(3,244)
Profit/(Loss) before tax	(1,374)	(3,244)

\*Restated

### 2. OPERATIONS

Operations of the Company were as under:

Particulars	2022-23			2021-22		
	Production (Qty M.T.)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakhs)	Production (Qty M.T.)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakhs)
Pipe	4,541	4,059	21,390	2,837	2,915	11,878
Steel	16,985*	6,869	20,094	5,418*	1,531	4,018
Others	-	-	299	-	-	433
<b>Total</b>	<b>21,526</b>	<b>10,928</b>	<b>41,783</b>	<b>8,255</b>	<b>4,446</b>	<b>16,329</b>

\*Includes produced for Captive Consumption

#### The Company continued on its growth trajectory in FY23.

The Company's one of the major market EU saw a GDP contraction of 0.1% Q1/CY23 (Q4/FY23). However, the Company continues to calibrate its strategy and accelerate its sales in these markets. Additionally, the Company has made a strategic plan to enter the USA Market by leveraging on its product portfolio, market experience and resources in the USA.

In spite of numerous challenges including significant ones like sudden imposition of export duty (15%) on company's products which remained in force for substantial part of the FY23, volatility faced w.r.t prices of certain key raw materials like nickel, molybdenum, refractories etc., the Company continued to grow on volumes and kept moving up the value chain. During the year under review, the Company successfully developed number of new grade materials and products. These products in form of bars and pipes & tubes were supplied to leading

international & domestic customers, and to projects of national significance.

#### Some of the major achievements are:

- Total order book at the close of the year for stainless steel bars and pipes & tubes stood at Rs.155 crores and growing.
- The Stainless Steel bar offering size range expanded from erstwhile from 50 - 200mm to now 25 - 350mm in diameter, a unique wide range for the customers.
- Received BIS IS-17875 Certification for seamless pipes & tubes in addition to IS-6529 (for Blooms / Ingots ) and IS-6603 (for Rolled Bars)
- Successfully developed, produced and delivered new grades including Monel 400 tubes to a large Oil & Gas PSU, HP heater (High Pressure Heater) U-bent tubes in Grade 304N, Ni-Alloy Grade UNS N08825 Pipes amongst others.

The Company now produces a wide spectrum of products in stainless steel segment and continue to expand this range.

Seamless Pipes & Tubes	Cast Blooms & Ingots and Rolled Bars	SS & Ni-Alloy Material Grade Categories
Schedule Pipe Sizes (B36.19)	As-Cast Ingots	Austenitic
Heat Exchanger Tubes	Ingot Rolled Bars	Martensitic
ISO Pipe Sizes	As-Cast Blooms	Ferritic
Hydraulic & Instrumentation Tubing	Hot rolled Rounds & RCS	Super Austenitic
Hollow Bars	Forged Rounds	High Nickel Alloys
U-bent Tubes	Bright Bars	High Alloy Steel
Square Tubes	Heat Treated Bars	Customized Chemistry

The Company plans to continue its growth journey through technical innovations, development of new and niche materials, indigenisation efforts for import alternatives, market geography expansion etc. The Company continues to focus on indigenisation especially w.r.t projects of National importance and contribute towards the mission of Atmanirbhar Bharat / Make in India initiative of Government of India.

To achieve all these objectives, the Company will continue to invest into digital & automation initiatives, training & skill upgradation of its team, focus on reducing carbon footprint etc.

### 3. SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2023 was Rs.565,00,00,000/- (Rupees Five Hundred Sixty Five Crore Only) divided into 55,00,00,000 (Fifty Five Crore) Equity shares of Rs.6/- (Rupees Six Only) each and 23,50,00,000 (Twenty Three Crore Fifty Lakh) Preference Share of Rs.10/- (Rupees Ten Only) each. The issued, subscribed and paid up share capital of the Company stood at Rs.368,95,77,646/- (Rupees Three Hundred Sixty Eight Crore Ninety Five Lakh Seventy Seven Thousand Six Hundred Forty Six only) as at March 31, 2023 comprising of 53,00,89,156 (Fifty Three Crore Eighty Nine Thousand One Hundred Fifty Six) equity shares of Rs.6/- (Rupees Six Only) each fully paid up and 5,09,04,271 (Five Crore Nine Lakh Four Thousand Two Hundred Seventy One) preference shares of Rs.10/- (Rupees Ten Only) each fully paid up. There was no change in the issued, subscribed and paid up share capital during the year under review.

### 4. DIVIDEND

In view of losses during the year, your Directors do not recommend any dividend for the financial year ended on March 31, 2023.

### 5. DIVIDEND DISTRIBUTION POLICY

In terms of the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”), the Board of

Directors approved and adopted Dividend Distribution Policy of the Company setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the shareholders and/ or retaining the profits earned by the Company. The Policy is annexed to this Report as ‘Annexure I’ and is also available on the Company’s website at <https://welspunspecialty.com/policy.php>.

### 6. TRANSFER TO RESERVE

During the period ended September 2022, the Company reassessed the nature of 12% Non-Cumulative Redeemable Preference Shares. For reassessment the company had taken opinions of various consultants and professionals. Based on the analysis they have been classified as compound financial instrument resulting change in liability portion of the instruments. Basis the change, the revised liability portion of the instrument as disclosed under non-current borrowing on April 01, 2021, is Rs. 1,315 lakhs as compared to the originally reported liability of Rs. 5,090 lakhs, thus an amount of Rs.3775 lakhs was transferred to Equity component of Non-cumulative redeemable Preference share Reserve during the year under review. The revised amount of other equity as on April 01, 2021, is Rs. (24,113) lakhs as compared to the originally reported amount of Rs. (27,888) lakhs. This change has resulted into an increase in the loss for the year ended March 31, 2022, by Rs. 166 lakhs and Rs 185 lakhs for the year ended March 31, 2023.

### 7. SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES COMPANIES

The Company does not have subsidiary, associate and joint ventures companies.

### 8. NET WORTH STATEMENT

The Company’s financial statement has been prepared as per Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian

Accounting Standards) Rules, 2015. As per the Ind AS, Non-Cumulative Redeemable Preference Share Capital is shown as borrowing in the financial statement. However, as per Sections 2(57), 2(64) and 43 of the Act, the definition of Net Worth includes "paid-up share capital" i.e. equity share capital and preference share capital. Therefore, for the purpose of calculation of Net Worth, Non-Cumulative Redeemable Preference Share Capital is also considered as a part of the Net Worth.

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Equity Share Capital	31,805	31,805
Securities premium collected on Equity Share Capital	28,849	28,849
Non-Cumulative Redeemable Preference Share Capital	1,666	1,481
Non-Cumulative Redeemable Preference share capital adjustment account	3,775	3,775
Retained Earnings	(61,952)	(60,561)
General Reserve	553	553
Net Worth	4,696	5,902

## 9. DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

### a. Board of Directors:

In accordance with the provisions of the Act, and the Articles of Association of the Company, Mr. Prakashmal Tatia (DIN: 06559106), Non-Executive Non-Independent Director, will retire by rotation at the 41st Annual General Meeting and being eligible, has offered himself for re-appointment. The Board has recommended his re-appointment.

During the year under review, Ms. Amita Misra (DIN: 07942122) and Mr. K. H. Viswanathan (DIN: 00391263) were appointed as the Independent Directors of the Company for a term of four years from April 27, 2022 till April 26, 2026. Mr. Vipul Mathur (DIN: 007990476) was appointed as a Non-Executive, Non-Independent Director of the Company with effect from April 27, 2022.

### b. Key Managerial Personnel:

During the year under review, Mr. Brijveer Singh was appointed as the Chief Financial Officer and Mr. Suhas Pawar (ACS-36560) was appointed as the Company Secretary and Compliance Officer of the Company, both with effect from October 31, 2022.

Ms. Rashmi Mamtura resigned as the Company Secretary and Compliance Officer of the Company on September 28, 2022, and Mr. Narendra Kumar Bhandari resigned as the Chief Financial Officer of the Company on October 31, 2022. The Board placed on record its appreciation for the services rendered by Mr. Bhandari and Ms. Mamtura during their tenure with the Company.

### c. Declaration by Independent Directors:

The Company has received declarations from each Independent Director as per the provisions of Section 149 (7) of the Act and the Regulation 25(8) of the SEBI Listing Regulations, as amended from time to time, confirming he / she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. There has been no change in the circumstances as on the date of this Report which may affect his / her respective status as an Independent Director.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standard of integrity.

All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon as notified by the Central Government under Section 150(1) of the Act. As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company shall undergo online proficiency self-assessment test, as may be applicable, within the time prescribed by the IICA.

### d. Annual Evaluation of Board, its Committees and Directors :

The performance evaluation of the Board of Directors, its Committees and of Individual Directors were conducted by the entire Board (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after

taking into consideration SEBI's guidance note on board evaluation and inputs received from the Directors, covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, time spent by each of the Directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions and governance.

For the financial year 2022-23, the annual performance evaluation was carried out by the Independent Directors, the Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-Independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory to the Board.

**e. Meetings of the Board of Directors:**

Six (6) meetings of Board of Directors were held during the financial year 2022-23, the details of which are given in point 2(b) of the "Corporate Governance Report" annexed to this Report as "**Annexure IV**".

**f. Committees of the Board of Directors**

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee, as applicable, and meetings of those committees held during the year under review is given in the "Corporate Governance Report" annexed to this Report as "**Annexure IV**".

There have been no instances where the Board did not accept the recommendations of its committees, including the Audit Committee.

**10. DISCLOSURE AS PER SECTION 197(12) AND RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The Independent Directors are paid sitting fees at a fixed rate per meeting of the Board or the Committee attended by them and as such the same can't compare with the remuneration to the employees.

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Ratio in case of Mr. Anuj Burakia, CEO& WTD is 1:52		
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	Anuj Burakia	CEO& WTD	Nil
		Brijveer Singh	CFO	NA*
		Suhas Pawar	CS	NA*
(iii)	the percentage increase in the median remuneration of employees in the financial year:	Median remuneration decreased by 5.88%.		
(iv)	the number of permanent employees on the rolls of company	554 as on March 31, 2023.		
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average increase in remuneration of employees excluding KMP in last financial year was 6.89%.		
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2023 was as per the Remuneration Policy of the Company.		

Notes: (\*) Appointed during the year under review.

**11. PARTICULARS OF EMPLOYEES**

The details of employees of the Company drawing remuneration as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

Sr. No.	Name	Designation	Remuneration Drawn During The Year (Rs.)	Nature of Employment	Qualification	Experience (Years)	Date of Commencement of Employment	Age	Last Employment	% of Equity Shares	Relative
1	Anuj Burakia	CEO & Whole Time Director	78,40,170	Contract	Chartered Accountant	21	29-July-21	43	Welspun Group	0.20%	No
2	Sanjay Batra*	Senior Vice President	74,42,880	Permanent	Diploma - Mechanical, Post Diploma in Business Administration	11	26-Dec-00	55	Maharashtra Seamless Ltd	Nil	No
3	Vipul Sutaria	President	67,59,234	Permanent	BE - Mechanical, PGDBM Marketing	23	11-Oct-21	48	Saarloha (Erstwhile Kalyani Carpenter)	Nil	No
4	Narendra Kumar Bhandari	President	66,64,858	Permanent	Chartered Accountant	21	25-Sep-09	62	Fata Tanning	0.00%	No
5	Nityanand Shukla	Vice President	42,72,214	Permanent	B.Sc, BE - Mechanical, MBA	34	11-Oct-21	56	Bhawani Industries Pvt Ltd	Nil	No
6	Anil Kumar Singh Rana	Assistant Vice President	32,68,744	Permanent	BE - Electrical	19	05-May-10	52	Star Wire (India) Limited	Nil	No
7	MV Rajasekhar	Assistant Vice President	28,65,529	Permanent	M. Sc (Tech), M.M.S.	29	09-Jun-22	54	Tubacex Prakash India Ltd	Nil	No
8	Manas Ranjan Dash	Assistant Vice President	27,77,043	Permanent	BA, LLB, PGD in HRD	26	29-Nov-19	52	Enzen Group	Nil	No
9	Avadhesh Kumar Porwal	General Manager	24,05,003	Permanent	Diploma - Mechanical	25	09-Oct-17	54	Welspun Corp Limited	Nil	No
10	Saubhag Sharma	General Manager	27,68,272	Permanent	C.A.	11	02-Jan-12	33	-	Nil	No
11	Tapash Chakraborty*	Deputy General Manager	25,66,667	Permanent	B E Metallurgy	33	26-Apr-22	55	Baramati Specialty Steels Ltd	Nil	No
12	Samir Malhotra	Retainer Vice President	25,50,000	Permanent	B E Metallurgy, MBA Sales	26	01-Aug-21	53	Arora Iron & Steels Ltd as Head Marketing	Nil	No

\* resigned / discontinued / employed for part of or during the year.

**Remuneration policy and criteria for making payment to Non-Executive Directors:**

Pursuant to Section 178 (3) of the Act and provisions of SEBI Listing Regulations, the Nomination and Remuneration Committee (NRC) and the Board of Directors at their respective meetings held on 5th February, 2019 had approved and recommended a revamped policy relating to criteria for determining qualifications, positive attributes and Independence of Directors, the remuneration for the Directors, Key Managerial Personnel and other employees.

For the Company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section 3 of Section 178 of the Act, please refer to the Para of the "Corporate Governance Report" annexed to this Report as "Annexure IV".

## 12. EMPLOYEE STOCK OPTIONS

The Company have not granted stock options during the year under review, the disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(I)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	
	(a) Name of the ESOP Plan	RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018
	(b) Date of shareholders' approval	15.05.2018
	(c) Total number of options approved under ESOS	20,00,000
	(d) Vesting requirements	The Vesting of ESOPs shall happen at every anniversary of the date of grant in quantum of 35% and 35% of the total ESOPs granted for the first 2 years and 30% of the total ESOPs granted shall vest on completion of 2 years 3 months from the date of grant*
	(e) Exercise price or pricing formula	Nil
	(f) Maximum term of options granted	Upto the third anniversary from the date of Vesting
	(g) Source of shares (primary, secondary or combination)	Primary
	(h) Variation in terms of options	-
(II)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value
(III)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
(IV)	Option movement during the year	
	Number of options outstanding at the beginning of the period	Nil
	Options granted	Nil
	Options vested	Nil
	Options exercised	Nil
	The total number of shares arising as a result of exercise of option	Nil
	Options forfeited / lapsed	Nil
	The exercise price	Nil
	Money realized by exercise of options	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	Nil
	Number of options exercisable at the end of the year	Nil
	Employee wise details of options granted to:-	
	• Senior managerial personnel (including Key Managerial Personnel)	Nil
	• Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	Nil
	• Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
	• Lock-in period, if any	Nil
	• the conditions under which option vested in employees may lapse	Options which are vested but not exercised; Upon resignation prior to retirement.

Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share.	Nil
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Nil
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Not applicable.
a) the weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model;	-
b) the method used and the assumptions made to incorporate the effects of expected early exercise;	-
c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	-
d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	-
Disclosure in respect of grants made in three years prior to IPO under each ESOS	Not Applicable
The Company has complied with the applicable accounting standards.	

Certificate from M/s. Mihen Halani & Associates, Company Secretaries, Secretarial Auditors of the Company with respect to the implementation of Welspun Employee Stock Option Scheme would be placed before the members at the ensuing Annual General Meeting of the Company and a copy of the same shall be available for inspection at the Registered office of the Company.

### 13. DEPOSITS

The Company has not accepted any deposit within the meaning of Chapter V to the Act. Further, no amount on account of principal or interest on deposit was outstanding or unclaimed or unpaid as at the end of the financial year under the Report.

### 14. ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in form MGT-7 is placed on the website of the Company and can be accessed at <https://www.welspunspecialty.com/notice.php>.

### 15. DETAILS OF RELATED PARTY TRANSACTIONS

Details of arrangement entered into with related parties under Section 188 (related party) pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 are mentioned in form AOC-2 enclosed as "Annexure II".

The Company's policy on Related Party Transactions as approved by the Board is uploaded on the Company's website <https://www.welspunspecialty.com/policy.php>

Save and except as disclosed in the financial statements, none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, please refer to note no.40 for details of transactions with Welspun Corp Ltd, being the Holding Company and hence a related party.

### 16. AUDITORS AND THEIR REPORTS

#### Statutory Auditors:

M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/ N500016) has been appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (five) years from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company, in terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditors have issued unqualified Auditors' Report for the year ended March 31, 2023. The Statutory Auditors' observations read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

The Audit Report did not contain any qualifications, reservations, adverse remarks or disclaimers and no fraud was reported by the Statutory Auditors of the Company to the Audit Committee pursuant to Section 143(12) of the Act.

#### **Internal Auditors:**

M/s. KPMG Assurance and Consulting Services LLP were appointed as the Internal Auditors of the Company. The internal audit was completed as per the scope defined by the Audit Committee.

#### **Cost Auditors:**

The Company maintains cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act. As per Section 148 of the Act, the Board of Directors have appointed M/s. Kiran J. Mehta & Co, Cost Accountants, (Firm Registration No.000025) as the Cost Auditors for the financial year 2023-24 at a remuneration of Rs.50,000/- p.a. on the recommendations of the Audit Committee.

The Board recommends ratification of the remuneration payable to the Cost Auditors for the year ending on March 31, 2024 by the Members at the ensuing Annual General Meeting.

The Cost Auditors' Report did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company pursuant to Section 143(12) of the Act. The Cost Audit Report for the financial year 2021-22 was filed on September 28, 2022. The Cost Audit Report for the financial year 2022-23 is in progress and the report will be filed with the Ministry of Corporate Affairs, Government of India, within the statutory timeline.

#### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. JMJA & Associates LLP, Practicing Company Secretaries, has been appointed as the Secretarial Auditors of the Company for the financial year 2023-24. The Secretarial Audit Report issued by the erstwhile Secretarial Auditors M/s. Mihen Halani & Associates for the financial year 2022-23 is annexed herewith as 'Annexure III' to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks and no frauds were reported by the Secretarial Auditors to the

Company under Section 143(12) of the Act., except the reporting on filing of compounding application by the Company with respect to non-filing of cost audit report for the financial year 2018-19, as reproduced herein below and which in the opinion of the Board self-explanatory and does not require further explanation:

*'In respect of a notice received from the Ministry of Corporate Affairs-Cost Audit Branch through their e-mail dated December 13, 2022, the Company has made an application to the Registrar of Companies, Gujarat, for compounding of offence under section 148 of the Companies Act, 2013 read with Rule 4 of Companies (Cost Records and Audit) Rules, 2014, for non-filing of Cost Audit Report for the financial year ended March 31, 2019. The said application was disposed of by the Joint Director, the Regional Director North-Western Region, Ministry of Corporate Affairs, Ahmedabad on May 4, 2023, on payment of compounding fees of Rs.1,00,000/- by the Company and Rs. 25,000/- by the Whole Time Director.'*

### **17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.**

The Company has not made any investment nor given any loan or provided any guarantee / security for repayment of loan under Section 186 of the Act.

### **18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Board has adopted vigil mechanism in the form of Whistle Blower Policy, to deal with instances of fraud or unethical behavior or misconduct etc. For the Company's policy on establishment of Vigil Mechanism for Directors and Employees, please refer to the point no.13 (iii) of the "Corporate Governance Report" annexed to the this Report as "Annexure IV".

The details of Whistle Blower Policy and Vigil Mechanism is also available on the Company's website at <https://www.welspunspecialty.com/policy.php>.

### **19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo required pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given below.

During year under review, the Company has taken various initiatives to conserve energy and improve technology being used for production as discussed in detail hereunder.

This has helped the Company in its journey on moving up the value chain.

**A. Conservation of Energy**

- (i) the steps taken or impact on conservation of energy;

The following are measures taken during the year under review:

The Company has installed Energy Management system which helps in controlling the excess power drawing from the Grid and optimising of Induction furnace operations. At any point plant overall power does not cross the set demand.

Upgradation of Induction Heating PLC Programming to reduce cycle time of furnace. This has resulted in reduction of power consumption in Press system.

The Company has completed Boiler steam lines insulation work which results into 100% condensate recovery and reduction in condensate formation.

Replacement of Cooling Tower fills resulting in lower energy consumption.

Installation of new biomass based boiler which has significantly reduced energy consumption required for FO fired boiler.

- (ii) the steps taken by the company for utilizing alternate sources of energy;

The Company has signed agreement for procurement of hybrid (solar +wind) power supply. This power shall be available from the beginning of the next financial year.

Installed new biomass based boiler in place of FO fired boiler using biomass briquettes as a fuel source.

- (iii) the capital investment on energy conservation equipment;

Various energy conservation equipment were added to the production facility during the year under review with approximate cost 1.35 crore.

**B. Technology Absorption:**

- (i) the efforts made towards technology absorption;

Polymer quenching technique is adapted for SS Bars quenching in place of oil quenching technique. This provides a better production quality.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

As a result of shifting from manual to mechanical ID the Company is able to get uniform glass powder coating inside the billet hence, the quality of product is improved.

Modified glass lubrication system has reduced overall glass consumption.

Introduction of polymer quenching technique has resulted in higher safety than earlier technique.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

No technology has been imported during the last three years.

- (iv) the expenditure incurred on Research and Development.

The products and process development are undertaken by the Company internally.

**C. Capacity Enhancement & Technological Upgradation:**

- Installed Chamfering machine to chamfer dia upto 80mm.
- Developed new tooling for extrusion process to get better throughput.
- Installation of new Pickling Crane for handling material.
- Installation of new pipe cutting station for increase in pipe cutting capacity.

**D. Foreign Exchange Earnings and Outgo**

- (i) Foreign exchange earned in terms of actual inflows during the year;

FOB Value of exports Rs.15,266 Lakhs (Previous Year Rs.2,272 Lakhs).

- (ii) Foreign exchange outgo during the year in terms of actual outflows;

Imports on CIF Basis/ expenditure in foreign currency Rs.4,802 Lakhs (Previous Year Rs.1,501 Lakhs).

**20. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

In compliance with Regulation 34 of the SEBI Listing Regulations, a separate report on Corporate Governance is annexed hereto as a part of this Report as

“Annexure IV”. A certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under the SEBI Listing Regulations is attached to this report as “Annexure V”. Management Discussion and Analysis is separately given in this Report as “Annexure VII”.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors, based on the representations received from the Operating Management, and after due enquiry, hereby confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2023 and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2) of the SEBI Listing Regulations as amended from time to time and based on the market capitalization as on the financial year ended March 31, 2023, the Company is not required to submit the Business Responsibility and Sustainability Report for the financial year 2022-23.

## 23. RISK MANAGEMENT

The Company has constituted a Risk Management Committee in compliance with the SEBI Listing Regulations. The details of this Committee and its terms of reference are set out in the Corporate Governance Report.

The Board has approved Risk Management Policy (RMP) to effectively address financial, operational, compliance and strategic risk. A structured enterprise risk management program has been formulated and implemented. The Risk Management Committee was formed and adopted its charter to periodically review the risk management process, risks and mitigation plans and provide appropriate advise in the improvement areas, if any, identified during the review.

Please refer to point C of the Management Discussion and Analysis section attached to this Report for risks and threats relevant to the Company.

## 24. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

The details of familiarization programme conducted for Independent Directors are disclosed on the website of the Company at link : <https://www.welspunspecialty.com/policy.php>. More than 6 hours were spent by the Independent Directors cumulatively in several familiarization programs during the year under review.

## 25. CODE OF CONDUCT

The Company has a Code of Conduct for Board Members and Senior Management Personnel. A copy of the Code has been put on the website of the Company for information of all the members of the Board and Senior Management Personnel at <https://www.welspunspecialty.com/policy.php>. Each Director and Senior Management Personnel including all functional heads, to which this code has been made applicable, have affirmed their compliance with the Code. A declaration by Mr. Anuj Burakia, CEO & Whole Time Director, to this effect given in the Corporate Governance Report forms part of this report.

## 26. PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In compliance with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has

put in place a Policy on Prohibition and Prevention of Sexual harassment of women at the workplace.

The Company has complied with the provisions relating to constitution of Internal Complaint Committee ("ICC") under Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act 2013. The ICC comprises of internal as well as external members.

Disclosure of number of complaints filed, disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on the end of the financial year under Report are as under:

Number of complaints pending at the beginning of the financial year	Nil
Number of complaints received during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**27. INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation of Section 134(5)(e) of the Act, the SEBI Listing Regulations and other relevant statutes applicable to the Company. The executive management and Internal Auditors continuously monitors the efficiency of the internal controls / compliance, with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. For the year ended March 31, 2023, the Board is of the opinion that the Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Also refer paragraph under caption "internal control system" in Management Discussion and Analysis forming part of this report.

The Internal Audit is carried by independent external audit firm consisting of qualified accountants, domain & industry experts, fraud risk and information technology specialists.

**28. MISCELLANEOUS**

The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

The Company has not made any provision of money for the purchase of, or subscription for, shares of the Company or its holding company, to be held by or for the benefit of the employees of the Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

During the year under review,

- There was no change in the general nature of business of the Company;
- No material change or commitment has occurred which would have adversely affected the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report;
- No share with differential rights was issued by the Company nor did the Company issue any equity share as sweat equity share;
- No fraud took place in the Company during the year under review and hence, no such reporting was made to the Audit Committee and the Board under Rule 13(3) of the Companies (Audit and Auditors) Rules, 2014;
- No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and the Company's operations in future;
- No application was made or proceeding initiated against the Company under the Insolvency and Bankruptcy Code, 2016, nor any such proceeding was pending at the end of the financial year under review.

## 29. SAFETY

The Company conducts regularly Safety audit through competent authorities for its manufacturing facility located at Jhagadia, Bharuch, Gujarat. The Company also organizes various safety awareness programs to impart safety training to its employees.

## 30. ACKNOWLEDGEMENT

Your Directors take this opportunity to express gratitude for valuable assistance and cooperation extended to the Company by financial institutions, banks, statutory and regulatory authorities, customers, suppliers and other agencies engaged with the Company. Your Directors also wish to place on record their sincere appreciation of the dedicated services, hard work, solidarity and profuse support by all the employees of the Company.

### For and on behalf of the Board of Directors

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

Place: Mumbai  
Date: May 24, 2023

**Welspun Specialty Solutions Limited's Dividend Distribution Policy**

**1. REGULATORY FRAMEWORK**

The Securities and Exchange Board of India ("SEBI") w.e.f. May 5, 2021 amended Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top one thousand listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Welspun Specialty Solutions Limited ("Company") being one of the top one thousand listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2. OBJECTIVE & PHILOSOPHY**

The objective of this Policy is to provide predictability of dividend to the investors and at the same time to enable them to plan for utilization of their income and to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Through this Policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws and conditions.

The philosophy of the Company is to maximize the shareholders' wealth in the Company through various means. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

**3. DIVIDEND DECLARATION - CIRCUMSTANCES AND FINANCIAL PARAMETERS.**

The Board will consider present situation of the Company, internal and external factors influencing performance of the Company, its strategy and business plan for the future. After considering such factors, the Board will endeavor to achieve distributing up to 25% of Profit After Tax for a financial year, on standalone basis, with equity shareholders (including by way dividend and Dividend Distribution Tax thereon).

The shareholders may expect dividend in following circumstances:

- 1) The Board will assess the Company's financial requirement, including present and future organic and inorganic growth opportunities and other relevant factors.
- 2) In the circumstances where no material event has occurred affecting the long term business stability of the Company.
- 3) No event has happened which may have long term material effect on the business of the Company.

In such circumstances, dividend may be recommended or declared at the discretion of the Board.

Any deviation from the policy may be disclosed in the Directors' Report to the Shareholders.

In the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the conditions prescribed under applicable laws and in compliance with the terms of sanction from the Banks / Financial Institutions.

**4. FACTORS FOR DETERMINING DIVIDEND**

In determining the Company's dividend payout, the Board of Directors would consider a variety of factors, including:

**A. Internal Factors**

- i) Stability / trends of earnings;
- ii) Liquidity of funds;
- iii) Need for additional capital;
- iv) Acquisitions and/or any other potential strategic action;
- v) Expansion of business;
- vi) Past dividend trends;
- vii) Dividend type and time of its payment;

**B. External Factors**

- i) Prevailing legal requirements, tax rules Government policies, Statutory conditions or restrictions as may be provided under applicable laws;
- ii) State of the industry or economy of the country;
- iii) Capital market scenario;

- iv) Financial covenants stipulated by the lenders;
- v) Covenants in agreement with shareholding group(s);

#### **5. PARAMETERS WITH REGARDS TO VARIOUS CLASSES OF SHARES**

The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.

#### **6. UTILIZATION OF RETAINED EARNINGS**

The earnings retained by the Company after distribution of dividend to the members may be used, inter alia, to:-

1. Maintain existing operations;
2. Acquisitions, expansion or diversification;
3. Funding organic and inorganic growth
4. Short-term investment in risk-free instruments with moderate returns;
5. Repayment of borrowings;
6. Meet contingent and other liabilities;
7. Issue of Bonus Shares;
8. Buyback of securities.
9. Investment in Subsidiaries
10. Research and Development
11. Innovation
12. Acquisition of Intellectual Property Rights
13. Any other purpose as the Board may deem appropriate in the best interest of the Company.

#### **7. AMENDMENTS / MODIFICATIONS**

1. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
2. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
4. Any difficulty or ambiguity in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
5. When the company proposes to declare dividend on the basis of parameters other than what is mentioned in the policy or proposes to change its dividend distribution policy, the same along with the rationale shall be disclosed.

*Approved & adopted by the Board of Directors at its meeting held on May 23, 2022.*

**Annexure II**

Form No. AOC-2

(Pursuant to clause (h) of subsection (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship	Welspun Corp Limited (holding company of the Company)	
b.	Nature of contracts/ arrangements/ transactions	Sale/ purchase of raw material, finished goods, spare parts and various other miscellaneous items, and loans	
c.	Duration of the contracts / arrangements/ transactions	01.04.2022 to 31.03.2023	
d.	Salient terms of the contracts or arrangements or transactions including the value:	Nature of Transaction	Amount (Rs. in Lakhs)
		Purchases	420
		Sales	4,461
		Loan Received	9,400
		Corporate Guarantee Commission	89
		Reimbursement of expenses	69
		Interest on Loan	1,257
		• All material transactions entered with the related party were carried out in the ordinary course of the business and were at arm's length.	
e.	Date(s) of approval by the Board	The Board of Directors at its meeting held on February 9, 2022 approved the said transactions.	
f.	Amount paid as advances	Nil	

For and on behalf of the Board of Directors

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

Place: Mumbai  
Date: May 24, 2023

**Mihen Halani & Associates**

**Practicing Company Secretaries**

A-501/L, Jaswanti Allied Business Centre, Kachpada, Ramchandralane Extn. Rd.,  
Malad (West), Mumbai – 400 064, **Contact:** 022 – 6236 0279 **Email:** mihenhalani@mha-cs.com

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**for the Financial Year ended March 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Welspun Specialty Solutions Limited  
CIN: L27100GJ1980PLC020358  
Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia Dist, Bharuch – 393 110,  
Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Welspun Specialty Solutions Limited (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, (the “Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- iii. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not applicable to the Company during the Audit period;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”);
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021-Not applicable to the Company during the Audit period;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable to the Company during the Audit Period, and

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the Audit Period;
- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) the Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI");
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the best of our knowledge and belief, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The committees of the Board are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the directors and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year;

- In respect of a notice received from the Ministry of Corporate Affairs-Cost Audit Branch through their e-mail dated December 13, 2022, the Company has made an application to the Registrar of Companies, Gujarat, for compounding of offence under section 148 of the Companies Act, 2013 read with Rule 4 of Companies (Cost Records and Audit) Rules, 2014, for non-filing of Cost Audit Report for the financial year ended March 31, 2019. The said application was disposed of by the Joint Director, the Regional Director North-Western Region, Ministry of Corporate Affairs, Ahmedabad on May 4, 2023, on payment of compounding fees of Rs.1,00,000/- by the Company and Rs. 25,000/- by the Whole Time Director.*

We further report that during the audit period, the following event/action has taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above;

- The Company has approved material related party transactions with Welspun Corp Limited for availing of loan / inter corporate deposit for an amount not exceeding Rs. 200 Crore vide Special Resolution by the members at the 40th Annual General Meeting ("40th AGM") held on June 29, 2022;
- The Company has adopted new set of Articles of Association by altering several clauses / provisions vide Special Resolution by the members at 40th AGM held on June 29, 2022.

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For **MIHEN HALANI & ASSOCIATES**  
Practicing Company Secretaries

**Mihen Halani**  
(Proprietor)  
CP No: 12015  
FCS No: 9926

Date: 24.05.2023  
Place: Mumbai  
UDIN: F009926E000370187

**Note:** This report is to be read with our letter of even date which is annexed as "**Annexure A**" herewith and forms as integral part of this report.

To,  
The Members,  
**Welspun Specialty Solutions Limited**  
CIN: L27100GJ1980PLC020358  
Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia Dist, Bharuch – 393 110,  
Gujarat, India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**  
Practicing Company Secretaries

**Mihen Halani**  
(Proprietor)  
CP No: 12015  
FCS No: 9926

Date: 24.05.2023  
Place: Mumbai  
UDIN: F009926E000370187

## CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY

Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Ltd) believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, stakeholders, consumers and society.

The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness.

## 2. BOARD OF DIRECTORS

## a) Composition

The details of composition of the existing Board of Directors as on March 31, 2023 are given below:

Sr. No.	Name of Director	Age	Category	No. of Shares Held	Attendance Particulars		No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company) <sup>@</sup>
					Last Annual General Meeting	Board Meeting	Pub.	Pvt.	Other Body Corporate	
1	Mr. Atul Desai	73	I, NE	-	Yes	6/6	6	-	-	C-5, M-7
2	Mr. Anuj Burakia	43	E	10,35,000	Yes	6/6	-	2	-	C-0, M-1
3	Mr. Balkrishan Goenka	56	P, C, NE	-	No	4/6	10	-	3	C-0, M-0
4	Mr. Prakashmal Tatia	69	NE	4,28,213	Yes	6/6	1	-	-	C-0, M-0
5	Mr. M. Narayana Rao	67	I, NE	7,789	Yes	6/6	2	1	-	C-1, M-3
6	Mr. K.H. Viswanathan	60	I, NE	50,000	Yes	6/6	6	1	-	C-5, M-9
7	Ms. Amita Misra	67	I, NE	-	Yes	6/6	3	-	-	C-1, M-4
8	Mr. Vipul Mathur	53	NE	-	Yes	6/6	3	1	-	C-0, M-2

<sup>@</sup> Chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee alone considered.

**Abbreviations:**

P = Promoter, E = Executive Director, NE = Non-Executive Director, I = Independent Non-Executive, S = Shareholder, C = Chairman, M = Member.

Average age of the present Board members - ~61 years.

Average attendance at the Board meetings - ~96%

## b) Names of the listed entities where the person is a director and the category of directorship:

Sr. No.	Name of Director	Name of Listed Companies	Category of Directorship
1.	Mr. Atul Desai	Welspun Specialty Solutions Limited	Non-Executive, Independent Director
		AYM Syntex Limited	Non-Executive, Independent Director
		JSW Holdings Limited	Non-Executive, Independent Director
		Welspun Investments and Commercials Limited	Non-Executive, Independent Director
		TCFC Finance Limited	Non-Executive, Independent Director
2.	Mr. Anuj Burakia	Welspun Specialty Solutions Limited	Executive Director

Sr. No.	Name of Director	Name of Listed Companies	Category of Directorship
3.	Mr. Balkrishan Goenka	Welspun Specialty Solutions Limited	Non-Executive, Non-Independent Director
		Welspun India Limited	Non-Executive, Non-Independent Director
		Welspun Corp Limited	Non-Executive, Non-Independent Director
		Welspun Enterprises Limited	Executive Director
4.	Mr. Prakashmal Tatia	Welspun Specialty Solutions Limited	Non-Executive, Non-Independent Director
5.	Mr. M. Narayana Rao	Welspun Specialty Solutions Limited	Non-Executive, Independent Director
		Avantel Limited	Non-Executive, Independent Director
6.	Mr. K. H. Viswanathan	Welspun Specialty Solutions Limited	Non-Executive, Independent Director
		AYM Syntex Limited	Non-Executive, Independent Director
		Welspun India Limited	Non-Executive, Independent Director
7.	Ms. Amita Misra	Welspun Specialty Solutions Limited	Non-Executive, Independent Director
		Welspun Corp Limited	Non-Executive, Independent Director
		Dalmia Bharat Sugar Industries Limited	Non-Executive, Independent Director
8.	Mr. Vipul Mathur	Welspun Specialty Solutions Limited	Non-Executive, Non-Independent Director
		Welspun Corp Limited	Executive Director

**c) Key Board qualifications, expertise and attributes:**

The Board has identified skills/expertise/competence required in the context of its business(es) and sector(s) for the Board to function effectively viz. Technical- Manufacturing Process, Marketing and Sales, Finance, Strategy, Legal and Compliance, Research & Development and Human Resource Management.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of Director	Area of skills / expertise / competence						
	Technical Manufacturing Process	Marketing & Sales	Finance	Strategy	Legal & Compliance	Research & Development	Human Resource Management
Mr. Atul Desai	-	-	-	✓	✓	-	✓
Mr. Anuj Burakia	✓	✓	✓	✓	✓	✓	✓
Mr. Balkrishan Goenka	✓	✓	✓	✓	✓	-	-
Mr. Prakashmal Tatia	✓	✓	-	✓	-	-	-
Mr. M. Narayana Rao	✓	✓	-	✓	✓	✓	✓
Mr. K. H. Viswanathan	-	-	✓	✓	✓	✓	✓
Ms. Amita Misra	-	✓	✓	✓	✓	-	✓
Mr. Vipul Mathur	✓	✓	✓	✓	✓	✓	✓

d) During the year 2022-23, the Board of Directors met Six times on the following dates: 16.05.2022, 23.05.2022, 01.08.2022, 04.08.2022, 31.10.2022 and 30.01.2023.

e) In addition to the above, a meeting of the Independent Directors was held on March 30, 2023 pursuant to Section

149(8) read with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said meeting was attended by all the Independent Directors of the Company.

- f) It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 and rules made thereunder ('the Act') and are independent of the management. Further, there is no relationship between the Directors inter-se.
- g) The detailed Charter of the Board is available at the web-link: <https://www.welspunspecialty.com/policy.php>
- h) The Board is updated on a regular basis through presentations and discussions on the overall performance of the Company and steel industry, economic scenario, marketing strategy, statutory amendments, various initiatives taken or proposed to be taken in line with the business plan and growth of the Company, business risks and mitigation plans thereof, etc.

The details of familiarization programme conducted for Independent Directors are disclosed on the website of the Company at link : <https://www.welspunspecialty.com/policy.php>.

### 3. AUDIT COMMITTEE

#### Terms of reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act.

The detailed Charter of the Audit Committee is available at the web-link: <https://www.welspunspecialty.com/policy.php>

#### Composition:

The Audit Committee consists of three Independent Directors viz. Mr. K. H. Viswanathan, Mr. M. Narayana Rao and Ms. Amita Misra. Mr. K. H. Viswanathan is the Chairman of the Committee. Mr. Suhas Pawar, Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee complies with the requirements laid down in Regulation 18 of the SEBI Listing Regulations.

#### Meetings and attendance during the financial year:

During the financial year under review, Eight meetings of the Audit Committee were held on 23.05.2022, 22.07.2022, 01.08.2022, 17.10.2022, 31.10.2022, 19.01.2023, 31.01.2023 and 30.03.2023. The details of attendance of members at the Audit Committee meetings held during the financial year are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended
1	Mr. K.H. Viswanathan	Chairman	8/8
2	Mr. M. Narayana Rao	Member	8/8
3	Ms. Amita Misra	Member	8/8

None of the recommendations made by the Audit Committee were rejected by the Board. The Statutory Auditors and Internal Auditors had periodic and exclusive meetings with the Audit Committee.

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### Terms of Reference

The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee are as contained under Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act.

The detailed Charter of the Nomination and Remuneration Committee is available at the web-link: <https://www.welspunspecialty.com/policy.php>

#### Composition:

The Nomination & Remuneration Committee consists of three Independent Directors viz. Mr. K. H. Viswanathan, Mr. M. Narayana Rao and Ms. Amita Misra. Mr. K. H. Viswanathan is the Chairman of the Committee. The composition of the Nomination and Remuneration Committee complies with the requirements laid down in Regulation 19 of the SEBI Listing Regulations.

#### Meetings and attendance during the financial year:

During the financial year under review, Four meetings of the Committee were held on 27.04.2022, 04.08.2022, 17.10.2022 and 19.01.2023. The details of attendance of Members at the Nomination and Remuneration Committee meetings held during the financial year are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended
1	Mr. K. H. Viswanathan*	Chairman	3/3
2	Mr. Atul Desai^	Chairman	1/1
3	Mr. B. K. Goenka^	Member	0/1
4	Mr. M. Narayana Rao	Member	4/4
5	Ms. Amita Misra*	Member	3/3

\* Appointed w.e.f. May 16, 2022

^Ceased to be member w.e.f. May 16, 2022

None of the recommendations made by the Nomination and Remuneration Committee were rejected by the Board.

**Nomination and Remuneration Policy:**

The Company follows a policy on remuneration of directors and senior management employees and the salient features thereof are as under:

**Appointment of Directors:**

While identifying persons who may be appointed as a director(s), the Committee shall consider business of the Company, strength, weakness, opportunity and threat to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act, SEBI Listing Regulations and any other laws as applicable.

While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

**Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel:**

The Non-Executive Directors including Independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs.100,000/- per meeting to each independent director

of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Non-Executive Directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the Shareholders. There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

The remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to assess if there is a need for revision in remuneration for retaining the talent. The non-executive Directors may be paid commission after complying with required provisions of the Act. Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, the growth of business, profitability, Company's business plan and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

The Policy is available on your Company's website at: <https://www.welspunspecialty.com/policy.php>

**5. REMUNERATION OF DIRECTORS:**

**Remuneration to Whole time Director:**

Details pursuant to Schedule V of the Act and Schedule V of SEBI Listing Regulations:

Sr. No.	Particulars	Mr. Anuj Burakia, CEO & Whole Time Director
1.	Salary	Rs.78,40,170/-
2.	Commission	NIL
3.	Service Contract	July 29, 2021 to July 28, 2024
4.	Notice Period	3 months
5.	Severance Fees	3 months compensation in lieu of notice period
6.	Stock Options	NIL

**Remuneration to Non-Executive Directors:**

The details of payments made to the Non-Executive Directors during the financial year ended March 31, 2023 are as follows:

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount
		Mr. K H Viswanathan	Mr. Atul Desai	Mr. M. Narayana Rao	Ms. Amita Misra	
1	Independent Directors					
	Fee for attending Board & Committee meetings	2,56,500	1,20,000	2,38,000	2,46,000	8,60,500
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total</b>	<b>2,56,500</b>	<b>1,20,000</b>	<b>2,38,000</b>	<b>2,46,000</b>	<b>8,60,500</b>

## 6. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR

Sr. No.	Particulars of Remuneration	Mr. Narendra Kumar Bhandari (CFO) Up to 31.10.2022	Ms. Rashmi Mamtura (CS) Up to 28.09.2022	Mr. Brijveer Singh (CFO) w.e.f. 31.10.2022	Mr. Suhas Pawar (CS) w.e.f. 31.10.2022	Total
1	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	60,47,580	9,99,903	18,75,000	7,39,160	96,61,643
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission As % of profit	-	-	-	-	-
5	Others	-	-	-	-	-
	<b>Total</b>	<b>60,47,580</b>	<b>9,99,903</b>	<b>18,75,000</b>	<b>7,39,160</b>	<b>96,61,643</b>

## 7. BOARD EVALUATION

The Annual Board Evaluation has been discussed at length in the Directors' Report.

## 8. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is formed in accordance with the Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, inter-alia, to look into various aspects of interest of shareholders and other stakeholders.

### Composition:

The Stakeholders' Relationship Committee consists of three non-executive directors and one executive

director viz. Mr. K H Viswanathan, Ms. Amita Misra, Mr. Vipul Mathur and Mr. Anuj Burakia respectively. Mr. K H Viswanathan is the Chairman of the Committee.

### Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Stakeholders Relationship Committee are as contained under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

The detailed Charter of the Stakeholders' Relationship Committee is available at the web-link: <https://www.welspunspecialty.com/policy.php>

#### Meetings and attendance during the financial year:

During the financial year under review, Four meetings of the Committee were held on 23.05.2022, 02.08.2022, 31.10.2022 and 30.01.2023. The details of attendance of Members at the Stakeholders' Relationship Committee meetings held during the financial year are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended
1.	Mr. K. H. Viswanathan*	Chairman	4/4
2.	Ms. Amita Misra*	Member	4/4
3.	Mr. Vipul Mathur*	Member	3 /4
4.	Mr. Anuj Burakia	Member	4/4

\*Appointed w.e.f. May 16, 2022

Mr. Suhas Pawar, Company Secretary is the Compliance Officer of the Company.

#### Details of number of shareholders complaints/ requests received during the financial year:

During the year under review, no complaint was received by the Company. Break up and number of complaints received under different category is given hereunder:

Sr. No.	Category	Nos.
1	BSE Complaint	0
2	Legal Cases / Court Cases	0
3	Non Receipt of Demat Rejection Documents	0
4	Non Receipt of Exchange Share Certificate	0
5	SEBI Scores	0
	<b>Total Complaints Received</b>	<b>0</b>

All the complaints/ requests received during the year under report were resolved within the time limit to the satisfaction of the investors/ shareholders.

Sr. No.	Name of the Member	Designation	Number of Meetings Attended
1	Mr. K. H. Viswanathan – Independent Director	Chairman	2/2
2	Mr. M. Narayana Rao – Independent Director	Member	2/2
3	Ms. Amita Misra – Independent Director	Member	2/2
4	Mr. Vipul Mathur – Non-Executive Director	Member	1/2
5	Mr. Anuj Burakia – CEO & Whole Time Director	Member	1/2
6	Mr. Narendra Kumar Bhandari – (CFO) (up to 31.10.2022)	Member	1/1
7	Mr. Brijveer Singh – (CFO) (w.e.f 31.10.2022)	Member	1/1

- Number of complaints not solved to the satisfaction of shareholders: Nil
- Number of pending complaints: Nil

## 9. RISK MANAGEMENT COMMITTEE

In compliance with the Regulation 21 of SEBI Listing Regulations, the Company had constituted a Risk Management Committee in compliance with the SEBI Listing Regulations.

The objectives and scope of the Committee broadly comprise of monitoring and reviewing risk management plan including cyber security, insurance and ESG risks. The Company has a Risk Management Framework to identify, monitor, mitigate and minimize risks.

#### Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Risk Management Committee are as contained under Regulation 21 read with Part D of Schedule II of the SEBI Listing Regulations.

The detailed Charter of the Risk Management Committee is available at the web-link: <https://www.welspunspecialty.com/policy.php>

#### Composition:

The Risk Management Committee consists of six members viz. Mr. K. H Viswanathan, Mr. M Narayana Rao, Ms. Amita Misra, Mr. Vipul Mathur, Mr. Anuj Burakia and Mr. Brijveer Singh. Mr. K H Viswanathan is the Chairman of the Committee.

#### Meetings and attendance during the financial year:

During the financial year under review, Two meetings of the Committee were held on 02.08.2022 and 24.01.2023. The details of attendance of Members at the Risk Management Committee meetings held during the financial year are as follows:

**10. GENERAL BODY MEETINGS:**

(i) The details of General Meetings held and special resolutions passed in the last three years are given hereunder:

Date	Type of meeting	Location	Time	Special Resolutions Passed
11.09.2020	Annual General Meeting	Held through Video Conference or Other Audio-Visual Means (VC/OAVM)	11:30 AM	i. Change in redemption terms of 5,09,04,271 12% Cumulative Redeemable Preference Shares of Rs. 10/- each ("CRPS")
31.08.2021	Annual General Meeting	Held through Video Conference or Other Audio-Visual Means (VC/OAVM)	2.00 PM	i. Reappointment of Mr. Anuj Burakia as a Whole Time Director for a further period of 3 years w.e.f. 29.07.2021 ii. Reappointment of Mr. M. Narayana Rao as an Independent Director for second term of five years w.e.f.28.08.2021
29.06.2022	Annual General Meeting	Held through Video Conference or Other Audio-Visual Means (VC/OAVM)	11:30 AM	i. Appointment of Ms. Amita Misra as an Independent Director for the first term of four years w.e.f. 27.04.2022. ii. Appointment of Mr. K H Viswanathan as an Independent Director for the first term of four years w.e.f. 27.04.2022. iii. Adoption of new set of Articles of Association.

(ii) There were no Special Resolutions, which were put through postal ballot during the year under review. None of the business proposed to be transacted at the ensuing AGM requires passing a resolutions by postal ballot.

- (ii) Financial year starts from April 1 and ends on March 31.  
(iii) Dividend payment date: No dividend has been recommended for the financial year 2022-23.  
(iv) Listing on Stock Exchanges, Stock code and confirmation about payment of listing fee:

**11. MEANS OF COMMUNICATION**

The quarterly financial results are announced within forty five days from the end of quarter and annual audited financial results are announced within sixty days from the end of the financial year to the stock exchange, as per Regulation 33 of SEBI Listing Regulations and are published in Financial Express (English+Gujarati) newspapers, within 48 hours from the conclusion of respective Board meetings held for approval of the financial results.

The financial results, investor presentation and official news releases are available on the stock exchange (BSE Ltd) as well as on the website of the Company at [www.welspunspecialty.com](http://www.welspunspecialty.com)

The securities of the Company are listed on the BSE Limited (Scrip code – 500365) (ISIN:INE731F01037). The Company has paid listing fee to the BSE Limited up to FY 2023-24.

- (v) Market Price Data High Low Quotations during each month in last financial year i.e from April 1, 2022 to March 31, 2023 and performance in comparison to broad based indices such as BSE SENSEX is as follows:

Month	Market Price		Sensex	
	High	Low	High	Low
Apr-22	18.80	15.55	60,845.10	56,009.07
May-22	18.30	14.70	57,184.21	52,632.48
Jun-22	16.90	15.00	56,432.65	50,921.22
Jul-22	18.15	15.00	57,619.27	52,094.25
Aug-22	17.70	16.00	60,411.20	57,367.47
Sep-22	18.35	15.75	60,676.12	56,147.23
Oct-22	19.00	16.30	60,786.70	56,683.4
Nov-22	17.40	15.50	63,303.01	60,425.47
Dec-22	17.45	15.45	63,583.07	59,754.10
Jan-23	16.95	15.50	61,343.96	58,699.20
Feb-23	17.00	14.00	61,682.25	58,795.97
Mar-23	19.98	14.50	60,498.48	57,084.91

**12. GENERAL SHAREHOLDER INFORMATION**

The next Annual General Meeting shall be held at –

- (i) Day and Date: Wednesday, September 20, 2023

Venue: Through Video Conferencing/ Other Audio Visual Means

Time: 12.00 Noon

During the year under review, the securities of the Company were not suspended from trading by the Stock Exchange at which the securities of the Company are listed.

**(vi) Registrar and Share Transfer Agents:**

**Bigshare Services Private Limited**

Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai – 400093.  
Email ID: Investor@bigshareonline.com

Contact Person:

**Mr. Prasad Madiwale,**

DGM (Department General Manager) /

Mr. Vinod Yadav, Client Coordinator

Tel: 91226263 8200/ 22/ 23

Fax: 91226263 8261

Email: vinod.y@bigshareonline.com

**(vii) Share Transfer System:**

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019,

except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Pursuant to the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company has sent an intimation to the holders of physical securities with folios having inadequate KYC details, for furnishing valid PAN, KYC details and to register nomination. Relevant forms and formats are also placed on the website of the Company and Registrar and Share Transfer Agent. Members are requested to note that the folios wherein any one of the cited document / details are not available on or after October 01, 2023, shall be frozen by the RTA.

**(viii) Distribution of shareholding of equity shares as on March 31, 2023 is as follows:**

Sr No	Shareholding of Nominal Value (Rs.)	Number of Shareholders	% To Total	Share Amount	% of Total
1	1 – 5000	80,839	94.59	204,15,768	0.64
2	5001 – 10000	1,829	2.14	120,42,408	0.38
3	10001 – 20000	1,090	1.28	151,60,932	0.48
4	20001 – 30000	541	0.63	145,64,958	0.46
5	30001 – 40000	179	0.21	62,75,820	0.20
6	40001 – 50000	127	0.15	56,21,196	0.17
7	50001 – 100000	378	0.44	2,60,97,696	0.82
8	100001 - 999999999	476	0.56	308,03,56,158	96.85
	<b>TOTAL</b>	<b>85,459</b>	<b>100.00</b>	<b>318,05,34,936</b>	<b>100.00</b>

(ix) Dematerialization of shares and liquidity: 52,91,21,388 equity shares constituting 99.82% of the outstanding equity shares are in demat form as on March 31, 2023 and have reasonable liquidity on the BSE Limited.

(x) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and impact on equity: - There are no outstanding ADR/ GDR/ Warrants/ convertible instruments as on March 31, 2023.

(xi) Disclosure of commodity price risks and commodity hedging activities.

Details of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI Listing Regulations.

- Risk management policy of the listed entity with respect to commodities including through hedging:-  
The Company proactively manages price fluctuation risks by endeavoring real time raw material procurement backed up by confirmed finished goods sale orders.
- Foreign currency exposure are fully hedged on confirmation of procurement/Sales orders.

- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
  - a. Total exposure of the listed entity to commodities is Rs. 31,541 Lakh.
  - b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity in terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Rs. (Lakhs)	( in MT)						
Scrap	23,200	11,939	-	-	-	-	
Ferro Alloys	7,655	2,138					
Rolled Bars (Black)	686	115	-	-	-	-	

- Commodity risks faced by the listed entity during the year and how they have been managed. The company manages the commodity risk by covering the Raw materials procurement at the inception of the sales orders with no open exposures.

Stainless Steel and Stainless Steel Pipe / Tube Business:

- Stainless steel Seamless Pipes & Tubes, is an engineering product with specific standards/ stringent quality requirements with its application primarily in critical sectors like Oil & Gas, Power (including nuclear), Defense, aviation, chemical, fertilizer, etc.
- Based on the end user's requirement (including technical specifications), prevailing key raw material prices in real time are considered in the costing. Once an offer converts into the order, back to back raw material is booked to minimize any risk.

Also refer to the Management Discussion and Analysis forming part of this Annual Report.

**(xii) Plant Location:**

Plot No.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. – Bharuch, Gujarat 393110.

**(xiii) Address for Correspondence:**

5th Floor, Welspun House,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (W), Mumbai - 400013.  
Tel No. +91 22 6133 6796  
Fax No.:+91 22 2490 8020

**(xiv) Email ID :** companysecretary\_wssl@welspun.com

**(xv) Website :** www.welspunspecialty.com

**(xvi) Credit Ratings:**

During the year under review, Care Ratings Limited, a rating agency has reaffirmed ratings to the following enhanced credit facilities of the Company:

Facilities	Amount (Rs. In crore)	Rating
Long Term Bank Facilities	37.39	CARE AA (CE); Negative [Double A (Credit Enhancement); Outlook: Negative]
Long Term / Short Term Bank Facilities	285.00 (Enhanced from 152.36)	CARE AA (CE); Negative / CARE A1+ (CE) [Double A (Credit Enhancement) ; Outlook: Negative / A One Plus (Credit Enhancement)]
Short Term Bank Facilities	15.00 (Reduced from 20.00)	CARE A1+ (CE) [A One Plus (Credit Enhancement)]

### 13. OTHER DISCLOSURES

#### (i) Related Party Transactions

Transactions with related parties are disclosed in Note No.40 of the Notes forming part of the financial statements. None of these are in conflict with the interests of the Company.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI Listing Regulations is disclosed on the Company's website and a web link thereto is as under: <https://www.welspunspecialty.com/policy.php>

#### (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years:

The Company has paid the penalty of Rs.10,000/- (Rupees Ten Thousand Only) levied by the BSE Ltd under Regulation 29 of the SEBI Listing Regulations for non-submission of intimation of the Board Meeting 5 days prior the meeting held on August 1, 2020 for consideration and approval of unaudited financial results for the quarter ended on June 30, 2020.

#### (iii) Vigil Mechanism and Whistle Blower Policy:

The Company has a Whistle Blower Policy and Vigil Mechanism for employees of the Company; former employees, trainees and contractual employees of the Company; employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location; existing / prospective contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company; customers, bankers of the Company; and any other person having an association with the Company, and no persons had been denied access to the Audit Committee Chairman. The Policy provide adequate safeguard against victimization and even the disclosures expressed anonymously may be considered. A copy of the policy is displayed on the website of the Company at: <https://www.welspunspecialty.com/policy.php>

**A Protected Disclosure can be made in writing by an email or by Post to:**

- a) Third party Ethics Helpline:- India : 000-800-919-0236,

b) Head–Ethics(WSSL):- Postal Address: 7th Floor, Kamala Mills Compound, Mumbai, Maharashtra, Email Id: [whistleblower\\_wssl@welspun.com](mailto:whistleblower_wssl@welspun.com)

c) The Chairman of the Audit Committee:- [khviswanathan@gmail.com](mailto:khviswanathan@gmail.com)

d) By accessing the Company website :- [www.welspun.ethicspoint.com](http://www.welspun.ethicspoint.com)

#### (iv) Details of establishment of code of conduct for regulating, monitoring and reporting of trading by insiders.

The Company has a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("PIT Policy") for connected persons, designated persons and the insiders as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Policy provide adequate safeguard against victimization. The Audit Committee reviews the Institutional Mechanism for prevention of insider trading.

Web-link where details of the PIT Policy are available at <https://www.welspunspecialty.com/policy.php>

#### (v) Utilization of funds: No funds have been raised by the Company through preferential allotment or qualified institutions placement during the financial year under review, and no such funds raised during the preceding years were lying unutilized as at the beginning of the year under review.

#### (vi) A certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is enclosed herewith as 'Annexure VI'.

#### (vii) Fees paid to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	Amount (Rs. in Lakhs)
Statutory Audit	18
Income Tax Audit	2
Certification Fees	6
To other entities in the same network	-
<b>Total</b>	<b>26</b>

**(viii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

This matter has been discussed at length in the Directors' Report.

**(ix) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:**

The Company has not given any loan to entities in which directors are interested.

**(x) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

The Company does not have material subsidiary.

**(xi) The Company is in compliance with the mandatory requirements mentioned under Regulation 27(1) of the SEBI Listing Regulations to the extent applicable and in addition the Company at its discretion adopted requirements mentioned at "(C) Modified Opinion(s) in Audit Report", "(D) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer " and "(E) Reporting of Internal Auditor" of Part "E" of Schedule II to the SEBI Listing Regulations.**

(xii) The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46.

**(xiii) Code of Conduct:**

The Company has framed the Code of Conduct for Board members and Senior Management Personnel. A copy of the Code has been hosted on the Company's website viz. <https://www.welspunspecialty.com/policy.php>

All Board members and senior management personnel have affirmed compliance of the same.

***A declaration signed by the CEO & Whole Time Director of the Company with respect to Compliance of Code of Conduct is given below:***

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2022-23.

For **Welspun Specialty Solutions Limited**

Sd/-

**Anuj Burakia**

CEO & Whole Time Director

(DIN: 02840211)

**(xiv) Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI Listing Regulations.**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders
120280	7398	NIL	NIL	NIL	NIL	120280	7398

The voting rights on these shares shall remain frozen until the shares have been claimed by, and transferred to, the rightful owner.

**Mihen Halani & Associates**

**Practicing Company Secretaries**

A-501/L, Jaswanti Allied Business Centre, Kachpada, Ramchandralane Extn. Rd.,  
Malad (West), Mumbai – 400 064, **Contact:** 022 – 6236 0279 **Email:** mihenhalani@mha-cs.com

**Certificate of Practicing Company Secretary on Corporate Governance**

To  
The Members of Welspun Specialty Solutions Limited  
CIN: L27100GJ1980PLC020358

We have examined the compliance of conditions of Corporate Governance by Welspun Specialty Solutions Limited (“the Company”), for the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27,

clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor’s grievance received during the year ended March 31 2023, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2023, there were no investors’ grievances remaining unattended / pending to the satisfaction of the investor.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**  
Practicing Company Secretaries

**Mihen Halani**  
(Proprietor)  
CP No: 12015  
FCS No: 9926

Date: 24.05.2023  
Place: Mumbai  
UDIN: F009926E000370121

**Mihen Halani & Associates****Practicing Company Secretaries**

A-501/L, Jaswanti Allied Business Centre, Kachpada, Ramchandralane Extn. Rd.,  
Malad (West), Mumbai – 400 064, **Contact:** 022 – 6236 0279 **Email:** mihenhalani@mha-cs.com

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Welspun Specialty Solutions Limited**  
CIN: L27100GJ1980PLC020358  
Plot No 1, G I D C Industrial Estate,  
Valia Road, Jhagadia,  
Dist. Bharuch – 393 110,  
Gujarat, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun Specialty Solutions Limited bearing CIN - L27100GJ1980PLC020358 and having registered office at Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia Dist, Bharuch – 393 110, Gujarat, India (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with

Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at “www.mca.gov.in”) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of appointment in Company
1	Mr. Balkrishan Goenka	00270175	Non-Executive - Non Independent Director	06/08/2018
2	Mr. Anuj Burakia	02840211	Whole Time Director	28/05/2015
3	Mr. Prakashmal Ranjeetmal Tatia	06559106	Non-Executive - Non Independent Director	28/08/2018
4	Mr. Atul Manubhai Desai	00019443	Non-Executive - Independent Director	15/11/2008
5	Mr. Myneni Narayana Rao	00577494	Non-Executive - Independent Director	28/08/2018
6	Mr. Vipul Mathur	07990476	Non-Executive - Non Independent Director	27/04/2022
7	Ms. Amita Misra	07942122	Non-Executive - Independent Director	27/04/2022
8	Mr. K H Viswanathan	00391263	Non-Executive - Independent Director	27/04/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MIHEN HALANI & ASSOCIATES**  
Practicing Company Secretaries

**Mihen Halani**  
(Proprietor)  
CP No: 12015  
FCS No: 9926

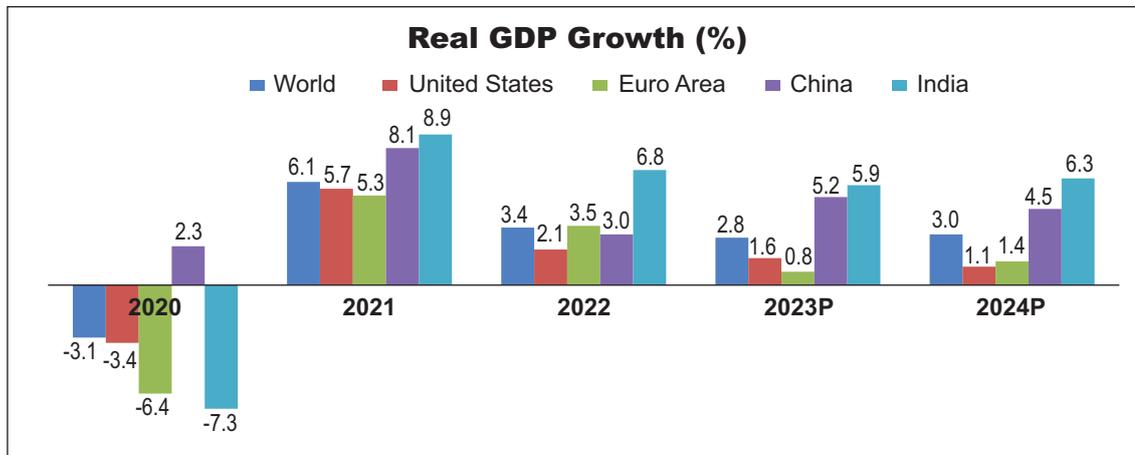
Date: 24.05.2023  
Place: Mumbai  
UDIN: F009926E000370165

## MANAGEMENT DISCUSSION & ANALYSIS

### Global Economy

The global economy appears to recover gradually from the pandemic and Russia's invasion of Ukraine that emerged in unexpected ways. Inflation reached multi decade highs in many economies last year due to pent-up demand, lingering supply disruptions, and commodity price increases, prompting central banks to aggressively tighten monetary policy to bring inflation back to their objectives and expectations. In 2022, COVID-19 outbreaks severely impacted economies, most notably China, which appeared to be recovering and thereby reducing supply chain disruptions. Due to the financial sector volatility, downside risks to the economic growth are increasing despite the benefits of lower food and energy costs and enhanced supply-chain functionality. The world economy, which grew by 3.4% in 2022, is projected to grow by 2.8% in 2023 and 3.0% in 2024.

### World Economic Growth (%)



Source: International Monetary Fund (IMF) April 2023 report

At the end of 2022, the labour markets of developed economies, most notably the United States, have remained remarkably robust, with historically low unemployment rates. The advanced economies are expected to register a growth rate of 2.8% in 2023 and 3.0% in 2024 as against the growth rate of 3.4% recorded in 2022. Emerging market and developing economies have, on average, better economic prospects than advanced economies, but these prospects differ more significantly across regions. The advanced economies' economic growth is expected to be 1.3% in 2023 and 1.4% in 2024, compared to 2.7% in 2022. The anticipated improvement in 2024 for both categories of economies reflect the gradual recovery from the effects of the conflict and the decline in inflation.

### Indian Economy

The International Monetary Fund (IMF) has projected that India's economy will grow by 5.9% for FY24 and 6.3% for FY25. The latest World Economic Outlook figures show that India continues to be the fastest-growing major economy in the world.

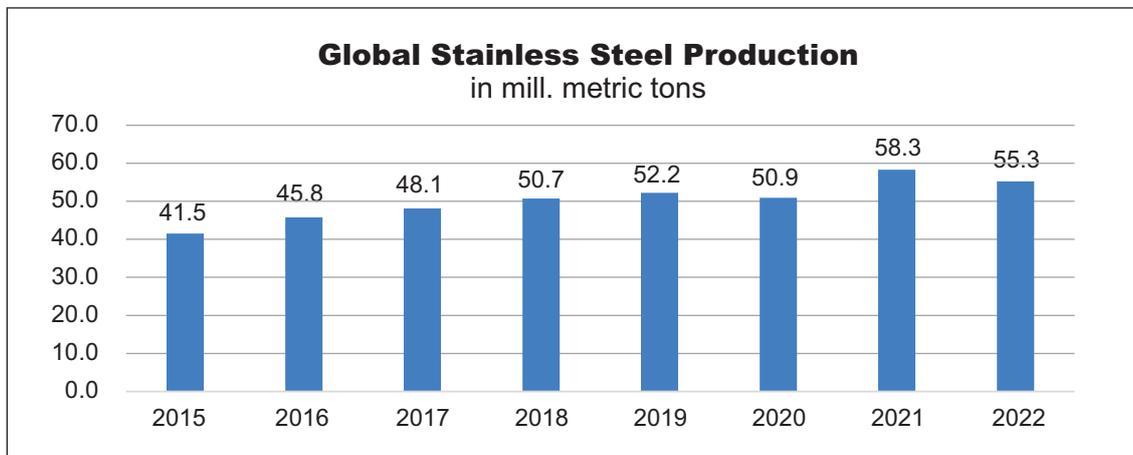
According to the Reserve Bank of India's 'state of the economy' report, the IMF may encounter forecast errors with actual growth to be on the higher side. The RBI publication acknowledges that the weather phenomenon El Nino as a risk to growth but sees a limited impact.

The report notes that global economic conditions are beset by heightened uncertainty as financial conditions remain volatile. In India, aggregate demand conditions remain resilient, supported by a rebound in contact-intensive services. Expectations of a bumper rabi harvest, the fiscal thrust on infrastructure and revival in corporate investment augur well for the economy.

Source: IMF, RBI

**Stainless Steel Sector:**

Global Stainless Steel melt shop production was at 55.3 million metric tonnes in 2022 compared to 58.3 million metric tonnes in 2021 and 50.9 million metric tonnes in 2020.



Source: International Stainless-Steel Forum

China is estimated to have the largest share in world production of 58%. All regions saw a fall in production in 2022 with the maximum decline seen in Europe and USA.

Stainless steel melt shop steel production	2021	2022	YoY %
Europe	7.2	6.3	-12%
USA	2.4	2.0	-15%
China	32.6	32.0	-2%
Asia w/o China, S. Korea & Indonesia	7.8	7.4	-5%
Others: Brazil, Russia, S. Africa, S. Korea, Indonesia	8.3	7.6	-9%
<b>Total</b>	<b>58.3</b>	<b>55.3</b>	<b>-5%</b>

Source: International Stainless-Steel Forum

In India, domestic demand was estimated to be around 4 million metric tons in fiscal 2022. The per capita stainless steel consumption is estimated to be at around 2.5kg compared to the world average of 5.5 to 6 kg per capita. It is expected that the per capita consumption of stainless steel in India will reach 3-4 kg in fiscal 2025, 4.5-5.5 kg in fiscal 2030 and 11-12 kg by 2047 implying a huge potential for growth.

The estimated production capacity of stainless steel in India is 6.6 to 6.8 million metric tons per annum. The industry is a mix of large and mid-size corporates spread across the country. The overall capacity utilization in the country is estimated to be at around 60%.

**Estimated production capacities of stainless steel (Fiscal 2022)**

Producer Types	Number of units	Stainless steel (melt) capacity (million tons)
Flat products	11	~3.3
Long products	17	~1.5
Flat + long products	29	1.8-2.0
Overall	57	6.6-6.8

Stainless seamless steel pipes and tubes are important products in the stainless steel industry. They have superior performance in high pressure, high strength, and are corrosion resistant. Thus, they are used for critical applications in oil and gas, petrochemical, refineries, thermal power and nuclear power, aerospace and defence and in instrumentation across a wide range of industries. The demand for these pipes & tubes is linked to the prospects of the end-user industries.

India's current refining capacity is around 250 MMTPA (Million Metric Tonne Per Annum), and is planning to achieve a refining capacity of 450 million tonnes by 2030.

According to data released by the Petroleum Planning & Analysis Cell (PPAC) of the oil ministry, India's consumption of petroleum products hit a new record in the financial year 2022-23. The consumption of major fuels such as diesel, petrol, and LPG broke all previous records. The consumption of petroleum products is considered a measure of crude oil demand, as well as a proxy for tracking industrial activity and domestic consumption trends. India consumed a total of

222.30 million tonnes of petroleum products in 2022-23, which is 10.2% higher YoY.

Historical data analysis shows that the previous consumption record for petroleum products was in 2019-20 at 214.13 million tonnes. Due to the pandemic, demand took a hit in 2020-21, but it made a modest recovery in 2021-22. In 2022-23, demand for most products breached pre-COVID highs as various sectors of the economy recovered from the pandemic's impact. As per PPAC's projections, the country's petroleum product consumption is expected to touch a new high of 233.81 million tonnes in 2023-24.

India's diesel consumption in 2022-23 was 85.90 million tonnes, and it is the most-consumed fuel in the country, accounting for close to 40% of the overall consumption of petroleum products. Petrol accounted for around 16% of the consumption at 34.98 million tonnes in the same period. Although LPG consumption was just 0.9% higher YoY, it hit a new consumption record at 28.50 million tonnes in 2022-23. PPAC's projections for 2023-24 show that diesel consumption is expected to rise to 90.56 million tonnes, petrol consumption to 37.80 million tonnes, and LPG consumption to 29.12 million tonnes.

India is the world's third-largest consumer of crude oil and depends on imports to meet over 85% of its requirement. The country currently has a refining capacity of around 250 million tonnes per annum (MTPA), and there are plans to increase it to around 450 MTPA over the next few years as India's oil demand is expected to rise. According to the International Energy Agency, India's oil demand could rise from 4.7 million barrels per day (bpd) in 2021 to 6.7 million bpd by 2030 and 7.4 million bpd by 2040.

India's power demand in the current financial year is likely to increase by 6% compared to the previous financial year as per the data released by the Central Electricity Authority (CEA). While the total requirement in 2022-23 was around 1,512 billion units, the requirement in 2023-24 is likely to be 1,600 billion units.

In order to meet the growing demand of electricity, there is need for addition of fresh generation capacity. As per draft National Electricity Plan for the period 2022-27 which is under approval, an investment of about Rs 14.54 lakh crore would be required to install additional generation capacity of about 210 GW during 2022-27 along with battery storage of 8680MW.

The government has targeted defence manufacturing worth Rs. 1,75,000 crore, including defence exports of Rs. 35,000 crore by 2024-25. The value of production undertaken by private companies and state-run defence manufacturers in 2021-22 was Rs. 86,078 crore. To give a push to defence

exports, government has taken a number of policy initiatives and brought reforms over the last 5-6 years. Export procedures have been simplified and made industry friendly with end-to-end online export authorisation curtailing delays and bringing Ease of Doing Business. The country's defence exports touched an all-time high of Rs. 15,920 crore in the Financial Year 2022-23, which is almost Rs. 3,000 crore more than the previous financial year and a rise of over 10 times since 2016-17.

The Indian specialty chemicals sector has experienced significant growth, expanding by more than 17% in the last two fiscal years, ending FY22. According to CareEdge Ratings, this growth is expected to continue, with sales projected to increase by more than 19% until FY25. This growth is primarily driven by strong domestic demand and increased demand for exports, which has been bolstered by major global economies adopting the China +1 policy.

*Source: PPAC, IEA, GoI, Care Ratings*

#### **Key Business Updates:**

- As on March 31, 2023, the total order book of the company for Stainless Steel Bars stands at 2,280 MT amounting to Rs.74 crores and for Tubes and Pipes stands at 1,197 MT amounting to Rs.81 crores.
- The company restarted its Steel Melting (SMS plant) operations during Q3FY22. Volumes have been steadily ramping up for Stainless Steel Bars and the captive production has also helped mitigate challenges faced in Raw Material procurement and hurdles in logistics.
- In the Stainless Steel Bars Business, the company has started offering expanded product size range from 50 - 200mm to 25 - 350 mm diameter. WSSL is working on further expanding this range.
- After having received BIS IS 6529 ( Blooms / Ingots ) & BIS IS 6603 ( Bars ) primary input for making seamless pipes & tubes, the company has also received its BIS 17875 certification for its seamless pipe & tubes. With this certification the entire spectrum of steel as cast / rolled bars & now seamless pipes gets covered. This is favourable for an integrated players like us. The Company has received accreditation certificate by BIS for a wide range of product grades and sizes.
- The finance ministry approved the gazette notification for Anti-Dumping Duty on Stainless Steel Seamless Pipes & Tubes (chapter 7304) imported from China. This is expected to significantly improve business prospects for Indian mills.

- The Company delivered on several new grades during the year including Monel 400 Grade tubes from an Oil & Gas sector PSU, High Pressure Heater tubes in Grade 304N “U” Tubes, Ni-Alloy Grade UNS N08825 Pipes amongst others.
- The Company has booked new export orders that are of strategic significance with respect to territory and application. In coming quarters, company expects to add more new customers and expand its footprint into new large geographies.
- The Company expects its improved performance to sustain, on the back of several new customer approvals, accreditations, development of new products and penetrating new markets.

**A. SEGMENT WISE AND PRODUCT WISE PERFORMANCE**

Product wise performance is given in Directors’ Report under the heading ‘Operations’.

**B. FUTURISTIC STATEMENT**

Company’s performance as expressed or implied could differ materially due to economic conditions affecting demand/supply and price condition in the domestic & overseas markets, changes in the Government

regulations, tax laws & other incidental factors.

**C. RISKS & CONCERNS**

Risk is integral to any business. The Company has evolved a proper governance to identify and access potential risks and also formulate appropriate mitigation plans as under –

- **Rising input cost** – Identifying alternative sources for procurement of key raw material in cost competitive manner dividing the exposure into various kinds of raw materials which are also interchangeable.
- **Labour availability** – In order to retain the labour company has taken initiative of providing training on skill development and also introduced performance linked incentive schemes.
- **Competition** – To minimize the threat of competition the Company is regularly identifying the niche/high value segment and working aggressively with the customer centric approach. Various new approvals have been obtained and more are underway.
- **Trade barriers** – Wherever the Company finds surging of cheaper imports in the country, the matter will be timely taken through business associations with appropriate authorities in the Government for suitable protection / remedial measures.

**SWOT**

**Strengths:**

- Fully integrated primary stainless steel producer with forward integration into bright bars, seamless pipes and tubes
- Quick turnaround time
- Strong customer base across different geographies and growing
- Experienced management team
- Wide product range along with strong new product development capabilities
- Unique size range in steel bar offerings
- Superior hot extrusion process for stainless steel pipes
- Various important accreditations and certifications

**Weaknesses:**

- Low capacity utilization.
- High competition especially in domestic Indian market.
- Availability of talent skilled/experience in the sector.

**Opportunities:**

- New/value added products
- New Markets in USA and UK
- PSU business under Make in India preference
- Sustainability / Low emission products
- Consumption / demand growth in India

**Threats:**

- Volatile commodity prices, RM price fluctuations
- Preference for local producers and tariff/non-tariff barriers in many export markets
- Delay in ramp up of new businesses
- Challenging macro-economics and geopolitical scenario
- Disruption in raw material supply chain owing to GHG policies

**D. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The internal control system encompasses the policies, processes, tasks, behaviors and other aspects of our company that taken together, facilitate effective and efficient operations.

The Company employs adequate and effective system for internal control that provide for:

- i) Security of the asset
- ii) Efficient management information system
- iii) Compliance with all laws and regulations
- iv) Compliance with all standard system and quality standards.

**E. INDUSTRIAL RELATIONS & HUMAN RESOURCES**

Our company is maintaining the good industrial relationship. Company recognizes that human capital is its most important asset and due care is taken by various HR initiatives at company level like employee development, talent pool program etc.

**F. DISCUSSION & FINANCIAL PERFORMANCE**

Operational performance vis a vis financial performance of the Company is discussed in details in Directors' Report.

**G. DISCUSSION ON CHANGES IN KEY FINANCIAL RATIOS**

Ratio	FY23	FY22	Remarks
Debtors Turnover	14.75	12.82	The Debtors Turnover ratio has improved on account of increase in turnover and better realizations and focus on lower non-credit sales.
Inventory Turnover	1.82	1.39	Increase in the ratio is mainly on account of decrease in average inventory maintained compared to cost of goods sold in the current year.
Interest Coverage Ratio	0.55	(0.74)	The ratio has improved on account of positive Operating margins in the current year compared to Operation Loss in previous year.
Current Ratio	1.17	1.80	Current Ratio is decreased due to increase in current liabilities.
Debt Equity Ratio	7.94	5.52	The ratio is decreased due to reduction in net worth on account of losses in current year.
Operating Profit Margin (%)	7.54%	0.45%	Operating profit has increased in FY23 compare to FY22 on account of positive margins and higher turnover.
Net Profit Margin (%)	(3.29%)	(19.87%)	The Ratio has improved due to decrease in loss in FY 23 compared to higher loss FY22.
Return on Net Worth (ROE)	(29.25%)	(54.96%)	Ratio in FY23 is improved due to reduction in net losses compare to FY22.

## Independent Auditor’s Report

To the Members of Welspun Specialty Solutions Limited

Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Welspun Specialty Solutions Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

described in the “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.

### Emphasis of Matter

4. We draw your attention to Note 33 to the financial statements regarding the restatement as described in the aforesaid note.

Our opinion is not modified in respect of this matter.

### Key audit matters

5. Key audit matters are those matters that, in our professional judgement, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment of Property, plant and equipment, Right-of-use asset, Capital work-in-progress and Intangible assets (Refer Note 1(II)(b) – “Property, plant and equipment”, Note 1(II) (c)- “Intangible assets” and Note 2(i) - “Estimation of provision for Impairment”)</p> <p>Property, plant and equipment, Right-of-use asset, Capital work-in-progress and Intangible assets having a carrying value of Rs. 20,848 lakhs represents a significant proportion of total assets on the balance sheet. Given the losses made by the Company in the previous years and the current year, the possibility of impairment of these assets is an area of focus for the management.</p> <p>Determination of value in use requires use of estimation of discounted future cash flow forecasts and is subject to management judgement on certain key inputs including, for example, discount rates and long-term growth rates.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>-Understanding, evaluating and validating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the value in use of Property, plant and equipment, Right-of-use asset, Capital work-in-progress and Intangible assets.</li> <li>-Together with the auditor’s valuation experts, assessing the following –                             <ol style="list-style-type: none"> <li>a. Valuation methodology</li> <li>b. Evaluating reasonableness of key assumptions used in future cash flow projections such as market size, future revenue growth rate, discount rate etc</li> <li>c. Testing the accuracy and appropriateness of the input data</li> <li>d. Performing sensitivity analysis of possible changes to the key assumptions.</li> </ol> </li> </ul>

Key audit matter	How our audit addressed the key audit matter
The assessment of impairment of Property, plant and equipment, Right-of-use asset, Capital work-in-progress and Intangible assets is considered to be a key audit matter as the amount involved is significant and involves significant judgement.	<ul style="list-style-type: none"> <li>- Evaluating independence, competence, capability, and objectivity of the Management's external valuer.</li> <li>- Evaluating the adequacy of the presentation and disclosures made in the financial statements.</li> </ul> <p>Based on the above procedures performed, we noted that the management's assessment of impairment of Property, plant and equipment, Right-of-use asset, Capital work-in-progress and Intangible assets is reasonable.</p>

### Other Information

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

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

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

We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that

were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

9. 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.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
11. 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.
12. 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.

13. 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

14. The financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated May 23, 2022, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of the above matter.

#### Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. 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. (Refer Emphasis of matter paragraph 4 above)
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors

is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(vii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(vii) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Neeraj Sharma**  
Partner  
Membership Number: 108391

Place: Paris, France  
Date: May 24, 2023  
UDIN: 23108391BGTBVE8877

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Welspun Specialty Solutions Limited on the financial statements for the year ended March

### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Specialty Solutions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained

and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

**Neeraj Sharma**  
Partner  
Membership Number: 108391

Place: Paris, France  
Date: May 24, 2023  
UDIN: 23108391BGTBVE8877

## Annexure B to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Welspun Specialty Solutions Limited on the financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) 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) and 3(b) 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)	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
Freehold Land	14	RMG Alloy Steel Limited	No	28 years	Title deeds are held in the former name of the Company
Right of use assets	351	RMG Alloy Steel Limited	No	28 years	Title deeds are held in the former name of the Company

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of accounts (Also refer Note 51(ii) to the financial statements).
- iii. The Company has not made any investments, granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Therefore, the reporting under clause 3(iv) of the Order is not applicable to the Company.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 51(xii) to the financial statements)
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India,

and according to the information and explanations given to us, the Company has received whistleblower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended) has three CICs as part of the Group as detailed in Note 52 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 1,677 lakhs in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 49 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Neeraj Sharma**  
Partner  
Membership Number: 108391

Place: Paris, France  
Date: May 24, 2023  
UDIN: 23108391BGTBVE8877

## Balance Sheet as at March 31, 2023

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

	Notes	As at March 31, 2023	Restated as at March 31, 2022 (Refer note 33)	Restated as at March 31, 2021 (Refer note 33)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3(a)	20,314	20,797	21,914
Right-of-use asset	3(b)	252	256	259
Capital work-in-progress	3(c)	117	619	503
Intangible assets	4	165	182	238
Income tax assets (net)	5	30	166	15
<b>Financial assets</b>				
Other financial assets	6	72	-	-
Other non-current assets	7	66	-	12
<b>Total non-current assets</b>		<b>21,016</b>	<b>22,020</b>	<b>22,941</b>
<b>Current assets</b>				
Inventories	8	19,837	11,445	5,337
<b>Financial assets</b>				
Trade receivables	9	4,132	1,533	1,014
Cash and cash equivalents	10	29	501	30
Bank balance other than cash and cash equivalents	11	51	91	37
Other financial assets	12	9	69	51
Other current assets	13	2,602	1,586	489
<b>Total Current assets</b>		<b>26,660</b>	<b>15,225</b>	<b>6,958</b>
<b>Total assets</b>		<b>47,676</b>	<b>37,245</b>	<b>29,899</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	14	31,805	31,805	31,765
<b>Other equity</b>				
Equity component of compound financial instruments	16(a)	3,775	3,775	4,328
Reserve and surplus	15(a)	(32,550)	(31,159)	(28,446)
Other reserve	15(b)	(93)	(60)	5
<b>Total equity</b>		<b>2,937</b>	<b>4,361</b>	<b>7,652</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	21,859	23,160	11,570
Other financial liabilities	17	-	1,104	670
Provisions	18	143	148	115
Other non-current liabilities		-	-	5,483
<b>Total non-current liabilities</b>		<b>22,002</b>	<b>24,412</b>	<b>17,838</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	19	1,469	921	1,843
Trade payables	20	-	-	-
Total outstanding dues of micro and small enterprises		176	-	-
Total outstanding dues other than micro and small enterprises		19,822	6,754	1,868
Other financial liabilities	21	418	367	386
Provisions	22	156	82	43
Other current liabilities	23	696	348	269
<b>Total current liabilities</b>		<b>22,737</b>	<b>8,472</b>	<b>4,409</b>
<b>Total liabilities</b>		<b>44,739</b>	<b>32,884</b>	<b>22,247</b>
<b>Total equity and liabilities</b>		<b>47,676</b>	<b>37,245</b>	<b>29,899</b>

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

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

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

For and on behalf of the Board of Directors

**Neeraj Sharma**  
Partner  
Membership No: 108391

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

Place: Paris, France  
Date: May 24, 2023

**Brijveer Singh**  
Chief Financial Officer

**Suhas Pawar**  
Company Secretary  
ACS: 36560

Place: Mumbai  
Date: May 24, 2023

## Statement of Profit and Loss for the year ended March 31, 2023

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

	Notes	Year ended March 31, 2023	Restated for the Year ended March 31, 2022
			(Refer note 33)
<b>Income</b>			
Revenue from operations	24	41,783	16,329
Other income	25	1,476	1,912
<b>Total income</b>		<b>43,259</b>	<b>18,241</b>
<b>Expenses</b>			
Cost of materials consumed	26	33,467	13,048
Changes in inventories of work-in-progress and finished goods	27	(8,409)	(3,363)
Employee benefits expense	28	3,327	2,262
Depreciation and amortisation expense	29	1,491	1,449
Power and fuel expense		4,591	2,536
Consumption of stores and spares		3,431	1,973
Other expenses	30	3,704	1,711
Finance costs	31	3,031	1,869
<b>Total expenses</b>		<b>44,633</b>	<b>21,485</b>
<b>Loss before tax</b>		<b>(1,374)</b>	<b>(3,244)</b>
<b>Income tax expense</b>			
Current tax	41	-	-
Deferred tax	41	-	-
Total income tax expense		-	-
<b>Loss for the year (A)</b>		<b>(1,374)</b>	<b>(3,244)</b>
<b>Other comprehensive income, net of tax</b>			
<b>Items that may be reclassified to profit or loss</b>			
Fair value change gain/ (loss) on derivatives designated as cash flow hedge (net)		(33)	(65)
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements gain/ (loss) on defined benefit obligations		(17)	13
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(50)</b>	<b>(52)</b>
<b>Total comprehensive income for the year (A)+(B)</b>		<b>(1,424)</b>	<b>(3,296)</b>
<b>Earnings per equity share</b>			
Basic earnings per share of face value of Rs. 6 each (in Rupees)	35	(0.26)	(0.61)
Diluted earnings per share of face value of Rs. 6 each (in Rupees)	35	(0.26)	(0.61)

The above balance sheet should be read in conjunction with the accompanying notes.  
This is the balance sheet referred to in our report of even date.

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

**Neeraj Sharma**  
Partner  
Membership No: 108391

Place: Paris, France  
Date: May 24, 2023

For and on behalf of the Board of Directors

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Brijveer Singh**  
Chief Financial Officer

Place: Mumbai  
Date: May 24, 2023

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

**Suhas Pawar**  
Company Secretary  
ACS: 36560

## Statement of Cash Flows for the year ended March 31, 2023

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

	Year ended March 31, 2023	Restated for the year ended March 31, 2022 (Refer note 33)
<b>A) Cash flow from operating activities:</b>		
Loss before tax:	(1,374)	(3,244)
<b>Adjustments for:</b>		
Depreciation and amortization expense	1,491	1,449
Finance costs	3,031	1,869
Unrealised gain/(loss) on foreign currency transactions and translations	(28)	(72)
Interest income on fixed deposit	(4)	(5)
Interest on income tax refund	(10)	-
Loss on sale/ discard of property, plant and equipment (Net)	1	-
Gain on sales of Investments	(5)	-
Expense on employee stock option scheme	-	5
Allowance for doubtful debts	18	19
Bad debts expense	-	5
Provision/ liabilities no longer required written back	(15)	-
	<b>4,479</b>	<b>3,270</b>
Operating profit before change in operating assets and liabilities	<b>3,105</b>	<b>26</b>
<b>Changes in operating assets and liabilities:</b>		
Movement in other non current financial assets	(72)	-
Movement in Inventories	(8,392)	(6,108)
Movement in trade receivables	(2,637)	(537)
Movement in other current financial assets	59	(18)
Movement in other current assets	(1,016)	(1,096)
Movement in non current provisions	(5)	33
Movement in other non-current liabilities	-	(5,483)
Movement in trade payables	13,259	4,886
Movement in other current financial liabilities	144	(95)
Movement in other current liabilities	347	79
Movement in current provision	74	38
	<b>1,761</b>	<b>(8,301)</b>
<b>Cash generated from/(used in) operations</b>	<b>4,866</b>	<b>(8,275)</b>
Income tax refund received/ (paid) (net)	145	(151)
<b>Net cash flow generated from/(used in) operating activities</b>	<b>5,011</b>	<b>(8,426)</b>
<b>B) Cash flow from investing activities</b>		
Payments for property, plant and equipment (including Capital work-in-progress, capital advance and capital creditors)	(508)	(402)
Proceeds from sale of property, plant and equipment	1	2
Purchase of investments	(2,010)	-
Proceeds from redemption of investments	2,015	-
Purchase of intangible assets	(46)	-
(Investments in)/proceeds from maturity of fixed deposits (net)	40	(55)
Interest income on fixed deposit	4	5
<b>Net cash (used in) investing activities:</b>	<b>(504)</b>	<b>(450)</b>
<b>C) Cash flow from financing activities</b>		
Proceeds from non-current borrowings	9,400	14,411
Repayment of non-current borrowings	(10,885)	(2,988)
Proceeds/ (repayment) from current borrowings	548	(922)
Proceeds from issue of equity shares	-	40

	Year ended March 31, 2023	Restated for the year ended March 31, 2022 (Refer note 33)
Interest paid	(4,042)	(1,194)
<b>Net cash generated from / (used in) financing activities:</b>	<b>(4,979)</b>	<b>9,347</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(472)</b>	<b>471</b>
Cash and cash equivalents at the beginning of the period	501	30
Cash and cash equivalents at the end of period	29	501
Net increase/(decrease) as disclosed above	<b>(472)</b>	<b>471</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	@	5
<b>Balances with banks:</b>		
Current accounts	29	297
Deposits with maturity of less than 3 months	-	199
	29	496
<b>Total Cash and cash equivalents</b>	<b>29</b>	<b>501</b>

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

The above balance sheet should be read in conjunction with the accompanying notes.  
This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Neeraj Sharma**

Partner

Membership No: 108391

Place: Paris, France

Date: May 24, 2023

For and on behalf of the Board of Directors

**B.K. Goenka**

Chairman

DIN: 00270175

**Brijveer Singh**

Chief Financial Officer

Place: Mumbai

Date: May 24, 2023

**Anuj Burakia**

CEO & Whole Time Director

DIN: 02840211

**Suhas Pawar**

Company Secretary

ACS: 36560

## Statement of changes in equity for the year ended March 31, 2023

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

### A. Equity share capital

Particulars	Amount
<b>Balance as at April 1, 2021</b>	<b>31,765</b>
Changes in Equity share capital during the year	40
<b>Balance as at March 31, 2022</b>	<b>31,805</b>
Changes in Equity share capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>31,805</b>

Other Equity (Refer Note 15(a), 15(b) and 16(a))

	Reserves and surplus				Other reserve	Equity Component of compound financial instruments		Total
	Retained Earnings	Securities Premium	General Reserve	Share options outstanding account	Cash flow hedging reserve	Equity Component of Borrowings	Equity Component of 12% Non-cumulative redeemable preference shares (Refer note 16(a))	
<b>Restated Balance as at April 01, 2021 (Refer note 33)</b>	<b>(57,330)</b>	<b>28,719</b>	-	<b>165</b>	<b>5</b>	<b>553</b>	<b>3,775</b>	<b>(24,113)</b>
Loss for the year	(3,244)	-	-	-	-	-	-	(3,244)
Other comprehensive income for the year	13	-	-	-	(65)	-	-	(52)
<b>Total comprehensive income for the year</b>	<b>(3,231)</b>	-	-	-	<b>(65)</b>	-	-	<b>(3,296)</b>
Share option expense	-	-	-	5	-	-	-	5
Share issued against ESOP	-	-	-	(170)	-	-	-	(170)
Securities premium on shares issued	-	130	-	-	-	-	-	130
Transfer to General Reserve	-	-	553	-	-	(553)	-	-
<b>Restated Balance as at March 31, 2022 (Refer note 33)</b>	<b>(60,561)</b>	<b>28,849</b>	<b>553</b>	-	<b>(60)</b>	-	<b>3,775</b>	<b>(27,444)</b>
Loss for the year	(1,374)	-	-	-	-	-	-	(1,374)
Other comprehensive income for the year	(17)	-	-	-	(33)	-	-	(50)
<b>Total comprehensive income for the year</b>	<b>(1,391)</b>	-	-	-	<b>(33)</b>	-	-	<b>(1,424)</b>
<b>Balance as at Mar 31, 2023</b>	<b>(61,952)</b>	<b>28,849</b>	<b>553</b>	-	<b>(93)</b>	-	<b>3,775</b>	<b>(28,868)</b>

The above balance sheet should be read in conjunction with the accompanying notes. This is the balance sheet referred to in our report of even date.

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

**Neeraj Sharma**  
Partner  
Membership No: 108391

Place: Paris, France  
Date: May 24, 2023

For and on behalf of the Board of Directors

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Brijveer Singh**  
Chief Financial Officer

Place: Mumbai  
Date: May 24, 2023

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

**Suhas Pawar**  
Company Secretary  
ACS: 36560

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

**I. 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, 2023 were approved for issue by the Board of Directors on May 24, 2023.

**II. Significant Accounting Policies followed by the Company**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been consistently applied during the years presented in these financial statements.

**(a) Basis of preparation**

**(i) Compliance with Ind AS**

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

**(ii) 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
Share based payments	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**(iii) Current and non-current classification**

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

**(iv) Recent Accounting Pronouncements**

**New and amended standards adopted by the company**

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**New and amended standards issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 01, 2023. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Title	Key requirements
Disclosure of Accounting Policies Amendments to Ind AS 1, Presentation of financial statements	The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
Definition of Accounting Estimates Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors	The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
Deferred tax related to assets and liabilities arising from a single transaction Amendments to Ind AS 12, Income taxes	<p>The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> <li>• right-of-use assets and lease liabilities, and</li> <li>• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.</li> </ul> <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable..</p>

### (b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any

component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**Depreciation methods, estimated useful lives and residual value**

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

<b>Assets</b>	<b>Estimated Useful Lives (in years)</b>
Non- Factory Building	60
Factory Building	30
Electrical Installation	10
Office and other equipments	Ranging between 3 to 5 years
Computer	3 years except Networking equipment's which are depreciated over useful life of 5 years
Vehicles	10
Furniture and fixtures	10

These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

Plant and machinery is depreciated on straight line method over the useful life ranging between 5 years to 30 years in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which 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.

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.

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

**(c) Intangible assets**

**Computer software**

Intangible Assets are recognized only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible Assets are being amortised over a period not exceeding 3 years

**(d) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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.

**(e) 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 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 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. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is 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.

### 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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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 or other expenses, as applicable.

### (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
- 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 recognised 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.

#### (ii) Dividend income

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

#### (iii) Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme (MEIS) 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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

scheme and Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

### (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.

For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### (VII) Trade receivable

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost 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

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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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 Company continues to recognise the liability till settlement with the banks.

### c) Financial guarantee contracts

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

of guarantee is determined as at the present value of difference in net cash flows between the contractual payments under the debt instrument and the payment that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantee in relation to loan or other payables of group companies are provided for no consideration, the fair values are accounted for as contributions and recognized as part of the cost of investment.

### d) Derivatives and hedging activities

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

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

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

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

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

The full fair value of a hedging derivative is classified as a non-current asset or liability when

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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).

e) **Offsetting financial instruments**

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

(f) **Employee benefits**

(i) **Defined contribution plans**

• **Provident Fund and Employee State Insurance Corporation (ESIC)**

The Contribution towards provident fund and ESIC 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

- **Superannuation Fund**

Contribution towards superannuation fund for certain employees is made to ICICI Prudent 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

- (ii) **Defined benefit plans (Gratuity)**

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

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

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

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

The Defined benefit plans (Gratuity) is unfunded.

- (iii) **Equity-settled Share Based Payments**

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 "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of 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.

- (iv) **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 recognized 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.

- (v) **Leave encashment employee benefit obligations**

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

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### (g) Inventories

Raw materials, stores and spares, work in progress and finished goods

Raw materials, stores and spares, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases on 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 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.

### (h) 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.

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

#### (i) Current tax

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

where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

#### (ii) Deferred tax

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

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

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

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

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.

### (i) Revenue Recognition

#### i. Sale of goods

The Company derives revenue principally from sale of SS bars, SS pipes & 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 customer payments 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.

Revenue is recognized at a determined transaction price when identified performance obligations are satisfied.

Revenue excludes any taxes and duties collected on behalf of the government.

#### ii. Interest and other income

The interest and other income are recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

### (j) 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 shall assess 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".

### (k) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Export incentives and Incentive Income are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

### (l) 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.

Other borrowing costs and interest cost are charged to statement of Profit and Loss.

### (m) Segment Reporting

The board of directors of the Company assess the financial performance and position of the Company, and makes strategic decisions. The chief operating decision makers are 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.

### (n) Earnings per share

#### (i) 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.

#### (ii) 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.

### (o) Foreign Currency Transaction

#### 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), which is Company's functional and presentation currency.

#### Transactions and Balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the dates of the transaction.

Foreign exchange gains and losses are presented in other expense/income in the Statement of Profit and Loss on a net basis.

### (p) Provisions, contingent liabilities and contingent assets

#### (i) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

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

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

**(ii) Contingent liabilities**

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

**(iii) Contingent Assets**

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

**(q) Contributed Equity**

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

**(r) Leases**

**As a lessee**

The Company has leasehold land, this land is for a period of ninety-nine years with an extension option for further ninety-nine years. Lease terms are

negotiated on an individual basis and contain a wide range of different terms and conditions.

Based on the notification released by MCA, Ind AS 116 has been made applicable w.e.f April 01, 2019. From April 01, 2019, leases are recognized as a right-of-use assets and a corresponding lease liability at the date at which the leased assets is available for the use by the Company.

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

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

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

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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 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. Low-value assets and short term lease assets comprises of dumpsite land, laptops and other office equipments.

### (s) Rounding of amounts

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

## 2. Critical estimates and judgements

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.

### (i) Estimation of provision for Impairment

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long-term growth rates; and the selection of discount rates to reflect the risks involved.

### (ii) Estimation of Defined Benefit Obligations

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

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

### (iii) Estimation of useful life of Property, Plant and Equipment

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 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.

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**(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) 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.

**(vi) 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 not recognised deferred tax asset since the management has concluded that the Company will not be able to generate sufficient taxable profits in the near future.

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**3(a) Property, plant and equipment**

Carrying amounts	Free hold Land	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2022								
Gross carrying amount								
Balance as at April 01, 2021	14	11,630	38,756	2,682	134	28	373	53,617
Additions	-	11	238	-	2	10	13	274
Disposals	-	-	(6)	-	-	-	(2)	(8)
Gross carrying amount as at March 31, 2022	14	11,641	38,988	2,682	136	38	384	53,883
Year ended March 31, 2023								
Gross carrying amount								
Additions	-	42	873	-	1	-	27	943
Disposals	-	-	(325)	-	(67)	(9)	(194)	(595)
Gross carrying amount as at March 31, 2023	14	11,683	39,536	2,682	70	29	217	54,231
Accumulated depreciation								
Year ended March 31, 2022								
Balance as at April 01, 2021	-	5,552	23,661	2,090	111	16	273	31,703
Additions	-	308	983	61	4	3	30	1,389
Disposals	-	-	(5)	-	-	-	(1)	(6)
Accumulated depreciation as at March 31, 2022	-	5,860	24,639	2,151	115	19	302	33,086
Year ended March 31, 2023								
Additions	-	313	1,011	60	3	4	33	1,424
Disposals	-	-	(325)	-	(67)	(9)	(192)	(593)
Accumulated depreciation as at March 31, 2023	-	6,173	25,325	2,211	51	14	143	33,917
Net carrying amount of property, plant and equipment								
Balance as at March 31, 2022	14	5,781	14,349	531	21	19	82	20,797
Balance as at March 31, 2023	14	5,510	14,211	471	19	15	74	20,314

**Notes:**

- For property, plant and equipment pledged as security, refer note 16 and note 19.
- During the year ended March 31, 2023, the Company conducted the physical verification of Property, plant and equipment and identified old assets which are not in use and the same have been removed from the fixed assets register. The gross carrying amount of the assets removed from the fixed assets register is Rs. 595 lakhs, accumulated depreciation on those assets is Rs. 593 lakhs.

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**3(b) Right-of-use asset**

	As at March 31, 2023	As at March 31, 2022
Right-of-use asset		
Lease hold land	351	351
Accumulated depreciation		
Opening balance	95	92
Amortisation accounted in statement of Profit and Loss	4	3
Closing balance	99	95
<b>Net carrying amount</b>	<b>252</b>	<b>256</b>

**(i) Amount recognised in balance sheet**

The Balance sheet shows the following amounts relating to leases:

	As at March 31, 2023	As at March 31, 2022
Right-of-use asset		
Leasehold land	252	256
<b>Total</b>	<b>252</b>	<b>256</b>

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

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

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of Right-of-use asset	4	3
Expenses relating to Low value leases (included in other expenses)	13	*
<b>Total</b>	<b>17</b>	<b>3</b>

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

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.

**3(c) Capital work-in-progress**

**For the year ended on March 31, 2023**

	As at April 1, 2022	Additions	Amount Capitalised	As at March 31, 2023
Capital work in progress	619	461	963	117
<b>Total</b>	<b>619</b>	<b>461</b>	<b>963</b>	<b>117</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### For the year ended on March 31, 2022

	As at April 1, 2021	Additions	Amount Capitalised	As at March 31, 2022
Capital work in progress	503	121	5	619
<b>Total</b>	<b>503</b>	<b>121</b>	<b>5</b>	<b>619</b>

### Capital work-in-progress ageing :

#### As on March 31, 2023

Capital work-in-progress	Amount in Capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	117	-	-	-	117
<b>Total</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117</b>

#### As on March 31, 2022

Capital work-in-progress	Amount in Capital work-in-progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	121	2	496	-	619
<b>Total</b>	<b>121</b>	<b>2</b>	<b>496</b>	<b>-</b>	<b>619</b>

### Notes:

- For Capital work-in-progress pledged as security, refer note 16 and note 19.
- There are no projects temporarily suspended as at March 31, 2023 and March 31, 2022.
- The completion schedule for the above capital work-in-progress is not overdue nor has exceeded its cost compared to its original plan.
- Capital work-in-progress majorly comprises of plant and machinery and buildings.

## 4 Intangible assets

Carrying amounts	Computer software
<b>Year ended March 31, 2022</b>	
<b>Gross carrying amount</b>	
Balance as at April 01, 2021	333
Additions	-
Disposals	-
<b>Gross carrying amount as at March 31, 2022</b>	<b>333</b>
<b>Year ended March 31, 2023</b>	
Gross carrying amount	
Additions	46
Disposals	-
<b>Gross carrying amount as at March 31, 2023</b>	<b>379</b>
<b>Accumulated amortisation</b>	
<b>Year ended March 31, 2022</b>	
Balance as at April 1, 2021	94
Additions	57
Disposals	-
<b>Accumulated amortisation as at March 31, 2022</b>	<b>151</b>

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

Carrying amounts	Computer software
<b>Year ended March 31, 2023</b>	
Additions	63
Disposals	-
<b>Accumulated amortisation as at March 31, 2023</b>	<b>214</b>
<b>Net carrying amount of Intangible asset</b>	
As at March 31, 2022	182
<b>As at March 31, 2023</b>	<b>165</b>

**Note:** 1. The above intangible assets are other than internally generated.

**5 Income tax assets (net)**

	As at March 31, 2023	As at March 31, 2022
Advance taxes paid including tax deducted at source (net of provision for tax March 31, 2023: Nil (March 31, 2022: Nil))	30	166
<b>Total Income tax assets</b>	<b>30</b>	<b>166</b>

**6 Other non-current financial assets**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	72	-
<b>Total Other non-current financial assets</b>	<b>72</b>	<b>-</b>

**7 Other non-current assets**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Capital advances	66	-
<b>Total Other non-current assets</b>	<b>66</b>	<b>-</b>

**8 Inventories**

	As at March 31, 2023	As at March 31, 2022
Raw materials	2,708	2,888
Work-in-progress	8,681	4,155
Finished goods	5,611	1,728
Stores and spares	2,837	2,674
<b>Total Inventories</b>	<b>19,837</b>	<b>11,445</b>

**Note:**

Write-downs of inventories to net realisable value amounted to Rs 75 lakhs (Rs 92 lakhs as on March 31, 2022). 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 9 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables from related parties (Refer note 40)	174	772
Trade receivables from others	4,567	1,352
Allowance for doubtful debts	(609)	(591)
<b>Total Trade receivables</b>	<b>4,132</b>	<b>1,533</b>
<b>Break-up of security details</b>		
Unsecured, considered good	4,132	1,533
Unsecured, considered doubtful	609	591
Total	4,741	2,124
Allowance for doubtful debts	(609)	(591)
<b>Total Trade receivables</b>	<b>4,132</b>	<b>1,533</b>

#### Note:

1. Refer note 47 for ageing schedule of trade receivables.
2. For trade receivables pledged as security, refer note 16 and note 19.
3. The Company's trade receivable do not carry a significant financing element. Accordingly the Company has adopted a simplified approach for measurement of expected credit loss.

### 10 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	29	297
Cash on hand	*	5
Deposits with maturity of less than 3 months	-	199
<b>Total Cash and cash equivalents</b>	<b>29</b>	<b>501</b>

### 11 Bank balance other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Other bank balances:		
Bank deposits:		
Deposits with original maturity of more than three months but less than twelve months #	49	90
In Margin Money Deposits	2	*
Interest accrued on deposit	*	1
<b>Total Bank balance other than cash and cash equivalents</b>	<b>51</b>	<b>91</b>

# includes Rs. 49 Lakhs (March 31, 2022: Nil) on which a lien has been created.

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

### 12 Other current financial assets

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	-	69
Foreign-exchange forward contracts	9	-
<b>Total Other current financial assets</b>	<b>9</b>	<b>69</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

## 13 Other current assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Unsecured, considered good</b>				
Advances to employees		1		3
Advances to suppliers		117		255
Claims receivable				
Incentive receivable (refer note 34)		601		69
Export benefit receivable		23		-
Duty drawback		20		9
Electricity duty refund receivable		92		116
Other		2		25
Balances with statutory authorities		1,695		1,056
Prepaid expenses		51		53
<b>Total Other current assets</b>		<b>2,602</b>		<b>1,586</b>

## 14 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Authorised share capital</b>				
Equity shares of Rs.6 each	55,00,00,000	33,000	55,00,00,000	33,000
		<b>33,000</b>		<b>33,000</b>
<b>Issued, subscribed and paid up capital</b>				
Equity shares of Rs.6 each	53,00,89,156	31,805	53,00,89,156	31,805
<b>Total equity share capital</b>		<b>31,805</b>		<b>31,805</b>

## a) Movement in equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Equity Shares</b>				
As at beginning of the year	53,00,89,156	31,805	52,94,21,306	31,765
Increase during the year	-	-	6,67,850	40
Outstanding at the end of the year	53,00,89,156	31,805	53,00,89,156	31,805

## b) Terms and rights attached to equity shares

The Company has 530,089,156 equity share having 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, 2023		As at March 31, 2022	
	No of shares	% of total number of shares	No of shares	% of total number of shares
Welspun Corp Limited (Holding company)	26,51,90,034	50.03%	26,51,90,034	50.03%
Dilipkumar Lakhi	12,21,32,717	23.04%	12,21,32,717	23.04%

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### d) Details of shareholding of promoters

Name of the Shareholders Equity Shares	As at March 31, 2023		
	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%

Name of the Shareholders Equity Shares	As at March 31, 2022		
	No of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited	26,51,90,034	50.03%	100.00%
MGN Agro Properties Private Limited	1,86,66,666	3.52%	0.00%
Welspun Steel Limited	-	0.00%	-100.00%

### e) Share Pledge details

Equity Shares	As at March 31, 2023	As at March 31, 2022
Number of share pledged by promoter group companies	-	15,88,26,392

### 15(a) Reserve and surplus

	As at March 31, 2023	As at March 31, 2022
Securities Premium	28,849	28,849
Retained Earnings	(61,952)	(60,561)
General Reserve	553	553
	<b>(32,550)</b>	<b>(31,159)</b>

#### (i) Securities Premium

	As at March 31, 2023	As at March 31, 2022
Opening balance	28,849	28,719
Movement during the year	-	130
Closing balance	<b>28,849</b>	<b>28,849</b>

#### (ii) Retained Earnings

	As at March 31, 2023	As at March 31, 2022
Opening balance	(60,561)	(57,330)
Net loss for the year	(1,374)	(3,244)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(17)	13
Closing balance	<b>(61,952)</b>	<b>(60,561)</b>

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

(iii) General reserves

	As at March 31, 2023	As at March 31, 2022
Opening balance	553	-
Movement during the year	-	553
Closing balance	553	553

Nature and purpose of other equity

(a) 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.

(b) Retained earnings

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

(c) 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.

15(b) Other reserve

	As at March 31, 2023	As at March 31, 2022
<b>Cash flow hedging reserve</b>		
Opening balance	(60)	5
Amount recognised in cash flow hedging reserve during the year (net)	(16)	-
Loss transferred to statement of profit and loss (net)	(17)	(65)
<b>Closing balance</b>	<b>(93)</b>	<b>(60)</b>

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.

16 Non-current borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Rupee term loan from bank (Refer note (i) below)	1,930	2,895
<b>Unsecured</b>		
Loan from related party (Refer note (ii) below and note 40)	18,263	13,789
Inter corporate deposits from others (Refer note (iii) below)	-	4,995
<b>Liability component of compound financial instruments</b>		
12% Non-cumulative redeemable preference shares of Rs.10/- each fully paid up (Refer note 16(a)(iv))	1,666	1,481
<b>Total non-current borrowings</b>	<b>21,859</b>	<b>23,160</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### (i) Term loan

Rupee term loan of Rs 2,895 Lakhs (including current maturities of Rs. 965 Lakhs) (Previous year Rs. 3,739 Lakhs, including current maturities of Rs. 844 Lakhs) is secured by way of:

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. Pledge of Company's Nil shares (Previous year 15,88,26,392 shares) held by 'Welspun Corp Limited'.
4. Corporate Guarantee by Welspun Corp Limited.
5. The Rupee term Loan carries interest rate of 6.55%-8.95% p.a. (March 31, 2022: 6.94% p.a.). Interest rate is derived from MCLR plus margin. Loan is repayable in 10 remaining quarterly instalments till September 30, 2025.

### (ii) Loan from related party

1. Loan from related party is repayable as below  
Rs. 2,363 Lakhs is repayable on September 2024  
Rs. 500 Lakhs is repayable on November 2024  
Rs. 11,900 Lakhs repayable on April 2025  
Rs. 3,500 Lakhs is repayable on June 2025
2. The loan from related party carries interest rate of 7.25% p.a. (March 31, 2022: 6.5%- 7.25% p.a.).

### (iii) Inter corporate deposits from others

1. Inter corporate deposit of Rs. Nil (March 31, 2022: Rs. 4,995 Lakhs) has been repaid before the due date in current year.
2. The inter corporate deposit carried interest rate of 6% p.a.

## 16(a) Details of preference shareholders

### i Preference share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Authorised:</b>				
Preference Shares of Rs. 10/- each	23,50,00,000	23,500	23,50,00,000	23,500
<b>Issued, Subscribed and Paid up:</b>				
12% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	5,09,04,271	5,090	5,09,04,271	5,090

### ii Reconciliation of the number of shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Preference shares : face value of Rs. 10 each</b>				
As at beginning of the year	5,09,04,271	5,090	5,09,04,271	5,090
Increase/ (decrease) during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,09,04,271</b>	<b>5,090</b>	<b>5,09,04,271</b>	<b>5,090</b>

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

iii Details of preference shareholders holding more than 5% shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	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

- The non-cumulative redeemable preference shares carry dividend of 12% per annum;
- 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.
- 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.
- Refer note 33 for recognition of the fair value of the preference shares.

	As at March 31, 2023	As at March 31, 2022
<b>12% Non-cumulative redeemable preference shares</b>		
Face value	5,090	5,090
Equity component	3,775	3,775
Accumulated Interest expense	351	166
Interest paid	-	-
<b>Non-current borrowings portion</b>	<b>1,666</b>	<b>1,481</b>

17 Other non-current financial liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued on borrowings	-	1,104
<b>Total Other non-current financial liabilities</b>	<b>-</b>	<b>1,104</b>

18 Non-current provisions

	As at March 31, 2023	As at March 31, 2022
<b>Employee benefit obligations:</b>		
Leave obligations (Refer note 36)	-	45
Gratuity (Refer note 36)	143	103
<b>Total Non-current provisions</b>	<b>143</b>	<b>148</b>

19 Current borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Cash credit from banks (Refer note below)	504	77
Current maturities of long-term borrowings (Refer note 16)	965	844
<b>Total current borrowings</b>	<b>1,469</b>	<b>921</b>

Note:

Cash credit from banks:

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

- iii. Corporate Guarantee by Welspun Corp Limited.
- iv. Interest on cash credit ranges from 7.10% to 8.90% varies from bank to bank. It is reset after every 3 months based on the RBI interest rate. Interest are charged either on T-Bill plus margin or MCLR plus margin.

### 20 Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables: micro and small enterprises (Refer note 20(a))	176	-
Trade payables to related parties (Refer note 40)	71	4,456
Trade payables for acceptances	17,624	304
Trade payables: others	2,127	1,994
<b>Total Trade payable</b>	<b>19,998</b>	<b>6,754</b>

**Note:** Refer note 48 for ageing schedule of trade payable.

### 20(a) Note 2 : 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, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	176	-
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	253	-
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	4	-
Interest accrued and remaining unpaid at the end of the accounting year	4	-
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	4	-

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

### 21 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued on borrowings	23	116
Capital creditors	178	178
Foreign-exchange forward contracts	127	61
Security deposit	1	12
Corporate guarantee charges payable (Refer note 40)	89	-
<b>Total Other financial liabilities</b>	<b>418</b>	<b>367</b>

**Notes forming part of the financial statements as at and for the year ended March 31, 2023**

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

**22 Current provisions**

	As at March 31, 2023	As at March 31, 2022
<b>Employee benefit obligations:</b>		
Leave obligations (Refer note 36)	92	26
Gratuity (Refer note 36)	64	56
<b>Total Current provisions</b>	<b>156</b>	<b>82</b>

**23 Other current liabilities**

	As at March 31, 2023	As at March 31, 2022
Advances received from customers	498	281
Statutory dues payables	146	45
Employees dues payables	52	22
<b>Total Other current liabilities</b>	<b>696</b>	<b>348</b>

**24 Revenue from operations**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sales of products	41,178	15,566
	<b>41,178</b>	<b>15,566</b>
<b>Other operating revenue</b>		
Exports incentives	261	36
Scrap Sales	38	402
Job-work sales	306	325
	<b>605</b>	<b>763</b>
<b>Total Revenue from operations</b>	<b>41,783</b>	<b>16,329</b>

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.

**25 Other income**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest income</b>		
Fixed deposits	4	5
Income tax refund	10	-
Interest from Customers	68	45
Incentive income (Refer note 34)	906	184
Income from dispute settlement (including interest) (Refer note 50)	-	1,597
<b>Other non operating income</b>		
Insurance claims received (Refer note 46)	58	-
Net foreign exchange differences	410	80
Gain on sales of Investments	5	-
Provision no longer required written back	15	-
Miscellaneous income	-	1
<b>Total other income</b>	<b>1,476</b>	<b>1,912</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 26 Cost of materials consumed

	Year ended March 31, 2023	Year ended March 31, 2022
Raw material at the beginning of the year	2,888	354
Add: Purchases	33,287	15,582
Less: Raw material at the end of the year	2,708	2,888
<b>Total cost of materials consumed</b>	<b>33,467</b>	<b>13,048</b>

### 27 Changes in inventories of work-in-progress and finished goods

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening balance</b>		
Finished Goods	1,728	840
Work-in-progress	4,155	1,680
<b>Total opening balance</b>	<b>5,883</b>	<b>2,520</b>
<b>Closing balance</b>		
Finished Goods	5,611	1,728
Work-in-progress	8,681	4,155
<b>Total closing balance</b>	<b>14,292</b>	<b>5,883</b>
<b>Total changes in inventories of work-in-progress and finished goods</b>	<b>(8,409)</b>	<b>(3,363)</b>

### 28 Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	3,006	2,041
Employee stock option expenses (Refer note 37)	-	5
Contributions to provident and other funds (Refer note 36)	144	110
Gratuity (Refer note 36)	48	25
Leave compensation	28	18
Staff welfare expenses	101	63
<b>Total Employee benefits expense</b>	<b>3,327</b>	<b>2,262</b>

### 29 Depreciation and amortisation expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	1,424	1,389
Depreciation of right-of-use assets	4	3
Amortisation of intangible assets	63	57
<b>Total Depreciation and amortisation expense</b>	<b>1,491</b>	<b>1,449</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

## 30 Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Labour charges	793	512
Hire charges		
Equipment	61	54
Vehicle Expenses	90	71
Job work charges	189	83
Freight, material handling and transportation	1,173	233
Repairs and maintenance		
Buildings	11	22
Plant and machinery	76	45
Others	3	4
Insurance	121	102
Communication expenses	7	14
Allowance for doubtful debts	18	19
Bad debts	-	5
Rates and taxes	36	38
Travel and conveyance expenses	80	38
Legal and professional fees	298	161
Directors' Sitting Fees (Refer note 40)	8	5
Payments to auditors (Refer Note 30(a) below)	26	12
Selling and distribution expenses	68	16
Sales commission	269	54
Printing and Stationery	9	14
Security charges	74	63
Loss on disposal of property, plant and equipment	1	-
Miscellaneous expenses	293	146
<b>Total Other expenses</b>	<b>3,704</b>	<b>1,711</b>

## 30(a) Details of payments to auditors

	Year ended March 31, 2023	Year ended March 31, 2022
Payment to auditors		
As auditor:		
Audit Fees	18	9
Tax Audit Fees	2	2
In other capacities		
Certification fees	6	1
<b>Total payments to auditors</b>	<b>26</b>	<b>12</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 31 Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on financial liabilities not at fair value through profit and loss		
Interest on term loan	277	371
Interest on working capital loan	2,264	1,252
12% Non-cumulative redeemable preference shares (Refer note 33)	185	166
Finance costs (including corporate guarantee charges)	305	80
<b>Total Finance costs</b>	<b>3,031</b>	<b>1,869</b>

### 32 Going Concern

The Company has accumulated losses as on March 31, 2023, however the net worth of the Company is positive. The Company has incurred net loss for year ended March 31, 2023 and March 31, 2022. The Company has obtained a support letter from its holding Company indicating that it will take necessary actions to organise for any shortfall in liquidity during the period of 12 months from the date of approval of the financial statements. Based on the above, 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 current year, 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 is determined as the present value of the eventual redemption amount discounted at the market rate of return. The equity component is the residual amount. Basis this change, the revised liability portion of the instrument as disclosed under non-current borrowings is Rs 1,315 Lakhs and 1481 Lakhs as compared to the originally reported liability of Rs 5,090 Lakhs and Rs. 5,090 as at April 01, 2021 and March 31, 2022 respectively. Further, the revised amount of other equity is higher by Rs 3,775 Lakhs and Rs. 3,609 Lakhs, at Rs. (24,113) Lakhs and at Rs. (27,444) Lakhs as compared to the originally reported amount of Rs. (27,888) Lakhs and Rs. (31,053) Lakhs as at April 01, 2021 and March 31, 2022 respectively. This change has also resulted into an increase in the loss for the year ended March 31, 2022 by Rs. 166 Lakhs and loss for the year ended March 31, 2023 by Rs. 185 Lakhs.

**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 906 Lakhs (Previous year - 184 Lakhs) on account of such refund and the same has been recognised under the head 'Other Income'.

### 35 Loss per share

Particulars	As at March 31, 2023	As at March 31, 2022
Loss attributable to the equity holders of the Company used in calculating basic/ diluted loss per share	(1,374)	(3,244)
Weighted Average Number of equity shares outstanding		
- Basic	53,00,89,156	52,99,97,670
- Diluted	53,00,89,156	52,99,97,670
Face value per share in Rs.	6	6
Basic earnings/ (loss) per share in Rs.	(0.26)	(0.61)
Diluted earnings/ (loss) per share in Rs.	(0.26)	(0.61)

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

36 Employee Benefits

A. Defined contribution plans

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's Contribution to Provident Fund	141	110
Employer's Contribution to Employees' State Insurance Corporation	*	*
Employer's Contribution to Superannuation fund	3	*
<b>Total expense recognised in the statement of Profit and loss</b>	<b>144</b>	<b>110</b>

\* 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, 2023	As at March 31, 2022
<b>i) Amount recognised in the balance sheet</b>		
Present value of obligations	207	159
Fair value of plan assets	-	-
<b>Net Liability recognised in balance sheet</b>	<b>207</b>	<b>159</b>
<b>ii) Statement of profit and loss</b>		
Current service cost	36	18
Interest cost	12	7
<b>Total amount recognised in profit or loss</b>	<b>48</b>	<b>25</b>
<b>Remeasurements</b>		
(Gain) from change in demographic assumptions	(1)	*
(Gain) from change in financial assumptions	(1)	(2)
Experience losses/ (gains)	19	(11)
<b>Total amount recognised in other comprehensive income</b>	<b>17</b>	<b>(13)</b>
<b>iii) Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	159	107
Adjustment due to transfer in	42	51
Current Service cost	36	18
Interest cost	12	7

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial loss/(gain) on obligation	17	(13)
Benefits paid	(59)	(11)
<b>Closing defined benefit obligation</b>	<b>207</b>	<b>159</b>
<b>iv) Bifurcation of liability as per schedule III</b>		
Current	64	56
Non-Current	143	103
<b>Net Liability</b>	<b>207</b>	<b>159</b>
<b>v) Significant actuarial assumptions</b>		
	%	%
Discount Rate	7.50%	7.32%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
	Upto 35 Years	30%
	From 36 to 45 Years	29%
	Above 46 Years	22%
		26%
<b>vi) Sensitivity to key assumptions</b>		
	<b>Impact on defined benefit obligation</b>	
Impact of the change in discount rate		
increased by 0.5%	(2.95)	(2.11)
decreases by 0.5%	3.04	2.17
Impact of the change in salary increase		
increased by 0.5%	3.14	2.23
decreases by 0.5%	(3.07)	(2.19)

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

### vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for next year ended March 31, 2024 is Rs. 59 Lakhs (March 31, 2023: Rs. 35 Lakhs).

### viii) Maturity Profile of Defined Benefit Obligation

The expected maturity analysis of undiscounted gratuity benefits is as follows:

Year	As at March 31, 2023	As at March 31, 2022
Upto 1 years	91	84
Between 1 to 2 years	23	19
2 years to 5 years	46	36
Over 5 years	71	58
<b>Total</b>	<b>231</b>	<b>197</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### C. Other employee benefits

Provision for leave obligation as at March 31, 2023 is Rs. 92 Lakhs (March 31, 2022 is Rs. 71 Lakhs) recognised under:

Particulars	As at March 31, 2023	As at March 31, 2022
Current	92	26
Non-Current	-	45
<b>Net Liability</b>	<b>92</b>	<b>71</b>

Total compensated absences provision as on March 31, 2023 is Rs. 92 Lakhs (Rs. 71 Lakhs as on March 31, 2022).

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

The amount charged to the statement of profit & loss under Salaries and bonus in Note 28 Employee benefits expenses is Rs. 28 lakhs (March 31, 2022 – Rs.18 lakhs).

### 37 Share Based Payments

Employee Stock Option Plan of Welspun Specialty Solutions Limited

During the year ended March 31, 2019, the Company had instituted an RMG Alloy Steel Limited (erstwhile name of the Company) Employee Stock Option (Senior Management Personnel) Scheme, 2018 as approved by the shareholders dated May 15, 2018 for grant of stock option to senior managerial personnel of the Company.

Subject to terms and condition of the scheme, options are classified into three categories.

Particulars	Option A	Option B	Option C
No. of Options	6,23,700	6,23,700	5,34,600
Method of accounting	Fair Value	Fair Value	Fair Value
Vesting plan	1 Year	2 Years	3 Years
Grant date	June 01, 2018	June 01, 2018	June 01, 2018
Vesting date	June 01, 2019	June 01, 2020	June 01, 2021
Exercise/Expiry date	June 01, 2022	June 01, 2023	June 01, 2024
Grant/Exercise price	Nil	Nil	Nil
Method of settlement	Equity – settled	Equity – settled	Equity – settled

Movement of options granted

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	-	6,67,850
Granted during the year	-	-
Exercised during the year	-	6,67,850
Forfeited/Lapse during the year	-	-
Closing balance	-	-
Vested	-	-

During the year ended March 31, 2023, the Company has recognised share option expenses in Statement of Profit and Loss of Rs. Nil (March 31, 2022: Rs. 5 Lakhs). During the year ended March 31, 2022, two employee availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 667,850 Equity Shares at Rs. 25.50 each (including premium of Rs. 19.50 each), amounting to Rs. 170 Lakhs and were subscribed and fully paid up.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

The model inputs for fair value of option granted as on the grant date:

Particulars	Option A	Option B	Option C
Exercise price*	0.001	0.001	0.001
Dividend yield	0%	0%	0%
Risk free interest rate – Annual	8%	8%	8%
Expected volatility – Annual	57%	57%	57%
Fair value per option	25.50	25.50	25.50
Model used	Black Scholes	Black Scholes	Black Scholes

\*The Company has granted Stock options at Nil cost to the employees of Company and thereby Exercise Price is Nil. However, for computation purpose under Black Scholes valuation, the Company has assumed the Exercise Price as Rs. 0.001.

### 38 Contingent liabilities and capital commitments

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

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts	571	549
Disputed indirect taxes		
Sales tax/ Value Added Tax	20	20
Service Tax	-	1

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, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances):	153	-

### 39 Segment Reporting

#### a) Description of segments and principle activities

The Company's chief operating decision maker consists of the board of directors (BOD) 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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

For the year ended	Number of Customers	Amount	% to revenue from operations
March 31, 2023	3	16,898	40.44%
March 31, 2022	1	8,768	53.70%

- d) The Company's is domiciled in India. The amount of its revenue recognised from sale of pipes 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	Year ended March 31, 2023	Year ended March 31, 2022
Outside India	15,266	2,273
Within India	26,517	14,056
<b>Total</b>	<b>41,783</b>	<b>16,329</b>

- 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, 2023	As at March 31, 2022
Outside India	-	-
Within India	20,986	21,854
<b>Total non - current assets</b>	<b>20,986</b>	<b>21,854</b>

## 40 Related party transactions

- a) List of related parties

## Parties where control exists

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2023	As at March 31, 2022
Welspun Corp Limited (w.e.f. March 16, 2022)	Holding company	50.03%	50.03%
Welspun Steel Limited (up to March 15, 2022).	Holding company	0.00%	0.00%

## Fellow Subsidiaries

Welspun Tradings Limited

Welspun Metalics Limited

Anjar TMT Steel Private Limited

## Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka*	Non-Executive Chairman
Mr. Vipul Mathur*	Non-Executive Director (w.e.f. April 27, 2022)
Mr. Anuj Burakia	CEO and Whole Time Director
Mr. Atul Desai	Independent Director
Mr. K. H. Viswanathan	Independent Director (w.e.f. April 27, 2022)
Ms. Amita Misra	Independent Director (w.e.f. April 27, 2022)
Mr. Myneni Narayana Rao	Independent Director

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Ms. Amita Karia	Independent Director (upto January 28, 2022)
Mr. Prakash Tatia*	Non-Executive Director
Mr. Brijveer Singh	Chief Financial Officer (w.e.f. October 31, 2022)
Mr. Narendra Bhandari	Chief Financial Officer (upto October 31, 2022)
Mr. Suhas Pawar	Company Secretary (w.e.f. October 31, 2022)
Ms. Rashmi Mamtura	Company Secretary (upto September 28, 2022)

\*No transactions during the year

**List of others related parties over which key management personnel or relatives of such personnel exercise significant influence or control and entities which are members of same group with whom transaction have taken place during the current year and previous year:**

Welspun India Limited

Welspun Realty Private Limited

Welspun Global Brands Limited

Welspun Enterprises Limited

Welspun Floorings Limited

Welassure Private Limited

Welspun Global Services Limited

Welspun Transformation Service Limited

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

	Transactions	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>1) Sale of goods and services</b>		
Welspun Corp Limited	4,459	8,764
Welspun India Limited	-	11
Welspun Metalics Limited	-	86
<b>Total sale of goods and services</b>	<b>4,459</b>	<b>8,861</b>
<b>2) Job work</b>		
Welspun Corp Limited	2	-
<b>Total other income</b>	<b>2</b>	<b>-</b>
<b>3) Purchase of goods and expenses incurred</b>		
Welspun Corp Limited	578	7,396
Welassure Private Limited	84	54
Welspun India Limited	-	1
Welspun Trading Limited	8	24
Welspun Global Brands Limited	12	2
Welspun Global Services Limited	-	7
Anjar Tmt Steel Private Limited	3	-
Welspun Transformation Service Limited	94	-
Welspun Realty Private Limited	15	-
Welspun Enterprise Limited	1	1
<b>Total purchase of goods and expenses incurred</b>	<b>795</b>	<b>7,485</b>
<b>4) Interest expenses on loan availed</b>		
Welspun Corp Limited	1,257	108

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

	Transactions	
	Year ended March 31, 2023	Year ended March 31, 2022
Welspun Steel Limited	-	873
<b>Total of purchase of property, plant and equipment and investment property</b>	<b>1,257</b>	<b>981</b>
<b>5) Sale of property, plant and equipment</b>		
Welspun Floorings Limited	-	5
<b>Total sale of property, plant and equipment</b>	<b>-</b>	<b>5</b>
<b>6) Advance repaid</b>		
Welspun Corp Limited	-	5,483
<b>Total advance repaid</b>	<b>-</b>	<b>5,483</b>
<b>7) Loans and deposit taken</b>		
Welspun Corp Limited	9,400	9,763
<b>Total loans and deposit taken</b>	<b>9,400</b>	<b>9,763</b>
<b>8) Loans and deposit repaid</b>		
Welspun Corp Limited	-	900
Welspun Steel Limited	4,925	-
<b>Total loans and deposit repaid</b>	<b>4,925</b>	<b>900</b>
<b>9) Interest on Loans and deposit paid</b>		
Welspun Corp Limited	1,226	-
Welspun Steel Limited	961	-
<b>Total loans and deposit repaid</b>	<b>2,187</b>	<b>-</b>
<b>10) Key management personnel compensation #</b>		
Anuj Burakia		
Short-term employee benefit	124	41
Employee stock-option purchase	-	138
Narendra Bhandari (April 01, 2022- October 31, 2022)		
Short-term employee benefit	63	28
Brijveer Singh (October 31, 2022 - March 31, 2023)		
Short-term employee benefit	14	-
Rashmi Mamtura (April 01, 2022- September 28, 2022)		
Short-term employee benefit	16	7
Suhas Pawar (October 31, 2022 - March 31, 2023)		
Short-term employee benefit	7	-
<b>Total key management personnel compensation</b>	<b>224</b>	<b>214</b>
<b>11) Directors' sitting fees</b>		
Atul Desai	1	2
Amita Karia	-	1
Amita Misra	2	-
Myneni Narayana Rao	2	2
K.H. Vishwanathan	3	-
<b>Total directors' sitting fees</b>	<b>8</b>	<b>5</b>

**Note :** Amount is inclusive 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### (c) Disclosure of significant closing balances:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>1) Trade receivables</b>		
Welspun Corp Limited	174	772
Welspun Metalics Limited	@	@
<b>Total trade receivables</b>	<b>174</b>	<b>772</b>
<b>2) Trade payables</b>		
Welspun Corp Limited	-	4,456
Welspun Transformation Services Limited	63	-
Welspun Global Brands Limited	@	-
Welassure Private Limited	7	-
Welspun Enterprises Limited	1	-
<b>Total trade payables</b>	<b>71</b>	<b>4,456</b>
<b>3) Other payables (other financial liabilities)</b>		
Welspun Corp Limited (net of TDS)	85	97
Welspun Steel Limited	-	958
<b>Total Other payables</b>	<b>85</b>	<b>1,055</b>
<b>4) Trade Advance (other current liabilities)</b>		
Welspun India Limited	@	@
<b>Total trade advance</b>	<b>@</b>	<b>@</b>
<b>5) Advance to suppliers (other current assets)</b>		
Welassure Private Limited	-	6
<b>Total trade advance</b>	<b>-</b>	<b>6</b>
<b>6) Security deposits</b>		
Welspun Enterprises Limited	1	1
<b>Total Security deposits</b>	<b>1</b>	<b>1</b>
<b>7) Loans</b>		
Welspun Corp Limited	18,263	8,864
Welspun Steel Limited	-	4,925
<b>Total Loans</b>	<b>18,263</b>	<b>13,789</b>

@ amount is below the rounding off norms adopted by the Company

### (d) Terms and conditions

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

All outstanding balances are unsecured and are payable in cash.

## 41 Income Tax Expense

### a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current income tax</b>		
Current Tax on profit for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Decrease / (increase) in deferred tax assets / liability	-	-
<b>Total deferred tax expense</b>	<b>-</b>	<b>-</b>
<b>Total income tax expense recognised in statement of profit and loss</b>	<b>-</b>	<b>-</b>

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Loss before tax</b>	(1,374)	(3,244)
Tax using the Company's income tax rate March 31, 2023: 26% (March 31, 2022: 26 %)	(357)	(844)
<b>Tax effect of:</b>		
Tax effect of current year losses on which no deferred tax asset is recognized	357	844
<b>Net effective income tax</b>	-	-

c) Deferred tax (liabilities)/assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax liability</b>		
Deferred tax liability comprises of timing difference of:		
Depreciation on Property, plant and equipment	2,580	2,506
<b>Deferred tax asset</b>		
Deferred tax assets comprises of timing difference of:		
Expense allowable on payment basis	78	60
Other disallowances under Income tax Act, 1961	174	169
Unabsorbed depreciation/business loss (Refer note below)	2,328	2,277
<b>Net deferred tax liability</b>	-	-

**Note:** Deferred tax asset on account of unabsorbed depreciation and business loss has been recognised to the extent it can be realised against reversal of deferred tax liability.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Brought forward income tax losses	24,027	25,663
Unabsorbed Tax depreciation	43,111	41,498
<b>Total</b>	<b>67,138</b>	<b>67,161</b>

e) Movement in deferred tax liabilities and deferred tax assets

Particulars	Deferred tax liabilities		Deferred tax assets					Net deferred tax liabilities
	Property, plant and equipment	Total deferred tax liabilities	Employee benefit obligations	Allowance for doubtful debts and advances (net)	Brought forward income tax losses	Others	Total deferred tax assets	
<b>As at April 01, 2021</b>	<b>2,340</b>	<b>2,340</b>	<b>84</b>	<b>149</b>	<b>2,082</b>	<b>25</b>	<b>2,340</b>	-
Recognised in the statement of profit and loss	166	166	(24)	5	195	(10)	166	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,506</b>	<b>2,506</b>	<b>60</b>	<b>154</b>	<b>2,277</b>	<b>15</b>	<b>2,506</b>	-
Recognised in the statement of profit and loss	74	74	18	5	51	-	74	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>2,580</b>	<b>2,580</b>	<b>78</b>	<b>159</b>	<b>2,328</b>	<b>15</b>	<b>2,580</b>	-

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 42 Fair value Measurements

#### a) Financial instruments by category

Particulars	As at March 31, 2023		As at March 31, 2022	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Trade receivables	-	4,132	-	1,533
Cash and cash equivalents	-	29	-	501
Bank balance other than cash and cash equivalents	-	51	-	91
<b>Other financial assets</b>				
Security deposits	-	72	-	69
Forward Contracts	9	-	-	-
<b>Total financial assets</b>	<b>9</b>	<b>4,284</b>	<b>-</b>	<b>2,194</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued)	1,666	21,685	1,481	23,820
Trade payables	-	19,998	-	6,754
<b>Other finance liabilities</b>				
Forward Contracts	127	-	61	-
Others	-	268	-	190
<b>Total financial liabilities</b>	<b>1,793</b>	<b>41,951</b>	<b>1,542</b>	<b>30,764</b>

#### 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, 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial asset				
Forward Contracts	-	9	-	9
<b>Total financial asset</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>9</b>
Financial liabilities				
Borrowings (liability component of Compound financial instrument)	-	-	1,666	1,666
Forward Contracts	-	127	-	127
<b>Total financial liabilities</b>	<b>-</b>	<b>127</b>	<b>1,666</b>	<b>1,793</b>

#### Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial asset				
Security deposits	-	-	72	72
<b>Total financial asset</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>72</b>
Financial liabilities				
Borrowings (includes interest accrued)	-	-	20,193	20,193
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>20,193</b>	<b>20,193</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

**Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2022**

Particulars	Level 1	Level 2	Level 3	Total
Financial asset	-	-	-	-
<b>Total financial asset</b>	-	-	-	-
Financial liabilities				
Borrowings (liability component of Compound financial instrument)	-	-	1,481	1,481
Forward Contracts	-	61	-	61
<b>Total financial liabilities</b>	-	61	1,481	1,542

**Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2022**

Particulars	Level 1	Level 2	Level 3	Total
Financial asset				
Security deposits	-	-	-	-
<b>Total financial asset</b>	-	-	-	-
Financial liabilities				
Borrowings (includes interest accrued)	-	-	22,783	22,783
<b>Total financial liabilities</b>	-	-	<b>22,783</b>	<b>22,783</b>

Level 1: This hierarchy includes financial instruments measured using quoted prices. There is no item under this category as at March 31, 2023 and as at March 31, 2022.

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, 2023 and March 31, 2022:

Particulars	Borrowings (liability component of Compound financial instrument)
<b>As at April 01, 2021</b>	<b>1,315</b>
Interest expenses charged to profit and loss	166
<b>As at March 31, 2022</b>	<b>1,481</b>
Interest expenses charged to profit and loss	185
<b>As at March 31, 2023</b>	<b>1,666</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### d) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs*	Probability weighted average		Sensitivity
	As at March 31, 2023	As at March 31, 2022		As at March 31, 2023	As at March 31, 2022	
Borrowings (liability component of Compound financial instrument)	1,666	1,481	Risk adjusted discount rate	12.05%	12.05%	The estimated fair value would increase by Rs. 152 lakhs (March 31, 2022 Rs. 151 lakhs) if the discount rate were lower by 1% and the same would decrease by Rs. 138 lakhs (March 31, 2022 Rs. 135 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.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Security deposits	72	72	-	-
<b>Total financial asset</b>	<b>72</b>	<b>72</b>	<b>-</b>	<b>-</b>
Financial liabilities				
Borrowings (including accrued interest)	20,193	20,193	22,783	22,783
<b>Total financial liabilities</b>	<b>20,193</b>	<b>20,193</b>	<b>22,783</b>	<b>22,783</b>

(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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest income at amortized cost</b>		
Fixed deposits	4	5
Interest from Customers	68	45
<b>Other Interest Income</b>		
Income tax refund	10	-
Interest on dispute settlement (Refer note 50)	-	1,354

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 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
Market risk – foreign currency risk	Recognised financial assets and liabilities not denominated in Rupees	Sensitivity analysis	Forward foreign exchange contracts and derivative contracts
Liquidity risk	Borrowings and other financial liabilities	Borrowings maturity and cash flow forecasts	Availability of committed credit lines and borrowing facilities

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. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of expected credit loss ('ECL').

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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Past exposure suggest a low/ minimum credit risk or allowances of debtors. Exposures of trade receivable broken into ageing bucket (refer table below). 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.

### Exposure to credit risk

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

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Trade Receivables	4,132	1,533
<b>Total</b>	<b>4,132</b>	<b>1,533</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade receivables (Refer note 47):</b>		
Not Due	3,759	70
Less than 6 Months	334	1,401
6 Months to 1 Year	2	6
1 Year to 2 Years	-	56
2 Years to 3 Years	37	-
More than 3 Years	-	-
<b>Total</b>	<b>4,132</b>	<b>1,533</b>

#### Reconciliation of allowance for doubtful debts on trade receivables:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	591	572
Changes in allowance for doubtful debts	18	19
Closing balance	609	591

### 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, loss allowance provision has been made.

## B 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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	USD	EUR	USD	EUR
<b>Financial assets</b>				
Trade receivables	104	835	87	192
<b>Derivatives not designated as hedges</b>				
Forward contracts (Sell foreign currency)	(104)	(835)	-	-
<b>Derivatives designated as hedges</b>				
Forward contracts (Sell foreign currency)	(238)	(11,272)	(524)	(3,051)
<b>Net exposure to foreign currency risk (assets)</b>	<b>(238)</b>	<b>(11,272)</b>	<b>(437)</b>	<b>(2,859)</b>
<b>Financial liabilities</b>				
Trade payables	2,588	30	33	21
<b>Derivatives not designated as hedges</b>				
Forward contracts (Buy foreign currency)	(2,588)	(30)	-	-
<b>Derivatives designated as hedges</b>				
Forward contracts (Buy foreign currency)	(962)	(21)	(34)	(287)
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>(962)</b>	<b>(21)</b>	<b>(1)</b>	<b>(266)</b>
<b>Total Net exposure to foreign currency risk</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>171</b>
<b>Net Derivatives designated as hedges</b>	<b>724</b>	<b>(11,251)</b>	<b>(490)</b>	<b>(2,764)</b>

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.

### 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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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, 2023	As at March 31, 2022
<b>Financial assets</b>		
Interest bearing - Fixed interest rate		
Current fixed deposit	49	289

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Liabilities</b>		
Interest bearing		
Borrowings - Floating interest rate		
Cash credit from bank	504	77
Rupee term loan from bank	2,895	3,739
Borrowings - Fixed interest rate		
Loan from related party	18,263	13,789
Inter Corporate Deposit- Others	-	4,995

### 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, 2023	As at March 31, 2022
<b>Increase in 50 bps points</b>		
Effect on profit/(loss) before tax	(17)	(18)
<b>Decrease in 50 bps points</b>		
Effect on profit/(loss) before tax	17	18

### C 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, 2023 and March 31, 2022 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

a) Financing arrangements

The Company had no undrawn borrowing facilities for working capital as at March 31, 2023 and March 31, 2022.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Floating rate</b>		
Expiring within one year	-	-
Expiring beyond one year	11,317	1,931
<b>Total</b>	<b>11,317</b>	<b>1,931</b>

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, 2023

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Borrowings (includes interest accrued and current maturities of long-term debt)	1,469	20,193	-	1,666	23,328
Trade payables	19,998	-	-	-	19,998
Other financial liabilities	291	-	-	-	291
<b>Total non-derivative liabilities</b>	<b>21,758</b>	<b>20,193</b>	<b>-</b>	<b>1,666</b>	<b>43,617</b>
<b>Derivatives</b>					
Forward contracts	127	-	-	-	127
<b>Total derivative liabilities</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>

As at March 31, 2022

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Borrowings (includes interest accrued and current maturities of long-term debt)	921	21,679	-	1,481	24,081
Trade payables	6,754	-	-	-	6,754
Other financial liabilities	306	1,104	-	-	1,410
<b>Total non-derivative liabilities</b>	<b>7,981</b>	<b>22,783</b>	<b>-</b>	<b>1,481</b>	<b>32,245</b>
<b>Derivatives</b>					
Forward contracts	61	-	-	-	61
<b>Total derivative liabilities</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>

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.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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

#### As at March 31, 2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
<b>Cash flow hedge</b>						
<b>Foreign exchange risk</b>						
Forward contract	11,510	983	8	102	Apr 23 - Oct 23	1:1

#### As at March 31, 2022

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
<b>Cash flow hedge</b>						
<b>Foreign exchange risk</b>						
Forward contract	3,575	321	-	61	Aug 21 to Jul 22	1:1

#### As at March 31, 2023

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
<b>Cash Flow Hedge</b>				
Foreign Exchange Risk	(16)	-	(17)	Revenue

#### As at March 31, 2022

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash Flow Hedge</b>				
Foreign Exchange Risk	-	-	(65)	Revenue

### b) Movements in cash flow hedging reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Cash flow hedging reserve		
Opening balance	(60)	5
Amount recognised in cash flow hedging reserve during the year (net)	(16)	-
Gain/ (loss) transferred to statement of profit and loss (net)	(17)	(65)
<b>Closing balance</b>	<b>(93)</b>	<b>(60)</b>

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

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, 2023 and March 31, 2022.

### 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 maximize 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, 2023	As at March 31, 2022
Borrowings (including interest accrued)		23,351	25,299
Less: Cash and Cash Equivalents		(29)	(501)
<b>Net debt</b>	<b>(a)</b>	<b>23,322</b>	<b>24,798</b>
Equity		2,937	4,361
<b>Total Equity</b>	<b>(b)</b>	<b>2,937</b>	<b>4,361</b>
<b>Net debt to equity ratio</b>	<b>(a/b)</b>	<b>7.94</b>	<b>5.69</b>

The Company has complied with all the loan covenants applicable.

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 45 Net debt reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	29	501
Borrowings (including interest accrued)	(23,351)	(25,299)
<b>Net debt</b>	<b>(23,322)</b>	<b>(24,798)</b>

	Financial assets	Financial liabilities	Total
	Cash and cash equivalents	Borrowings	(C) = (A)+(B)
	(A)	(B)	(C)
<b>Net debts as at April 01, 2021</b>	<b>30</b>	<b>(14,123)</b>	<b>(14,093)</b>
Cashflow (net)	471	(10,501)	(10,030)
Interest paid	-	1,194	1,194
Interest expenditure	-	(1,869)	(1,869)
<b>Net debts as at March 31, 2022</b>	<b>501</b>	<b>(25,299)</b>	<b>(24,798)</b>
Cashflow (net)	(472)	937	465
Interest paid	-	4,042	4,042
Interest expenditure	-	(3,031)	(3,031)
<b>Net debts as at March 31, 2023</b>	<b>29</b>	<b>(23,351)</b>	<b>(23,322)</b>

46 During the year the Company has recognised Income from Insurance claim of Rs. 58 Lakhs in respect with the claim filed with the insurance company for loss due to cyclone in the year ended March 31, 2021. The same has been disclosed under Other Income.

### 47 Aging of trade receivables as at March 31, 2023 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	
<b>Undisputed trade receivables</b>								
considered good	-	3,759	334	2	*	37	-	4,132
considered doubtful	-	-	-	-	-	112	52	164
Less: Allowance for doubtful debts	-	-	-	-	-	(112)	(52)	(164)
<b>Total Undisputed trade receivables(a)</b>	<b>-</b>	<b>3,759</b>	<b>334</b>	<b>2</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>4,132</b>
<b>Disputed trade receivables</b>								
considered good	-	-	-	-	-	-	-	-
considered doubtful	-	-	-	-	-	-	445	445
Less: Allowance for doubtful debts	-	-	-	-	-	-	(445)	(445)
<b>Total Disputed trade receivables (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a)+(b)</b>	<b>-</b>	<b>3,759</b>	<b>334</b>	<b>2</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>4,132</b>

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

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

Aging of trade receivables as at March 31, 2022 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	
<b>Undisputed trade receivables</b>								
considered good	-	70	1,401	6	56	-	-	1,533
considered doubtful	-	-	-	33	21	1	91	146
Less: Allowance for doubtful debts	-	-	-	(33)	(21)	(1)	(91)	(146)
<b>Total Undisputed trade receivables(a)</b>	-	<b>70</b>	<b>1,401</b>	<b>6</b>	<b>56</b>	-	-	<b>1,533</b>
<b>Disputed trade receivables</b>								
considered good	-	-	-	-	-	-	-	-
considered doubtful	-	-	-	-	-	-	445	445
Less: Allowance for doubtful debts	-	-	-	-	-	-	(445)	(445)
<b>Total Disputed trade receivables (b)</b>	-	-	-	-	-	-	-	-
<b>Total (a)+(b)</b>	-	<b>70</b>	<b>1,401</b>	<b>6</b>	<b>56</b>	-	-	<b>1,533</b>

48 Aging of trade payables as at March 31, 2023 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	
<b>Undisputed trade payables</b>							
Micro enterprises and small enterprises	-	172	4	-	-	-	176
Others	425	17,741	1,506	14	22	114	19,822
<b>Total Undisputed trade payables(a)</b>	<b>425</b>	<b>17,913</b>	<b>1,510</b>	<b>14</b>	<b>22</b>	<b>114</b>	<b>19,998</b>
<b>Disputed trade payables</b>							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total Disputed trade payables(b)</b>	-	-	-	-	-	-	-
<b>Total (a)+(b)</b>	<b>425</b>	<b>17,913</b>	<b>1,510</b>	<b>14</b>	<b>22</b>	<b>114</b>	<b>19,998</b>

Aging of trade payables as at March 31, 2022 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	
<b>Undisputed trade payables</b>							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	175	1,294	5,064	102	64	55	6,754
<b>Total Undisputed trade payables(a)</b>	<b>175</b>	<b>1,294</b>	<b>5,064</b>	<b>102</b>	<b>64</b>	<b>55</b>	<b>6,754</b>
<b>Disputed trade payables</b>							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total Disputed trade payables(b)</b>	-	-	-	-	-	-	-
<b>Total (a)+(b)</b>	<b>175</b>	<b>1,294</b>	<b>5,064</b>	<b>102</b>	<b>64</b>	<b>55</b>	<b>6,754</b>

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 49 Analytical Ratios to the Financial Statements as of and for the year ended March 31, 2023

Sr no.	Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance in %	Remark
1	Current Ratio (times)	Current Assets	Current Liabilities	1.17	1.80	-35%	Current ratio is decreased due to increase in trade payable balances.
2	Debt Equity Ratio (times)	Total Debt	Equity	7.94	5.52	44%	Ratio deteriorated due to reduction in net worth on account of losses in current year.
3	Debt Service Coverage Ratio (times)	Earnings available for debt service	Debt Service	0.21	0.01	1356%	Debt Service Coverage ratio has significantly increased due to decrease in loss
4	Return on Equity Ratio (%)	Loss for the year	Average Shareholder's Equity	-37.65%	-54.01%	-30%	Return on equity ratio has increased compared to last year due to reduction in loss.
5	Inventory Turnover (times)	Cost of goods sold	Average Inventory	1.82	1.39	31%	Increase in the ratio is mainly on account of decrease in average inventory maintained compared to cost of goods sold in the current year.
6	Trade receivables turnover ratio (times)	Revenue from operations	Average Trade receivable	14.75	12.82	15%	Variation is not material (below 25%)
7	Trade payable Turnover (times)	Net Credit purchases	Average Trade Payables	3.38	5.10	-34%	Decrease on account of increase in purchases towards end of the year
8	Net Capital turnover ratio (times)	Revenue from operations	Working Capital	10.65	2.42	341%	Decrease in working capital and increase in business operations during the year
9	Net Profit Margin (%)	Loss for the year	Revenue from operations	-3.29%	-19.87%	-83%	Increase in net profit margin due to decrease in loss and increase in revenue compared to last year.
10	Return on Capital Employed (ROCE) (%)	Earnings before interest and tax	Capital Employed	6.31%	-4.83%	-231%	Return on capital employed has increased due to reduction in loss.
11	Return on investment (%)	Loss for the year	Total assets	-2.88%	-8.71%	-67%	Return on investment has increased due to reduction in loss.

#### Notes:

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

### 50 Other income

Certain contractual disputes arose in past between the Company and its customer, a public sector undertaking ("PSU") in respect of supply of pipes by the Company to the PSU. The Hon'ble Supreme Court vide its order dated November 13, 2021 ("Hon'ble SC Order") upheld the entire arbitral award in favour of the Company. Accordingly, the Company received payment amounting to Rs.1,597 Lakhs (including interest) on March 25, 2022, which has been credited to Statement of Profit and Loss as Other Income for the year ended March 31, 2022.

### 51 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) Wilful defaulter

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

#### (iv) Relationship with struck off companies

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

#### (v) Compliance with number of layers of companies

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

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

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

## Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

(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	28 Years
Right of use assets	351	28 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.

### 52 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).

### 53 Previous Year's Figures

Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

The above balance sheet should be read in conjunction with the accompanying notes.  
This is the balance sheet referred to in our report of even date.

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

**Neeraj Sharma**  
Partner  
Membership No: 108391

Place: Paris, France  
Date: May 24, 2023

For and on behalf of the Board of Directors

**B.K. Goenka**  
Chairman  
DIN: 00270175

**Brijveer Singh**  
Chief Financial Officer

Place: Mumbai  
Date: May 24, 2023

**Anuj Burakia**  
CEO & Whole Time Director  
DIN: 02840211

**Suhas Pawar**  
Company Secretary  
ACS: 36560



# Welspun<sup>W</sup> SPECIALTY SOLUTIONS

Alloy & Stainless | Bars & Tubes

## Welspun Specialty Solutions Limited

(CIN:L27100GJ1980PLC020358)

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Tel.: +91 22 61336796 | Fax: +91 22 24908020

Registered Office: Plot No. 1, G. I. D. C. Industrial Estate,  
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Email ID: [companysecretary\\_wssl@welspun.com](mailto:companysecretary_wssl@welspun.com)

Website: [www.welspunspecialty.com](http://www.welspunspecialty.com)

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