

To,
BSE Ltd.
(Scrip Code-500365)
Listing Department,
P. J. Towers, Dalal Street,
Mumbai - 400 001

June 6, 2022

Dear Sir / Madam,

Sub.: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find attached Annual Report of the Company for the financial year ended March 31, 2022 together with the notice of the 40th Annual General Meeting of the Company scheduled on Wednesday, June 29, 2022 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

Please take the same on record.

Thanking you.

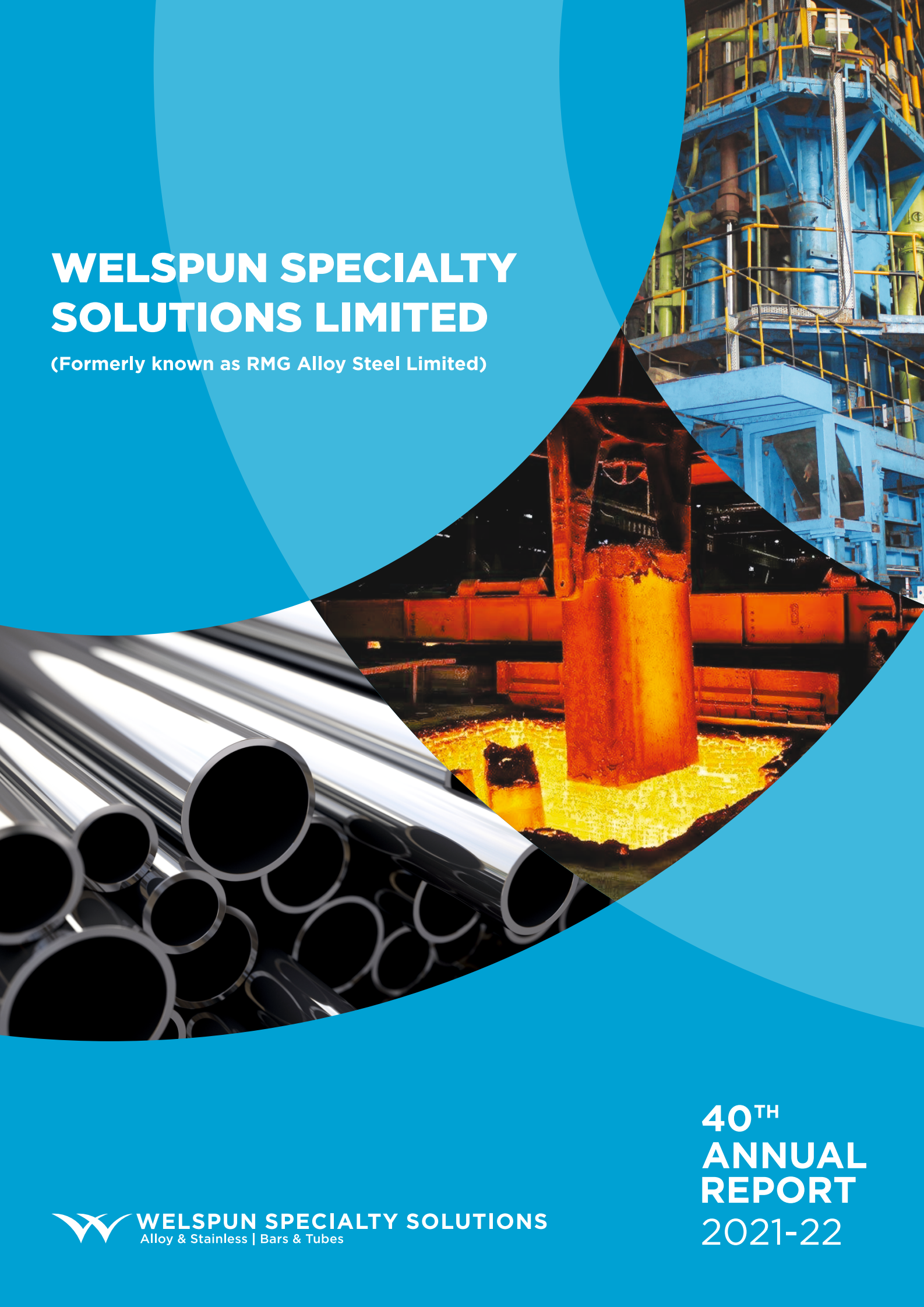
Yours Faithfully,
For **Welspun Specialty Solutions Ltd**

Rashmi Mamtura
Company Secretary
F-8658

Encl: As above

WELSPUN SPECIALTY SOLUTIONS LIMITED

(Formerly known as RMG Alloy Steel Limited)



40TH
ANNUAL
REPORT
2021-22

(Formerly known as RMG Alloy Steel Limited)

CIN: L27100GJ1980PLC020358

COMPANY INFORMATION

Board Of Directors:

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

Key Managerial Personnel:

Mr. Anuj Burakia	- CEO & Whole Time Director
Mr. Narendra Kumar Bhandari	- Chief Financial Officer
Ms. Rashmi Mamtura	- Company Secretary & Compliance Officer

Auditors:

Pathak H.D. & Associates 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 City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

Tel: 022-66136000/24908000, Fax: 022-24908020

E-mail: companysecretary_wssl@welspun.com

Website: www.welspunspecialty.com

Listing Of Shares:

BSE Ltd. Mumbai
Phiroze Jeejeebhoy Tower, Dalal Street,
Mumbai - 400 001

R&T Agent:

Bigshare Services Pvt. Ltd.

(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: vinod.y@bigshareonline.com

Tel: 91-22-6263 8200

Fax: 91-22-6263 8261

COMMITTEES OF THE BOARD

Audit Committee:

Mr. K.H. Viswanathan (Chairman- Independent)
Ms. Amita Misra (Member – Independent)
Mr. M. Narayana Rao (Member – Independent)

Risk Management Committee:

Mr. K.H. Viswanathan (Chairman- Independent)
Ms. Amita Misra (Member – Independent)
Mr. M. Narayana Rao (Member – Independent)
Mr. Anuj Burakia (Member – CEO & WTD)
Mr. Narendra Kumar Bhandari (Member – CFO)
Mr. Vipul Mathur
(Member – non-independent, non-executive)

Nomination and Remuneration Committee:

Mr. K.H. Viswanathan (Chairman- Independent)
Ms. Amita Misra (Member – Independent)
Mr. M. Narayana Rao (Member – Independent)

Stakeholders' Relationship Committee:

Mr. K.H. Viswanathan (Chairman- Independent)
Ms. Amita Misra (Member – Independent)
Mr. Anuj Burakia (Member – CEO & WTD)
Mr. Vipul Mathur
(Member – non-independent, non-executive)



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- 93110

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 -22-66136000 Fax: +91-22-2490 8020

NOTICE

To,
The Members,

NOTICE is hereby given that 40th Annual General Meeting of **Welspun Specialty Solutions Limited** (Formerly known as RMG Alloy Steel Limited) will be held via Video Conference or Other Audio-Visual Means on Wednesday, June 29, 2022, at 11.30 am to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2022 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Anuj Burakia (DIN: 02840211), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**.

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Audit Committee, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (having Firm Registration Number 012754N/N500016), be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Pathak H.D. & Associates LLP, Chartered Accountants (having Firm Registration Number 107783W /W100593), to hold office from the conclusion of this i.e. 40th Annual General Meeting until the conclusion of 45th Annual General Meeting of the Company, at a remuneration to be determined by the Board of Directors of the Company in addition to the out-of pocket expenses as may be incurred by them during the course of the audit.”

SPECIAL BUSINESS

4. 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.40,000/- approved by the Board of Directors of the Company based on the recommendation of the Audit Committee to M/s. Kiran J. Mehta & Co. Cost Accountants (Firm Registration No. 000025), appointed as the Cost Auditors of the Company for the financial year ending March 31, 2023 and the other duties in accordance with the applicable legal provisions, be and is hereby ratified.”

5. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) read with Schedule IV of the Act and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Ms. Amita Misra (holding DIN: 07942122), who was appointed as an additional director (independent) with effect from April 27, 2022 by the Board of Directors of the Company as recommended by the Nomination & Remuneration Committee and who holds office as such upto the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as prescribed under Section 149 of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of four years upto April 26, 2026 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of the Company (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) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

6. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) read with Schedule IV of the Act and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. K.H. Viswanathan (holding DIN: 00391263), who was appointed as an additional director (independent) with effect from April 27, 2022 by the Board of Directors of the Company as recommended by the Nomination & Remuneration Committee and who holds office as such upto the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as prescribed under Section 149 of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of four years upto April 26, 2026 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of the Company (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) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

7. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to Section 160 of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Vipul Mathur (holding DIN: 007990476), who was appointed by the Board of Directors as an additional director of the Company with effect from April 27, 2022, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 (“the Act”), and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of director of the Company, be and is hereby appointed a director of the Company whose office shall be liable to retirement by rotation.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of the Company (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) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

8. To consider and, if thought fit, to pass the following resolution as an **special resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members be and is hereby granted for adoption of new set of Articles of Association after following changes:

- a) deletion of Article 4A, 6A, 6B, 56A, 112A, 136A, 142(A), 142(B), 156(A), 156(B), 157, 175A and 183A.
- b) deletion of the words and symbols ““ASP” means Rajendra Mechanical Industries Limited and Doshi Group NRI.” and words and symbols ““Corporation” means Gujarat Industrial Investment Corporation Limited (GIIC) and its nominees, assigns and successors.” from the Articles 2;
- c) substitute the words “Seal of the Company, which shall be affixed in the presence of two Directors” with the words “under the signature of one Director” in the Article 19(a);
- d) addition of the words and symbols “, as specified in the Companies Act, 2013” after the words “candidate for that office” in the Article 133(1);
- e) deletion of the words “Provided always that the committee so appointed shall include at least one Corporation Director” from the Article 147;
- f) deletion of the words “Provided that a Selection Committee including therein at least one Corporation Director for recruitment of all categories of employees shall be constituted. Provided further that any appointment with a minimum remuneration of Rs. 6,000/- per month shall be by a resolution passed by the Board of Directors.” From the Article 152(16); and
- g) addition of the words and symbols “, if any” after the words “under the Seal of the company” in the Article 152(20).

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of the Company (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) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

9. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Act”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the recommendation by the Audit Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (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), to ratify/approve the transactions (including any

modifications, alterations or amendments thereto) entered into/ to be entered into by the Company in the ordinary course of business and on an arm's length basis with related Party/ies within the meaning of the Act and Listing Regulations, as per below framework:

Sr. No.	Particulars	Framework for terms of contract
1.	Name of the Related Party	Welspun Corp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 (“WCL”)
2.	Name of the Director or Key Managerial Personnel who is/may be related	Mr. Balkrishan Goenka – Chairman (Non-Executive) Mr. Vipul Mathur- Director of the Company and MD & CEO of WCL Ms. Amita Misra and Mr. K.H. Viswanathan (common Independent Directors)
3.	Nature of Relationship	WCL is the holding company of the Company holding 50.03% equity shares in the Company.
4.	Nature and particulars of the contract / arrangement	Availing of Loan /Inter Corporate Deposit (ICD)
5.	Material terms of the contract / arrangement	In line with prevailing market comparable rates on arm's length basis as may be mutually agreed.
6.	Monetary value of the contract / arrangement	Such amount as may be agreed between the Company and WCL. Provided however that the loan/ ICD amount shall not exceed Rs.200 Crore at any given point in time.
7.	Duration of the transaction	The tenor of loan will be for 36 months. The loan can be pre-paid or extended as per mutual agreement.
8.	The indicative base price or current contracted price and the formula for variation in the price, if any	The rate of interest as may be mutually agreed in line with prevailing comparable market rates on arm's length basis
9.	Any other information relevant or important for the members to take a decision on the proposed resolution	None

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of the Company (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) to do all such acts, deeds, matters and things and to take all such steps as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

Place: Mumbai
Date: May 23, 2022

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

RESOLUTION NO. 2

Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Anuj Burakia is a qualified Chartered Accountant having experience of about 20 years in steel industry. Mr. Burakia is aged 43 years and have 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 the Company as the 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.

Mr. Burakia is not related to any other director of the Company.

Names of the listed entities in which the person also holds the directorship and the membership of Committees of the board:

Company Name	Committee Type	Chairmanship / Membership
Welspun Specialty Solutions Limited* (Formerly known as RMG Alloy Steel Ltd)	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member

* Shareholding of Mr. Anuj Burakia as on March 31, 2022: 10,35,000 Equity Shares.

Except Mr. Anuj Burakia, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the ordinary resolution at Resolution No. 2 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 3

M/s. Pathak H.D. & Associates LLP, Chartered Accountants (Firm Registration No. 107783W /W100593) have been the auditors of the Company from the conclusion of 35th Annual General Meeting till the conclusion of 40th Annual General Meeting.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company proposes to appoint M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (having Firm Registration Number 012754N/N500016) as the Auditors of the Company for the first term of five consecutive years and to hold office as such from the conclusion of this AGM until the conclusion of the 45th AGM of the Company. M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants have consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Credential of the auditors as required under Reg. 36(5) of the SEBI (LODR), 2015:

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) (the 'Firm') is a separate, distinct and independent member firm of the PW India Network of Firms which includes similarly situated independent Firms, each of which are registered with the Institute of Chartered Accountants of India. PW India Network of Firms cumulatively are more than 100 years old in India and

have offices in 14 cities in India - Mumbai, Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Delhi NCR, Hyderabad, Jaipur, Kolkata, Patna, Pune, Raipur. The registered office of the Firm is at New Delhi.

There are 190+ partners and EDs working the PW Network Firm across India.

The Firm has a valid Peer Review certificate and has been subject to inspection by the Quality Review Board, as per the provisions of the Chartered Accountants Act, 1949.

The Firm serves some of the large clients, which includes listed entities, unlisted entities and Private Limited entities.

The Firm complies with the relevant requirements of quality control as per International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements; and Indian SQC 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and do not have any pecuniary interest in the Company or its subsidiary and associate companies, except being statutory auditors, tax auditors in Welspun Corp Limited (the holding Company), Welspun Wasco Coatings Private Limited, Welspun Tradings Limited, Welspun Metallics Limited, Welspun DI Pipes Limited, Anjar TMT Steel Private Limited, and Mahatva Plastic Products and Building Materials Private Limited (Co-Subsidiaries of the Company).

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the ordinary resolution at Resolution No. 3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

RESOLUTION NO. 4

As provided under the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board, at the recommendation of the Audit Committee, had appointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2023 and also to perform other duties under the applicable provisions of the law, on the total remuneration of Rs.40,000/- , subject to ratification by the Members in general meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the ordinary resolution at Resolution No. 4 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 5

Ms. Amita Misra was appointed as an additional director (independent) on April 27, 2022 by the Board of Directors of the Company.

Profile of Ms. Amita Misra, aged 66 years

Education:

Post graduate in Economics – Jaipur University.

Certification from Harvard Business School (Boston), the National Defense College (New Delhi), the Indian Institute of Chartered Accountants (New Delhi) and the Indian School of Public Administration (New Delhi).

Key Expertise: Finance, Oversight, Procurement, Governance, Technical Cooperation, Framing Policy, Advocacy, Resource Mobilization etc.

The Board is of the view that Ms. Misra possess skills and capabilities required for the role.

Key Experience (over 40 years) –

Experience in various government, international organizations like – Additional Secretary Level in Government Comptroller and Auditor General, Director Department of Financial Services of United Nations Industrial Development Organization (“UNIDO”) during 2004-2010 and Director of Regional Programmes of UNIDO, etc. She last served as Director of the Department of Regional Bureau and Field Operations from 2010 until 2017.

She has been a member of the Committees on Standards at UN, Chair and Member of various governance, HR, Procurement and technical project approved committees.

She has written a Thesis for National Defense College, New Delhi.

Names of entities in which Ms. Misra holds the directorship and the membership of Committees of the board (along with listed entities from which she has resigned in the past three years)

Sr. No.	Name of the Company	Listed / Unlisted	Date of Appointment	Name of Committee	Member / Chairman	Date of Cessation
1.	Dalmia Bharat Sugar Industries Limited	Listed	29.08.2019	Audit Committee	Chairperson	-
				Finance Committee	Chairperson	
				CSR Committee	Chairperson	
				Nomination and Remuneration Committee	Chairperson	
2.	Welspun Corp Limited	Listed	07.08.2019	Audit Committee	Member	-
				Risk Management Committee	Chairperson	
3.	Welspun Tradings Limited	Unlisted	22.12.2020	CSR Committee	Member	14.05.2022
4.	Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Ltd)	Listed	27.04.2022	Audit Committee	Member	-
				Nomination and Remuneration Committee	Member	
				Risk Management Committee	Member	
				Stakeholders' Relationship Committee	Member	

Ms. Misra is not related to any of the directors of the Company and she holds NIL shares in the Company.

In terms of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 (“the Act”), Ms. Misra, being eligible, is proposed to be confirmed as an independent director for a period of four years upto April 26, 2026.

In the opinion of the Board, she fulfills the criteria specified in the Act and Rules made thereunder and SEBI (LODR) Regulations, 2015 for her appointment as an independent director of the Company and that she is independent of the management. Ms. Misra is not disqualified from being appointed as 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. A copy of the letter of appointment of Ms. Misra as an independent director setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her association would benefit the Company and it is therefore desirable to avail services of Ms. Misra as an independent director.

Except Ms. Misra, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the special resolution at Sr. No. 5 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 6

Mr. K.H. Viswanathan was appointed as an additional director (independent) on April 27, 2022 by the Board of Directors of the Company.

Profile of CMA Viswanathan Hariharan Kollengode

Corporate Advisor (Age: 60 years)

Education:

Bachelor Degree of Commerce (B.Com) – Mumbai University

Associate Cost & Management Accountant (ACMA)- The Institute of Cost Accountants of India

Total Post Qualification Experience: 36+ Years

Key Expertise: Risk Advisory - Internal / Management / Forensic Audits & Tax Advisory and Corporate Structuring, M & A - Due Diligence (Accounting & Tax), Corporate Governance & Legal Compliances.

The Board is of the view that Mr. Viswanathan possess skills and capabilities required for the role.

Key Experience (over 40 years) –

- **As Corporate Adviser** – Has been advising some large and medium Companies (both Listed and Unlisted in Manufacturing, Global Trading, Information Technology and Services) in areas such as
 - IA strategy, ERM/IFC, Digital/IT Audit strategies & approach, SOP etc.
 - M & A / Business – Corporate Restructuring – Due diligence, Structuring and related tax and legal advisory.
 - Corporate Governance practices (SEBI / MCA guidelines) – Process structuring, effectiveness improvement & compliance in related areas
 - Management effectiveness review in select areas – benchmarking / suggestions for improvements
 - Board evaluation policies and practices,

- **From 1982 – 1998** has worked in Industry (both Manufacturing & Services sector) in senior management positions heading the Finance, Accounting and Commercial functions of leading business groups such as Essar Group, Shogun Group, GKW Ltd, TCI Limited, Garware group, Bharat Gears Ltd etc.
- **As an Independent Director on Board** of Directors (including in Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Investor Grievances Committee & CSR Committees) of some leading listed / unlisted companies with Global Operations in the areas of heavy engineering, textiles, power generation, facilities management etc.

Names of entities in which Mr. Viswanathan holds the directorship and the membership of Committees of the board (along with entities from which he has resigned in the past three years)

Sr. No.	Name of the Company	Listed / Unlisted	Date of appointment	Name of Committee	Member / Chairman	Date of cessation
1.	Welspun Corp Limited	Listed	28-10-2002	Share Transfer and Investor's Grievance and Stakeholders Relationship Committee	Chairman	-
				Nomination and Remuneration Committee	Chairman	
				Audit Committee	Chairman	
				ESG & CSR Committee	Chairman	
				Risk Management Committee	Member	
2.	AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Listed	31-07-2015	Audit Committee	Member	-
				Nomination and Remuneration Committee	Member	
3.	Welspun Wasco Coatings Private Limited	Unlisted	21-10-2015	-	Director	-
4.	Welspun Captive Power Generation Limited	Unlisted	30-07-2016	Audit Committee	Chairman	-
				Nomination and Remuneration Committee	Chairman	
				Corporate Social Responsibility Committee	Chairman	
5.	Welspun Anjar SEZ Limited	Unlisted	28-09-2016	Audit Committee	Chairman	-
				Nomination and Remuneration Committee	Chairman	
6.	Welspun Global Brands Limited	Unlisted	30-08-2011	-	Director	30-10-2020
7.	Welspun Tradings Limited	Unlisted	13-12-2012	-	Director	19-12-2020
8.	Welspun Specialty Solutions Limited	Listed	27-04-2022	Audit Committee	Chairman	-

	(Formerly known as RMG Alloy Steel Ltd)			Nomination and Remuneration Committee	Chairman	
				Risk Management Committee	Chairman	
				Stakeholders' Relationship Committee	Chairman	

Mr. Viswanathan is not related to any of the directors of the Company and he holds NIL shares in the Company.

In terms of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 ("the Act"), Mr. Viswanathan, being eligible, is proposed to be confirmed as an independent director for a period of four years upto April 26, 2026.

In the opinion of the Board, he fulfills the criteria specified in the Act and Rules made thereunder and SEBI (LODR) Regulations, 2015 for his appointment as an independent director of the Company and that he is independent of the management. Mr. Viswanathan is not disqualified from being appointed as 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. A copy of the letter of appointment of Mr. Viswanathan as an independent director setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his association would benefit the Company and it is therefore desirable to avail services of Mr. Viswanathan as an independent director.

Except Mr. Viswanathan, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the special resolution at Sr. No. 6 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 7

Mr. Vipul Mathur (holding DIN: 007990476) was appointed as an additional director (non-executive, non-independent) w.e.f. April 27, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013, to hold office up to the date of the 40th Annual General Meeting. Mr. Vipul Mathur's appointment as director (non-executive, non-independent) of the Company is placed for approval by the Members. His office will be liable to retire by rotation in accordance with the provisions of Section 160 and will be subject to other applicable provisions of the Companies Act, 2013. The Board is of the view that presence of Mr. Vipul Mathur on the Board would be beneficial to the Company and hence recommends Resolution No.7 for approval by Members.

Profile of Mr. Vipul Mathur (Aged 52 years)

Education: Science Graduate, Post Graduate (MBA-Marketing)

Key Expertise: Strategy, Finance, Marketing and Contract Management, Commercial, Legal & Procurement, Digital Transformation, Greenfield project

Key Experience (over 30 years) –

Mr. Vipul Mathur is a seasoned professional with experience across sectors including Carbon Steel Line Pipes, Plates and Coils, Ductile Iron Pipes, Stainless Steel Tubes, TMT rebars, Heavy Engineering Goods, among others.

Before starting his stint at Welspun Group in 2001, Mr. Mathur amassed experience in the fields of heavy electrical equipment, pipe manufacturing, Oil & Gas, etc. over a total of 11 years. Mr. Mathur has been associated with the Welspun Group for over two decades and has played a variety of leadership roles, namely, Global Marketing Head, Plate & Coil Mill Division Head, Business Unit Head - EMENA, Business Unit Head – India & APAC & Business Unit Head – Americas, and Chief Operating Officer – Welspun Corp Ltd. (WCL - holding company of the Company).

Mr. Mathur assumed the position of MD and CEO, WCL in 2018, and under his leadership, WCL has successfully catered to some of the most critical pipeline projects in the world.

The above experience and qualities makes him suitable for appointment as a director of the Company.

Names of entities in which Mr. Mathur holds the directorship and the membership of Committees of the board (along with entities from which he has resigned in the past three years)

Sr. No.	Name of the Company	Listed / Unlisted	Date of Appointment	Name of Committee	Member / Chairman	Date of Cessation
1.	Welspun Corp Limited	Listed	01.12.2017	Risk Management Committee	Chairman	-
				Share Transfer & Investor Grievance and Stakeholders' Relationship Committee	Member	
				ESG and CSR Committee	Member	
				Finance & Administration Committee	Member	
2.	Welspun Metallics Limited	Unlisted	23.03.2021	-	-	-
3.	Welspun DI Pipes Limited	Unlisted	23.03.2021	-	-	-
4.	Welspun Wasco Coatings Private Limited	Unlisted	22.01.2018	-	-	02.04.2021
5.	Gladiator Consultancy Private Limited	Unlisted	30.03.2022	-	-	-
6.	Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Ltd)	Listed	27.04.2022	Risk Management Committee	Member	-
				Stakeholders' Relationship Committee	Member	
7.	Welspun Pipes Inc (USA)	Unlisted	01.03.2019	-	-	-
8.	Welspun Tubular LLC (USA)	Unlisted	01.03.2019	-	-	-

9.	Welspun Global Trade LLC (USA)	Unlisted	01.03.2019	-	-	-
10.	East Pipes Integrated Company for Industry (Kingdom of Saudi Arabia)	Listed on Saudi Stock Exchange	10.06.2013	-	-	-

Mr. Mathur is not related to any of the directors of the Company and he holds NIL shares in the Company.

Mr. Mathur is not disqualified from being appointed as 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. Mathur, none of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the ordinary resolution at Sr. No. 7 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 8

Some of the Articles in the Articles of Association of the Company were inserted on account of earlier investors who are no more invested in the Company. Therefore, those articles been rendered redundant after their exit. Accordingly, Articles 4A, 6A, 6B, 56A, 112A, 136A, 142(A), 142(B), 175A and 183A are proposed to be deleted and Articles 2, 147 and 152(16) are proposed to be amended suitably to delete the redundant provisions.

Further, a common seal is no longer mandatory as per the provisions of the Companies Act 2013, your management is of the opinion that use of common seal can be eliminated and hence, Articles 156(A), 156(B) and 157 are proposed to be deleted and suitable amendments are proposed in Article 19(a) and 152(20).

Further, Article 133 (1) is proposed to be amended in order to align the procedure of notice of candidature for office of Director in line with Companies Act 2013.

Pursuant to Section 14 of the Companies Act, 2013, a company may alter its articles by a special resolution. Accordingly, the approval of the Members is required for effecting the above amendments to the Articles of Association of the Company.

A draft of the altered Articles of Association will be available for inspection at the Registered Office as well at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturday and Sunday and also uploaded on the website of the Company until the date of the meeting and will also be available for inspection at the meeting.

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the special resolution at Sr. No. 8 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 9

Welspun Corp Limited (WCL), being the holding company, provides financial assistance to the Company from time to time for the Company's general business purposes including capital expenditure. The

Company proposes to increase the existing limit of transactions with WCL in the nature of Loan/ ICD from Rs.25 Crore to an amount not exceeding Rs.200 Crore at any given point in time.

This arrangement would enable the Company to borrow unsecured funds needed for its working capital and would also provide support for the Company's growing business needs.

Since the proposed arrangement between the Company and WCL would be in the nature of unsecured loan / inter corporate deposit, it would be an arrangement in the ordinary course of business of the Company. Further, the interest payable on such loan /inter corporate deposits shall be determined in line with prevailing market comparable rates on arm's length basis as may be mutually agreed. Hence, the transaction proposed for Members' approval is in ordinary course and at an arm's length.

Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') exempts a company from obtaining consent of the Board of Directors and the Members in case the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis.

However, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires approval of the Members through a resolution for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis, if the same is not exempt under Regulation 23(5) of the Listing Regulations. For this purpose, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

The proposed arrangement, taken together with previous transactions during the current financial year, is estimated to exceed ten percent of the annual turnover of the Company as per the last audited financial statements, therefore, the approval of the Members is required.

Information required to be given in the explanatory statement pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with the SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 forms part of the resolution and /or this explanatory statement.

Except for Mr. Balkrishan Goenka, Mr. Vipul Mathur, Ms. Amita Misra and Mr. K.H. Viswanathan, none of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested (financially or otherwise) in the resolution.

In terms of Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board recommends passing of the ordinary resolution at Sr. No. 9 of the accompanying Notice for approval by the Members of the Company.

Members' approval is sought by way of ordinary resolution proposed under Resolution No. 9 of the accompanying Notice in terms of Regulation 23 of the Listing Regulations. All the related parties are not entitled to vote on this resolution.

Place: Mumbai
Date: May 23, 2022

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021 and General Circular No. 2/2022 dated 05.05.2022 (the "Circulars") through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In compliance with the Circulars, the Annual Report 2021-22, 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. A statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the meeting is annexed hereto.
4. Since the General Meeting 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.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (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 venue voting on the date of the AGM will be provided by NSDL.
6. Members who have cast their votes by remote e-voting prior to the General Meeting may participate in the General Meeting 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.
7. The Members can join the AGM in the VC/OAVM mode 15 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.
8. 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 Companies Act, 2013.
9. 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 Section 112 and Section 113 of the Companies Act, 2013, 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.
10. In line with MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.welspunspecialty.com/notice.php>. The Notice

can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

11. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021 and General Circular No. 2/2022 dated 05.05.2022 issued by MCA.
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 General Meeting. 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 General Meeting, i.e. June 29, 2022. Members seeking to inspect such documents can send an email to companySecretary_WSSL@welspun.com.
13. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Transfer Agent M/s. Bigshare Services Pvt. Ltd., PINNACLE BUSINESS PARK, Office No S6-2, 6th, 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, 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 update their complete bank account details with their depositories where shares are held in dematerialized mode and in other cases - with Registrar & Share Transfer Agent ("RTA") of the Company i.e. Bigshare Services Private Limited by sending the request at vinod.y@bigshareonline.com along with a copy of the request letter signed by the Members mentioning the name, folio number, bank account details, self-attested copy of PAN card and cancelled cheque leaf.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants and Members holding shares in physical form can submit their PAN details to the Company.
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 by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other document in electronic form at the said e-mail address.
17. The Shareholders / Members who wish to nominate, any person to whom his securities shall vest in the event of his death, may do so by submitting the attached Nomination Form (Form SH - 13) to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.
18. 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, Registrar and Transfer Agent, for consolidation into a single folio.

19. The Notice for the Annual General Meeting 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 Annual General Meeting. The Notice will also be available on the Company's website at: www.welspunspecialty.com.
20. 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 General Meeting.
21. M/s Miheh Halani and Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting by way of e-voting process in a fair and transparent manner.
22. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 forty eight hours of the conclusion of the General Meeting, 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.
23. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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 GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, June 26, 2022 at 9:00 am and ends on Tuesday, June 28, 2022 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, June 22, 2022, 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, June 22, 2022.

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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders/ Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

	4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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.
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on 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 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 General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting 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 company 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 mihenhalani@gmail.com with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to 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 or 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 or 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 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. Shareholders/ Members are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further Shareholders/ Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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.
6. 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. 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. These queries will be replied to by the company suitably by email.

7. 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.
8. 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.

Place: Mumbai
Date: May 23, 2022

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

Registered Office of the Company:

Plot No.1, G.I.D.C Industrial Estate, Valia Road,
Jhagadia, Dist. Bharuch, Gujarat – 393110
Corporate Identity Number: L27100GJ1980PLC020358
E-mail: companysecretary_wssl@welspun.com
Website: www.welspunspecialty.com

WELSPUN SPECIALTY SOLUTIONS LIMITED
(Formerly known as RMG Alloy Steel Ltd)

CIN : L27100GJ1980PLC020358

Registered Office : Plot No 1, G I D C 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 -22-66136000 Fax: +91-22-2490 8020

Shareholders' Detail Updation-Cum-Consent Form

To,
The Company Secretary,
Welspun Specialty Solutions Limited,
(Formerly known as RMG Alloy Steel Ltd)
Plot No 1, G I D C Industrial Estate, Valia Road,
Jhagadia, Dist. Bharuch, Gujarat-393110

I/ we the member(s) of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No.	:	DP – ID	:	Client ID	:
Name of the Registered Holder (1 st)		:			
Name of the joint holder(s)		:			
		:			
Registered Address		:			
		Pin:			
Mobile Nos. (to be registered)		:			
E-mail Id (to be registered)		:			
Bank Account detail					
Name of the Bank		:			
Account Number		:			
Address of the Branch		:			
IFSC Code		:			
MICR Code		:			

Signature of the member(s)*

* Signature of all the Members is required in case of joint holding.

Form No. SH-13
Nomination Form

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014)

To,
The Company Secretary,
Welspun Specialty Solutions Limited,
(Formerly known as RMG Alloy Steel Ltd)
Plot No 1, G I D C Industrial Estate, Valia Road,
Jhagadia, Dist. Bharuch, Gujarat-393110

I/ We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

3. IN CASE NOMINEE IS A MINOR--

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

Name: _____

Address: _____

Name of the Security Holder(s) _____

Signatures: _____

Witness with name and address: _____

Instructions:

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
 2. The nomination can be made by individuals only. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
 3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
 4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
 5. Transfer of Shares in favor of a nominee shall be a valid discharge by a Company against the legal heir(s).
 6. Only one person can be nominated for a given folio.
 7. Details of all holders in a folio need to be filled; else the request will be rejected.
 8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
 9. Whenever the Shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
 10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
 11. The nomination can be varied or cancelled by executing fresh nomination form.
 12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
 13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Members.
 14. For shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.
-

DIRECTORS' REPORT

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

Your directors are pleased to present the fortieth Annual Report together with Audited Financial Statement of the Company for the year ended 31st March 2022.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Sales and other income	18,241	9,504
Profit/(Loss) before interest, depreciation and exceptional items	74	(1,904)
Interest and Financial charges	1,703	1,147
Depreciation and Amortization	1,449	1,381
Profit/ (Loss) before exceptional items and tax	(3,078)	(4,432)
Exceptional items	-	13,761
Profit/(Loss) before tax	(3,078)	9,329

OPERATIONS

Operations of the Company were as under:

Particulars	2021-22			2020-21		
	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	2,837	2,915	11,878	2,231	1,938	6,125
Steel	5,418*	1,531	4,018	2,683*	3,640	1,853
Others	-	-	433	-	-	1,365
Total	8,255	4,446	16,329	4,914	5,578	9,343

*Includes produced for Captive Consumption

The Company continued on its growth trajectory in FY22.

India's GDP grew by 8.7% in FY22 Vs contraction of -6.6% in FY21. In spite of residual impact of Covid First wave & Second Wave - Omicron in FY22, your Company achieved some key strategic milestones in the market place.

The Company acquired and delivered strategic orders from some key export customers in both seamless tubes/pipes and Bright Bars Segment.

In spite of numerous challenges such as volatility of price of critical material like Nickel, supply of glass lubrication, supply of tool steel material and overall steel pricing, your Company continued to grow on volumes and kept moving up the value chain. During FY 22, your Company developed number of new grade products and materials. These pipes and tubes were supplied to the leading domestic and international customers and projects of national importance. Some of the major achievements are:

- Supply of critical boiler tubes to Indian Navy
- First lot supplied for prestigious project in aerospace/ defence missile sector

- Supplied U tubes of SS 317L material to a leading Heat Exchanger manufacturer
- Dispatched first order of Super Duplex Tubes
- First order for 6" pipes to Nuclear sector meeting stringent corrosion resistance requirement
- Developed Square Tubes for specialised application.
- Supply of mother hollows of high nickel alloy 800 grade to Indian Nuclear Power program
- Developed Inconel 825 grade tubes which shall open doors for next level value added grade

The Company plans to continue growing through technological developments, innovation and indigenization efforts. FY 23 is expected to be a crucial year for your Company in the bright bar export market and supply of heat exchanger tubes of Nickel alloys. The Company will continue to contribute to the projects of National Importance and be a part of Atmanirbhar Bharat initiatives of Government of India.

SHARE CAPITAL

During the year under review 6,67,850 (Six Lakh Sixty Seven Thousand Eight Hundred Fifty) equity shares of Rs.6/- (Rupees Six Only) each fully paid up were issued pursuant to exercise of ESOPs as disclosed hereinafter in this Report. The paid up equity share capital of your Company as on March 31, 2022 was Rs.318,05,34,936/- (Rupees Three Hundred Eighteen Crore Five Lakh Thirty Four Thousand Nine Hundred Thirty Six Only) divided into 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.

DIVIDEND AND RESERVES

In view of losses during the year, your directors do not recommend any dividend for the financial year ended on March 31, 2022.

The amount of Rs.553 Lakh in "Equity component of borrowing reserve" was created upon fair valuation of the Loan from shareholder viz. Welspun Steel Limited (WSL) on 31.3.2021. The said loan of WSL has been repaid by the Company. As the loan has been repaid, the fair value has been amortised in P&L account. Further, pursuant of the Scheme of Arrangement (please also refer note 12(C) of notes to the accounts), the said reserve is now categorised a free reserve and hence transferred to General Reserve.

In terms of the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 your Company's website at <https://welspunspecialty.com/policy.php>.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013 (the "Act"), your directors hereby confirm that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2022, 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 31st March 2022 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 Companies Act, 2013 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NET WORTH STATEMENT

The Company's financial statements has been prepared as per Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. As per the Ind AS, Redeemable Preference Share Capital is shown as borrowing in the financial statement. However, as per Section 2(57), Section 2(64) and section 43 of the Companies Act 2013, 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, redeemable preference share capital is also considered as a part of the Net Worth.

(Rs. in Lakhs)

Particulars	Net worth as on 31.03.2022	Net worth as on 31.03.2021
Equity share capital	31,805	31,765
Securities premium collected on Equity Share Capital	28,849	28,719
Redeemable Preference share Capital	5,090	5,090
Retained Earnings	(60,311)	(57,233)
General Reserve	553	-
Net Worth	5,986	8,342

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

a. Board of Directors:

- Mr. Anuj Burakia (DIN: 02840211) (CEO & Whole Time Director) of the Company, retiring by rotation at the 40th Annual General Meeting and being eligible, has offered himself for reappointment. The Board has recommended his reappointment. Further, Mr. Anuj Burakia has been re-designated as the CEO & Whole-time Director.
- Ms. Amita Karia (DIN: 07068393), independent director resigned w.e.f. January 28, 2022 due to personal and unavoidable circumstances. Further, the Company has received a confirmation from Ms. Amita Karia that there are no other material reasons for her resignation other than those which are mentioned. The Board places on records, its appreciation of contribution made by Ms. Karia during her tenure.
- Ms. Amita Misra (DIN: 07942122) and Mr. K.H. Viswanathan (DIN: 00391263) were appointed as Independent Directors for a term of four years from April 27, 2022 till April 26, 2026. The Board is of the Opinion that Ms. Misra and Mr. Viswanathan possess integrity, expertise and experience essential for discharging their duty as Independent Directors.
- Mr. Vipul Mathur (DIN: 007990476) was appointed as an Additional Director (Non-Executive, non-independent) with effect from April 27, 2022.

The Board has recommended appointment of Ms. Amita Misra, Mr. K.H. Viswanathan and Mr. Vipul Mathur for approval by the Members by way of ordinary/ special resolution, as applicable, being passed at the ensuing annual general meeting.

Six (6) meetings of Board of Directors were held during the financial year 2021-22, the details of which are given in the Corporate Governance Report.

b. Key Managerial Personnel:

There was no change in the key managerial personnel during the year.

Mr. Anuj Burakia (CEO & Whole Time Director) was appointed for further period of 3 years w.e.f. July 29, 2021 pursuant to approval by members by way of special resolution in the 39th Annual General Meeting.

c. Declaration by Independent Directors:

Your Company has received declarations from each independent director as per the provisions of Section 149(7) of the Act confirming he / she met the criteria of independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on the date of this Report which may affect his / her respective status as an independent director.

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 Companies Act, 2013.

d. Annual Board Evaluation:

The performance evaluation of the Board of Directors was 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 2021-22, the annual performance evaluation was carried out by the Independent Directors, 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. Committees of the Board of Directors

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee, the Risk Management Committee and meetings of those committees held during the year under Report is given in the "Corporate Governance Report" annexed to the Annual Report as Annexure IV.

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

- (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 is 1:54
- (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:

Name	Designation	% Increase*
Anuj Burakia	CEO & Whole Time Director	15.00
Narendra Kumar Bhandari	Chief Financial Officer	5.00
Rashmi Mamtura	Company Secretary and Compliance Officer	6.00

*Including compensation paid by the group

- (iii) the percentage increase in the median remuneration of employees in the financial year: Median remuneration decreased by 3.72%.
- (iv) the number of permanent employees on the rolls of company: 506
- (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 7.00%. Change in the remuneration of KMP is 10.65%*.

*Including compensation paid by the group

- (vi) the remuneration is as per the remuneration policy of the Company.

No commission to directors was payable during the year under review.

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	Dhananjay Bajpeyee	Vice President	82,32,504	Permanent	BE - Metallurgy, MBA	24	12-Dec-19	43	Zetwerk Manufacturing Business Pvt Ltd	NIL	NO
2	Vipul Sutaria	President	54,40,858	Permanent	BE - Mechanical	22	11-Oct-21	47	Sarloha (Kalyani Carpenter)	NIL	NO
3	Minine Gudioho	Vice President	52,47,000	Permanent	BE Electrical	32	10-Apr-18	57	Jindal South West	NIL	NO

4	Ashish Aggarwal*	President	40,83,335	Permanent	BE Metallurgy	28	19-Aug-19	50	Jindal Steel way	NIL	NO
5	Manas Ranjan Dash	Assistant Vice President	38,66,508	Permanent	BA, LLB, PGD in HRD	25	29-Nov-19	51	Enzen Group	NIL	NO
6	Nityanand Shukla	Vice President	34,30,109	Permanent	B.Sc, BE - Mechanical, MBA	33	11-Oct-21	55	Bhawani Industries Pvt Ltd	NIL	NO
7	Avadhesh Kumar Porwal	General Manager	35,50,717	Permanent	Diploma - Mechanical	25	09-Oct-17	52	Welspun Corp Limited	NIL	NO
8	Jaspreet Singh Bhatia*	Vice President	35,29,579	Permanent	BE - Automobile	23	01-Aug-20	45	Man Industries Limited	NIL	NO
9	Samir Malhotra	Retainer Vice President	24,00,000	Permanent	BE Metallurgy, MBA Sales	26	01-Aug-21	53	Arora Iron & Steels Ltd as Head Marketing	NIL	NO
10	Saubhag Sharma	Deputy General Manager	23,36,319	Permanent	CA	10	02-Jan-12	31	NA	NIL	NO

* resigned / discontinued during the year.

- Remuneration policy and criteria for making payment to non-executive directors:**

Pursuant to Section 178 (3) and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Nomination and Remuneration Committee (NRC) and Board of Directors at their meeting 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.

An extract of Nomination and Remuneration Policy of the Company is included as a part of the Corporate Governance Report.

EMPLOYEE STOCK OPTIONS

The Company granted stock options during the year 2018-19, disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(l) 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	2,000,000
(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	6,67,850
Options granted	Nil
Options vested	Nil
Options exercised	6,67,850
The total number of shares arising as a result of exercise of option	6,67,850
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:-	
<ul style="list-style-type: none"> Key managerial personnel Mr. Anuj Burakia 	835,000
<ul style="list-style-type: none"> Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year Mr. Chintan Thaker Mr. Sudhakar Asawale 	417,000 530,000 (lapsed)
<ul style="list-style-type: none"> Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. 	Nil
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.	(0.58)
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	Exercise Price: Nil Fair Value 25.50
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:	
(i) risk-free interest rate	7.84% to 8.02%
(ii) expected life	4 to 6 years

(iii) expected volatility	56.85%
(iv) expected dividends	0%
(v) the price of the underlying share in market at the time of option grant.	25.50

* Altered vide NRC resolution dated June 18, 2020

DEPOSITS

The Company has not accepted any deposit within the meaning of Chapter V to the Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under the Report.

ANNUAL RETURN

Annual Return in form MGT-7 is placed on the website of the Company and can be accessed at www.welspunspecialty.com.

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 www.welspunspecialty.com.

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 Obligations and Disclosure Requirements) Regulations, 2015, please refer Note no. 39 for details of transactions with Welspun Corp Ltd, being the Holding Company and hence being a related party.

AUDITORS AND THEIR REPORTS

- **Statutory Auditors:**

Your Company's Auditors, M/s. Pathak H.D. & Associates LLP, Chartered Accountants were appointed for the period of five years till the conclusion of 40th Annual General Meeting. The Board of Directors has recommended appointment of M/s Price Waterhouse Chartered Accountants LLP as statutory auditors of the Company from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting.

The Auditors have issued unqualified Auditors' Report for the year ended March 31, 2022. The Auditor's observations read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

No fraud was reported by the Auditors of the Company to the Audit Committee pursuant to section 143(12) of the Act.

- **Cost Auditors:**

The Company has made and maintained cost records as per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014. The Board of Directors of your Company has appointed M/s. Kiran J. Mehta, Cost Accountants as the Cost Auditors of your Company for FY 2022-23 at a remuneration of Rs.40,000/- p.a. on the recommendations made by the Audit Committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the forthcoming Annual General Meeting.

The Cost Audit Report for the year 2020-21 was e-filed on November 25, 2021. The Cost Audit for the financial year 2021-22 is in progress and the report will be e-filed with the Ministry of Corporate Affairs, Government of India, in due course.

- **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has re-appointed M/s. Mihen Halani & Associates, Practicing Company Secretaries, as the Secretarial Auditor of your company for the FY 2022-23. The Secretarial Audit Report issued by M/s. Mihen Halani & Associates for FY 2021-22 is annexed herewith as **Annexure III** to this Report. The Secretarial Audit Report do not contain any qualification.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The details of Whistle Blower Policy and Vigil Mechanism is included as a part of the Corporate Governance Report.

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 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

Number of initiatives are taken by the Company to ensure that the energy utilisation is optimized. The Company has optimized Tundish size in Steel Melting Shop helping reduce fuel and time for tundish heating. This has also helped in improvement of yield / reduction in skull generation. The Company has optimised size of tanks in its Surface Treatment Plant and Draw Benches reducing the volume of solution to be heated. Company has also implemented sensors and valves for tank temperature control avoiding overheating of solution.

Argon Oxygen De-Carburization (AOD) Vessel heating and ladle heating converted from Natural Gas to Furnace Oil by using Dual Fired Burner, thereby improving efficiency and optimizing cost. Also Fumes Exhaust System (FES) control point was shifted to work station to control Auxiliary electrical power.

B. Technology Absorption:

Indigenization of tooling has been a focus area during the year under review, accordingly the Company has developed processes to manufacture tooling in-house. This was achieved through commissioning of new CNC machines, boring machines and pilger die grooving machine. The Company has successfully adopted technology to manufacture instrumentation tubing of as low diameter as 3 mm by developing suitable swagging machine. The Company has put a shot peening facility in house for manufacturing of pipes for critical applications in power sector.

C. Capacity Enhancement & Technological Upgradation:

The Company has focused on improving production and capacity of its cold finish section through implementation of new coating & soaping facilities and changes in design of dies and mandrels for pilgers. 2 pilgers were upgraded with Servo drives and latest automation.

In steel plant the Company has introduced a new size of 250 mm diameter bars thus opening a new market segment for large size bar products.

D. Foreign exchange earnings and outgo

Foreign exchange earned in : FOB Value of exports Rs. 2,272 Lakhs (Previous Year
terms of actual inflows during Rs.326 Lakhs)
the year

Foreign exchange outgo : Imports on CIF Basis/expenditure in foreign currency
during the year in terms of Rs.1,501 Lakhs (Previous Year Rs.1,131 Lakhs)
actual outflows

CORPORATE GOVERNANCE

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 (LODR) Regulations, 2015 is attached to this report as **Annexure V**. Management Discussion and Analysis Statement is separately given in the Annual Report as **Annexure VII**.

CHANGE IN HOLDING COMPANY

A Scheme of arrangement in the nature of demerger between Welspun Steel Ltd (the “Demerged Company”) (erstwhile holding company of the Company) and Welspun Corp Limited (the “Resulting Company”) and their respective shareholders, to transfer Demerged Company’s steel business undertaking which inter alia included its stake (50.03%) in the Company, was approved by the Hon’ble NCLT, Ahmedabad Bench on March 16, 2022 with Appointed Date of April 1, 2021. Accordingly, Welspun Corp Limited became the holding company of the Company.

Since the stakeholders who were holding not less than 50% of the equity shares in the Demerged Company were the same stakeholders holding not less than 50% equity shares in the Resulting Company and control was being exercised by the same person(s) over both the companies, the indirect acquisition of control of the Company pursuant to the Scheme was exempt from making an

open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, as prescribed under Regulation 34 of the SEBI (LODR) Regulations, 2015, is annexed hereto as **Annexure VIII**.

RISK MANAGEMENT POLICY

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 on June 18, 2021 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 the Management Discussion and Analysis section in this Report for risks and threats relevant to your Company.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

The details of familiarization program (for independent directors) are disclosed on the Company's website: www.welspunspecialty.com. 6 hours were spent by the independent directors cumulatively in several familiarization program during the reporting year.

CODE OF CONDUCT

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been put on the Company's website for information of all the members of the Board and Senior Management Personnel.

PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT 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 filed during the financial year - Nil
- number of complaints disposed of during the financial year – Not applicable
- number of complaints pending as on end of the financial year - Nil

INTERNAL CONTROLS

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your 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 Companies Act, 2013, the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other relevant statutes applicable to your 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 organisation's risk management, control and governance processes. For the year ended March 31, 2022, the Board is of the opinion that your 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.

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

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.

During the year, there was no change in the general nature of business of your Company. No material change or commitment has occurred which would have adversely affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. No share with differential rights was issued by your Company nor did your Company issue any equity share as sweat equity share. Your Company has not made any provision of money for the purchase of, or subscription for, shares of your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required. No fraud took place in the Company during the year 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. During the financial year under review, no applications 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.

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

Balkrishan Goenka
Chairman
DIN: 00270175
Place: Mumbai
Date: May 23, 2022

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Welspun Specialty Solutions Limited's Dividend Distribution Policy

1. REGULATORY FRAMEWORK

The Securities 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 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.

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 Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis NA

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	01.04.2021 to 31.03.2022	
d.	Salient terms of the contracts or arrangements or transactions including the value:	Nature of Transaction	Amount (Rs. in Lakhs)
		Purchases	7,396
		Sales	8,764
		Loan Received	9,763
		Loan Repaid	900
		Interest on Loan	108
		<ul style="list-style-type: none"> 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 their meeting held on February 5, 2021 approved the said transactions	
f.	Amount paid as advances	Nil	

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Balkrishan Goenka
 Chairman
 DIN: 00270175

Anuj Burakia
 CEO & Whole Time Director
 DIN: 02840211

Place: Mumbai
 Date: May 23, 2022

FORM No. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2022

[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 – 392 001, 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, 2022, (**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, 2022 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 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 re-appointed Mr. Anuj Burakia as whole time director for a period of three years w.e.f. July 29, 2021 vide Special Resolution by the members at the 39th Annual General Meeting held on August 31, 2021;

- The Company has re-appointed Mr. Myneni Narayana Rao as Independent Director for second term of five years w.e.f. August 28, 2021 vide Special Resolution by the members at the 39th Annual General Meeting held on August 31, 2021;
- The Company has approved material related party transactions with Welspun Steel Limited for availing of loan / inter corporate deposit for an amount not exceeding Rs.75 Crore vide Special Resolution by the members at the 39th Annual General Meeting held on August 31, 2021;
- 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.25 Crore vide Special Resolution by the members at the 39th Annual General Meeting held on August 31, 2021;
- The Company has allotted 6,67,850 Equity shares of Rs.6/- each fully paid-up pursuant to RMG Alloy Steel Limited – Employees Stock Option (Senior Management Personnel) Plan 2018 (“RMG ESOP (SMP) Scheme 2018”);
- The Company has approved the remuneration to Mr. Anuj Burakia, Whole Time Director vide Special Resolution passed by the members through postal ballot by remote e-voting (“e-voting”);
- The Company has approved material Related Party Transaction with Welspun Steel Ltd in the nature of loan / inter corporate deposit not exceeding Rs.125 Crore plus outstanding interest thereon upto Rs.15 Crore vide Special Resolution passed by the members through postal ballot by remote e-voting (“e-voting”).

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

Date: 23.05.2022
Place: Mumbai
UDIN: F009926D000371430

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

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.

Annexure A

To,
The Members,
Welspun Specialty Solutions Limited
CIN: L27100GJ1980PLC020358
Plot No 1, G I D C Industrial Estate,
Valia Road, Jhagadia Dist, Bharuch – 392 001, 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

Date: 23.05.2022
Place: Mumbai
UDIN: F009926D000371430

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

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 and Category of directors:**

Details of composition of the existing Board of Directors as on March 31, 2022 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)@
					Last Annual General Meeting	Board Meeting	Pub .	Pvt .	Other Body Corporate	
1	Mr. Atul Desai	72	I	0	Yes	6/6	6	0	0	C-5, M-3
2	Mr. Anuj Burakia	42	E	10,35,000	Yes	6/6	3	1	0	C-0, M-2
3	Mr. M. Narayana Rao	66	I	7,789	Yes	6/6	4	1	0	C-2, M-2
4	Mr. Prakash Tatia	69	NE	4,28,213	Yes	6/6	2	0	0	C-1, M-0
5	Mr. Balkrishan Goenka	55	P, C, NE	0	No	4/6	9	1	3	3C, 2M
6	Ms. Amita Karia ^	35	I, W	0	Yes	4/4	3	0	0	C-0, M-4
7	Mr. Vipul Mathur*	52	NE	0	No	-	3	1	0	M-1
8.	Mr. K.H. Viswanathan*	60	I	0	No	-	5	0	0	C-4, M-1
9.	Ms. Amita Misra*	66	I,W	0	No	-	3	0	0	C-1, M-1

* Appointed w.e.f. 27.04.2022

^ resigned w.e.f. 28.01.2022

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and 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, SI= Strategic Investor, NP=Nominee of promoter director W=Woman Director.

Average age of the present Board members - ~60 years.

Average attendance at the Board meetings - ~94%

b. Number of Board Meetings held, dates on which Board Meetings held:

During the year 2021-22, the Board of Directors met six times on the following dates: 18.06.2021, 30.07.2021, 01.11.2021, 30.12.2021, 09.02.2022 and 30.03.2022.

In addition to the above, a meeting of the Independent Directors was held on March 28, 2022 pursuant to Section 149(8) read with Schedule V 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 Mr. Atul Desai and Mr. Myneni Narayana Rao.

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 and are independent of the management. Further, there is no relationship between the directors inter-se.

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.

The names of the listed entities where the person is a director and the category of directorship and matrix of the skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board and directors who have such skills / expertise / competence. Details of current members of the Board is given below:

Name of the Director(s)		Core Skills/expertise/competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
1	Mr. Balkrishan Goenka	Leading figure in textile, steel pipe, infrastructure development and steel industry, Business Management, Strategy, human resources management	Welspun India Limited, Welspun Enterprises Limited, Welspun Corp Limited, Welspun Specialty Solutions Limited	Non-Independent	N.A.
2	Mr. Atul Desai	Legal- Arbitration, Litigation,	AYM Syntex Limited, JSW Holdings Limited, Welspun Investments and Commercials Limited, TCFC Finance Limited, Welspun Specialty Solutions Limited	Independent	N.A.
3	Mr. Prakash Tatia	Steel Industry- Marketing & Sales	Welspun Specialty Solutions Limited	Non-Independent	N.A.
4	Mr. Anuj Burakia	Steel and Steel Pipe Industry and Business Management, Strategy, finance	Welspun Specialty Solutions Limited	Non-Independent	N.A.
5	Mr. M. Narayana Rao	Renound Metallurgist, alloy steel and Business Management, technical –	Avantel Limited, Welspun Specialty Solutions Limited,	Independent	N.A.

		manufacturing process, research & development	Chennai Petroleum Corporation Limited		
6	Mr. K. H. Viswanathan	Corporate Tax and Legal, Transaction advisory and structuring, Internal, Management and Due-diligence audits, formulation of business strategy, mergers and acquisitions etc.	AYM Syntex Limited Welspun Specialty Solutions Ltd.(appointed on 27.04.2022) Welspun Corp Limited	Independent	N.A.
7	Ms. Amita Misra	Finance, Oversight, Procurement, Governance, Technical Cooperation, Framing Policy, Advocacy, Resource Mobilization	Dalmia Bharat Sugar Industries Limited Welspun Specialty Solutions Ltd. (appointed on 27.04.2022) Welspun Corp Limited	Independent	N.A.
8	Mr. Vipul Mathur	Rich experience in heavy electrical equipment, manufacturing of pipes, Oil & gas etc. Management, Marketing, Operations and manufacturing efficiencies, excellent managerial skills, leadership quality, strategy & business management.	East Pipe Integrated Company for Industry (Listed in Kingdom of Saudi Arabia) Welspun Corp Limited Welspun Specialty Solutions Ltd. (appointed on 27.04.2022)	Non-Independent	N.A.
9	Ms. Amita Karia	Corporate Laws, Corporate Governance and Compliance	Welspun Specialty Solutions Limited (resigned w.e.f. 28.01.2022)	Independent	Due to personal and unavoidable circumstances.

Ms. Amita Karia, who ceased to be a member of the Board, has confirmed that that there were no other material reasons other than those provided in the resignation letter submitted to the Company.

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 Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Composition:

The Audit Committee consists of the following 3 Directors as on 31.03.2022 and 23.05.2022.

As on March 31, 2022		As on May 23, 2022	
Mr. Atul Desai	Chairman (Independent)	Mr. K.H. Viswanathan	Chairman (Independent)
Mr. M. Narayana Rao	Member (Independent)	Ms. Amita Misra	Member (Independent)
Mr. Anuj Burakia	Member (Non- Independent)	Mr. M. Narayana Rao	Member (Independent)

The Company Secretary of the Company, Ms. Rashmi Mamtura acts as the Secretary of the Committee.

Meetings and attendance during the year:

Five meetings of Audit Committee were held, viz, 18.06.2021, 30.07.2021, 01.11.2021, 09.02.2022 and 30.03.2022. The details of Attendance of Members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2021 to 31/03/2022)
1	Mr. Atul Desai	Chairman	5/5
2	Mr. M. Narayana Rao	Member	5/5
3	Ms. Amita Karia [^]	Member	3/3
4	Mr. Anuj Burakia	Member	5/5

[^] resigned w.e.f. 28.01.2022

None of recommendations made by the Audit Committee were rejected by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

Composition:

The Nomination & Remuneration Committee consists of the following 3 Directors as on 31.03.2022 and 23.05.2022.

As on March 31, 2022		As on May 23, 2022	
Mr. Atul Desai	Chairman (Independent)	Mr. K.H. Viswanathan	Chairman (Independent)
Mr. B. K. Goenka	Member (Non- Independent)	Ms. Amita Misra	Member (Independent)
Mr. M. Narayana Rao	Member (Independent)	Mr. M. Narayana Rao	Member (Independent)

Meetings and attendance during the year:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2021 to 31/03/2022)
1	Mr. Atul Desai	Chairman	6/6
2	Mr. Amita Karia [^]	Member	5/5
3	Mr. B. K. Goenka	Member	2/6
4	Mr. M. Narayana Rao	Member	6/6

[^] resigned w.e.f. 28.01.2022

During the year under review, six meetings of the Committee were held on 18.06.2021, 30.07.2021, 04.10.2021, 01.11.2021, 30.12.2021 and 09.02.2021.

None of 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 Regulations, 2015 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: www.welspunspecialty.com

5. REMUNERATION OF DIRECTORS:

➤ Remuneration to Whole time Director:

Details pursuant to Schedule V of the Companies Act, 2013 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr.No.	Particulars	Mr. Anuj Burakia, CEO & Whole Time Director
1.	Salary	Rs.41,43,288/-
2.	Commission	NIL
3.	Service Contract	July 29, 2021 to July 28, 2024
4.	Notice Period	1 month
5.	Severance Fees	1 month compensation in lieu of notice period
6.	Stock Options	835,000*
7.	Exercise Price	Nil

** Please refer to the section of Directors' Report dealing with RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 for further details.*

➤ **Remuneration to Non-Executive Directors:**

Payments made to Non-Executive Directors during the period ended March 31, 2022 are as follows:

Sr. No.	Particulars of Remuneration	Name of Directors			Total amount
		Ms. Amita Karia	Mr. Atul Desai	Mr. M. Narayana Rao	
1	Independent Directors				
	Fee for attending Board & Committee meetings	1,32,000	2,38,000	2,10,000	5,80,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total	1,32,000	2,38,000	2,10,000	5,80,000

6. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Mr. Narendra Kumar Bhandari (CFO)	Ms. Rashmi Mamtura (CS)	Total
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	29,01,496	7,35,503	36,36,999
	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	-	-	-
	Total	29,01,496	7,35,503	36,36,999

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 Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, to look into various aspects of interest of shareholders and other stakeholders.

Terms of Reference:

The terms of reference of the Committee are as contained under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other details:

a) Composition :

As on March 31, 2022		As on May 23, 2022	
Mr. Atul Desai	Chairman (Independent)	Mr. K.H. Viswanathan	Chairman (Independent)
Mr. Anuj Burakia	Member (Non- Independent)	Ms. Amita Misra	Member (Independent)
-	-	Mr. Anuj Burakia	Member (Non- Independent)
-	-	Mr. Vipul Mathur	Member (Non- Independent)

b) No. of meetings and details of attendance of members of the Committee are as follows:

One meeting of Stakeholders Relationship Committee was held, viz, 09.02.2022.

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2021 to 31/03/2022)
1.	Mr. Atul Desai (Non Executive)	Chairman	1/1
2.	Mr. Anuj Burakia (Executive)	Member	1/1
3.	Ms. Amita Karia (Non Executive) ^	Member	0/0

^ resigned w.e.f. 28.01.2022

c) Name and designation of compliance officer: Ms. Rashmi Mamtura, Company Secretary and Compliance Officer

d) Number of shareholders complaints/ requests received so far during the year:

During the year under review, total five Investors complaints were received. Break up and number of complaints received under different category is given hereunder:

Sr. No.	Category	Nos.
1	BSE Complaint	2
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	3
	Total Complaints Received	5

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

e) Number of complaints not solved to the satisfaction of shareholders: Nil

f) Number of pending complaints: Nil

9. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on June 18, 2021. The composition of the Committee is given hereunder:

As on March 31, 2022		As on May 23, 2022	
Mr. Atul Desai	Chairman (Independent)	Mr. K.H. Viswanathan	Chairman (Independent)
Mr. Anuj Burakia	Member (Non- Independent)	Ms. Amita Misra	Member (Independent)
Mr. M. Narayana Rao	Member (Independent)	Mr. M. Narayana Rao	Member (Independent)
Mr. Narendra Kumar Bhandari	Member (CFO)	Mr. Anuj Burakia	Member (Non- Independent)
		Mr. Vipul Mathur	Member (Non- Independent)
		Mr. Narendra Kumar Bhandari	Member (CFO)

Details of attendance of the members in the meeting held on February 1, 2022:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended
1	Mr. Atul Desai	Chairman	1/1
2	Mr. M. Narayana Rao	Member	1/1
3	Ms. Amita Karia [^]	Member	0/0
4	Mr. Anuj Burakia	Member	1/1
5	Mr. Narendra Kumar Bhandari (CFO)	Member	1/1

[^] resigned w.e.f. 28.01.2022

The Company Secretary of the Company, Ms. Rashmi Mamtura acts as the Secretary of the Committee.

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

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
26.07.2019	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	9:00 AM	<ul style="list-style-type: none"> i. Appointment of Mr. Atul Desai as an Independent Director for the Second Term of five years w.e.f. 27.05.2019. ii. Approval of remuneration to Mr. Anuj Burakia (Whole Time Director) by way of 835,000 ESOPs. iii. Change of name of the Company from RMG Alloy Steel Ltd to Welspun Specialty Solutions Ltd. iv. Approval of modification in terms of 35,792,000 6.5% Redeemable Preference Shares of Rs.10 each by change in tenor from present "15 months from the date of allotment" to "18 months from the date of allotment". v. Approval of material related party transactions with Welspun Steel Ltd.

30.08.2019	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	9:00 AM	i. Reclassification of Authorized Share Capital ii. Approval of issue and allotment of upto 724,61,326 equity shares of Rs.6/- each fully paid up and upto 402,66,666 warrants carrying option to subscribe (in the ratio of one equity share for one warrant) to 402,66,666 equity shares of Rs.6/- each fully paid up of the Company at a price of Rs.15/- per equity Share, on preferential basis.
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

(ii) During the year under Report, resolutions which were passed through postal ballot are as follows:

Details of voting pattern on the resolutions, passed through the postal ballot on December 31, 2021 is as under:

Sr. No.	Resolution	Type of Resolution	No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against	Scrutinizer
1	Approval of remuneration to Mr. Anuj Burakia, Whole Time Director	Special	286175216	286169236	5980	99.9979	0.0021	Mr. Mihen Halani of M/s. Mihen Halani &
2	Approval of material Related Party Transaction with Welspun Steel Ltd in the nature of Loan/ ICD	Ordinary	2319496	2314706	4790	99.7935	0.2065	Associate, Practicing Company Secretary

Procedure for postal ballot:

Procedure, as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 read together with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020, was followed. The postal ballot and all other papers relating to postal ballot including voting by electronic means, remained under the safe custody of the scrutinizer till the Chairman considered, approved and signed the minutes and thereafter, the scrutinizer returned other related papers and

register to the Company for preservation. The results of the postal ballot were declared by hosting it, along with the scrutinizer's report, on the website of the Company.

(iii) No special resolution is proposed to be conducted through postal ballot

11. MEANS OF COMMUNICATION

Quarterly results and newspapers wherein results normally published:

The Board of Directors of the Company approved the audited financial results for the year ended 31.03.2022, unaudited financial results for quarter ended 30.06.2021, 30.09.2021 and 31.12.2021 in their quarterly meetings and the same were published in Financial Express (English+Gujarati), Ahmedabad edition within 48 hours from the date of respective Board meetings held for approval of the financial results.

The said financial results were also displayed on the website of the company at www.welspunspecialty.com

12. GENERAL SHAREHOLDER INFORMATION:

The next Annual General Meeting shall be held at –

- (i) Day and Date Wednesday, June 29, 2022
Venue Through Video Conferencing/ other audio visual Mode
Time 11.30 A.M.
- (ii) Financial year from 1st April 2021 to 31st March 2022
- (iii) Record Date Wednesday, June 22, 2022
- (iv) Dividend payment date: No dividend has been declared for the financial year 2021-22.
- (v) Listing on Stock Exchanges and Stock code
The securities of the Company are listed on the BSE Limited (Scrip code – 500365) (ISIN: INE731F01037)
The Company has paid listing fee to the Bombay Stock Exchange Limited upto FY 2022-23.
- (vi) Market Price Data High Low Quotations during each month in last financial year i.e from 1st April 2021 to 31st March 2022 and performance in comparison to broad based indices such as BSE SENSEX is as follows:

Month	Market Price		Sensex	
	High	Low	High	Low
Apr-21	17.25	12.13	50,375.77	47,204.50
May-21	16.20	13.50	52,013.22	48,028.07
Jun-21	17.00	14.25	53,126.73	51,450.58
Jul-21	24.95	15.55	53,290.81	51,802.73
Aug-21	19.00	11.50	57,625.26	52,804.08
Sep-21	17.40	13.00	60,412.32	57,263.90
Oct-21	16.10	13.40	62,245.43	58,551.14
Nov-21	15.00	12.15	61,036.56	56,382.93
Dec-21	19.95	13.20	59,203.37	55,132.68
Jan-22	25.15	16.95	61,475.15	56,409.63
Feb-22	23.35	14.50	59,618.51	54,383.20
Mar-22	18.25	15.10	58,890.92	52,260.82

The Securities of the Company were not suspended during the year under report from trading by the stock exchange at which the securities of the Company are listed.

(vii) Registrar and Transfer Agent:

The transfer of shares of the Company are being done by Bigshare Services Pvt. Ltd., the R & T Agent, having address at Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.

Contact person:

Mr. Jibu John, DGM (Department General Manager)/ Mr. Vinod Yadav, Client Coordinator

Tel: 91226263 8200/ 22/ 23

Fax: 91226263 8261

Email: vinod.y@bigshareonline.com

(viii) Share Transfer System:

- In terms of Regulation 40(1) of 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.
- In pursuance of SEBI Circular SEBI/HO/MIRS D/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, the Company has intimated 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 Transfer Agent. Members are requested to note that the folios wherein any one of the cited document / details are not available on or after April 01, 2023, shall be frozen by the RTA.

(ix) Distribution of shareholding of equity shares as on March 31, 2022 is as follows:

Sr No	Shareholding Of Nominal Value (Rs.)	Number Of Shareholders	% To Total	Share Amount	% of Total
1	1 - 5000	82,639	94.37	2,26,14,060	0.71
2	5001 - 10000	2,027	2.31	1,33,50,984	0.42
3	10001 - 20000	1,163	1.33	1,62,11,184	0.51
4	20001 - 30000	586	0.67	1,57,04,316	0.49
5	30001 - 40000	172	0.19	59,94,576	0.19
6	40001 - 50000	121	0.14	53,87,226	0.17
7	50001 - 100000	360	0.41	2,45,33,682	0.77
8	100001 - 999999999	504	0.58	307,67,38,908	96.74
TOTAL		87,572	100.00	318,05,34,936	100.00

- (x) Dematerialisation of shares and liquidity: 529118648 equity shares constituting 99.82% of the outstanding equity shares are in demat form as on 31.03.2022 and have reasonable liquidity on the BSE Limited.
- (xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and impact on equity: No ADR/GDR/ Warrants/ convertible instruments were outstanding on 31.03.2022.
- (xii) Disclosure of commodity price risks and commodity hedging activities.

Detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 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 finished goods sales order.
- Foreign currency exposure is also hedged as and when the exposure is incurred on account of import and export contracts.
- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: No major challenge was faced
 - a. Total exposure of the listed entity to commodities is Rs.12,210 Lakh.
 - b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
	Rs. (Lakhs)	(in MT)	OTC	Exchange	OTC	Exchange	
Scrap	7,723	4,502	-	-	-	-	-
Ferro Alloys	2,340	837					
Rolled Bars (Black)	2,147	838	-	-	-	-	-

- Commodity risks faced by the listed entity during the year and how they have been managed. No major commodity risk faced by business during the year

Stainless Steel and Stainless Steel Pipe / Tube Business:

-SS Seamless Pipes & Tubes, unlike general commodities, is an engineering product with specific standards/ stringent quality requirements and find its application primarily in critical sectors like Oil & Gas, Power (including nuclear), Defense, aviation, chemical, fertilizer, etc.

-Basis 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.

- (xiii) Plant Location: Plot no.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. – Bharuch, Gujarat 393110

(xiv) Address for Correspondence: 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013.
Tel No. +91 22 6613 6000, Fax No.: +91 22 2490 8020

(xv) Email Id : companysecretary_wssl@welspun.com

(xvi) Website : www.welspunspecialty.com

(xvii) Credit Ratings:

(i) Care Ratings Limited

a. For Long-term / Short-term Bank Facilities: CARE AA (CE[^]); Stable / CARE A1+ (CE[^])

b. For Long-term Bank Facilities: CARE BBB- (CWD)

c. For Un Supported Rating: CARE BBB-

[^] CE rating based on Corporate Guarantee from Welspun Corp Ltd

(ii) Brickwork Rating India Private Limited

a. For term loans and fund based working capital limits: BWR BBB (CE^{*})

b. For non-fund based working capital limits: BWR A3 (CE^{*})

^{*} CE rating based on Corporate Guarantee from Welspun Steel Ltd

13. OTHER DISCLOSURES

i. Related Party Transactions

- Transactions with related parties are disclosed in Note No.39 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 Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website and a web link thereto is as under:
<http://www.welspunspecialty.com/pdf/policy/7.pdf>

ii. Details of noncompliance 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:

- Penalty of Rs.3,20,000 plus taxes was paid for non compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/ 2019/94 dated 19/08/2019. Application for trading approval was made beyond 7 days from the date of listing approval due to delay in execution of corporate action by a depository.
- 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 (LODR) Regulations, 2015 for Board Meeting intimation not submitted 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://welspunspecialty.com/pdf/policy/Whistle%20Blower%20Policy%20and%20Vigil%20Mechanism_June%202020.pdf

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
- c) **The Chairman of the Audit Committee:-** khviswanathan@gmail.com
- d) **By accessing the Company website :-** 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 <http://www.welspunspecialty.com/pdf/policy/2.pdf>

- v. **Utilization of funds:** no funds have been raised by the company during the financial year under consideration.
- 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 auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	Amount (Rs. in Lakhs)
Paid to Statutory Auditors	
Statutory Audit	8.50
Income Tax Audit	1.50
Certification Fees	1.00
To other entities in the same network	-
Total	11.00

- 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. The Company is in compliance with the mandatory requirements mentioned under Regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Obligations and Disclosure Requirements) Regulations, 2015.
- xi. 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.
- xii. **Code of Conduct –**

The Company has framed the Code of Conduct policy for Board members and Senior Management Personnel. A copy of the Code has been hosted on the Company’s website, a web link thereto is:

<http://www.welspunspecialty.com/pdf/policy/12.pdf>

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 2021-22.

Sd/

Anuj Burakia

CEO & Whole Time Director”

- xiii. **Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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	60	6	60	6	120220	7392

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

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, 2022, 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 2022, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2022, 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

Date: 23.05.2022

Place: Mumbai

UDIN: F009926D000371421

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

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 – 392 001, 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 – 392 001, 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, 2022 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

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 Secretary

Place: Mumbai
Date: 23.05.2022
UDIN: F009926D000371419

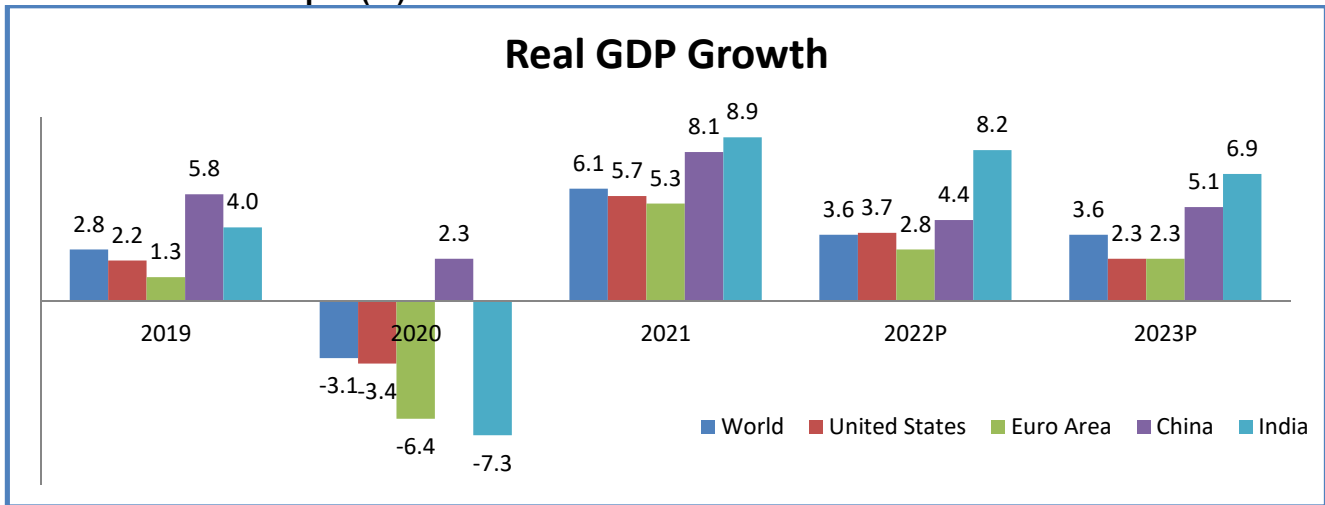
Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

MANAGEMENT AND DISCUSSION ANALYSIS

Global Economy

The global economy recovered in 2021 following the disruption caused by COVID-19, on the back of efficient fiscal and monetary policies coupled with vaccinations across the globe. The global economy is estimated to have grown by 6.1% in 2021, compared to a contraction of 3.1% in 2020, as stated by International Monetary Fund (IMF). The biggest contributors to the growth of developing economies were India and China estimated to have grown at 8.9% and 8.1% respectively.

World Economic Output (%)



Source: IMF World Economic Outlook April 2022

Post COVID-19, the global economy was on a recovery phase. However, the ongoing Russia and Ukraine war coupled with the possibilities of another wave of COVID is expected to impact the global economic growth in 2022 and 2023. Russia is a key provider of oil, gas, and metals, as well as wheat and grain, which it shares with Ukraine. Due to diminishing availability, prices have seen a sharp rise. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Both Russia and Ukraine are expected to experience large GDP contractions in 2022.

The supply-chain disruptions across the globe have resulted in a higher-than-expected broad-based inflation. Further, with the ongoing Ukraine and Russia war, the inflation is expected to remain elevated for a longer timespan than previously forecasted by IMF. The inflation is projected at 5.7% for advanced economies and 8.7% for emerging and developing economies in 2022. Further, to reduce the impact of rising energy prices, many governments will need to diversify their energy sources and boost efficiency wherever possible in the near future.

Indian Economy

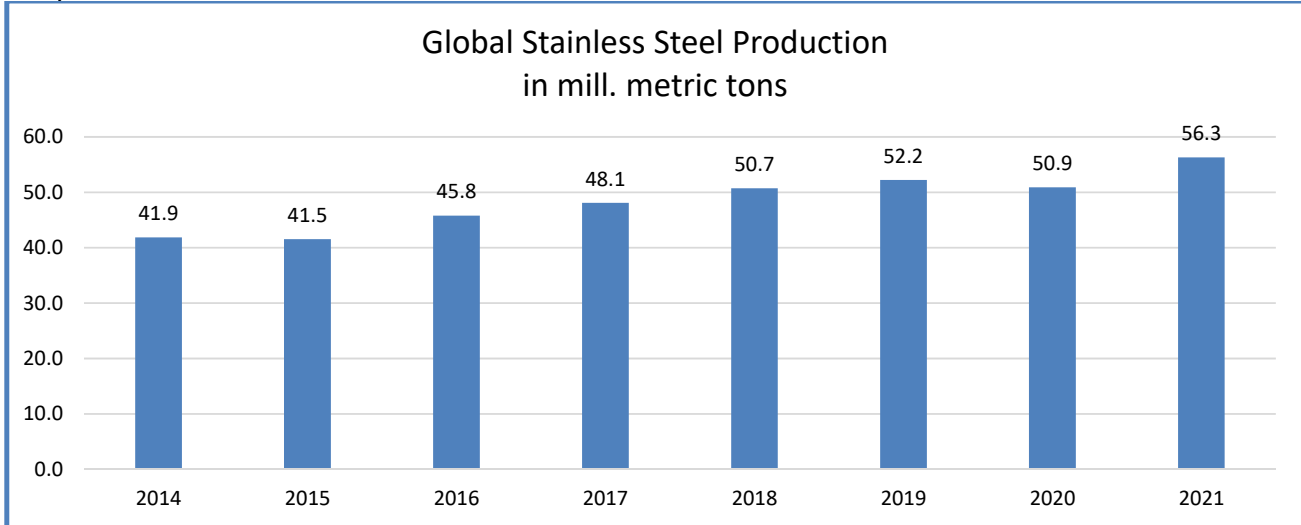
The Indian Economy contracted sharply by -7.3% in 2020 as it was hit hard by the pandemic and then rebounded by 8.9% in 2021. Despite having witnessed one of the steepest contractions in gross domestic product and being hit by three successive waves, the Second Advance Estimates of National Income released on February 28, 2022 indicate that the economy has surpassed its pre-COVID level in 2021-22, on the back of unprecedented policy support from monetary and fiscal

authorities. India is expected to be the fastest growing major economy in the world. IMF projects a real GDP growth for India of 8.2% in 2022 and 6.9% in 2023

Source: IMF, RBI, MOSPI

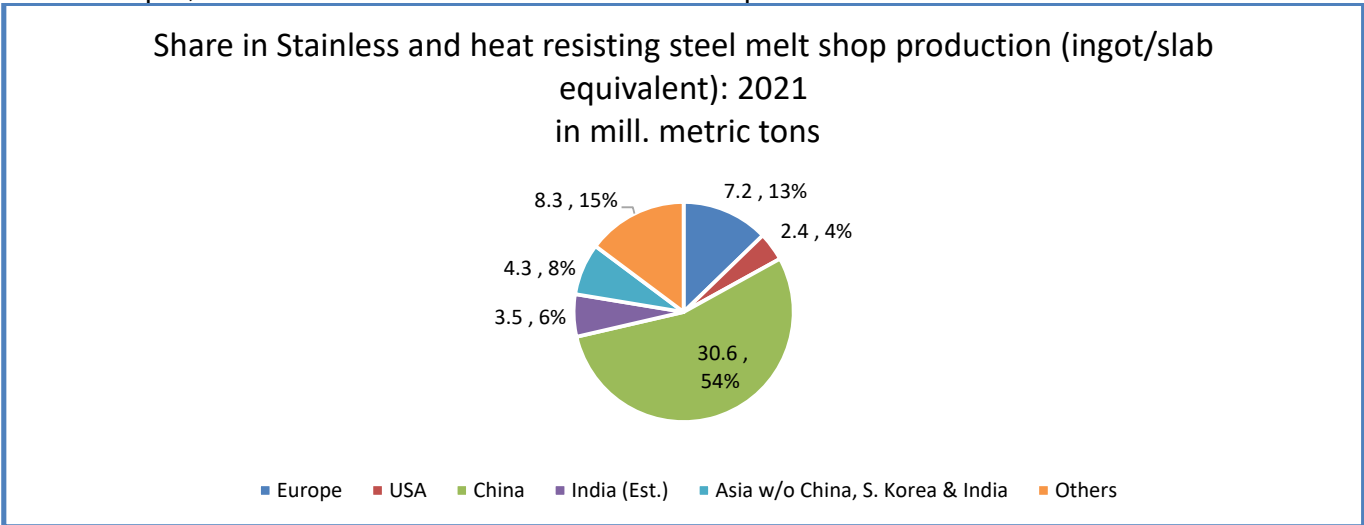
Stainless Steel Sector:

Global Stainless Steel melt shop production grew by 10.6% to 56.3 million metric tonnes in 2021 compared to 50.9 million metric tonnes in 2020.



Source: International Stainless-Steel Forum

China is estimated to have the largest share of production of 54%. With 3.5 Mn tonnes Stainless Steel output, India’s share in world Stainless Steel output is estimated to be at 6.2% in 2021.



Source: International Stainless-Steel Forum

India is one of the largest consumers of stainless steel in the world. However, its per capita stainless steel consumption is much lower at around 2.5kg compared to the world average of 6 kg per capita. The per capita consumption of stainless steel in India will reach 8-9 kg by 2040 and 11-12 kg by 2047 as per the “Stainless Steel Vision Document 2047” released by the Ministry of Steel.

It is estimated that manufacturing of durables and household utensils in India is the largest end use of stainless steel with a 44% share. Apart from this, the usage of stainless steel is 30% in capital

goods, 13% in automobiles, railways and transport (ART), 12% of in construction and infrastructure and 1% in others.

Stainless steel pipes and tubes are important products in the stainless steel industry. They are mainly used in oil and gas, petrochemical, refineries, thermal power and nuclear power, aerospace and defence and in instrumentation across a wide range of industries. Therefore, demand for steel pipes & tubes is linked to the prospects of the end-user industries.

India is planning to double its refining capacity to 450-500 million tonnes by 2030. Energy demand of India is anticipated to grow faster than energy demand of all major economies on the back of continuous robust economic growth. India's energy demand is expected to double to 1,516 Mtoe by 2035 from 753.7 Mtoe in 2017. Moreover, the country's share in global primary energy consumption is projected to increase to two-fold by 2035. Crude oil consumption is expected to grow at a CAGR of 4.66% to 500 MMTPA by 2040 from 201.26 million tonnes in 2021. India's oil demand is projected to rise at the fastest pace in the world to reach 10 million barrels per day by 2030, from 4.9 million barrels per day in 2021. Natural Gas consumption is forecast to increase at a CAGR of 12.2% to 550 MCMPD by 2030 from 174 MCMPD in 2021. Diesel demand in India is expected to double to 163 MMTPA by 2029-30, with diesel and gasoline covering 58% of India's oil demand by 2045.

India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022. Coal-based power installed capacity in India stood at 203.9 GW in January 2022 and is expected to reach 330-441 GW by 2040.

India's defence manufacturing sector has been witnessing a CAGR of 3.9% between 2016 and 2020. The Indian government has set the defence production target at USD 25 billion by 2025 while production in 2020-21 was valued at USD 10.9 billion.

The Indian chemicals industry stood at USD 178 billion in 2019 and is expected to reach USD 304 billion by 2025 registering a CAGR of 9.3%. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.

Source: IBEF

Company Business Update:

The company restarted its Steel Melting (SMS plant) operations during Q3FY22. This has helped mitigate challenges being faced in Raw Material procurement and hurdles in logistics. This is evidenced by a faster delivery cycle which has resulted in enhancing monthly output and improving market share.

COVID-19 Impact:

Financial results in FY21 and Q1 and Q2 FY22 were impacted due to the Covid-19 pandemic. There was no significant impact on operations in Q3FY22. The impact of the 3rd wave has been mild compared to the previous waves and operations in Q4FY22 were also not affected.

The company has adopted several additional measures, encompassing global best practices, across plant location and offices to keep the employees and service providers safe.

Key Business Updates:

- As on 31st March 2022, the total order book of the company for tubes and pipes stands at 1,692 MT amounting to Rs.96 crores and for Stainless Steel Bars stands at 1,117 MT amounting to Rs.29 crores.
- The Company restarted its Steel Melting (SMS plant) operations during Q3FY22. This has been ramped up quickly and also helped mitigate challenges being faced in Raw Material procurement and hurdles in logistics.
- In addition, WSSL continues to reap benefits out of country's 'Make in India' indigenisation projects with several Private and PSU companies. Increasingly, customers are preferring to source locally which is favourable for the company.
- The Company has dispatched material for strategic sectors during the year with the help of its unique integrated steel manufacturing facilities and expects repeat orders in the near future.
- The Company has been continuously gaining new customer approvals. During the year, WSSL received approvals from customers in Oil & Gas, Fertilizers, Aerospace and Defence amongst others. It has also added new customers in the domestic market for critical equipment like power plant boilers and oil refinery heat exchangers. Notably, it also gained a prestigious approval from an international customer for one of the largest LNG project ever to be undertaken.
- The Company has entered into several niche market segments successfully this year. It executed its first lot of Heat Exchanger tubes in SS 317L grade. The company developed and booked its first order of square tubing for nuclear application, received an order for a critical application of high pressure feed water heater for U-bend tubes and delivered tubes for the country's flagship defence project in aerospace. WSSL executed production of Super Duplex SS Mother Hollows for Heat Exchanger tube supply to domestic client and 6" Duplex Pipes for an export order.
- The company expects its performance to further improve on the back of a healthy order book and the several management initiatives undertaken to improve performance.

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. The Company is a co-petitioner for anti-dumping duty investigation in relation to dumping of SS seamless pipes and tubes from China.

D. INTERNAL CONTROL SYSTEM

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	FY22	FY21	Remarks
Debtors Turnover	12.22	7.02	The turnover of the company has doubled from last year while the Debtors have grown only by 50%. The Debtors Turnover ratio has improved due to better realisation, increase in Export sales and regular supply with repeat orders.
Inventory Turnover	2.22	1.96	There has been significant increase in Raw Material and WIP due to increase in production capacity and for fulfilment of new sales order. This is like to stabilise with continuous production and sales going forward.
Interest Coverage Ratio	(0.81)	(2.86)	The Interest has been in similar levels, except for an Ind As adjustment of Rs 553 lakhs, as compared to previous year though the sales and working capital requirement has doubled. With reduction in Operating losses the PBIT has improved resulting in improved ratio from previous year

Ratio	FY22	FY21	Remarks
Current Ratio	1.80	1.58	Current Ratio improved in FY22 due to significant increase in current assets due to increase in Business operations compared to last year.
Debt Equity Ratio	38.85	4.62	Due to increase in loans availed for augmentation of working capital requirement to meet the enhanced business activity.
Operating Profit Margin (%)	0.45%	(20.38%)	Improvement in EBIT has led to a change in the ratio
Net Profit Margin (%)	(18.85)%	99.76%	In FY22 it is net loss as against net profit in FY21. FY 21 had exceptional income due to write back of Rs. 12726 Lakhs Preference Share Premium, else it would have been a loss. Excluding exceptional income ratio would have been (47.44%) & (18.85%) in FY21 & FY22 respectively.
Return on Net Worth (ROE)	(51.41)%	111.72%	In FY21, PAT was higher due to exceptional income (mainly write back of Rs 12726 Lakhs Pref Share Premium). Excluding exceptional income in both years, ratio would have been -53.24% & -51.41% in FY21 & FY22 respectively.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L27100GJ1980PLC020358
2	Name of the Company	Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)
3	Registered address	Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Bharuch Gujarat 393110
4	Website	www.welspunspecialty.com
5	E-mail id	companysecretary_wssl@welspun.com
6	Financial Year reported	31.03.2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	27- Manufacture of basic metals
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Billet, Bloom, Ingot, Rolled Bar, Bright Bar and Seamless Pipes & Tubes.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	Nil
	(b) Number of National Locations	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Bharuch, Gujarat - 393110
10	Markets served by the Company	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	3,18,05,34,936
2	Total Turnover (INR)	1,63,29,38,836
3	Total Loss after taxes (INR)	(-30,78,45,188)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.00%
5	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company	No

SECTION D: BUSINESS RESPONSIBILITY (“BR”) INFORMATION

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number: 02840211
 2. Name: Anuj Burakia
 3. Designation: CEO & Whole Time Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	02840211
2	Name	Anuj Burakia
3	Designation	CEO & Whole Time Director
4	Telephone number	022 66136000
5	e-mail id	Anuj_burakia@welspun.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		All the policies have been formulated in consultation with the Management of the Company								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The policies that have been formulated are in line with the applicable national standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs Government of India.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The statutory policies have been approved by the Board. The other policies have been developed in consultation with the concerned departmental heads of the Company								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The Company has appointed the Whole Time Director who is responsible for implementation of BR policies and acts as the BR head to oversee the BR performance								
6	Indicate the link for the policy to be viewed online?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		All policies are made available to the employees of the Company. Stakeholders who wish to view the policies can visit the Company's website: http://www.welspunspecialty.com/policy.php								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The queries regarding to BR polices can be sent to : CompanySecretary_WSSL@welspun.com								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No	No	No	No	No	No	No	No	No
		The Company has various kinds of audits carried out like Internal Audit, Vendor Audit, Compliance Audit, etc. that are independent and cover specific policies. These audits are conducted by internal teams as well as external agencies.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to Business Responsibility

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes BR report annual along with Annual Report. The same can be viewed on below link. http://www.welspunspecialty.com/financial-results.php

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Our policies on ethics, bribery and corruption extend to the Group, suppliers, contractors and other third-party organizations. The Code of Conduct for the Board and Senior Management,

Code of Conduct and Ethics, Whistle Blower Policy are applicable to all employees of the Company and provides guidance to act in accordance with the highest standards of personal and professional integrity.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In FY 2021-2022, we have received five (5) complaints from the shareholder(s) / investor(s) and resolved to their satisfaction. All five (5) complaints were received from our vigil/whistle blower mechanism. All five complaints have been addressed and appropriate actions have been initiated as recommended by the Authorities. Complaints from external stakeholders like suppliers and contractors are raised directly to business teams and are addressed by them on an individual case basis.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a) Carbon & Alloy Steel/SS rolled product
 - b) SS seamless Pipe & tube (with or without Pickling)

The Company is committed towards continuous improvement and growth. Our business excellence is based on improving product performance, promoting innovation, guaranteeing quality and enhancing customer value. We follow strict product specifications based on our customer’s guidelines on product development.

The Company believes that there are multiple strategic advantages that can be achieved by exploring opportunities to improve operational efficiency through several measures. Periodic audits and proactive maintenance of equipment are conducted to ensure high operational efficiency and minimization of waste.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We are committed to increasing the efficiency of our processes to reduce our environmental footprint. We make sincere efforts for conservation of energy and are focused on contributing to the transition towards a cleaner economy. The energy/ water consumption from our facilities for FY 2021-22 is mentioned below:

Energy Source/ Water	Units Measurement	FY 21-22
Power	KWh	169,28,143
Water	Cubic Meter	2,68,168
Natural Gas	Cubic Meter	11,65,063
Furnace Oil	Liter	5,57,400

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company conducts business activities in a safe and sustainable manner. All work practices, procedures and production endeavors comply with the highest health, safety and environment standards as per the Industry norms, Government and relevant statutory bodies. Our purchasing teams are encouraged to source material like raw material, consumables, spares etc. locally which helps in reducing transportation costs.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages and promotes local procurement for other components used in our processes. We proactively collaborate with competent vendors by providing them technical assistance for their processes. We also work with local businesses and generate productive local employment by hiring talent near our location to meet requirements for services like waste handling, housekeeping, logistics and machine operations.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company recycles used soft water in process by cooling tower. Used waste water recirculated in cooling tower to reduce heat from water and reuse in process to save fresh water consumption.

The Company also has ETP (Effluent Treatment plant) for treatment of industrial waste water which are generating through blow down of Cooling tower, Regeneration of DM plant, Pickling activity etc. The treated water is using for gardening activity & Slag quenching activity for which WSSL got Consent from Gujarat Pollution Control Board.

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees	506
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	Temporary - 9 Contractual - 149 Total - 158
3	Please indicate the Number of permanent women employees	5
4	Please indicate the Number of permanent employees with disabilities	1
5	Do you have an employee association that is recognized by management	No
6	What percentage of your permanent employees is members of this recognized employee association	Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

(a) Permanent Employees	100% Safety training and 75% skill up gradation
(b) Permanent Women Employees	100% Safety training and 100% skill up gradation
(c) Casual/Temporary/Contractual Employees	100% Safety training and 60% skill up gradation
(d) Employees with Disabilities	100% Safety training

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes, we have identified internal and external stakeholders through consultations from our operations. Various engagement channels are used to reach out to our stakeholders on areas that are of importance to them.

The following stakeholder groups have been identified:

<p><u>Internal Stakeholders:</u></p> <ul style="list-style-type: none"> • Employees • Board of Directors 	<p><u>External Stakeholders:</u></p> <ul style="list-style-type: none"> • Shareholders • Investors / lenders • Customers • Suppliers/ Vendors • Local community • Government / local authorities • Contractors
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2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.:

We have a well-established system to identify the disadvantaged, vulnerable & marginalized stakeholders. Through our initiatives and beneficiary selection format we try to reach out to the most vulnerable and economically weaker section of the community.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company engages with the local community on need/ request basis and extends possible support as and when required.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

As an organization, we respect the rights of our people, promote open and free flow of ideas without any form of harassment or discrimination and have implemented robust policies to ensure that these are adhered to across all our operations. We are resolute regarding support to human rights and complying with all the relevant laws. Our Code of Conduct and Ethics Policy, Prevention of Sexual Harassment (PoSH) Policy, and HR practices covers aspects of human rights for the Company's operations and are extended to suppliers and business partners.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

As a result of our commitment to upholding high standards of protection of human rights, there were no complaints regarding human rights in FY 2021-22

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Protection and conservation of the environment is integral to our business strategy. We constantly strive to be a model of excellence in all our endeavors for business excellence or environmental stewardship. The approach towards an effective environmental performance is guided by our Occupational Health, Safety and Environment Policy that extends to our suppliers and contractors. It guides us in embedding the highest standards of safety and environment in our operations and supply chain using a risk-based approach.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. We are committed to minimizing the energy consumed for production and processing operations. Managing energy use is a critical aspect of monitoring our Natural Capital as a result of its impact on carbon emissions and energy costs. We make sincere efforts for conservation of energy and are focused on contributing to the transition towards a cleaner economy. We have taken initiatives to address global environment issues. For that purpose we have hired a consultancy to continuously monitor GHG (Green House Gas) like Ozone, CFC, oxide of nitrogen and oxide of sulphur at our plant premises.

3. Does the company identify and assess potential environmental risks?

Yes. In order to identify the potential environmental risks to our operations, we have a detailed risk assessment process that forms a part of our Enterprise Risk Management (ERM) framework. Towards this, we have developed a detailed evaluation method for all our processes, raw materials, products and services. The process involves a detailed study of the current environmental management practices. Through a comprehensive analysis methodology, the Environmental Aspects and Associated Impacts are identified and the significance of each is measured. This operation is conducted bi-annually, and the potential impact and significance is evaluated. It covers the areas of emissions, discharge of wastewater,

waste management and disposal, management of hazardous substances, contamination of land, use of natural resources and raw materials and compliance with legislative and other requirements and helps in identifying areas of improvement

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

We have taken initiative improving energy efficiency in our operations. Slag Crusher Plant/Metal recovery plant was erected to minimise the waste and recycle slag waste which is being recycled and reused for various purpose. We also reuse industrial waste water after treatment by ETP.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions and waste generated by the Company are within permissible limits given by GPCB (Gujarat pollution control board). Our environmental performance is continuously monitored to ensure that it is within regulatory limits. Regular compliance reports are submitted to the concerned authorities to communicate our performance.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There have been no cases received or pending from the CPCB/ SPCB as on end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

We are a part of several associations that enable value addition to the pipe industry:

- Confederation of Indian Industries (CII- Steel Committee)
- Federation of Indian Chamber of Commerce and Industry (FICCI- Steel Committee)
- The Associated Chambers of Commerce and Industry (ASSOCHAM- Steel Committee)
- Engineering Export Promotion Council (EEPC)
- Indian Stainless Steel Pipes Manufacturers Association (ISSMA)
- Indian Stainless Steel Development Association (ISSDA)
- Alloy Steel Producers Association (ASPA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We have advocated for domestic preference policy in government buying with an objective of benefit to domestic industry towards our vision of “Make in India”. This may not only improve

domestic industrial capability and research but also generate maximum employment and promote people skilling.

The company also regularly advocating for carbon neutral footprint by adopting environment friendly technology in steel making. In this regard at all platforms promoting recycling route for steel making, a circular economy. The Company believe in driving change and taking efforts towards effective policy development that fosters industrial growth. The Company participates in policy advocacy process in a responsible and ethical manner which is economically, environmentally and socially sustainable for our company and our stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

We engage in our surrounding community as well as encourage our employees also to be socially responsible and contribute in the best manner possible. Activities like awareness drives and health camps, are organized with support from the employee volunteers who assist in smooth functioning of the event. In addition to this, the senior management also shows significant participation in the events, like stakeholder meetings, training programs, and facilitation programs.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes these programs with the help of in house teams which includes volunteers from across functions.

3. Have you done any impact assessment of your initiative?

No.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company donates funds to schools and the village community during festivals. The Company has recently donated street lights of Rs.72,500/- (100 Nos) to Selod Village close to the Company's Plant premises.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

N.A.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There were seven complaints received from customers and all stand closed as on end of FY 2021-22. We have a robust mechanism of recording every complaint through a customer complaint register. The nature of complain, physical verification and investigation of the recorded complaints is carried out to analyze the causes and corrective & preventive actions are taken which is then incorporated in the SOPs.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

We ensure complete transparency with our customers. Though our industry is not governed by any regulations with respect to product labelling, we ensure customer awareness on product details. Technical information such as specification, usage, quality and commercial information such as location of manufacture, schedule, warranty, among others are shared with the customers.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

As a testimony to the effectiveness of our ethics and compliance policies, there were no cases filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We measure customer satisfaction through internal mechanisms. Internal systems include feedback and discussion at strategic levels post completion of delivery of goods. We strive to maintain a high customer satisfaction and incorporate feedback received through these processes. Our Standard Operating Procedures (SOPs) are also reviewed to ensure alignment to customer requirements. Our repeat business from same customers is the testimony of our customer centric policies.

Independent Auditors' Report

To the Members of Welspun Specialty Solutions Limited

Opinion

We have audited the accompanying financial statements of **Welspun Specialty Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022; and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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>Appropriateness Revenue Recognition (Refer Note 11I(r) and 23 to financial statement)</p> <p>The Company recognises revenue in accordance with Ind AS 115 “Revenue from Contracts with Customers”.</p> <p>Revenue from the sale of goods is recognized at a point in time when the control has been transferred, which generally coincides with terms as agreed with the customers.</p> <p>The above was considered to be a key audit matter since revenue is significant to the standalone financial statements, and is required to be recognised in accordance with the terms of the customer contracts, which involve management judgements as described above.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Understanding, testing and evaluating the design and the operating effectiveness of controls relating to revenue recognition under Ind AS 115; • Tested the reconciliation of the amounts as per the sales register to the general ledger. • Reading of contracts to identify significant terms of the contracts; • Evaluating the contract terms to assess the timing of transfer of control to the customer and to determine whether revenue is recognised appropriately; • Testing whether the revenue recognition (including procedures related to cut off) is in line with the terms of customer contracts, the transfer of control; • Testing of journal entries for revenue transactions; and • Evaluating adequacy of the presentation and disclosures. <p>Based on the above stated procedures, no significant exceptions were noted by us in revenue recognition including those relating to presentation and disclosures as required by applicable accounting standard.</p>

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the “Director’s Report” including Annexures to Director’s 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.

Management Responsibility for the financial statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of change in equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance

with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, 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 in note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2022.
- iv. (a) Management has represented to us that, to the best of it's knowledge and belief, other than 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;
- (b) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593

Jigar T. Shah

Partner

Membership No. 161851

UDIN: 22161851AKCHIY9716

Place: Mumbai

Date: May 23, 2022

Annexure 'A' to the Independent Auditors' Report of even dated on the financial statements of Welspun Specialty Solutions Limited (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its property, plant and equipment, on the basis of available information except for in some assets where Company is in the process of tagging the assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
 - (b) The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of time. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.
 - (c) As per the information and explanations given to us and records examined by us, the title deeds of immovable properties are in the name of the Company.
 - (d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to information, explanations and represented given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii) (a) In our opinion and as per the information and explanation given to us, the inventories have been physically verified during the year by the Management at reasonable intervals and the discrepancies between physical stocks and the book stocks noticed on physical verification were not material.
 - (b) Based on the records examined by us and information and explanation given to us, the Company has been sanctioned working capital limits from banks on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
 - iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, any investments or provided any guarantees or given security and has not granted any advances in the nature of loans during the year to companies, firms, limited liability partnerships or other parties cover in the register maintained under Section 189 of the Act. Hence Clauses (iii) (a) to Clauses (iii) (f) of Paragraph 3 of the Order are not applicable.
 - iv) As per the information and explanation given to us, the Company during the year, has not granted any loan, made investment and provided guarantees and securities to the parties

covered under section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.

- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under section 148(1) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- vii) a) According to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India the undisputed statutory dues in respect of Provident Fund, Employee State Insurance dues, Custom Duty, Goods and Service Tax, Cess and other material statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India. There are no undisputed amounts payable in respect of the aforesaid dues as at March 31, 2022 for a period of more than six months from the date they became payable.
- b) Details of statutory dues referred to in clause vii (a) above, which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of the dues	Period to which amount relates	Forum where dispute is pending	Amount (Rs. in Lac)
Finance Act, 1994	Service Tax	2005-06 to 2007-08	Customs, Excise & Service Tax Appellate Tribunal	1

- viii) According to information, explanation and representation given to us by the management, there were no transactions related to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- viii)(a) Based on the examination of records and information and explanation given to us, the Company has not defaulted in repayment of its loans or payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of the audit procedures, we report that the Company has not been declared as willful defaulter by any banks, financial institution or government or any government authority.
- (c) In our opinion and information and explanation given to us and based on the examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (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.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures, hence clause 3(ix) (e) and (f) of the Order is not applicable.
- ix)(a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause x(a) of paragraph 3 of the Order is not applicable to the Company.
 - (b) In our opinion and according to the information and explanation given to us, the Company during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause x(b) of paragraph 3 of the Order is not applicable to the Company.
- x) (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures
- xi) In our opinion company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Act, wherever applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiii) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xiv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them, and hence provisions of Section 192 of the Act, are not applicable.
- xv) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities hence the reporting requirements under clause xvi(b) of paragraph 3 of the Order is not applicable.

- (c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group has 3 Core Investment Company (including CIC's exempt from registration / unregistered CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvi) Based on the examination of records, the Company has incurred cash losses in the financial year and in the immediately preceding financial year.
- xvii) There has been no resignation of the statutory auditors during the year.
- xviii) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any 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.
- xix) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, provision of section 135 of the Act is not applicable to the Company. Accordingly, the requirements of paragraph 3 (xx) (a) & (b) of the Order is not applicable to the Company.

For Pathak H. D. & Associates LLP
Chartered Accountants
Firm Registration No. 107783W/W100593

Jigar T. Shah
Partner
Membership No. 161851
UDIN: 22161851AKCHIY9716

Place: Mumbai
Date: May 23, 2022

Annexure ‘B’ to the Independent Auditors’ Report of even date on the financial statements of Welspun Specialty Solutions Limited (Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control with reference to financial statements of **Welspun Specialty Solutions Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (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

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control 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 control 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

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 control 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

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

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593

Jigar T. Shah

Partner

Membership No. 161851

UDIN: 22161851AKCHIY9716

Place: Mumbai

Date: May 23, 2022

BALANCE SHEET as at March 31, 2022

(Rs in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	2A	20,797	21,914
(b) Right-of-Use Assets	2B	256	259
(c) Capital Work in Progress	2C	619	503
(d) Intangible Assets	3	182	238
(e) Income tax Assets (net)	4	166	15
(f) Other Non-Current Assets	5	-	12
Total Non-Current Assets		22,020	22,941
II Current Assets			
(a) Inventories	6	11,445	5,337
(b) Financial Assets			
(i) Trade Receivables	7	1,533	1,014
(ii) Cash and Cash Equivalents	8	501	30
(iii) Bank Balance Other than Cash and Cash Equivalent	9	91	37
(iv) Other Financial Assets	10	69	51
(c) Other Current Assets	11	1,586	489
Total Current Assets		15,225	6,958
TOTAL ASSETS		37,245	29,899
EQUITY AND LIABILITY			
III Equity			
(a) Equity Share Capital	12	31,805	31,765
(b) Other Equity	13	(31,053)	(27,888)
TOTAL EQUITY		752	3,877
IV Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	26,769	15,345
(ii) Other financial liabilities	15	1,104	670
(b) Long Term Provisions	16	148	115
(c) Other non-current liabilities	17	-	5,483
Total Non-Current Liabilities		28,021	21,613
V Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,225	1843
(ii) Trade Payables	19	-	-
Total outstanding dues of micro and small enterprise		-	-
Total outstanding dues of creditors other than micro and small enterprise		6,275	1,868
(iii) Other Financial Liabilities	20	552	386
(b) Other Current Liabilities	21	338	269
(c) Provisions	22	82	43
Total Current Liabilities		8,472	4,409
TOTAL EQUITY AND LIABILITIES		37,245	29,899
Significant Accounting Policies & Notes to accounts forming an integral part of financial statements	1-53		

As per our report of even date attached

For Pathak H D & Associates LLP

Chartered Accountants

Firm Registration No.: 107783W /W100593

For and on behalf of the Board of Directors

Jigar T. Shah
Partner
Membership No.161851

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Place: Mumbai
Date: May 23, 2022

Narendra Kumar Bhandari
Chief Financial Officer

Rashmi Mamtura
Company Secretary
FCS: 8658

STATEMENT OF PROFIT and LOSS for the year ended March 31, 2022 (Rs in Lakhs)

	Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
I	INCOME			
	Revenue from Operations	23	16,329	9,343
	Other Income	24	1,912	161
	Total Income		18,241	9,504
II	Expenses:			
	Cost of Raw Materials Consumed	25	13,048	4,255
	Changes in Inventories of Finished Goods, WIP & stock in trade	26	(3,363)	1,631
	Employee Benefits Expenses	27	2,262	1,876
	Finance Costs	28	1,703	1,147
	Depreciation and Amortization Expenses	29	1,449	1,381
	Other Expenses	30	6,220	3,646
	Total Expenses		21,319	13,936
III	Profit / (Loss) before Exceptional Item & Tax		(3,078)	(4,432)
	Exceptional items - Income	31	-	13,761
IV	Profit / (Loss) before Tax		(3,078)	9,329
V	Tax expense			
	Current Tax		-	-
	Deferred Tax		-	-
	Earlier Years Tax		-	(9)
VI	Profit / (Loss) for the year		(3,078)	9,320
VII	Other Comprehensive Income/(Loss)			
	Items that will be reclassified to profit or loss			
	Fair value change on derivatives designated as cash flow hedge		(65)	(30)
	Items that will not be reclassified to profit or loss			
	Re-measurement of defined benefit obligation (net of Income Tax)		13	(36)
	Other Comprehensive Income/(Loss) for the year		(52)	(66)
	Total Comprehensive Income/(Loss) for the year		(3,130)	9,254
	Earning per Equity Share (Face Value of Rs.6 Per Share) :			
	Basic & Diluted (in Rs.)	33	(0.58)	1.78
	Significant Accounting Policies & Notes to accounts forming an integral part of financial statements	1-53		

As per our report of even date attached

For Pathak H D & Associates LLP
 Chartered Accountants
 Firm Registration No.: 107783W /W100593

For and on behalf of the Board of Directors

Jigar T. Shah
 Partner
 Membership No.161851

B.K. Goenka
 Chairman
 DIN: 00270175

Anuj Burakia
 CEO & Whole Time Director
 DIN: 02840211

Place: Mumbai
 Date: May 23, 2022

Narendra Kumar Bhandari
 Chief Financial Officer

Rashmi Mamtura
 Company Secretary
 FCS: 8658

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital (Refer Note No.: 12)

(Rs. in Lakhs)

Particulars	Balance at the beginning of the year	Changes in Equity share capital due to prior year errors	Restated balance at the beginning of the year.	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2022	31,765	-	-	40	31,805
As at March 31, 2021	29,341	-	-	2,425	31,765

B. Other Equity (Refer Note No.: 13)

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Equity Component of Borrowing	Warrants	Total
	Retained Earnings	Securities Premium	General Reserve	Share options outstanding account (Refer Note 34)	Effective portion of cash flow hedge	Re-measurements of net defined benefit plan			
Balance as at 1 April, 2021	(57,233)	28,719	-	165	5	(97)	553	-	(27,888)
Profit / (Loss) for the year	(3,078)	-	-	-	-	-	-	-	(3,078)
Other comprehensive income for the year	-	-	-	-	(65)	13	-	-	(52)
Share option expense	-	-	-	5	-	-	-	-	5
Share Issued Against ESOP	-	-	-	(170)	-	-	-	-	(170)
Securities premium on Issue of Equity Shares	-	130	-	-	-	-	-	-	130
Equity Shares issued against Share Warrants	-	-	-	-	-	-	-	-	-
Equity Component of Borrowing	-	-	553	-	-	-	(553)	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	(60,311)	28,849	553	-	(60)	(84)	-	-	(31,053)

Other Equity (Refer Note No.: 13)

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Equity Component of Borrowing	Warrants	Total
	Retained Earnings	Securities Premium	General Reserve	Share options outstanding account (Refer Note 34)	Effective portion of cash flow hedge	Re-measurements of net defined benefit plan			
Balance as at April 1, 2020	(66,553)	25,067	-	161	35	(61)	-	1,510	(39,841)
Profit / (Loss) for the year	9,320	-	-	-	-	-	-	-	9,320
Other comprehensive income for the year	-	-	-	-	(30)	(36)	-	-	(66)
Share option expense	-	-	-	41	-	-	-	-	41
Share Issued Against ESOP	-	-	-	(37)	-	-	-	-	(37)
Securities premium on Issue of Equity Shares	-	3,652	-	-	-	-	-	-	3,652
Equity Shares issued against Share Warrants	-	-	-	-	-	-	-	(1,510)	(1,510)
Equity Component of Borrowing	-	-	-	-	-	-	553	-	553
Balance as at March 31, 2021	(57,233)	28,719	-	165	5	(97)	553	-	(27,888)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes (1-53).

As per our report of even date attached

For Pathak H D & Associates LLP
 Chartered Accountants
 Firm Registration No.: 107783W /W100593

For and on behalf of the Board of Directors

Jigar T. Shah
 Partner
 Membership No.161851

B.K. Goenka
 Chairman
 DIN: 00270175

Anuj Burakia
 CEO & Whole Time Director
 DIN: 02840211

Place: Mumbai
 Date: May 23, 2022

Narendra Kumar Bhandari
 Chief Financial Officer

Rashmi Mamtura
 Company Secretary
 FCS: 8658

STATEMENT OF CASH FLOWS

(Rs in Lakhs)

	Particulars	Year ended 2021-22	Year ended 2020-21
A	Cash Flow from Operational Activities		
	Profit/(Loss) before tax as per statement of profit and loss :	(3,078)	9,329
	Adjustment for :		
	Depreciation and amortization expenses	1,449	1,381
	Financial Costs	1,703	1,147
	Unrealized exchange difference (Net)	(80)	(31)
	Interest Income	(34)	(75)
	Provision for Gratuity & Compensated Absences	43	48
	(Profit)/Loss on Sale of Property, Plant and Equipment (@ Rs. 32,980)	@	98
	Expense on employee stock option scheme	5	41
	Bad Debts Written off	5	559
	Provision / (Reversal) of Doubtful Debts	19	(559)
	Provision / (Reversal) for Obsolescence of Inventory	(36)	(24)
	Write back of Preference Share Liability (Exceptional Item)	-	(12,726)
		3,074	(10,141)
	Operating Cash Loss before Working Capital Changes	(4)	(812)
	Changes in Working Capital :		
	(Increase)/Decrease in trade receivables	(1,657)	572
	(Increase)/Decrease in inventories	(6,072)	1,664
	Increase/(Decrease) in trade & other payables	(941)	2,824
	Increase/(Decrease) in provisions	41	(109)
		(8,629)	4,951
	Cash generated from / (used in) Operations	(8,633)	4,139
	Less: Direct taxes paid (net of refunds)	(151)	144
	Net Cash Flow Generated from / (used in) Operating Activities	(8,784)	4,283
B	Cash Flow from Investing Activities		
	Acquisition of Property, Plant & Equipment (including Capital Work in Progress, Capital Advance and Creditors for Capital Expenditure)	(383)	(1,218)
	Proceeds from Sale Of Property, Plant and Equipment	8	34
	Interest Income	33	54
	(Purchase) / Redemption of Bank Deposit	(55)	269
	Net Cash Flow Generated from / (used in) Investing Activities	(397)	(861)
C	Cash Flow from Financing Activities		
	Proceeds from long-term borrowings	14,659	1,442
	Repayment of long-term borrowings	(2,988)	(799)
	Proceeds of short term borrowings (net)	(865)	(3,048)
	Proceeds from Issue of Equity Shares	40	-
	Interest Paid	(1,194)	(996)
	Net Cash Flow Generated from / (used in) Financing Activities	9,652	(3,401)
	Net Increase/(Decrease) In Cash And Cash Equivalents (A + B + C)	471	21
	Cash and cash equivalents at the beginning of the year	30	9
	Cash and cash equivalents at the end of year	501	30
	Net Increase/(decrease) as disclosed above	471	21
	Components of Cash and Cash Equivalent (Refer Note 8)		
	Balance with Bank –	496	26
	Current account	297	26
	FD with less than 3 months maturity	199	-
	Cash on Hand	5	4
	Cash and Cash Equivalent	501	30

The above statement of cash flow should be read in conjunction with the accompanying notes (1-53).

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For Pathak H D & Associates LLP
Chartered Accountants
Firm Registration No.: 107783W /W100593

For and on behalf of the Board of Directors

Jigar T. Shah
Partner
Membership No.161851

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole time Director
DIN: 02840211

Place: Mumbai
Date: May 23, 2022

Narendra Kumar Bhandari
Chief Financial Officer

Rashmi Mamtura
Company Secretary
FCS: 8658

1. SIGNIFICANT ACCOUNTING POLICIES

I. Company Information

Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel 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, Bloom, Ingot, Rolled Bar, Bright Bar and Seamless Pipes & Tubes.

The functional and presentation currency of the Company is the Indian Rupee (“Rs.”) which is the currency of the primary economic environment in which the Company operates.

The financial statements as at March 31, 2022 present the financial position of the Company.

These financial statements of the Company for the year ended March 31, 2022 were authorised for issue by the board of directors on May 23, 2022. Pursuant to the provisions of section 130 of the Companies Act, 2013 (“the Act”), the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the financial statements approved by the board / adopted by the members of the Company.

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 of the Company have been prepared and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, read with the 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 under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Critical estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Estimation of Deferred tax recoverable

Deferred tax assets are recognised for unused tax losses 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 recognized Deferred Tax Asset of Rs. 15,344 Lacs (March 31, 2021: Rs. 14,733 Lacs) on unused tax losses, which according to the management the Company will not generate sufficient taxable profits in the near future and the assets may not be used to offset the taxable gain. Refer Note 40 of the financial statements for the amounts of such temporary difference on which deferred tax asset are not recognised.

ii. Estimation of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and other post-employment employee benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

iii. Impairment of Trade receivables and other financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer Note 42 on financial risk management where credit risk and related impairment disclosures are made.

(c) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

(d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized 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.

(e) 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

(f) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant & Machinery	5-30 years
Electrical Installation	10 years
Factory Building	30 years
Non-Factory Building	60 years
Office Equipment	3-5 years
Furniture and Fixtures	10 years
Vehicles	10 years

Right-of-Use Assets

Right-of-Use Asset is Lease hold land provided by the Gujarat Industrial Development Corporation Limited (GIDC) to the company's plant at Jhagadia Taluka, in Baruch District, Gujarat. The Land has been leased for a period of 99 years with an option to renew at the end of the period. The Cost paid for the acquisition of the Land is being amortised over the period of the lease.

Plant & Machinery

The useful lives of plant & machinery have been determined based on technical evaluation done by the management's expert, which are higher than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset and are reviewed and adjusted if appropriate, at the end of each reporting period.

(g) Impairment of assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset

is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

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

(h) Capital Work in Progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. All indirect cost, borrowing cost incurred prior to the date of installation / development prior to its intended use and trial run expenditure are shown under CWIP. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

(i) Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,
OR
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,
OR
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(j) Financial Instruments

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

a. Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** the objective of the Company's business model is to hold the financial asset to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial assets that meets the following two conditions is measure at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test** the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements measured at amortised cost for fair value through other comprehensive income a financial asset is measured at fair value through profit or loss if doing so eliminates or a significantly reduces a measurement or recognition inconsistency sometimes referred to as an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit and loss

De recognition

A financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from company's balance sheet) when:

- The rights to receive cash flow from the sets have expired, or

- The Company has transferred its rights to receive cash flows from the sets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either
 - o The Company has transferred substantially all the risk and rewards to the assets, or
 - o The company has neither transferred nor retained substantially all the risk and rewards of the set but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the assets, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of company's continuing involvement. In that case, the company also recognises an associated liability. The transferred assets the associated liability are measured on the basis that reflects the rights and open that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carry amount of the Asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b. Financial liabilities:

Initial recognition and Measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR Amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

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 or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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 and loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(k) Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
 - In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 — techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Disclosures for valuation methods, significant estimates and assumptions of Financial Instruments (including those carried at amortised cost) (Refer Note 42) and Quantitative disclosures of fair value measurement hierarchy (Refer Note 42).

(l) Employee benefits

(i) Defined contribution plans

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and superannuation fund, which is defined contribution plan. The Company makes specified monthly contributions towards provident fund and superannuation fund. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

(ii) Defined benefit plans (Gratuity)

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

(iii) Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the period end and charged to the Statement of profit and loss.

(iv) Share Based Payments

Equity settled share based payments to employees are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/ or service conditions have not been met.

(m) Inventories

Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

Stores and Spares are valued at cost determined on weighted average basis or net realizable value, except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

Semi-finished and finished Goods are valued at lower of cost or net realisable value. Cost includes raw material, labour, manufacturing expenses, allocable overheads and depreciation.

Scrap is valued at net realizable value.

(n) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(p) Provisions, Contingent Liabilities and Contingent Assets

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

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.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A Contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable

(q) Income tax

Income tax expense comprises of current tax and deferred tax.

- Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to item recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation underline transaction in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to setoff current tax assets against current income tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such and liabilities relate to taxes on income levied by the same governing taxation laws.

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- **Revenue from sale of goods**

The Company applies Indian Accounting Standard 115 (Ind AS 115) – ‘Revenue from contracts with customers’ using the cumulative catch-up transition method. The Company recognize revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer.

- **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.

(s) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

(t) 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.

(u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The board of directors of the Company has designated the Whole Time Director (“WTD”) to assess the financial performance and position of the Company, and making strategic decisions. The WTD has been identified as being the Chief Operating Decision Maker for corporate planning.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(w) 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 except in case of certain long term foreign currency monetary items where the treatment is as under:

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.

(x) Derivatives

The Company uses derivative financial instruments such as forwards contracts to mitigate the risk of changes in exchange rates. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value.

Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised

in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss.

(y) Rounding of amounts

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

(Z) Recent pronouncements

Standards Issued but not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

2A Property, Plant & Equipment

Details of Property, Plant and Equipment (PPE) as under:

(Rs. in Lakhs)

Particulars	Free hold land	Buildings	Plant and machinery	Electrical Installations	Furniture and fixtures	Vehicles	Office Equipment's	Total
Gross Carrying amount:								
Balance as at April 01, 2020	14	11,815	36,735	2,682	135	28	358	51,767
Additions	-	9	2,047	-	1	-	16	2,073
Disposals	-	(194)	(26)	-	(2)	-	(1)	(223)
Balance as at March 31, 2021	14	11,630	38,756	2,682	134	28	373	53,617
Additions		11	238		2	10	13	274
Disposal			(6)				(2)	(8)
Balance as at March 31, 2022	14	11,641	38,988	2,682	136	38	384	53,883
Accumulated depreciation:								

Balance as at April 01, 2020	-	5,285	22,802	2,028	106	14	238	30,473
Additions	-	339	878	62	5	2	35	1,321
Disposals	-	(72)	(19)	-	-	-	-	(91)
Balance as at March 31, 2021	-	5,552	23,661	2,090	111	16	273	31,703
Additions		308	983	61	4	3	30	1389
Disposals			(5)				(1)	(6)
Balance as at March 31, 2022		5,860	24,639	2,151	115	19	302	33,086
Net carrying amount								
Balance as at March 31, 2021	14	6,078	15,095	592	23	12	100	21,914
Balance as at March 31, 2022	14	5,781	14,349	531	21	19	82	20,797

Notes:

- Property, Plant and Equipment of the Company are provided as security against the secured borrowings of the Company as detailed in Note 13 and 17 to the financial statement.

2B Right-of-Use Assets

Pursuant to Adoption of Ind AS 116, Right-of-Use Assets are presented as separate Line Item in the balance sheet as at 31st March 2022.

Particulars	As at March 31, 2022	As at March 31, 2021
Lease hold Land		
Cost:	351	351
<u>Accumulated Depreciation</u>		
Opening Balance	92	88
Amortisation accounted in statement of Profit and Loss	3	4
Closing Balance	95	92
Net Carrying Amount	256	259

- The lease period for lease hold land is 99 years

2C Capital Work in Progress

Particulars	Opening	Addition	Capitalised	Closing
Balance as at March 31, 2022	503	121	5	619
Balance as at March 31, 2021	1,200	35	732	503

Capital Work in Progress - Ageing

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress -FY 2021-22	121	2	496	-	619
Projects in Progress – FY 2020-21	7	496	-	-	503

The Company will commence depreciation of the cost of the Project and will cease to capitalize the expenses on the Project when the assets are available for use in the manner as intended by the Management, i.e. when all the Quality of Service parameters set by the Management are met. The company do not have any Capital Work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

3 Intangible assets

Details of Intangible assets are as under:

Particulars	Computers Software
Gross Carrying amount:	
Balance as at April 01, 2020	332
Additions	-
Disposals	-
Balance as at March 31, 2021	332
Additions	-
Disposals	-
Balance as at March 31, 2022	332
Accumulated depreciation:	
Balance as at April 1, 2020	37
Additions	57
Disposals	-
Balance as at March 31, 2021	94
Additions	58
Disposals	-
Balance as at March 31, 2022	152
Net carrying amount	
Balance as at March 31, 2021	238
Balance as at March 31, 2022	182

Note:

1. The above Intangible Assets are other than internally generated.
2. Balance Useful life of Intangible Assets is 1 – 3 years.

4 Income tax assets (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax deducted at Source(net of provision for tax)	166	15
	166	15

5 Other Non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good unless otherwise stated)		
Capital advances	-	12
	-	12

6 Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at Lower of Cost or Net Realizable Value)		
Raw Materials	2,888	354
Semi-Finished goods	4,155	1,680
Finished goods	1,728	840
Stores, spares and packing materials	2,734	2,558
Less: Provision for Obsolescence	(60)	(95)
Stores, spares and packing materials (Net of provision for Obsolescence)	2,674	2,463
Total	11,445	5,337

7 Trade Receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,533	1,014
Credit Impaired	591	572
Total	2,124	1,586
Less: Allowance for doubtful trade receivables	(591)	(572)
Total	1,533	1,014

Ageing for Trade Receivables

For the year 2021-22

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 month to 1 year	1 year to 2year	2 – 3 years	More than 3 year	
Undisputed trade receivables							
(i) considered good	70	1401	39	77	1	536	2124
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	(33)	(21)	(1)	(91)	(146)
Disputed trade receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	(445)	(445)
Total	70	1401	6	56	-	-	1533

For the year 2020-21

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1 year to 2year	2 – 3 years	More than 3 year	
Undisputed trade receivables							
(i) considered good	442	373	127	1	86	557	1,586
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	(14)	(1)	-	(112)	(127)
Disputed trade receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	(445)	(445)
Total	442	373	113	-	86	-	1,014

8 Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks -		
In Current Accounts	297	26
Fixed Deposits with less than 3 months	199	-
Cash on hand	5	4
Total	501	30

9 Bank Balance Other than Cash and Cash Equivalent

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other bank balances:		
Bank Deposit		
In Margin Deposit Accounts	90	37
Interest accrued on deposit	1	-
Total	91	37

10 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good unless otherwise stated)		
Security deposit	69	51
Total	69	51

11 Other Current Assets (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good unless otherwise stated)		
Loans & Advances to employees	3	4
Other Claim receivable/recoverable	218	205
Balances with statutory / government authorities	1,056	114
Advances to suppliers	255	108
Prepaid Expenses	53	49
Income Tax Refund Receivable	-	9
Total	1,585	489

12 Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	(Rs. in Lakhs)	No of shares	(Rs. in Lakhs)
Authorised:				
Equity shares of Rs. 6 each	55,00,00,000	33,000	55,00,00,000	33,000
Preference Shares of Rs.10 each	23,50,00,000	23,500	23,50,00,000	23,500
	78,50,00,000	56,500	78,50,00,000	56,500
Issued, Subscribed and Paid up:				
Equity shares of Rs. 6 each	53,00,89,156	31,805	52,94,21,306	31,765
Total	53,00,89,156	31,805	52,94,21,306	31,765

a) Shares Pledge Details

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of Shares Pledged by Promoter Group Companies	15,88,26,392	15,88,26,392

b) Reconciliation of the Number of Shares

Equity Shares :	As at March 31, 2022		As at March 31, 2021	
	No of shares	(Rs. in Lakhs)	No of shares	(Rs. in Lakhs)
Face value of Rs. 6 each				
As at beginning of the year	52,94,21,306	31,765	48,90,08,690	29,341
Shares issued during the year	6,67,850	40	4,04,12,616	2,424
Buyback/forfeiture/reduction shares	-	-	-	-
Outstanding at the end of the year	53,00,89,156	31,805	52,94,21,306	31,765

c) Details of shareholder holding more than 5% shares

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021	
	No of shares	% Held	No of shares	% Held
Equity Shares				
Welspun Corp Limited*	26,51,90,034	50.03%	-	-
Welspun Steel Limited	-	-	26,51,90,034	50.09%
Dilip Kumar Lakhi	12,21,32,717	23.04%	12,21,33,333	23.07%

* The Board of Directors of Welspun Steel Ltd (the “Demerged Company”), being the promoter of the Company, at its meeting held on June 28, 2021 have, inter alia, considered and decided to propose to the National Company Law Tribunal (“NCLT”) for its approval a scheme in the nature of demerger to transfer its steel business undertaking which inter alia includes their stake (50.03%) in the Company to Welspun Corp Limited (the “Resulting Company”). The Said scheme has been approved by the NCLT from the date 16th March, 2022 with appointed date of April 1, 2021. As the current stakeholders who are holding not less than 50% of the equity shares in the Demerged Company (holding company of Welspun Specialty Solutions Limited (WSSL)) are the same stakeholders holding not less than 50% equity shares in the Resulting Company and control being exercised by the same person(s) over both the companies, the indirect acquisition of control of WSSL pursuant to the proposed Scheme is exempt from making open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

d) Disclosure of Promoters details

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021		% of change during the year
	No of shares	% Held	No of shares	% Held	
Equity Shares					
Welspun Corp Limited	26,51,90,034	50.03%	-	-	100%
Welspun Steel Limited	-	-	26,51,90,034	50.09%	(100%)
MGN Agro properties private Limited	1,86,66,666	3.52%	1,86,66,666	3.53%	-

e) Rights, Preference and Restriction attached to shares

Equity Shares:

The Company has 53,00,89,156 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.

13 Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Equity Component of Borrowing	Warrants	Total
	Retained Earnings	Securities Premium	General Reserve	Share options outstanding account (Refer Note 34)	Effective portion of cash flow hedge	Re-measurement of net defined benefit plan			
Balance as at 1 April	(57,233)	28,719	-	165	5	(97)	553	-	(27,888)
March 31, 2021									
Profit / (Loss) for the year	(3,078)	-	-	-	-	-	-	-	(3,078)
Other comprehensive income for the year	-	-	-	-	(65)	13	-	-	(52)
Share option expense	-	-	-	5	-	-	-	-	5
Share Issued Against ESOP	-	-	-	(170)	-	-	-	-	(170)
Securities premium on Issue of Equity Shares	-	130	-	-	-	-	-	-	130
Equity Shares issued against Share Warrants	-	-	-	-	-	-	-	-	-
Equity Component of Borrowing	-	-	553	-	-	-	(553)	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	(60,311)	28,849	553	-	(60)	(84)	-	-	(31,053)
Balance as at April 1, 2020	(66,553)	25,067	-	161	35	(61)	-	1,510	(39,841)
Profit / (Loss) for the year	9,320	-	-	-	-	-	-	-	9,320
Other comprehensive income for the year	-	-	-	-	(30)	(36)	-	-	(66)
Share option expense	-	-	-	41	-	-	-	-	41
Share Issued Against ESOP	-	-	-	(37)	-	-	-	-	(37)
Securities premium on Issue of Equity Shares	-	3,652	-	-	-	-	-	-	3,652
Equity Shares issued against Share Warrants	-	-	-	-	-	-	-	(1,510)	(1,510)
Equity Component of Borrowing	-	-	-	-	-	-	553	-	553
Balance as at March 31, 2021	(57,233)	28,719	-	165	5	(97)	553	-	(27,888)

Nature and Purpose of Other Reserves:

(a) Securities Premium

This reserve is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Act.

(b) Other Comprehensive Income

It includes re-measurement gains / (losses) arising on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

Further it also includes effective portion of cash flow hedge which will be classified to profit and loss on its settlement.

(c) Equity Component of Borrowing

It represents the equity component of the borrowing from the Parent Company carried out at fair value in accordance with the provisions of Ind AS 109 "Financial Instruments".

(d) Share Warrants

This reserve represents the share warrants issued pursuant to the provisions of the Companies Act 2013. The same can be utilized in accordance with the provisions of the Companies Act 2013.

(e) General Reserve

General Reserve is created as per the provision of the Companies Act, 2013.

14. Borrowings (Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current maturities	Non-current	Current maturities
Secured				
Indian Rupee term loans from banks	2,895	844	5,883	596
Unsecured				
12% Non-Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up (Refer Note iii below)	5,090	-	5,090	-
Loan from Related Parties (Refer Note: 39)	13,789	-	4,372	-
Inter Corporate Deposits from others	4,995	-	-	-
Total	26,769	844	15,345	596

Secured:

- a) Rupee Term Loan of Rs 3,739 Lacs (Previous year Rs. 4,000 Lacs) is secured by way of:
 - i. First Pari Passu charge on Property, Plant and Equipment and Right-of-Use Assets of the Company both present and future.
 - ii. Second Pari Passu charge on all current assets of the Company both present and future.
 - iii. Pledge of company's shares 15,88,26,392 (Previous year 15,88,26,392 shares) held by 'Welspun Corp Limited' (Previous year 'Welspun Steel Limited') (Holding Company).
 - iv. Corporate Guarantee by Welspun Corp Limited (Previous Year Welspun Steel Ltd).
 - v. Pledge of Fixed Deposit of a group company

- b) Rupee Term Loan of Rs. Nil (Previous year Rs. 2,479 Lacs) is secured by way of:
- Equitable mortgage charge on all the immovable and moveable properties of the Company both present and future.
 - Second Charge on all current assets of the Company.
 - Corporate Guarantee by Welspun Steel Ltd.
- c) Rupee Term Loans carry interest at bank base rate/ MCLR / MIBOR plus margin. Loans of Rs. 3,739 Lacs (Previous year Rs. 4,000 Lacs) are repayable in remaining 14 quarterly instalments starting from April 2022 and ending on September 2025.

Unsecured:

- Inter Corporate Deposits and Loan from Related Party is repayable within a period of 2 – 3 years.
- An Inter Corporate Deposit has been taken from others for general corporate purposes of Rs 4,995 Lacs payable in 2 years.

The Interest rate varies between 6.00% to 12.00%

a) Details of Preference Shareholders

i. Reconciliation of the Number of Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	(Rs. in Lakhs)	No of shares	(Rs. in Lakhs)
Preference Shares : Face value of Rs. 10 each				
As at beginning of the year	5,09,04,271	5,090	9,62,04,271	9,621
Shares issued during the year	-	-	-	-
Buyback/forfeiture/reduction shares	-	-	4,53,00,000	4,530
Outstanding at the end of the year	5,09,04,271	5,090	5,09,04,271	5,090

ii. Details of Preference Shareholders holding more than 5% shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% Held	No of shares	% Held
Right Growth Trading Pvt. Ltd.	5,09,04,271	100%	5,09,04,271	100%

iii. Rights, Preference and Restriction attached to shares

Preference Shares:

- The Non-Cumulative Redeemable Preference Shares carry dividend of 12% per annum;**

During the year March 31, 2021, the terms of Cumulative Redeemable Preference Shares 5,09,04,271 have been varied and therefore post variation the said securities stood modified to 12% Non-Cumulative Redeemable Preference Shares redeemable at par with the tenure being extended for further period of 10 years i.e. till February 19, 2033 or earlier. The said preference shares are redeemable on February 19, 2033 or any date before that based on the availability of the cash flow.

15 Other non-current Financial liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued on Loan (Refer note 39)	1,104	670
Total	1,104	670

16 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Provision for Leave encashment	45	37
Provision for Gratuity (Refer Note: 34)	103	78
Total	148	115

17 Other non-current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customer	-	5,483
Total	-	5,483

18 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loan From Banks		
Working Capital Loan	77	1,133
Current maturities of long-term debt	844	596
Supplier Finance Facility	304	114
Total	1,225	1,843

Security :

Working capital loans from Banks are secured by way of first charge against Current Assets and second charge against Property, Plant and Equipment and Right-of-Use Assets of the Company. Corporate Guarantee by Welspun Corp Limited (Previous Year Welspun Steel Ltd).

19 Trade Payables

(Rs. in Lakhs)

(iii) Particulars	As at March 31, 2022	As at March 31, 2021
Micro and Small Enterprises	-	-
Others	6,275	1,868
Total	6,275	1,868

Ageing of Trade payable For the Financial Year

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 – 2 years	2- 3 years	More than 3 years	
Undisputed Trade payables						
(i) MSME	-	-	-	-	-	-
(ii) Others	990	5064	102	64	55	6,275
Disputed Trade payables	-	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	990	5,064	102	64	55	6,275

For the Financial Year 2020-21

(Rs. in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 – 2 years	2- 3 years	More than 3 years	
Undisputed Trade payables						
(i) MSME						
(ii) Others	971	564	278	41	14	1,868
Disputed Trade payables						
(iii) Disputed dues – MSME						
(iv) Disputed dues – Others						
Total	971	564	278	41	14	1,868

The Company has no dues payable to suppliers under the Micro, Small & Medium Enterprises Development Act 2006 (MSMED Act) as at March 31, 2022.

The disclosure pursuant to said act is as under:

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid	-	-
Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

20 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on borrowing	116	40
Employees dues payable	22	1
Creditors for Capital Expenditure	178	178
Provision for Expenses	175	167
Derivative Financial Instrument.	61	-
Total	552	386

21 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances received from customers and others	281	223
Statutory dues payable	45	39
Security deposit	12	7
Total	338	269

22 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Provision for Leave encashment	26	14
Provision for Gratuity (Refer Note: 34)	56	29
Total	82	43

23 Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Sales of products:		
Finished goods	15,566	7,176
Other operating revenues:		
Exports Incentives	36	8
Other Revenue	727	2,159
	763	2,167
Total	16,329	9,343

24 Other Income

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest from Bank & others	1,404	75
Miscellaneous Income	428	55
Exchange Rate Difference (Gain)	80	31
Total	1,912	161

25 Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cost of Raw materials consumed (Refer Note: 25a)		
Inventory at the beginning of the year	354	643
Add: Purchases	15,582	3,966
Less: Inventory at the end of the year	(2,888)	(354)
Total	13,048	4,255

a) Details of Raw Materials Consumed:

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Metallic	10,985	4,091
Ferro Alloys	2,063	3
Others	-	161
Total	13,048	4,255

26 Changes in inventories of finished goods and work-in-progress (Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Inventories (at beginning)		
Finished Goods	840	1,292
Semi-Finished Goods	1,680	2,860
Total (a)	2,520	4,152
Inventories (at close)		
Finished Goods	1,728	840
Semi-Finished Goods	4,155	1,680
Total (b)	5,883	2,520
Net (Increase)/Decrease		
Finished Goods	(888)	451
Semi-Finished Goods	(2,475)	1,180
Total (a+b)	(3,363)	1,631

Details of Finished Goods and Semi Finished Goods: (Rs in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Finished Goods		
Steel	1,219	220
Pipe	509	620
	1,728	840
Semi-Finished Goods		
Steel	1,736	302
Pipe	2,419	1,378
	4,155	1,680

27 Employee benefits expense (Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Salaries and Wages	2,046	1,656
Contributions to Provident and Other Funds	110	96
Contributions to Gratuity (Refer Note 34)	25	24
Leave Encashment	18	24
Staff Welfare Expenses	63	76
Total	2,262	1,876

28 Finance cost (Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Interest on Term Loan	371	663
Interest on Working Capital Loan	699	224
Interest on Inter Company Deposit	553	198
Other Borrowing Cost	80	62
Total	1,703	1,147

29 Depreciation and Amortization Expense (Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Depreciation on Property, Plant and Equipment & Right-of-Use Assets	1,392	1,324
Amortization of Intangible Assets	57	57
Total	1,449	1,381

30 Other Expenses (Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Manufacturing and Other Expenses		
Consumption of stores & spares	2,009	1,267
Less: Reversal of Provision of Obsolescence	(36)	(24)
Power and Fuel Expenses	2,536	1,115
Labour charges	512	333
Equipment hire charges	54	55
Job Work Expenses	83	76
Freight and forwarding charges	233	47
Repairs to buildings	22	17
Repairs to plant and machinery	45	58
Other repairs	4	7
Insurance	102	94
Communication Expenses	14	9
Bad Debts	5	-
Provision for Doubtful debts	19	-
Rates and taxes	38	35
Travelling and conveyance	38	28
Vehicle Expenses including Hire Charges	71	53
Listing Fees	4	4
Professional and consulting charges	157	106
LD Charges	8	9
Director Sitting Fees	6	6
Auditors Remuneration		
-Audit Fees	9	9
-Tax Audit Fees	2	2
-Certification Fees	1	1
Selling and distribution expenses	16	15
Brokerage & Commission	54	9
Printing & Stationery	14	9
Security charges	63	49
Safety Expenses	15	13
Loss on sale/discard of assets (net)	-	98
Miscellaneous expenses	122	147
Total	6,220	3,646

31 Exceptional Items – Income (Net): **(Rs. in Lakhs)**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Share Premium on Preference share written Off ¹	-	12,726
Refund of Electricity duty Reimbursement ²	-	909
Interest on Refund of Value Added Tax ³	-	126
Total	-	13,761

- During the year ended as on March 31, 2021, the terms of 5,09,04,271 12% Cumulative Redeemable (redeemable at a premium of Rs. 25/-per share) Preference Shares of Rs.10- each have been varied and therefore, post variation the said securities stood modified as 12% Non-Cumulative Redeemable Preference Shares redeemable at par with the rest of the terms remaining unchanged. The said variation shall be effective from the issuance of the said securities. Thereby the redemption amount stands reduced from Rs. 17,816 Lacs to Rs. 5,090 Lacs. The Company has accounted for the reduced liability by crediting to the Statement of Profit and Loss amounting to Rs 12,726 Lacs as an Exceptional Item.
- During the year ended as on March 31, 2021, the Company has received Rs. 909 Lacs vide Department Order Number 1692081 dated January 16, 2021 from Government of Gujarat towards reimbursement of power subsidy for previous years and accordingly the same has been considered as an exceptional item.
- During the year ended as on March 31, 2021, the Company has received final appeal order of Rs. 575 Lacs (including interest of Rs. 126 Lacs) related to Value Added Tax Assessment for FY 2014-15 vide order Number 0182693 dated March 23, 2021. During the quarter ended December 31, 2020, the Company had written off the said recoverable of Rs. 352 Lacs, which was reinstated during the quarter ended March 31, 2021. The Company has received net refund of Rs. 358 Lacs after adjustment of 6th final instalment of Sales Tax deferment loan of Rs. 104 Lacs, interest on deferment of loan of Rs. 15 Lacs and refund already received earlier of Rs. 97 lacs. Accordingly, the interest amount of Rs. 126 Lacs received on the said Order has been considered as an exceptional item.

32 Going Concern

In spite of losses incurred during the year, the Company's order book has improved during the last 2 quarters and the Company is envisaging the trend to continue. In view of increased utilisation of its production capacity and operating efficiency will lead to sustainable cash flow. The management believes that the Company will be able to meet its operational and other commitments as they arise and the Company continue to have financial support from its Parent Company. Accordingly, the accounts of the Company has been prepared on a going concern basis.

33 Earnings per share

Particulars	As at March 31, 2022 (Rs. in Lakhs)	As at March 31, 2021 (Rs. in Lakhs)
Earnings Per Share has been computed as under Profit/(Loss) for the year	(3,078)	9,320
Weighted Average Number of equity shares outstanding		
- Basic	53,00,89,156	52,28,85,657
- Diluted	53,00,89,156	52,35,53,507
Face value per share in Rs.	6	6
Basic earnings per share in Rs.	(0.58)	1.78
Diluted earnings per share in Rs.	(0.58)	1.78

The Diluted EPS being anti-dilutive in nature, hence the computation of Diluted EPS has been ignored in previous year.

34 Employee Benefits

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

1. Defined contribution plans

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF), ESIC and Employee pension scheme for qualifying employees.

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Employer's Contribution to Provident Fund, ESIC and Employee pension scheme.	110	96
Total	110	96

2. Defined Benefit Plans

Gratuity is payable to all eligible employees of the company on superannuation, death and resignation in terms of the provision of the payment of Gratuity Act. The present value of obligations is determined based on actuarial valuation using Projected Unit Credit Method, which recognized each period of service as given rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A) Amount recognised in the Balance Sheet		
Gratuity:		
Present value of obligations	159	107
Fair Value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(159)	(107)
B) Statement of Profit and loss for current year		
Gratuity:		
Employee Benefit Expense :		
Current service cost	18	15
Net interest cost	7	9
Total Expense	25	24
Other Comprehensive income		
Actuarial loss/(gain) on obligation	(13)	36
Expense recognized in Statement of Profit & Loss	12	60

Particulars	As at March 31, 2022	As at March 31, 2021
C) Reconciliation of defined benefit obligation.		
Gratuity:		
Opening Defined Benefit Obligation	107	127
Acquisition adjustment due to transfer in	51	-
Current Service cost	18	15
Interest cost	7	9
Actuarial loss/(gain) on obligation	(12)	36
Benefits paid	(12)	(80)
Closing Defined Benefit Obligation	159	107
D) Bifurcation of liability as per schedule III		
Gratuity:		
Current Liability	56	29
Non-Current Liability	103	78
Net Liability	159	107
E) Principle actuarial assumptions	%	%
Discount Rate	7.32%	6.91%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
	Up to 35 Years	30.00%
	From 36 to 45 Years	28.00%
	Above 46 Years	26.00%

	March 31, 2022	March 31, 2021
F) Sensitivity to key assumptions	DBO	DBO
Gratuity:		
Discount rate varied by 0.5%	159	107
+0.5%	(2.11)	(1.63)
-0.5%	2.17	1.68
Salary growth rate varied by 0.5%	159	107
+0.5%	2.23	1.72
-0.5%	(2.19)	(1.68)

G) Profit and loss account for subsequent period	March 31, 2023
Service cost	24
Net interest cost	11
Total included in 'Employee Benefit Expense'	35

H) Maturity Profile of Defined Benefit Obligation	Amount
Gratuity:	
2023	84
2024	81
2025	94

2026	110
2027	117

35. Share Based Payments

Employee Stock Option Plan of Welspun Specialty Solutions Limited (formerly known as RMG Alloy Steel Limited)

During the year ended March 31, 2019, the Company had instituted an RMG Alloy Steel Limited 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	01 st June 2018	01 st June 2018	01 st June 2018
Vesting date	01 st June 2019	01 st June 2020	01 st June 2021
Exercise/Expiry date	01 st June 2022	01 st June 2023	01 st June 2024
Grant/Exercise price	Nil	Nil	Nil
Method of settlement	Equity – settled	Equity – settled	Equity – settled

Movement of options granted (in units)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	6,67,850	8,13,800
Granted during the year	-	-
Exercised during the year	6,67,850	1,45,950
Forfeited/Lapse during the year	-	-
Closing balance	-	6,67,850
Vested	-	3,75,600

During the year ended March 31, 2022, the Company has recognised share option expenses in Statement of Profit & Loss of Rs. 5 Lacs (Previous year Rs. 41 Lacs). During the year, Two employee availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 6,67,850 Equity Shares at Rs. 25.5 each (including premium of Rs. 19.5 each), amounting to Rs. 170 Lacs and were subscribed and fully paid up.

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	7.84%	7.84%	8.02%
Expected volatility – Annual	56.85%	56.85%	56.85%
Fair value per option	25.50	25.50	25.50
Model used	Black Scholes	Black Scholes	Black Scholes

* Welspun Specialty Solutions Ltd (Erstwhile RMG Alloy Steel Limited has granted Stock options at nil cost to the employees of company and thereby Exercise Price is Nil. But for computation purpose under Black Scholes Valuation, we have assumed the Exercise Price as 0.001.

36 Additional Information

Pursuant to the provisions of 5(viii)(c) of Part II of Schedule III to the Companies Act, 2013:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount (Rs. in Lakhs)	(%)	Amount (Rs in lacs)	(%)
A) Value of Raw Material Consumed				
-Imported	1,281	9.82%	--	-
-Indigenous	11,767	90.18%	4,255	100%
Total	13,048		4,255	
B) Value of Stores & Spares Consumed				
-Imported	184	9.35%	171	13.76%
-Indigenous	1,789	90.65%	1,072	86.24%
Total	1,973		1,243	

37 Contingent liabilities and commitments

(Rs in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitments not provided for (Net of advances)	-	72
Bank Guarantees	388	378
Bills Discounted	631	134
Service Tax	1	1
Disputed Sales Tax Demands	20	20
Claim against the Company not acknowledged as debts	549	493

38 Segment Reporting

The Company operates in a single business segment i.e. manufacture of steel and steel products such as seamless tubes and rolled products and as such there are no separate reportable segments as per the requirement of (Ind AS - 108) on "Operating Segment". The Company's business is predominantly confined within India and has no reportable geographical segment.

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

Particulars	March 31, 2022
-------------	----------------

	Total Sale Value (Rs. in Lakhs)	% of Revenue
Welspun Corp Ltd	8,768	53.70%
March 31, 2021		
Particulars	Total Sale Value (Rs. in Lakhs)	% of Revenue
Maxim Tubes Company Pvt. Ltd.	1,789	18.82%
Welspun Corp Ltd.	1,546	16.26%

39 Related Party Disclosure

Parties where Control exists:

Welspun Corp Ltd from 16.3.2022 and Welspun Steel Ltd up to 15.3.2022.

Related Parties with whom transactions have taken place during the year:

Name of Related Party and the relationship

Parent Company

Welspun Corp Ltd (w.e.f. March 16, 2022)

Welspun Steel Ltd (up to March 15, 2022)

Fellow Subsidiaries

Welspun Tradings Ltd

Welspun Wasco Coatings Pvt Ltd

Welspun Pipes Inc.

Welspun Tubular LLC

Welspun Global Trade LLC

Welspun Mauritius Holdings Ltd

East Pipes Integrated Co. for Industry (CJSC)

(formerly known as Welspun Middle East Pipes LLC)

Welspun Metallics Ltd

Anjar TMT Steels Pvt Ltd

Welspun DI Pipes Ltd

Mahatva Plastic Products And Building Materials Private Limited

Mundra Industrial and Business Parks Pvt Ltd (up to 15.03.2022)

Welspun Steel Resources Pvt Ltd (up to 15.03.2022)

List of Others 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 Steel Limited

Welspun Enterprises Limited

Welspun Floorings Limited

Welspun Global Services Limited

Welspun India Limited

Welspun Advance Textiles Limited

Welspun Global Brands Limited

Welassure Private Limited.

Welspun Innovative Products Ltd. (formerly known as Welspun Advance Materials Ltd.)

First Rank LLP (formerly known as Rank Marketing LLP)

MGN Agro Properties Pvt. Ltd.

Key Managerial Personnel

Amita Karia	Independent Director (up to 28.01.2022)
Amita Misra	Independent Director (w.e.f. 27.04.2022)
Anuj Burakia	CEO and Whole Time Director
Atul Desai	Independent Director
Balkrishan Goenka	Non-Executive Chairman (Promoter)
K. H. Viswanathan	Independent Director (w.e.f. 27.04.2022)
Myneni Narayana Rao	Independent Director
Prakash Tatia	Non-Executive Director
Vipul Mathur	Non-Executive Director (w.e.f. 27.04.2022)
Narendra Kumar Bhandari	Chief Financial Officer
Rashmi Mamtura	Company Secretary

Transactions with Related parties

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<u>Parent</u>		
Welspun Corp Ltd		
Reimbursement Made	-	1
Reimbursement Received	-	-
Loans Received	9763	-
Loans Repaid	900	-
Interest on Loan Received	108	-
Service Paid	-	20
Purchase	7396	22
Sales	8764	1825
Advances Received	-	5483
Advances Repaid	5483	-
<u>Enterprises having Significant influence</u>		
Welspun Steel Ltd		
Sales	-	90
Loan Received	-	1500
Loan Repaid	-	58
Interest on Inter Corporate Deposit	873	214
Loan/Preference share redemption amount utilised for issuance of Equity shares	-	690
MGN Agro Properties Pvt. Ltd.		
Preference shares and share warrant convert into equity shares	-	2800
Welassure Pvt Ltd		
Security Service	54	46
Welspun India Ltd.		
Purchase	1	-
Sales	11	3
Reimbursement Made	-	7

Welspun Innovative Products Ltd.		
Sales	-	2
Welspun Trading Limited		
Bank Guarantee charges	24	13
Welspun Metallica Ltd.		
Sales	86	2
Welspun Global Brands Ltd		
Reimbursement of Expenses	-	9
Purchase	2	-
Welspun Floorings Ltd		
Sale of Asset	5	-
Welspun Global Services Ltd		
Purchase of Services	7	-
Welspun Enterprise Ltd		
Security Deposit	1	-
<u>Remuneration of Key Management Personnel</u>		
Anuj Burakia	41	-
Narendra Kumar Bhandari	28	6
Rashmi Mamtura	7	2
<u>Employee Stock Option Purchase</u>		
Anuj Burakia (Refer Note 35)	138	-
<u>Directors Sitting Fees</u>		
Atul Desai	2	2
Amita Karia	1	2
Narayana Rao Myneni	2	2
All the above figures are including GST.		

Outstanding Balance with related parties:

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Welspun Corp Ltd.		
Trade Receivable	772	-
Advance from Customer	-	5,483
Interest Accrued	97	-
Trade Payable	4,456	2
Inter corporate deposit	8,863	-
Welspun Steel Ltd.		
Inter Corporate Deposit	4,925	4,372
Interest Accrued	958	670
Welspun India Ltd.		
Advance from Customer (# Rs.27,027)	#	-
Trade Receivable (@ Rs. 18,882)	-	@
Welasure Pvt Ltd.		
Trade Payable	-	4
Advance to Vendor	6	-
Welspun Metalics Ltd.		
Trade Receivable (@ 37,798)	@	-
Welspun Enterprises Ltd.		
Security Deposit paid	1	

40 Tax Expenses

a) Amounts recognised in profit and loss

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Tax Expense		
Current Year	-	-
Earlier Year Tax	-	(9)
Deferred tax expense	-	-
Income Tax expense reported in statement of profit and loss	-	(9)

b) Amounts recognised in other comprehensive income

Particulars	2021-22			2020-21		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
Items that will not be reclassified to profit or loss						
Net Gain / (Loss) on fair value change on derivative designated as cash flow hedge	(65)	-	(65)	(30)	-	(30)
Net Gain / (Loss) on Re-measurements of the defined benefit plans	13	-	13	(36)	-	(36)
	(52)	-	(52)	(66)	-	(66)

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

Particulars	2021-22	2020-21
Accounting Profit / (Loss) before Income Tax	(3,078)	9,320
Tax using the Company's domestic tax rate March 31, 2022: 26% (March 31, 2021: 26 %)	800	(2,423)
Tax effect of:		
Tax effect of current year losses on which no deferred tax asset is recognized	(800)	2,432
Utilisation of brought forwarded losses for which no deferred tax asset was recognised	-	-
Earlier year tax	-	(9)
Net effective income tax	-	-

41 Deferred Tax (Liabilities)/Assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability		
Related to Property, Plant and Equipment, Right-of-Use of Assets and Intangible Assets.	2,506	2,304
Deferred Tax Asset		
Other Disallowances under Income tax Act, 1961	229	258
Unabsorbed Depreciation/Business Loss (Refer note below)	2,277	2,082
Net Deferred Tax Liability	-	-

Note: Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognized to the extent it can be realized against reversal of deferred tax liability.

Unused tax losses and unabsorbed depreciation on which no deferred tax asset is recognized in Balance Sheet
(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unused Tax losses	17,519	17,265
Unabsorbed Tax depreciation	41,498	39,402
Total	59,017	56,667

- (1) Unabsorbed depreciation does not have any expiry period under the Income Tax Act 1961.
 (2) The Tax benefits for the losses would expire if not utilized starting from financial year 22-23 to 29-30.
 (3) No Deferred Tax Asset is recognized in absence of reasonable certainty that taxable income will be generated by the Company to offset the losses.

42 Financial Instruments

Accounting Classification and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks/financial institutions/others approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(Rs. in Lakhs)

Particulars	Carrying Amount	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	1,533	-	-	1,533
Cash and cash equivalents	501	-	-	501
Bank balance other than cash and cash equivalent	91	-	-	91
Financial assets At fair value through profit and loss				
Investments	-	-	-	-

	Total	2,125	-	-	2,125
Financial liabilities					
	Long term Borrowings	26,769	-	2,896	23,873
	Short term Borrowings	1,225	-	1,225	-
	Trade payables	6,275	-	-	6,275
	Other financial liabilities	1,656	-	-	1,656
	Total	35,925	-	4,121	31,804
	Particulars	Carrying Amount	Fair Value		
		As at March 31, 2021	Level 1	Level 2	Level 3
Financial assets at amortised cost					
	Trade receivables	1,014	-	-	1,014
	Cash and cash equivalents	30	-	-	30
	Bank balance other than cash and cash equivalents	37	-	-	37
	Financial assets At fair value through profit and loss				
	Investments	-	-	-	-
	Total	1,081	-	-	1,081
Financial liabilities					
	Long term Borrowings	15,345	-	9,462	5,883
	Short term Borrowings	1,843	-	1,843	-
	Trade payables	1,868	-	-	1,868
	Other financial liabilities	1,056	-	-	1,056
	Total	20,112	-	11,305	8,807

43 Financial risk management objectives and policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

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, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of

the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

As disclosed in Note 8, cash and cash equivalents balances generally represent short term deposits with a less than 90-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90-360 days. But some customers take a longer period to settle the amounts.

Exposure to credit risk

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Cash and Cash Equivalent	501	30
Bank Balances other than above	91	37
Trade Receivables	1,533	1,014
Total	2,125	1,081

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables:		
Less than 90 days	1,444	744
90 to 180 days	27	71
Over 180 days	62	199
Total	1,533	1,014

In the opinion of management, Trade Receivable, Cash and Cash Equivalents, Balance with Bank, Loans and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

The Company has recognized Rs. 19 lacs (Previous year Rs. Nil Lacs) towards loss allowance for the year as the Company expects that there is no credit loss on trade receivables.

44 Foreign currency risks

The Company has Sales and Purchase in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

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

Currency	As at March 31, 2022		As at March 31, 2021	
	USD in Lakhs	0.46	USD in Lakhs	0.69
Forward contracts to buy USD	USD in Lakhs	0.46	USD in Lakhs	0.69
Forward contracts to buy EURO	EURO in Lakhs	3.33	EURO in Lakhs	0.33
Forward contracts to sell USD	USD in Lakhs	6.84	USD in Lakhs	-
Forward contracts to sell EURO	EURO in Lakhs	35.11	EURO in Lakhs	1.97

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 as follows:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rs. in Lacs	Foreign currency	Rs. in Lacs
USD	-	-	-	-
EURO	-	-	-	-

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit/(loss) before tax:

Currency	As at March 31, 2022		As at March 31, 2021	
	1 % increase (Rs. in Lakhs)	1 % decrease (Rs. in Lakhs)	1 % increase (Rs. in Lakhs)	1 % decrease (Rs. in Lakhs)
USD	4.86	(4.90)	(0.50)	0.51
EURO	27.07	(27.63)	1.41	(1.45)

Interest rate risk

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Interest bearing - Fixed interest rate		
- Current fixed deposit	289	37

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Liabilities		
Interest bearing		
Borrowings - Floating interest rate		

Working capital loan in rupee	77	1,133
Borrowings - Floating interest rate	3,739	4,000
Borrowings - Fixed interest rate		
- Loan	-	2,481
- Supplier finance facility	304	114
- Inter Company Loan	13,788	4,372
- 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, 2022	As at March 31, 2021
Increase in 50 bps points		
Effect on profit/(loss) before tax	(18)	(26)
Decrease in 50 bps points		
Effect on profit/(loss) before tax	18	26

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 maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 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 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value.

The following table analysis financial liabilities by remaining contractual maturities:

Particulars	(Rs. in Lakhs)		
	Less than 1 year	More than 1 year	Total
Year ended March 31, 2022			
Borrowings	1,225	26,769	27,994
Other Financial Liabilities	552	1,104	1,656
Trade and other payables	6,275	-	6,275
Total	8,052	27,873	35,925
Year ended March 31, 2021			
Borrowings	1,843	15,345	17,188
Other financial liabilities	386	670	1,056
Trade and other payables	1,868	-	1,868
Total	4,097	16,015	20,112

At present, the Company does expect to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

45 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, 2022	As at March 31, 2021
Borrowings	27,994	17,188
Trade Payables	6,275	1,868
Other Financial Liabilities	1,656	1,056
Less: Cash and Cash Equivalents	(501)	(30)
Net debt (a)	35,424	20,082
Total Equity		
Total Member's Capital	752	3,877
Capital and Net Debt (b)	36,176	23,959
Gearing ratio (%) (a/b)*100	97.92	83.82

46 Changes in liabilities arising from financing activities

Disclosure pursuant to para 44A to E of Ind AS 7 – Statement of Cash flow

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Long Term Borrowings (including Current Maturities)		
Opening Balances	15,942	27,195
Availed during the year	14,659	1,442
Repaid During the year	(2,988)	(799)
Converted to Equity Shares	-	(2,100)
Transfer from Short Term to Long Term Borrowings	-	1,983

Equity Component of Borrowing on Fair Valuation	-	(553)
Share Premium On Preference share written off (Refer Note 31)	-	(12,726)
Preference Shares converted to loan	-	1,500
Closing Balances	27,613	15,942

Short Term Borrowings		
Opening Balances	1,247	10,208
Availed during the year	190	-
Repaid During the year	(1,056)	(3,048)
Redeemed and utilised for payment of Share warrants and for conversion to Equity Shares	-	(3,930)
Transfer of Loan to Long Term Borrowings	-	(1,983)
Closing Balances	381	1,247
Interest Expenses		
Interest Accrued – Opening Balances	709	558
Interest Charge as per Statement of Profit and Loss	1,703	1,147
Interest paid to Lenders	(1,194)	(996)
Interest Accrued – Closing Balances	1,218	709

- 47 During the year ended March 31, 2021, the Company redeemed 4,53,00,000 Preference Shares having redemption value of Rs. 6,030 Lakh and utilized the redemption proceeds towards subscription of balance 75% of the warrants and issued 4,02,66,666 Equity Shares of Rs. 15 each amounting to Rs. 4,530 Lakh to the shareholders. The balance redemption amount of Rs. 1,500 Lacs has been considered as a loan from Welspun Steel Limited.
- 48 During the quarter ended June 30, 2021, two employees availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 6,67,850 Equity Shares at Rs. 25.5 each (including premium of Rs.19.5 each), amounting to Rs. 170 Lakh and were subscribed and fully paid up.
- 49 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 dtd. 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 lacs (including interest) on March 25, 2022, which has been credited to Statement of Profit and Loss as Other Income.
- 50 The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact once the subject rules under the Code are notified and will give appropriate impact in the financial statements when the code becomes effective.

51 Key Financial Ratios with detailed explanations

S.No.	Ratio	Formula	2021-22	2020-21	Change (%)	Remarks
1	Current Ratio	Current Assets / Current Liabilities	1.80	1.58	(14%)	Current Ratio improved in FY22 due to significant increase in current assets due to increase in Business operations compared to last year.
2	Debt Equity Ratio	Debt / Equity	38.85	4.62	(742%)	Due to increase in loans availed for augmentation of working capital requirement to meet the enhanced business activity.
3	Debt Service Coverage Ratio	Earnings available for Debt Service/ Debt Service	0.02	(0.98)	102%	Improvement in ratio due to increase in Operating profit from increase in business operations.
4	Interest Coverage Ratio	Net Profit Before Interest & Taxes (PBIT) / Fixed Interest cost & Charges	(0.81)	(2.86)	72%	The Interest has been in similar levels, except for an Ind As adjustment of Rs 553 lakhs, as compared to previous year though the sales and working capital requirement has doubled. With reduction in Operating losses the PBIT has improved resulting in improved ratio from previous year.
5	Return on Equity Ratio	(PAT - Preference Dividend)/ Shareholder's Equity	(1.33)	(1.92)	83%	Improvement in Operating profit on account of increased business operations.
6	Inventory Turnover Ratio	Cost of Goods Sold / Average Stock	2.22	1.96	(13%)	There has been significant increase in Raw Material and WIP due to increase in production capacity for fulfilment of new sales orders. This is likely to stabilise with continuous production and sales going forward.
7	Debtors Turnover Ratio	Total Credit Sales/ Average Trade Receivables	12.22	7.02	74%	The turnover of the company has doubled from last year while the Debtors have grown only by 50%. The Debtors Turnover ratio has improved due to better realisation, increase in Export sales and regular supply with repeat orders.
8	Trade Payable Turnover Ratio	Net Credit Purchases/ Average Trade Payables	2.38	1.98	20%	Higher ratio due to higher purchase because of commencement of SS Plant in the current year. This will stabilise with higher production and sales going forward.
9	Net Capital Turnover Ratio	Net Sales/ Working Capital	2.42	3.66	(34%)	Increase in Working Capital due to commencement of SS plant with increase in production and business operations.
10	Net Profit Margin (%)	Net Profit / Net Sales	(18.85%)	99.76%	119%	In FY22 it is net loss as against net profit in FY21. FY 21 had

S.No.	Ratio	Formula	2021-22	2020-21	Change (%)	Remarks
						exceptional income due to write back of Rs. 12726 Lakhs Preference Share Premium, else it would have been a loss. Excluding exceptional income ratio would have been (47.44%) & (18.85%) in FY21 & FY22 respectively.
11	Return on Capital Employed (ROCE)	EBIT / Capital Employed	(0.05)	(0.12)	62%	Improvement in EBIT has led to Improvement in the ratio.
12	Return on Investment	EBIT / Capital Employed	(0.05)	(0.12)	62%	Improvement in EBIT has led to Improvement in the ratio.

52. 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 group 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:

- 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
- 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:

- 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

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

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

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

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

(XI) 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.

53 Previous Year's Figures

Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For Pathak H D & Associates LLP

Chartered Accountants

Firm Registration No.: 107783W/W100593

For and on behalf of the Board of Directors

Jigar T. Shah

Partner

Membership No.161851

B.K. Goenka

Chairman

DIN: 00270175

Anuj Burakia

CEO & Whole Time Director

DIN: 02840211

Place: Mumbai

Date: May 23, 2022

Narendra Kumar Bhandari

Chief Financial Officer

Rashmi Mamtura

Company Secretary

FCS: 8658



WELSPUN SPECIALTY SOLUTIONS LIMITED

(Formerly known as RMG Alloy Steel Limited)

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E-mail: companysecretary_wssl@welspun.com

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