

**39TH
ANNUAL
REPORT
2020-21**

**WELSPUN SPECIALTY
SOLUTIONS LIMITED**

(ERSTWHILE RMG ALLOY STEEL LIMITED)



WELSPUN SPECIALTY SOLUTIONS
Alloy & Stainless | Bars & Tubes

(ERSTWHILE RMG ALLOY STEEL LIMITED)
CIN:L27100GJ1980PLC020358

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Balkrishan Goenka	-	Chairman
	Mr. Atul Desai	-	Independent Director
	Mr. Myneni Narayana Rao	-	Independent Director
	Ms. Amita Karia	-	Independent Director
	Mr. Prakash Tatia	-	Director
	Mr. Anuj Burakia	-	Whole Time Director
KEY MANAGERIAL PERSONNEL	Mr. Anuj Burakia	-	Whole Time Director
	Mr. Narendra Kumar Bhandari	-	Chief Financial Officer
	Ms. Rashmi Mamtura	-	Company Secretary
AUDITORS	Pathak H.D. & Associates LLP., Nariman Point, Mumbai – 400 021		
BANKERS	Corporation Bank Yes Bank Ltd		
REGISTERED OFFICE AND FACTORY	Plot No. 1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat-393110		
CORPORATE OFFICE	C/8, BKT House, Trade World, Kamala City, S.B.Marg, Lower Parel Mumbai – 400013, 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) Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East) Mumbai – 400059 Email: vinod.y@bigshareonline.com Tel: 91-22-6263 8200 Fax: 91-22-6263 8261		



WELSPUN SPECIALTY SOLUTIONS LIMITED

(Erstwhile RMG Alloy Steel Limited)

CIN : L27100GJ1980PLC020358

Registered Office : Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat-393110.

Corporate Office : C/8, BKT House, Trade World, 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 39th Annual General Meeting of **Welspun Specialty Solutions Limited** (Erstwhile RMG Alloy Steel Limited) will be held via Video Conference or Other Audio-Visual Means on Tuesday, August 31, 2021, at 2.00 pm to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Prakashmal Tatia (DIN: 06559106), 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 Rule 3(7) of the 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 Board, the continuation of appointment of M/s. Pathak H.D. & Associates LLP, Chartered Accountants (having Firm Registration Number 107783W), as the statutory auditors of the Company to hold office from the conclusion of the 39th Annual General Meeting until the conclusion of the 40th Annual General Meeting be and is hereby ratified by the members of the Company at a fee of Rs.9,50,000 (subject to deduction of tax at source at such rate as may be applicable) and out of pocket expenses.”

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.35,000/- approved by the Board of Directors of the Company 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, 2022 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 provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, and subject to such other consents and permission as may be necessary, and subject to such

modifications, variations as may be approved, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Anuj Burakia DIN: 02840211), who was appointed as Whole Time Director of the Company in Annual General Meeting of the Company held on September 24, 2018 for the period of 3 years and whose term expired on July 28, 2021, as Whole Time Director of the Company for a further period of 3 years w.e.f. July 29, 2021, subject to being liable to retire by rotation, as recommended by the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT 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) be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

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 to the Act and other applicable rules made under 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. Myneni Narayana Rao (DIN: 00577494), who was appointed as an independent director with effect from August 28, 2018 till August 27, 2021 by the members of the Company 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 re-appointment pursuant to, inter alia, Schedule IV of the Act, be and is hereby appointed as an independent director of the Company to hold the office for the second term of consecutive five years with effect from August 28, 2021 and whose office shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT 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) be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

7. 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 of the Board), 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 Steel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Survey No.650, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 (“WSL”)
2.	Name of the Director or Key Managerial Personnel who is/may be related	Mr. Balkrishan Goenka – Chairman (Non-Executive)

3.	Nature of Relationship	WSL is the holding company.
4.	Nature and particulars of the contract / arrangement	Availing of Loan / Inter Corporate Deposit (ICD)
5.	Material terms of the contract / arrangement	Unsecured with interest @6.5% p.a.
6.	Monetary value of the contract / arrangement	Such amount as may be agreed between the Company and WSL. Provided however that the loan/ ICD amount shall not exceed Rs.75 Crore.
7.	Duration of the transaction	One year, renewable mutually for one year at a time.
8.	The indicative base price or current contracted price and the formula for variation in the price, if any	Interest payable @ 6.5% p.a.
9.	Any other information relevant or important for the members to take a decision on the proposed resolution	None

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.”

8. 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 of the Board), 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 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)
3.	Nature of Relationship	WCL is a company under same management. Please also refer Point. 9.
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	Such amount as may be agreed between the Company and

	/ arrangement	WCL. Provided however that the loan/ ICD amount shall not exceed Rs.25 Crore.
7.	Duration of the transaction	The tenor of loan will be for Five years. 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	The Board of Directors of Welspun Steel Ltd (the "Demerged Company"), being the promoter of the Company has, inter alia, considered and decided to propose to 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"). Thus, under and pursuant to the said Scheme, the Company shall become a subsidiary of Welspun Corp Limited.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution."

Place: Mumbai
Date: July 30, 2021

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. Prakash Tatia, aged 67 years, is a mechanical engineer with Post Graduate Diploma in Business Management, and has over 42 years' of rich experience in steel and related sectors. He was associated with Vikram Ispat (a unit of Grasim Ltd) for 21 years. His core expertise include marketing, planning & procurement for steel industries with strong knowledge of international trade for bulk commodities. He has worked with brands like M. N. Dastur & Co. (a leading steel consultancy firm), Mahindra & Mahindra's, Zenith Ltd, Aditya Birla, etc. He has presented papers on industry/business in various national & international steel conferences across globe. He was the Chairman of Sponge Iron Manufacturing Association of India and is presently a member of Steel Committee of CII & FICCI. Presently, he is also Vice President of Indian Stainless Steel Pipes Manufacturing Association (ISSMA).

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

Mr. Tatia holds 428213 equity shares in the Company.

Mr. Tatia does not hold directorship in any listed entity other than the Company. He is not member / chairperson in any Committees of the Company.

Except Mr. Tatia, being the appointee herein, none of the Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be 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. 2 of the accompanying Notice for approval by the Members of the Company.

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, on 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, 2022 and also to perform other duties under the applicable provisions of the law, on the total remuneration of Rs.35,000/- , subject to ratification 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

Mr. Anuj Burakia is a qualified Chartered Accountant having experience of about 20 years in steel industry. Mr. Burakia is aged 42 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*	Audit Committee	Member
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member

* Shareholding of Mr. Burakia as on July 30, 2021: 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 special resolution at Resolution No. 5 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 6

Mr. Myneni Narayana Rao (DIN: 00577494) was appointed as an independent director with effect from August 28, 2018 till August 27, 2021. In accordance with the provisions of Section 149 (10) of the Companies Act, 2013, an independent director shall be eligible for reappointment on passing of a special resolution by the members. After considering the outcome of evaluation done by the Board of Directors in March 2021, the Board was of the view that Mr. Rao satisfied the criteria for re appointment as an independent director of the Company and hence recommended Resolution No. 6 for approval by members by way of a Special Resolution for appointment of Mr. Rao as an independent director of the Company, not liable to retire by rotation.

Disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Myneni Narayana Rao, aged 65 years, mechanical engineer and post-graduate in Nuclear Science & Engineering and has experience of over 35 years in the fields of manufacturing and development of science & engineering of strategic material components like sheets, rods and precision tubes in zirconium alloys, titanium alloys, copper alloys, silver alloys and stainless steels for all core structurals for the nuclear power reactors in India.

Presently Mr. Rao is President of M/S KCP Industries (a Heavy engineering unit appointed in the year 2020, which is in the field of manufacturing of cast products, machining and fabrication of large size components for cement and mineral processing plants. KCP also produces the oil and gas - processing equipments and also for strategic requirements of space and defense such as rocket motor casing etc.

He was awarded "Young Scientist" Award for the year 1989 by the Andhra Pradesh State Academy of Sciences, "Engineer of The Year" Award for the year 1991 by the Institution of Engineers and Government of Andhra Pradesh, "Metallurgist of The Year" Award for the year 2006 by the Indian Institute of Metals and "J R D Tata Award - 2015 for "Excellence In Corporate Leadership In Metallurgical Industries.

Mr. Rao is not related to the other director of the Company.

Mr. Rao is a director on the Boards of Chennai Petroleum Corporation Ltd., Avantel Ltd., Welspun Specialty Solutions Ltd., KMV Projects Ltd., Bridge Gap Engineering India Pvt Ltd., Samuha Engineering Industries Ltd. The details committees, chairmanship and membership in companies is as under:

Company Name	Committee Type	Chairmanship / Membership
Welspun Specialty Solutions Limited*	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Risk Management	Member
Avantel Limited	Audit Committee	Chairperson
	Nomination & Remuneration Committee	Chairperson
	Stakeholders' Relationship Committee	Chairperson
Chennai Petroleum Corporation Limited	Audit Committee	Chairperson
	Risk Management Committee	Member
	Corporate Social Responsibility Committee	Chairperson

* Shareholding of Mr. Rao as on July 30, 2021 : 7,789 Equity Shares.

Except Mr. Myneni Narayana Rao, none of the Directors, 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 Resolution No. 6 of the accompanying Notice for approval by the Members of the Company.

RESOLUTION NO. 7

Welspun Steel Limited (WSL), being the holding company provides financial assistance to the Company from time to time for the Company's general business purposes. The Company proposes to borrow from WSL an amount not exceeding Rs.75 Crore.

Since the proposed arrangement between the Company and WSL would be in the nature of 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 is in line with prevailing market comparable rates. 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, along with other transactions, 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 shareholders 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 forms part of the resolution.

Except for Mr. Balkrishan Goenka and Mr. Prakash Tatia, 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 Resolution No. 7 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. 7 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.

RESOLUTION NO. 8

The Board of Directors of Welspun Steel Ltd (the "Demerged Company"), being the holding company of the Company, at its meeting held on June 28, 2021 have, inter alia, considered and decided to propose to National Company Law Tribunal ("NCLT") for its approval, a scheme of arrangement 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"/ "WCL").

In view of the above the Company may seek financial assistance from Welspun Corp Limited for an amount not exceeding Rs.25 Crore for repayment of existing high cost loan and/or for its general business purposes.

Since the proposed arrangement between the Company and WCL would be in the nature of 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, along with other transactions, 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 shareholders 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 forms part of the resolution.

Except for Mr. Balkrishan Goenka, 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 Resolution No. 8 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.8 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: July 30, 2021

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 Circular No.14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, and Circular number SEBI / HO / CFD / CMD1 / CIR / P/2020/79 dated May 12, 2020 (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 2020-21, 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 MCA Circulars dated April 08, 2020, April 13, 2020, May 5, 2020, and January 13, 2021, 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 Central Depository Services (India) Limited ("CDSL") for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. 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.
6. 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 to at least 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.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. 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.
9. 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 CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

10. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021.
11. 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. August 31, 2021. Members seeking to inspect such documents can send an email to companySecretary_WSSL@welspun.com.
12. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Transfer Agent M/s. Bigshare Services Pvt. Ltd., Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059, 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.
13. 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.
14. 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.
15. 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 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.
16. The shareholders 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.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Bigshare Services Pvt. Ltd, Registrar and Transfer Agent, for consolidation into a single folio.

18. 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.
19. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting during the General Meeting.
20. M/s Mihen 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.
21. 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.
22. 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 CDSL 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 INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) **The voting period begins on Saturday, August 28, 2021 at 9:00 am and ends on Monday, August 30, 2021 at 5:00 pm.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Tuesday, August 24, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) 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 e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is 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 3) 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful

demat mode) login through their Depository Participants	authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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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 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 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 and 22-23058542-43.
Individual Shareholders 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

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- 7) After entering these details appropriately, click on “SUBMIT” tab.
 - 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for Welspun Specialty Solutions Ltd.
 - (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;

companysecretary_WSSL@welspun.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders 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.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. The shareholders may send their questions/queries to the Company's email id companysecretary_wssl@welspun.com at least five working days prior to the time fixed for the AGM i.e. latest by August 23, 2021, mentioning their name, demat account number/folio number, email id, mobile number. These queries will be replied to by the Company suitably.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Place: Mumbai
Date: July 30, 2021

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

**Registere
d 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

(Erstwhile RMG Alloy Steel Limited)

CIN : L27100GJ1980PLC020358

Registered Office : Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat-393110.

Corporate Office : C/8, BKT House, Trade World, 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,
(Erstwhile RMG Alloy Steel Limited)
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,
(Erstwhile RMG Alloy Steel Limited)
 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
(Erstwhile RMG Alloy Steel Limited)

Your directors are pleased to present the Thirty Ninth Annual Report together with Audited Financial Statement of the Company for the year ended 31st March 2021.

FINANCIAL RESULTS

Particulars	2020-21	2019-20
Sales and other income	9,504	30,000
Profit/(Loss) before interest, depreciation and exceptional items	(1,904)	(6,620)
Interest and Financial charges	1,147	1,541
Depreciation and Amortization	1,381	1,032
Profit/ (Loss) before exceptional items and tax	(4,432)	(9,194)
Exceptional items	13,761	1,057
Profit/(Loss) before tax	9,329	(8,137)

(Rs. in Lakh)

OPERATIONS

Operations of the Company were as under:

Particulars	2020-21			2019-20		
	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakh)	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakh)
Steel/ Pipe	4,914	5,578	9,343	31,112	37,233	29,517

The financial year 2020-21 was extremely challenging due to COVID 19 pandemic across the globe, resulting in derailing of the entire economy. Manufacturing sector was badly hit due to lockdown conditions during most of the period of this financial year.

Now the situation is improving & the Government is also proactively working on vaccination and it is estimated that 60-70% of the population will be vaccinated by December 2021. This will help in bringing overall normalcy and already with stage wise unlocking of lockdown in many parts of country/world also, the economic activities have kick started.

It is expected that domestic demand will grow stronger in all sectors, including steel industry, which is likely to provide good boost to our business as well.

The prices in steel sector across the globe have started firming due to strong demand in China, USA, India, Middle East, South East Asia, etc. which seems like a super cycle for commodities where in demand is expected to remain strong for a longer period.

The Government of India is proactively taking many measures to boost the demand by way of introducing enabling policies such as "Make in India" and "Atmanirbhar Bharat" in addition to enhanced spending on infrastructure and public works. All in all, the steel industry is expected to perform better during FY 21-22.

DIVIDEND AND RESERVES

In view of the accumulated losses, your directors could not recommend any dividend for the financial year ended on March 31, 2021 nor could propose to transfer any amount to reserves.

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, 2021, 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 2021 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 and Securities Premium collected on redeemable preference share are shown as borrowing in the financial statement. However, as per Section 2(57), Section 2(64) and section 43 of the Companies Act 2013, Net Worth definition include "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 and securities premium collected on redeemable preference share capital are also considered as a part of the Net Worth.

(Rs. in lakhs)

Particulars	Net worth as on 31.03.2021	Net Worth as on 31.03.2020
Equity share capital	31,765	29,341
Securities premium collected on Equity Share Capital	28,719	25,067
Redeemable Preference share Capital	5,090	9,621
Securities Premium collected on preference share Capital	-	14,225
Retained Earnings	(57,233)	(66,553)
Net Worth	8,341	11,701

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

a. Board of Directors:

Mr. Prakash Tatia (Director) of the Company, retiring by rotation at the 39th Annual General Meeting and being eligible, has offered himself for reappointment. Board has recommended his reappointment.

Mr. M. Narayana Rao was appointed as an Independent Director for three years from August 28, 2018 till August 27, 2021. Now being eligible for reappointment and meeting the criteria for independence as prescribed under Section 149 of the Act, after consideration of outcome of evaluation done by the Board of Directors in March 2021, the Board has approved reappointment of Mr. Rao for second term of five years subject to approval by members by way of special resolution in the ensuing general meeting.

Six (6) meetings of Board of Directors were held during the financial year 2020-21, 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 (Whole Time Director) was appointed for a period of 3 years w.e.f. July 29, 2018 till July 28, 2021 by members in their Annual General Meeting held on September 24, 2018. The Board of Directors approved reappointment of Mr. Burakia as Whole Time Director for further period of 3 years w.e.f. July 29, 2021 subject to approval by members by way of special resolution in the ensuing 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.

(Formerly known as RMG Alloy Steel Limited)

For the financial year 2020-21, 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 III.

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: **the ratio cannot be derived as no remuneration was paid to any directors during the year under consideration.**
- (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: **there was no increase in remuneration of Directors, CEO, CFO or CS.**
- (iii) the percentage increase in the median remuneration of employees in the financial year: **Median remuneration decreased by 1.66%.**
- (iv) the number of permanent employees on the rolls of company: **360.**
- (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: **There was no increase in managerial remuneration as compared to the last year.**
- (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	Ashish Aggarwal	President	93,33,324	Permanent	BE Metallurgy	28	19-Aug-19	49	Jindal Steel way	NIL	NO

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2	Dhananjay Bajpeyee	Vice President	74,00,000	Permanent	BE - Metallurgy, MBA	24	12-Dec-19	42	Zetwerk Manufacturing Business Pvt Ltd	NIL	NO
3	Samir Malhotra	Vice President	71,50,008	Permanent	BE Metallurgy, MBA Sales	26	24-May-18	52	Arora Iron & Steels Ltd as Head Marketing	NIL	NO
4	Minine Gudinho	Vice President	49,50,000	Permanent	BE Electrical	32	10-Apr-18	56	Jindal South West	NIL	NO
5	Manas Ranjan Dash	Assistant Vice President	37,00,008	Permanent	BA, LLB, PGD in HRD	25	29-Nov-19	50	Enzen Group	NIL	NO
6	Avadhesh Kumar Porwal	General Manager	34,72,584	Permanent	Diploma - Mechanical	25	09-Oct-17	51	Welspun Corp Limited	NIL	NO
7	Jaspreet Singh Bhatia	Vice President	33,33,333	Permanent	BE - Automobile	23	01-Aug-20	44	Man Industries Limited	NIL	NO
8	Rajeev Kumar Sharma	General Manager	22,68,000	Permanent	B.Sc. (Engineering Technology)	19	04-Apr-19	43	TMK Gulf International Pipe Industry LLC	NIL	NO
9	Saubhag Sharma	Deputy General Manager	21,00,060	Permanent	CA	0	02-Jan-12	30	NA	NIL	NO
10	Taral Parekh	Deputy General Manager	19,00,080	Permanent	BE - Mechanical	23	01-Jun-18	47	Wrex Flex Private Limited	NIL	NO

• **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:

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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	-
Method used to account for ESOS - Intrinsic or fair value.	Fair Value
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
Option movement during the year	
Number of options outstanding at the beginning of the period	0
Options granted	1,782,000
Options vested	8,13,800
Options exercised	1,45,950
The total number of shares arising as a result of exercise of option	1,45,950
Options forfeited / lapsed	530,000
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	8,85,850
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 	417,000

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Mr. Sudhakar Asawale	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.	1.78
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 (ii) expected life (iii) expected volatility (iv) expected dividends (v) the price of the underlying share in market at the time of option grant.	7.84% to 8.02% 4 to 6 years 56.85% 0% 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 I**.

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.

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Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please refer Note no. 38 for details of transactions with Welspun Steel Ltd, being the Holding Company and hence being a related party.

CHANGE IN CAPITAL DURING THE YEAR

Details of Equity Shares of Rs. 6/- each allotted during the year

Date of Allotment	No. of Equity Shares Allotted	Issue Price	Cumulative No. of equity Shares
30.05.2020	4,02,66,666	Rs.15	52,92,75,356
07.06.2020	1,45,950	-	52,94,21,306

Details of Preference Shares redeemed during the year

Date of Redemption	Class of Preference Shares	No. of Shares Redeemed	Face Value	Redemption Price
30.05.2020	Redeemable Preference Shares	3,93,00,000	Rs.10	Rs.10
30.05.2020	12% Cumulative Redeemable Preference Shares	60,00,000	Rs.10	Rs.35

PREFERENTIAL ISSUE AND UTILISATION OF FUNDS

During the financial year your company has issued 4,02,66,666 equity shares of Rs.6 each, at the issue price of Rs.15 per share (i.e. including securities premium of Rs.9 per equity share) on preferential basis. The funds have been used for the purpose for which the same were raised.

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.

Please refer to Auditors' Observations and in relation thereto the Board of Directors states that comments under Emphasis of Matters read together with notes to accounts are self-explanatory and therefore do not call for explanation.

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 2021-22 at a remuneration of Rs.35,000/- 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.

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- **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. Miheh Halani & Associates, Practicing Company Secretaries, as the Secretarial Auditor of your company for the FY 2021-22. The Secretarial Audit Report issued by M/s. Miheh Halani & Associates for FY 2020-21 is annexed herewith as **Annexure II** to this Report.

As regards observations of the Secretarial Audit Report, the delay in intimation to stock exchange for Board Meeting was unintentional and happened due to executive error.

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 as follows:

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy.

- On-line degreasing of pipes introduced at pilgers to avoid multiple handling and avoid degreasing in bulk open tanks which requires higher heat due to bulky open tank resulting in higher fuel consumption in boiler.
- Optimizing the compressor outlet pressure settings from 7 bar to 6 bar (after arresting several leak points) also ensuring the desired satisfactory operation of all pneumatic system, thus enabling a saving in power consumption of 20%.
- Incorporated temperature control based cooling tower fan operation in cooling towers resulting is saving of 20% power.
- Optimized input Raw Material size and Induction furnace setting resulting in 5% power saving in Induction Furnace at Extrusion Press

B. Technology Absorption:

- Conveyor belt furnace from Mahler Germany Pioneer in Annealing system was introduced to cater bright annealed products. Furnace is equipped with strong rapid cooling unit where hot pipes can be cooled down very quickly to get required mechanical properties.
- Honing of Pipe ID developed and implemented for project of Strategic Sector
- Portable Hydro test upto 750 bar capability developed and implemented for one of the projects of national importance

C. Capacity Enhancement & Technological Up gradation: SS Pipe Division.

- High Speed Ultrasonic testing Machine Slickers from Germany was reinstated for catering the entire range of pipes from 6mm to 25.4mm detection, wall thickness.

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- Cold Pilger mill LG 50H which can produce pipes from 25mm to 55 mm dia input and 16mm to 42mm dia output 150 stokes/min has been commissioned to increase the throughput.
- Cold Pilger mill LG30H which can produce pipes from 22mm to 49 mm dia input and 14mm to 35mm dia output 150 stokes/min has been commissioned to increase the throughput.

D. Foreign exchange earnings and outgo

- Foreign exchange earned in terms of actual inflows during the year:
FOB Value of exports Rs.326 Lakhs (Rs.42 Lakhs)
- Foreign exchange outgo during the year in terms of actual outflows:
Imports on CIF Basis/expenditure in foreign currency Rs.1,131 Lakhs (Rs.7,573 Lakhs)

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report as **Annexure III**. 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 IV**. Management Discussion and Analysis Statement is separately given in the Annual Report as **Annexure VI**.

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 VII**.

RISK MANAGEMENT POLICY

The Board of Directors has considered and approved a revamped risk management policy to suit the dynamic business environment.

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. 3 hours were spent by the independent directors cumulatively in several familiarization program during the reporting year.

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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.

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

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 Act, 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, 2021, 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.

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 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 amount was required to be transferred to General Reserve. 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

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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.

ACKNOWLEDGEMENT

Your directors take this opportunity to express gratitude for valuable assistance and cooperation extended to the Company by financial institutions, commercial 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

Anuj Burakia
Whole Time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: June 18, 2021

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 Steel Limited (Enterprise under common control with the Company)	Welspun Corp Limited (Enterprise under common control with the Company)
b.	Nature of contracts/arrangements/transactions	Sale of Scrap and spares items	Sale of Finished Goods/ Purchase of Stores materials and Job work services
c.	Duration of the contracts / arrangements/transactions	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021
d.	Salient terms of the contracts or arrangements or transactions including the value:	<ul style="list-style-type: none"> • Purchases – NIL • Sale of Scrap made to WSL of Rs.83.35 Lakhs and Sale of Store Items made of Rs.6.95 Lakhs to Welspun Steel Ltd during the period from 01.04.2020 to 31.03.2021 are at a market price and on Arm's length basis. • All material transactions entered with the related party is carried out in the ordinary course of the business. 	<ul style="list-style-type: none"> • Job Work Services availed of Rs.28.91 Lakhs and Purchases made of Stores materials for Rs.17.17 Lakhs during the period from 01.04.2020 to 31.03.2021. The transactions are at Market Price on Arm's Length Basis. • Sale of finished goods of Rs.1868 Lakhs to Welspun Corporation Limited during the period from 01.04.2020 to 31.03.2021 are at Market Price and on Arm's Length basis. • All material transactions entered with the related party is carried out in the ordinary course of the business.
e.	Date(s) of approval by the Board	The Board of Directors at their meeting held on February 11, 2020 approved the said transactions	The Board of Directors at their meeting held on February 11, 2020 and June 18, 2020 approved the said transactions
f.	Amount paid as advances	Nil	Rs.5483 Lakhs received as advance against Finished Goods Sale.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anuj Burakia
 Whole Time Director
 DIN: 02840211

Prakash Tatia
 Director
 DIN: 06559106

Place: Mumbai
 Date: June 18, 2021

FORM MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2021

[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
(Formerly RMG Alloy Steel Limited)
CIN: L27100GJ1980PLC020358

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 (Formerly RMG Alloy Steel 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, 2021 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, 2021 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 there under;
- 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -**Not Applicable during the period under review**;
 - 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, 2009 - **Not Applicable during the period under review, and**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -**Not Applicable during the period under review.**

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- 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 following:

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India (“ICSI”);
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s).

To the best of our knowledge and belief, during the period under review, the Company has generally 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, if any 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) Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes, wherever applicable.

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

We further report that during the year;

- *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.*

We further report that during the audit period, the following event has taken place in the Company;

- The Company has redeemed;
 - 60,00,000 12% Cumulative Redeemable Preference Shares of Rs. 10 each at a premium of Rs. 25 per share;
 - 3,93,00,000 Redeemable Preference Shares of Rs. 10 each at par;
- The Company has allotted 4,02,66,666 equity shares of Rs. 6 each at a premium of Rs. 15 per share upon exercise of 4,02,66,666 warrants carrying option to subscribe equity shares.
- The Company has allotted 1,45,950 equity shares to the eligible employees under the RMG Alloy Steel Limited - Employees Stock Option (Senior Management Personnel) Plan 2018.
- The Company has modified the terms of 5,09,04,271 12% Cumulative Redeemable Preference Shares of Rs.10 each (redeemable at a premium of Rs. 25/-per share) to 12% Non-Cumulative

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Redeemable Preference Shares of Rs.10 each 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 redemption amount stands reduced from Rs. 178.16 crores to Rs. 50.90 crores.

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 Secretary

Date: 18.06.2021
Place: Mumbai
UDIN:F009926C000460651

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.

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Annexure A

To,
The Members,
Welspun Specialty Solutions Limited
(Formerly RMG Alloy Steel Limited)
CIN: L27100GJ1980PLC020358

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 Secretary

Date: 18.06.2021
Place: Mumbai
UDIN:F009926C000460651

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

CORPORATE GOVERNANCE REPORT
1. Company's Philosophy

Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, 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 31st March 2021 are given below:

Sr. No.	Name of Director	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	I	0	Yes	6/6	6	0	0	C-5, M-3
2	Mr. Anuj Burakia	E	492250	Yes	6/6	1	2	0	C-0, M-2
3	Mr. M. Narayana Rao	I	7789	Yes	6/6	5	1	0	C-2, M-2
4	Mr. Prakash Tatia	NE	428213	Yes	5/6	2	0	0	C-1, M-0
5	Mr. Balkrishan Goenka	P, C, NE	0	No	6/6	10	1	5	C-2, M-0
6	Ms. Amita Karia	I, W	0	Yes	6/6	3	1	1	C-1, M-3

@ 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.

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

During the year 2020-21, the Board of Directors met six times on the following dates: 30.05.2020, 18.06.2020, 01.08.2020, 05.11.2020, 05.02.2021 and 20.03.2021.

In addition to the above, a meeting of the Independent Directors was held on March 25, 2021 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, Mr. Myneni Narayana Rao and Ms. Amita Karia.

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.

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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- Litigation, Arbitration	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 – manufacturing process, research & development	Avantel Limited, Welspun Specialty Solutions Limited, Chennai Petroleum Corporation Limited	Independent	N.A.
6	Ms. Amita Karia	Corporate Laws, Corporate Governance and Compliance	Welspun Specialty Solutions Limited	Independent	N.A.

- c. A copy of familiarization policy of the company for independent directors is available on the website of the company www.welspunspecialty.com.

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.

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Composition (as on March 31, 2021):

The Audit Committee consists of the following 4 Non-Executive Directors as on 31.03.2021.

Mr. Atul Desai	Chairman (Independent)
Mr. M. Narayana Rao	Member (Independent)
Ms. Amita Karia	Member (Independent)
Mr. Anuj Burakia	Member (Non- Independent)

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

Meetings and attendance during the year:

Six meetings of Audit Committee of the Board of Directors were held, viz, 30.05.2020, 18.06.2020, 01.08.2020, 11.09.2020, 05.11.2020 and 05.02.2021. The details of Attendance of Members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2020 to 31/03/2021)
1	Mr. Atul Desai	Chairman	6/6
2	Mr. M. Narayana Rao	Member	5/6
3	Ms. Amita Karia	Member	6/6
4	Mr. Anuj Burakia	Member	6/6

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 (as on March 31, 2021) and attendance during the year:

The Committee comprises of 3 independent and 1 non-executive directors as on date of this Report as listed below. The details of Attendance of Members of Nomination and Remuneration Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2020 to 31/03/2021)
1	Mr. Atul Desai	Chairman	4/4
2	Mr. Amita Karia	Member	4/4
3	Mr. B. K. Goenka	Member	0/4
4	Mr. M. Narayana Rao	Member	3/4

The Company had constituted the Nomination and Remuneration Committee consisting of nonexecutive directors majority of which are independent directors. During the year under review, five meetings of the Committee were held on 18.06.2020, 01.08.2020, 05.11.2020, and 05.02.2021.

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:

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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, Whole Time Director
1.	Salary	NIL
2.	Commission	NIL
3.	Service Contract	July 29, 2018 to July 28, 2021
4.	Notice Period	1 month
5.	Severance Fees	1 month compensation in lieu of notice period

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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, 2021 are as follows:

Sr. No.	Particulars of Remuneration	Name of Directors			Total amount
		Amita Karia	Atul Desai	M. Narayana Rao	
1	Independent Directors				
	Fee for attending Board & Committee meetings	2,12,000	2,15,000	2,06,000	6,33,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total	2,12,000	2,15,000	2,06,000	6,33,000

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

Sr. No.	Particulars of Remuneration	Narendra Kumar Bhandari (CFO)	Rashmi Mamtura (CS)	Total
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,00,000	1,70,854	7,70,854
	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 Others	-	-	-
5	Others	-	-	-
	Total	6,00,000	1,70,854	7,70,854

7. BOARD EVALUATION:

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

8. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee, 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 security holders.

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, 2021) and details of attendance of members of the Committee are as follows:

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Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2020 to 31/03/2021)
1.	Mr. Atul Desai (Non Executive)	Chairman	1/1
2.	Mr. Anuj Burakia (Executive)	Member	1/1
3.	Ms. Amita Karia (Non Executive)	Member	1/1

b) Name and designation of compliance officer: Ms. Rashmi Mamtura

c) No. of meetings held:

One meeting of Stakeholders Relationship Committee were held, viz, 05.02.2021.

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

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

Sr. No.	Category	Nos.
1	BSE Complaint	1
2	Legal Cases / Court Cases	0
3	Non Receipt Of Demat Rejection Documents	0
4	Non Receipt Of exchange Share Certificate	0
5	SEBI	0
	Total Complaints Received	1

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 and attendance of the members is given hereunder:

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

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 in the last three years are given hereunder:

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Date	Type of meeting	Location	Time	Special Resolutions Passed
27.03.2018	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. For issue and allotment of 37,50,00,000 securities to promoters and investors and conversion of 3,00,00,000 12% Redeemable Cumulative Preference Shares of Rs.10 each fully paid up into equity shares 3,00,00,000 Redeemable Preference Shares of Rs.10 each. ii. Approval of RMG Alloy Steel Limited – Employees Stock Option Plan 2018 to create, offer and grant from time to time 1,20,00,000 (One Crore Twenty Lakhs) Options, each Option giving the right but not obligation to the holder to opt for one fully paid-up Equity Share in the Company of face value of Rs 6/- each fully paid up at the exercise price being the price at 20% discount to the closing market price on BSE on the day preceding the date of grant of Option, in one or more tranches, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the RMG ESOP SCHEME 2018 and in due compliance with the applicable laws and regulations in force
15.05.2018	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. For issue and allotment of 238,258,324 equity shares of Rs.6/- each fully paid up and 69,415,000 warrants carrying option to subscribe (in the ratio of 1:1) at a minimum price of Rs.12/- per equity. ii. Approval of modification of RMG Alloy Steel Limited – Employees Stock Option Plan 2018 in respect of number of options to reduce from 1,20,00,000 (One Crore Twenty Lakhs) options to 1,00,00,000 (One Crore Lakhs) options at a discount of 30%. iii. Approval of RMG Alloy Steel Limited – Employees Stock Option (Senior Management Personnel) Scheme 2018 to create, offer and grant from time to time 20,00,000 (Twenty Lakhs) Options, each Option giving the right but not obligation to the holder to opt for one fully paid-up Equity Share in the Company of face value of Rs 6/- each fully paid up at Nil exercise price, in one or more tranches, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the RMG ESOP (SMP) SCHEME 2018 and in due compliance with the applicable laws and regulations in force
24.09.2018	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. Re-appointment of Mr. Anuj Burakia as Whole Time Director for 3 years w.e.f. July 29, 2018 ii. Authority to borrow within a limit of Rs.300 Crore pursuant to Section 180(1)(c) of the Act. iii. Authority to create encumbrance on the assets of the Company, to secure borrowings, within a limit of Rs.300 Crore pursuant to Section 180(1)(a) of the Act. iv. Authority to secured/ unsecured, redeemable, Non-Convertible Debentures (NCDs) on Private Placement basis, in domestic and/or international market, aggregating up to an amount not exceeding Rs. 300 crores (Rupees Three Hundred crores only) within the limit approved pursuant to Section 180(1)(c) of the Act. v. Declassification of Saraf Group viz. Mr. Rajendra Saraf and others as public shareholders pursuant to Regulation 31A of the SEBI (LODR) Regulations. vi. Declassification of Widescreen Holdings Private Limited as public shareholder pursuant to Regulation 31A of the SEBI (LODR) Regulations
31.01.2019	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road,	12.30 PM	i. For issue and allotment of 24,250,000 Redeemable Preference shares of Rs.10/- each aggregating to Rs.242,500,000/- (Rupees Twenty Four Crore Twenty

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	Meeting	Jhagadia, Dist. Bharuch, Gujarat		<p>Five Lakh Only).</p> <p>ii. For issue and allotment of upto 38,974,352 equity shares of Rs.6/- each fully paid up and upto 33,287,177 warrants carrying option to subscribe (in the ratio of one equity share for one warrant) to 33,287,177 equity shares of Rs.6/- each fully paid up of the Company, to the proposed allottees respectively named in the table given below at a price of Rs.23.40/- per equity share.</p> <p>ii. Approval to create, offer, issue and allot such number of equity shares of Rs.6/- fully paid up as may be required to be issued and allotted upon exercise of an option, to convert, as a term attached to the debentures issued or loan raised by the company shares of the company, at such price and on such terms and conditions as may be agreed to by the Board of Directors</p>
26.07.2019	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	9:00 AM	<p>i. Appointment of Mr. Atul Desai as an Independent Director for the Second Term of five years w.e.f. 27.05.2019.</p> <p>ii. Approval of remuneration to Mr. Anuj Burakia (Whole Time Director) by way of 835,000 ESOPs.</p> <p>iii. Change of name of the Company from RMG Alloy Steel Ltd to Welspun Specialty Solutions Ltd.</p> <p>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".</p> <p>v. Approval of material related party transactions with Welspun Steel Ltd.</p>
30.08.2019	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	9:00 AM	<p>i. Reclassification of Authorized Share Capital</p> <p>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.</p>
11.09.2020	Annual General Meeting	Held through Video Conference or Other Audio-Visual Means (VC/OAVM)	11:30 AM	<p>i. Change in redemption terms of 5,09,04,271 12% Cumulative Redeemable Preference Shares of Rs. 10/- each ("CRPS")</p>

(ii) During the year under report, no resolution was passed 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 31.03.2021, unaudited financial results for quarter ended 30.06.2020, 30.09.2020 and 31.12.2020 in their quarterly meetings and the same were normally published in Financial Express (English+Gujarati) and Western Times (Gujarati), Ahmedabad edition within 48 hours from the date of Board meetings.

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 | Tuesday, August 31, 2021 |
| Venue | Through Video Conferencing/ other audio visual Mode |
| Time | 2:00 P.M. |

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- (ii) Financial year from 1st April 2020 to 31st March 2021
- (iii) Record Date Tuesday, August 24, 2021
- (iv) Dividend payment date: No dividend has been declared for the financial year 2020-21.
- (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.
- (vi) Market Price Data High Low Quotations during each month in last financial year i.e from 1st April 2020 to 31st March 2021 and performance in comparison to broad based indices such as BSE SENSEX is as follows:

Month	Market Price		Sensex	
	High	Low	High	Low
Apr 20	7.72	4.63	33887.25	27500.79
May 20	7.20	5.90	32845.48	29968.45
Jun 20	9.87	5.95	35706.55	32348.10
Jul 20	9.50	7.93	38617.03	34927.20
Aug 20	10.95	7.90	40010.17	36911.23
Sep 20	10.06	8.66	39359.51	36495.98
Oct 20	9.80	8.35	41048.05	38410.20
Nov 20	9.90	8.28	44825.37	39334.92
Dec 20	13.45	7.81	47896.97	44118.10
Jan 21	14.00	10.30	50184.01	46160.46
Feb 21	13.20	8.75	52516.76	46433.65
Mar 21	14.99	9.11	51821.84	48236.35

- (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 Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059.

Contact person:

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

Tel: 91226263 8200/ 22/ 23

Fax: 91226263 8261

Email: vinod.y@bigshareonline.com

- (viii) Share Transfer System:
 The Company's Registrar and Transfer Agent registers shares received from the shareholders for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Transfer documents under objection are returned within two weeks. However, upon notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018, no shares shall be transferred in physical mode.
- (ix) Distribution of shareholding of equity shares as on March 31, 2021 is as follows:

Sr. No.	Shareholding Of Nominal Value (Rs.)	Number Of Shareholders	% To Total	Share Amount	% of Total
1	1 - 5000	76750	96.93	14087112	0.45
2	5001 - 10000	871	1.10	5769540	0.18
3	10001 - 20000	527	0.67	7363542	0.23
4	20001 - 30000	285	0.36	7666506	0.24

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5	30001 - 40000	100	0.13	3504564	0.11
6	40001 - 50000	63	0.08	2800242	0.09
7	50001 - 100000	238	0.30	16569252	0.52
8	100001 - 999999999	348	0.44	3118767078	98.18
TOTAL		79182	100.00	3176527836	100.00

(x) Dematerialisation of shares and liquidity: 528,449,888 equity shares constituting 99.81% of the outstanding equity shares are in demat form as on 31.03.2021 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 31.03.2021.

(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 way of real time procurement backed up by finished goods sales order.
- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
 - a. Total exposure of the listed entity to commodities is Rs. 33.70 Lacs.
 - b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity Rs. (Lacs)	Exposure in Quantity terms towards the particular commodity (in Tonnes)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Bloom	27.12	2,441.45	-	-	-	-	-
Rolled	6.58	347.47	-	-	-	-	-

- Commodity risks faced by the listed entity during the year and how they have been managed:

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: Plot no.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist – Bharuch, Gujarat 393110.
Tel No. +91 22 6613 6000, Fax No.:+91 22 2490 8020

(xv) Email Id : companysecretary_wssl@welspun.com

(xvi) Website : www.welspunspecialty.com

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(xvii) Credit Ratings :

(i) India Ratings & Research (Fitch Group)

- a. For term loans and fund based working capital limits: IND BBB-
- b. For non-fund based working capital limits: IND A3

(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)

13. OTHER DISCLOSURES

I. RELATED PARTY TRANSACTIONS

- Transactions with related parties are disclosed in Note No.38 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.50,000 plus taxes was paid for late Submission of Annual Report for the year ended March 2019 under Regulation 34. There was no intentional delayed submission, covering letter was submitted and annual report was erroneously not added into the file uploaded.
- 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.
- Please refer Annexure III (Secretarial Audit Report) for the details of other non-compliance during FY 2020-21.

III. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee Chairman. A copy of the policy is displayed on the website of the Company at:

<http://www.welspunspecialty.com/pdf/policy/9.pdf>

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:** this matter has been discussed at length in the Directors' Report.

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 V**.

(Formerly known as RMG Alloy Steel Limited)

- 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 Lakh)
Paid to Statutory Auditors	
Statutory Audit	8.5
Income Tax Audit	1.5
Certification Fees	1.0
To other entities in the same network	-
Total	11.0

- 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. 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", and "(E) Reporting of Internal Auditor" of Part "E" of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x. 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.

XI. 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 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 2020-21.

Sd/

Anuj Burakia

Whole Time Director"

- xii. **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
120330	7400	50	2	50	2	120280	7398

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
(Formerly RMG Alloy Steel Limited)
CIN: L27100GJ1980PLC020358

We have examined the compliance of conditions of Corporate Governance by Welspun Specialty Solutions Limited (Formerly RMG Alloy Steel Limited) (“the Company”), for the year ended on March 31, 2021, as stipulated in Clause E of Schedule V of the SEBI (LODR) 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 has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Regulations.

We state that in respect of investor’s grievance received during the year ended March 31, 2021, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2021, 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 Secretary

Place: Mumbai
Date: 14.06.2021
UDIN: F009926C000460794

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

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

To
The Members of Welspun Specialty Solutions Limited
(Formerly RMG Alloy Steel Limited)
CIN: L27100GJ1980PLC020358

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Welspun Specialty Solutions Limited (Formerly RMG Alloy Steel Limited) having CIN: L27100GJ1980PLC020358 and having registered office at Plot No. 1, GIDC Industrial Estate, Valia Road, Jhagadia Dist, Bharuch – 392 001, Gujarat (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 and 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 www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

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: 14.06.2021
UDIN: F009926C000460761

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

MANAGEMENT AND DISCUSSION ANALYSIS
Indian Economy:

The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-a-century health crisis. The economy witnessed a sharp contraction of 23.9% in Q1 FY 2020-21 and 7.5% in Q2 FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. The fundamentals of the economy remain strong, and the gradual scaling back of lockdowns along with the astute support of the Atmanirbhar Bharat Abhiyan have placed the economy firmly on the path of revival.

Provisional GDP estimates for January-March quarter (Q4) of FY 2020-21 confirms V-shaped recovery in India's economic prospects in the second half of the year after an unprecedented COVID-19 induced contraction. India's real GDP is estimated to grow at 0.5 per cent in Q3 and 1.6 per cent in Q4 of FY 2020-21 leading to an upward revision in annual real GDP growth to (-) 7.3 per cent in FY 2020-21. Gross value added (GVA) at basic prices for FY 2020-21 is estimated to grow at (-) 6.2 per cent with agriculture & allied activities lending its unwavering support for economic recovery throughout the year. Given the large contribution of subsidies in Q3 and Q4, estimated GVA growth of 1.6 per cent in Q3 and 3.7 per cent in Q4 is more representative of economic performance in the second half of FY 2020-21. India is one of the select few economies that have witnessed positive YoY growth in the last two consecutive quarters.

After declining during the second wave high frequency indicators such as power consumption, E-way bills and foreign portfolio investment (FPI) flows witnessed uptick in the second half of May 2021. Agriculture sector continues to offer comfortable prospects amidst a normal monsoon forecast, smooth food procurement and distribution, and MGNREGA employment. However, sequential slackening was observed in eight core industrial output, PMI manufacturing, steel consumption, auto sales, tractor sales, petroleum products consumption, rail freight, port and air traffic, PMI services, highway toll collections, GST collections and UPI transactions

Source: GoI Economic Survey-2020-21, IMF, and World Bank

Real GDP (Annual % change)	2018	2019	2020	2021 P	2022 P	2026 P
India	6.5	4.0	(7.3)	12.5	6.9	6.5

Source: IMF, World Economic Outlook, April 2021

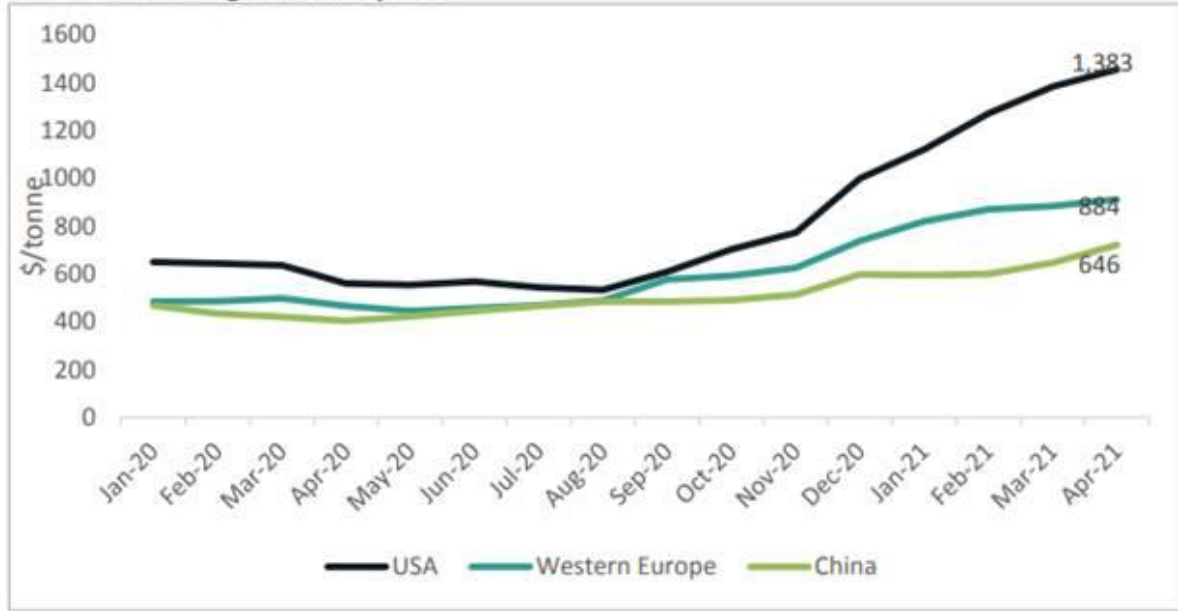
Steel Sector update outlook:

The second half of the covid-struck financial year 2020-21 saw an unprecedented rally in domestic steel prices which seems unstoppable even in the current FY22. Domestic flat steel - Hot Rolled Coiled (HRC) prices are up 40% since April 2020 and prices of long steel – TMT are nearly 30% higher as on March 2021. Steel prices continue to set new record highs month after month. In April 2021, domestic steel players announced further price hikes by up to Rs 1,000-2,000 per tonne in HRC and around Rs 3,000 per tonne in CRC. HRC are offered at Rs 59,700-60,000 per tonne in April 2021, up from Rs 36,950 per tonne in April 2020. This is the highest level seen since 2008, the year of the financial crisis.

The up-cycle in domestic steel prices is supported by the bullish trend in the global steel prices and revival in domestic demand since the easing of lockdown restrictions. The rally in global steel prices were initially driven single-handedly by China until other large economies like USA and Europe came back to the market armed with stimulus checks which resulted into demand outpacing supply. Sellers who idled capacities due to the pandemic earlier has been slow to ramp up post lockdowns.

(Formerly known as RMG Alloy Steel Limited)

Chart 1: Trend in global steel prices



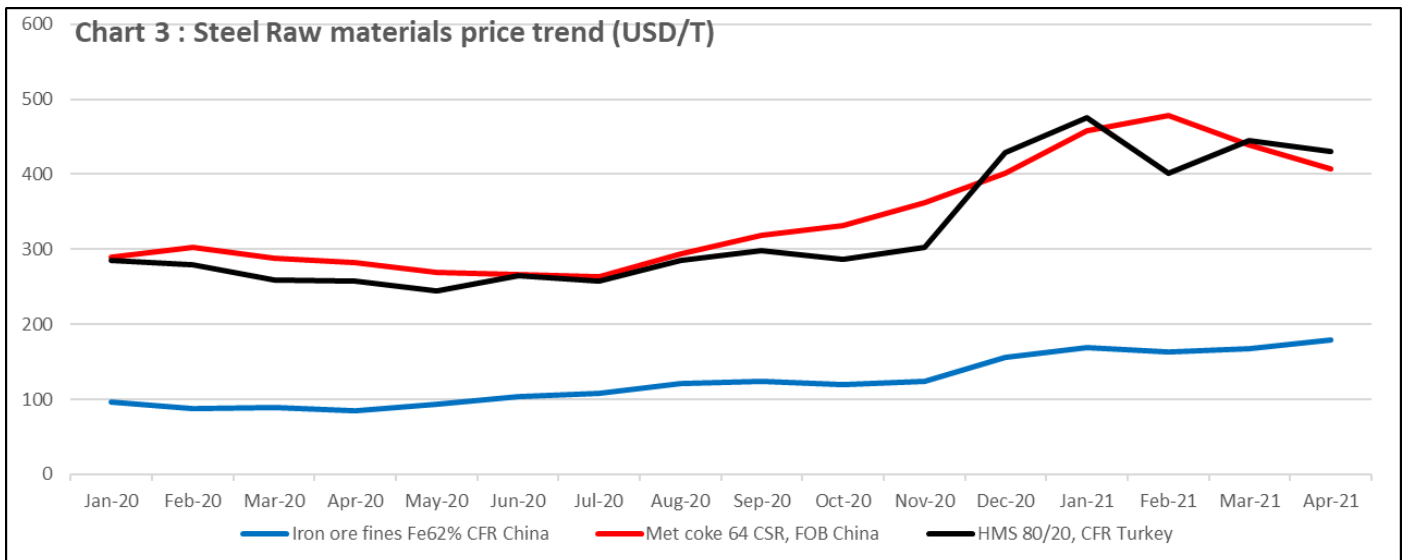
The market that has witnessed the highest jump in steel prices remains USA. Steel prices of HRC (FOB) in USA are up 160% y-o-y at \$ 1,455 per ton in April 2021, surpassing high of \$ 1,100 per ton in 2008. HRC prices in Western Europe are up 96% y-o-y at \$ 911 per ton in April 2021. In China, prices are around \$ 721 per ton, up 79% since a year-ago. Comparatively, Indian HRC prices are around \$ 821 per ton, nearly 44% lower than steel prices in USA. This means that despite the 25% tariff barrier it is still attractive to export to USA. And indeed this has led to spike in exports. In March 2021, finished steel exports from India jumped 125% y-o-y and was almost double the quantity shipped in February 2021. Exports to European countries like Italy, Belgium and Spain have gathered momentum in the past few months due to higher export realizations.

Chart 2: Trend in Import and Export of Finished Steel



Higher steel prices, increasing demand and higher margins has supported rise in steel raw material prices. In April 2021 prices of iron ore has increased 112% yoy, prices of ferrous scrap increased 67% yoy and Met coke increased 44% yoy.

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Steel production and consumption in FY21:

India’s production of crude steel and finished steel fell by 5.9% to 103 million tonnes and 7.3% to 95.1 million tonnes in FY21, impacted by the Covid-19 pandemic which hampered production mainly in Q1FY21. However, the domestic steel industry made a quick recovery in the second half of FY21 riding on the back of higher international steel demand and revival in domestic demand.

By Q2 domestic crude steel production reached 96% of pre-covid levels and by Q3 production was 7.5% higher yoy. In Q4FY21, crude steel production increased by 8.8% as manufacturer’s ramp up output in a seasonally strong quarter. Moreover, Q4FY20 output was impacted by lockdown imposed by the central government to curtail spread of covid-19 thereby resulting in lower production in March 2020. Consumption of finished fell by 6% in FY21.

Table 1: India’s steel scenario during H1FY21 and H2FY21

	Crude steel production	Finished steel consumption
H1FY21	-20.10%	-28.80%
H2FY21	8.1%	16.5%

Outlook for FY22:

In FY22, production is expected to reach 112-114 million tonnes, which would be a growth of 9-11% yoy. The crude steel production is expected to marginally higher than FY19 when India produced nearly 111 million tonnes of crude steel. Steel demand will be supported by economic recovery, government spending and enhanced liquidity. The Union Budget for 2021- 2022 has a sharp 34.5% yoy increase in allocation for Capex at 5.54 lakh crore. The budget’s thrust is on infrastructure creation and manufacturing to propel the economy. Therefore, enhanced outlays for key sectors like defence services, railways, and roads, transport and highways would provide impetus to steel consumption which is expected to cross 100 million tonnes for the first time ever in FY22.

An up-cycle in steel prices is expected to continue in FY22. Firm international prices and pick up in domestic demand will keep steel prices firm. Stimulus package unveiled by various countries will keep demand for steel high. Continued higher demand from China on the back of stimulus package and the country’s desire to bring down production levels in 2021 to reduce Co2 levels will be an important factor that will strengthen steel prices. China has revoked rebates on steel exports in bid to reduce steel production which is positive for Indian steel exporters. Higher demand from China and its lower exports are major factors to keep steel prices elevated for long time. Demand-supply imbalance in the global market will also continue to present export opportunities to domestic players.

Source: CARE Ratings, Steel Industry Update FY21 and Outlook FY22

(Formerly known as RMG Alloy Steel Limited)

Company Business Update:

The company has completed substantial part of the project for building capability and installing new plant & machinery to produce stainless steel products to diversify product portfolio from lower value to high value offerings. With the successful commissioning and stabilization of Stainless Steel pipes & tubes facility, the company has decided to focus on high-value and niche sector. In the process, the company has downsized low value / non-remunerative products like alloy steel.

COVID-19 Impact:

The outbreak of COVID-19 pandemic forced the company to suspend its operations for 24 days and resumed operations on April 17, 2020 in a limited scale, after getting requisite permission.

With second wave of COVID-19, the demand for the Company's products were lower that has impacted the business of the company.

FY21 financial results that got impacted due to Covid-19 pandemic which may not remain in the long-term.

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:

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

- With focused effort on execution of existing orders, new customer approvals, new product development and approval from process licensors, company continue to witness heightened demand for our products leading to healthy order book position in the seamless pipe division.
- During the year the company opened up export market and during Q4FY21 company's total export volume grew more than 3x QoQ from 19 MT to 60 MT and expects the export order book to further improve in subsequent quarters on account of approvals, new material grades developed, repeat orders from existing customers and niche products.
- The empanelment with large Government companies / PSUs has also led to direct order booking from large Oil & Gas companies.
- Government initiatives such as implementation of BIS/QCO resulting in non-tariff barrier for imports, self – reliant (Atmanirbhar) mission by Government also helped in propping up the demand.
- WSSL continues to contribute in Defence Sector projects with its unique integrated facilities, technical knowhow and development of new grades and products.
- In coming quarters & with the announcement of highly growth oriented budget for FY21-22 by Gol, company is confident of achieving highly improved 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.

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	FY20	FY21	Remarks
Debtors Turnover	25.17	7.08	The Company has temporarily stopped sales in the Alloy sector from FY20 and now present only in Seamless Stainless Pipe segment which has a lower number of debtor days.
Inventory Turnover	5.16	2.26	As explained above, the company is focused on the Seamless Stainless Pipe segment which requires a higher stock of inventory.
Interest Coverage Ratio	(4.96)	(2.86)	During FY21, the company has reduced its term loan and working capital facilities which has led to decrease in interest costs. PBIT has improved but losses continue which has resulted in a negative ratio. The Company has excluded Exceptional Income / (Loss).
Current Ratio	0.74	1.58	Current Ratio increased in FY21 due to a reduction in current liabilities and reclassification

(Formerly known as RMG Alloy Steel Limited)

			of borrowings & advances from current to non-current.
Debt Equity Ratio	(1.16)	3.13	Ratio turned positive in FY21 with the modification in the terms of Preference Shares and effect of Rs.127 crores credited to Equity via profit & Loss account. This is partly off-set with reclassification of a Loan from Current Liabilities to Long Term Borrowing.
Operating Profit Margin (%)	(22.07%)	(20.04%)	No Significant Change
Net Profit Margin (%)	(27.57%)	99.76%	In FY21, net profit margin has been impacted by exceptional income (mainly write back of Rs. 127 Cr Preference Share Premium). Excluding exceptional income in both years, ratio would have been -31.15% & -47.54% in FY20 & FY21 respectively. During FY 21, the business was affected due to COVID19 which led to a lower margin.
Return on Net Worth (ROE)	(69.54%)	111.72%	In FY21, PAT was higher due to exceptional income (mainly write back of Rs 127 Cr Pref Share Premium). Excluding exceptional income in both years, ratio would have been -78.57% & -53.24% in FY20 & FY21 respectively. Improvement in PAT has lead to a change in the ratio

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anuj Burakia
 Whole Time Director
 DIN: 02840211

Prakash Tatia
 Director
 DIN: 06559106

Place: Mumbai
 Date: June 18, 2021

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 (Erstwhile 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	31.03.2021
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)	1. steel- alloy and specialty steel 2. Stainless & Alloy 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	1. 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)	3,68,55,70,546
2	Total Turnover (INR)	93,43,52,120
3	Total Loss after taxes (INR)	93,20,79,708
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: 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: Whole Time Director

(Formerly known as RMG Alloy Steel Limited)

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	02840211
2	Name	Anuj Burakia
3	Designation	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	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
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? Is 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.ph								

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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?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
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 BR

(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

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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 2020-21, only one complaint was received from shareholder / investor and resolved to their satisfaction. No complaints were received from our vigil/whistle blower mechanism. 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 2020-21 is mentioned below:

Energy Source/ Water	Units Measurement	FY 20-21
Power	KWh	10581679
Water	Cubic Meter	195304
Natural Gas	Cubic Meter	556317
Furnace Oil	Liter	309700

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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	360
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	94
3	Please indicate the Number of permanent women employees	6
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

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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:

Internal Stakeholders:

- Employees
- Board of Directors

External Stakeholders:

- Shareholders
- Investors / lenders
- Customers
- Suppliers/ Vendors
- Local community
- Government / local authorities
- Contractors

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.

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

A As a result of our commitment to upholding high standards of protection of human rights, there were no complaints regarding human rights in FY 2010-21

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?

We have taken initiative for clean development Mechanism. Slag Crusher Plant/Metal recovery plant was erected to minimize the waste and recycle the slag waste generated during the melting process. By using slag crusher plant, we separate metal parts from the slag to reuse/recycle, also some of the slag is converted into powder which is being used to construct internal roads.

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 for use of renewable energy. 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.

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

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)
- Federation of Indian Chamber of Commerce and Industry (FICCI)
- The Associated Chambers of Commerce and Industry (ASSOCHAM)
- 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?

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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 also donates funds regularly to school and village community in festivals.

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 two complaints received from customers and all stand closed as on end of FY 2020-21. 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anuj Burakia
Whole Time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: June 18, 2021

(Formerly known as RMG Alloy Steel Limited)

Independent Auditors' Report

To the Members of
Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited)

Opinion

We have audited the accompanying financial statements of **Welspun Specialty Solutions Limited (formerly known as RMG Alloy Steel Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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, 2021; and its profits and total comprehensive income, 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.

Emphasis of Matter

- a) We draw attention to Note no. 31 of the financial statements wherein the Company's continues to incur operational losses, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. However the accounts of the Company have been prepared on a going concern basis for the reasons stated in the aforesaid note.
- b) We draw attention to Note no. 45 of the financial statements, as regards to the management evaluation of the impact of COVID -19 on the future performance of the Company.

Our opinion is not modified in respect of above matters.

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
Expected credit loss ("ECL") provision in respect of trade receivables.	We carried out following procedures in respect to ECL provision:

Key Audit Matter	How our audit addressed the key audit matter
<p>(Refer Note 1 for accounting policy and Note 40 for ECL provision)</p> <p>As detailed in Note no. 7 of the financial statements, the Company has trade receivables amounting to Rs.1,586 Lacs (gross) as at March 31, 2021. The Company holds ECL provision of Rs. 572 Lacs against such assets. As discussed in the said note, ECL provision has been determined in accordance with Ind AS 109 – Financial Instruments.</p> <p>We focused on this area as determining ECL provision requires significant judgments by the management. Key areas of judgment included:</p> <ul style="list-style-type: none"> - Assumptions used in the expected credit loss model such as the financial condition of the counterparty, probability of default, expected future cash flows. - The identification of exposures with significant deterioration in credit quality. 	<ul style="list-style-type: none"> - held discussions with management and obtained understanding of ECL approach, its development process and relevant controls. - evaluated the design and tested operating effectiveness of controls in respect of ECL model, which included data used to determine the provision, appropriate approvals and mathematical accuracy. - we assessed the assumptions and judgment made by management used to calculate ECL provision. - traced key inputs to the ECL model on a sample basis to assess their accuracy and completeness. Ensured mathematical accuracy of the ECL provision by performing recalculations. <p>We have evaluated ECL provision taking into account the requirements of Ind AS 109 – Financial Instruments.</p>
<p>Inventories</p> <p>As of March 31, 2021, the total inventory balance amounted to Rs.5,337 Lacs, representing 77% of the total current assets of the financial statement and 18% of the total assets of the Company.</p> <p>Refer Note no. 6 of the financial statement.</p> <p>The Company is exposed to risk of slow-moving and/or obsolete inventory as a result of volatility demand for steel and its steel price. Significant judgment is required for the estimation of the net realisable value and allowance for slow-moving and obsolete inventories. Such estimation is made after taking into consideration factors such as movement in price, current and expected future market demand and pricing competition.</p> <p>As such, we determined that this is a key audit matter.</p>	<p>As part of our audit, we performed audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventory.</p> <p>We evaluated the appropriateness of the basis and processes used by management in determining the net realisable value of inventories.</p> <p>We also evaluated the assumptions and estimates used by management in determining the write down amount through testing of the accuracy of inventories aging report, analysing the aging profile of inventories to identify slow and obsolete inventories as well as reviewing historical and subsequent to financial year end sales patterns. In addition, we reviewed the adequacy of the disclosures on inventories in Note no. 6 of the financial statements.</p> <p>Based on our evaluation of the inventories and other procedures performed, the valuation of inventory carried in the financial statement is appropriate.</p>

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Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment Assessment of Property, Plant and Equipment</p> <p>As of March 31, 2021, the total value of Property Plant and Equipment (PPE) is amounting to Rs. 22,174 Lacs, representing 74% of the total assets of the Company.</p> <p>The recoverable value of the property plant and Equipment's capitalized are dependent on the operation of the Company. The determination of recoverable amount of the PPE is based on the value-in use derived from future free net cash flow based on budgets and the strategy for the coming years and free net cash flows from the terminal period. Significant judgement is required by the Management in determining value-in-use, including discount rate to be applied and cash flow projections based on availability of pipeline, demand of gas etc. Accordingly, the impairment evaluation of PPE of the Company is considered to be a key audit matter.</p>	<p>We assessed the Company's process of assessing the impairment requirement for its PPE by reviewing the calculation of value-in use and for verification of the same, following tests were performed:</p> <ul style="list-style-type: none"> - Considered if the discounted cash flow models used to estimate the recoverable amount of Kochi plant based on value in use were in consistent with Indian Accounting Standard. - Considered whether the forecasted cash flows in the impairment model were reasonable - Performed tests of the mathematical accuracy of the impairment model calculations. - Obtained and evaluated the management note on the judgements and estimates made while making an impairment assessment.

Other Information

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.

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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.

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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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
 - f) The going concern matter described in Emphasis of Matter paragraph section above, in our opinion, may have an adverse effect on the functioning of the Company.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h) 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.

- i) 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:

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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in note 36 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, 2021.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593

Vishal D. Shah

Partner

Membership No. 119303

UDIN: 21119303AAAALG9845

Place: Mumbai

Date: June 18, 2021

(Formerly known as RMG Alloy Steel Limited)

Annexure ‘A’ to the Independent Auditors’ Report of even dated on the financial statements of Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel Limited) (Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

- i) In respect of Fixed Assets
- a. The Company is in the process of updating its fixed assets register showing full particulars including quantitative details and situation of fixed assets.
 - b. We have been informed that the fixed assets of the Company are physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical 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.
- ii) In our opinion 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.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, 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) (c) 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) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company
- 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, 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, 2021 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of Service Tax, as at March 31, 2021 which have not been deposited on account of disputes, are as follows:

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

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According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax, duty of Customs, duty of Excise and Wealth Tax which have not been deposited on account of any dispute.

- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and the Company has not taken loan or borrowing from financial institution and Government. There were no debentures issued during the year or outstanding at the beginning of the year.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanation given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) 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.
- xiii) 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.
- xiv) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of Equity Shares and Share Warrants during the year in accordance with provisions and requirements of section 42 of the Act. The Company has not made private placement of Preference Shares or fully or partly convertible debenture during the year.
- xv) In our opinion and 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 persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- xvi) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Pathak H. D. & Associates LLP

Chartered Accountants

Firm Registration No. 107783W/W100593

Vishal D. Shah

Partner

Membership No. 119303

UDIN: 21119303AAAALG9845

Place: Mumbai

Date: June 18, 2021

(Formerly known as RMG Alloy Steel Limited)

Annexure ‘B’ to the Independent Auditors’ Report of even date on the financial statements of Welspun Specialty Solutions Limited (Formerly known as RMG Alloy Steel 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 (formerly known as RMG Alloy Steel Limited)** (“the Company”) as of March 31, 2021 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

(Formerly known as RMG Alloy Steel Limited)

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, 2021, 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

Vishal D. Shah

Partner

Membership No. 119303

UDIN: 21119303AAAALG9845

Place: Mumbai

Date: June 18, 2021

(Formerly known as RMG Alloy Steel Limited)

BALANCE SHEET as at March 31, 2021

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non-Current Assets			
(a) Property, Plant and Equipment	2A	22,173	21,557
(b) Capital Work in Progress	2B	503	1,200
(c) Intangible Assets	3	238	296
(d) Income tax Assets (net)	4	15	169
(e) Other Non-Current Assets	5	12	169
Total Non-Current Assets		22,941	23,391
II Current Assets			
(a) Inventories	6	5,337	6,977
(b) Financial Assets			
(i) Trade Receivables	7	1,014	1,029
(ii) Cash and Cash Equivalents	8	30	9
(iii) Bank Balance Other than Cash and Cash Equivalent	9	37	329
(c) Other Current Assets	10	540	1,053
Total Current Assets		6,958	9,397
TOTAL ASSETS		29,899	32,788
EQUITY AND LIABILITY			
III Equity			
(a) Equity Share Capital	11	31,765	29,341
(b) Other Equity	12	(27,888)	(39,841)
TOTAL EQUITY		3,877	(10,500)
IV Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	15,345	21,835
(ii) Other financial liabilities	14	670	-
(b) Long Term Provisions	15	115	117
(c) Other non-current liabilities	16	5,483	
Total Non-Current Liabilities		21,613	21,952
V Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,247	10,208
(ii) Trade Payables	18		
Total outstanding dues of micro, small and medium enterprise		-	9
Total outstanding dues of creditors other than micro, small and medium enterprise		1,868	4,080
(iii) Other Financial Liabilities	19	815	6,280
(b) Other Current Liabilities	20	436	692
(c) Provisions	21	43	67
Total Current Liabilities		4,409	21,336
TOTAL EQUITY AND LIABILITIES		29,899	32,788
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

Vishal D. Shah

Partner

Membership No.119303

Place: Mumbai

Date: June 18, 2021

For and on behalf of the Board of Directors
Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Financial Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

(Formerly known as RMG Alloy Steel Limited)

STATEMENT OF PROFIT and LOSS for the year ended March 31, 2021
(Rs. in Lacs)

	Particulars	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I	INCOME			
	Revenue from Operations	22	9,343	29,517
	Other Income	23	161	483
	Total Income		9,504	30,000
II	Expenses:			
	Cost of Raw Materials Consumed	24	4,255	18,555
	Purchase of Stock in Trade		-	1,501
	Changes in Inventories of Finished Goods, WIP & stock in trade	25	1,631	3,038
	Employee Benefits Expenses	26	1,876	3,362
	Finance Costs	27	1,147	1,541
	Depreciation and Amortization Expenses	28	1,381	1,032
	Other Expenses	29	3,646	10,165
	Total Expenses		13,936	39,194
III	Profit / (Loss) before Exceptional Item & Tax		(4,432)	(9,194)
	Exceptional items - Income (Net)	30	13,761	1,057
IV	Profit / (Loss) before Tax		9,329	(8,137)
V	Tax expense			
	Current Tax		-	-
	Deferred Tax		-	-
	Earlier Years Tax		(9)	-
VI	Profit / (Loss) for the year		9,320	(8,137)
VII	Other Comprehensive Income/(Loss)			
	Items that will be reclassified to profit or loss			
	Fair value change on derivatives designated as cash flow hedge		(30)	162
	Items that will not be reclassified to profit or loss			
	Re-measurement of defined benefit obligation (net of Income Tax)		(36)	(32)
	Other Comprehensive Income/(Loss) for the year		(66)	130
	Total Comprehensive Income/(Loss) for the year		9,254	(8,007)
	Earning per Equity Share (Face Value of Rs.6 Per Share) :			
	Basic & Diluted (in Rs.)	32	1.78	(1.99)
	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

Vishal D. Shah

Partner
 Membership No.119303

Place: Mumbai
 Date: June 18, 2021

For and on behalf of the Board of Directors
Anuj Burakia

Whole time Director
 DIN: 02840211

Narendra Kumar Bhandari
 Chief Financial Officer

Prakash Tatia

Director
 DIN: 06559106

Rashmi Mamtura
 Company Secretary
 FCS: 8658

(Formerly known as RMG Alloy Steel Limited)

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital (Refer Note No.: 11)

Particulars	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, 2020	20,802	8,539	29,341
As at March 31, 2021	29,341	2425	31,765

B. Other Equity (Refer Note No.: 12)

(Rs. in Lacs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Equity Component of Borrowing	Warrants	Total
	Retained Earnings	Securities Premium	Share options outstanding account (Refer Note 34)	Effective portion of cash flow hedge	Remeasurements of net defined benefit plan			
Balance as at April 1, 2019	(58,416)	14,295	166	(127)	(29)	-	2,082	(42,029)
Profit / (Loss) for the year	(8,137)	-	-	-	-	-	-	(8,137)
Other comprehensive income for the year	-	-	-	162	(32)	-	-	130
Issue of Equity Shares	-	-	-	-	-	-	-	-
Share Option Expenses	-	-	107	-	-	-	-	107
Share Issued Against ESOP	-	-	(112)	-	-	-	-	(112)
Securities Premium on Issue of Equity Shares	-	10,772	-	-	-	-	-	10,772
Share Warrants Issued	-	-	-	-	-	-	7,757	7,757
Equity Shares issued against Share Warrants	-	-	-	-	-	-	(8,329)	(8,329)
Balance as at March 31, 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

Vishal D. Shah
 Partner
 Membership No.119303

Place: Mumbai
 Date: June 18, 2021

For and on behalf of the Board of Directors

Anuj Burakia
 Whole time Director
 DIN: 02840211

Prakash Tatia
 Director
 DIN: 06559106

Narendra Kumar Bhandari
 Chief Financial Officer

Rashmi Mamtura
 Company Secretary
 FCS: 8658

(Formerly known as RMG Alloy Steel Limited)

STATEMENT OF CASH FLOWS

(Rs. in Lacs)

	Particulars	Year ended 2020-21	Year ended 2019-20
A	Cash Flow from Operational Activities		
	Profit/(Loss) before tax as per statement of profit and loss :	9,329	(8,137)
	Adjustment for :		
	Depreciation and amortization expenses	1,381	1,032
	Financial Costs	1,147	1,541
	Unrealized exchange difference (Net)	(31)	22
	Interest Income	(75)	(110)
	Provision for Gratuity & Compensated Absences	48	66
	(Profit)/Loss on Sale of Property, Plant and Equipment (@ Rs. 4,367)	98	@
	Expense on employee stock option scheme	41	107
	Bad Debts Written off	559	-
	Provision / (Reversal) of Doubtful Debts	(559)	455
	Provision / (Reversal) for Obsolescence of Inventory	(24)	6
	Sundry Credit Balances Written Back / Provision no longer required	-	(359)
	Write back of Preference Share Liability (Exceptional Item)	(12,726)	-
		(10,141)	2,760
	Operating Cash Loss before Working Capital Changes	(812)	(5,377)
	Changes in Working Capital :		
	(Increase)/Decrease in trade receivables	572	6,666
	(Increase)/Decrease in inventories	1,664	4,775
	Increase/(Decrease) in trade & other payables	2,824	(8,633)
	Increase/(Decrease) in provisions	(109)	(166)
		4,951	2,642
	Cash generated from / (used in) Operations	4,139	(2,735)
	Less: Direct taxes paid (net of refunds)	146	53
	Net cash flow generated from / (used in) operating activities	4,283	(2,682)
B	Cash Flow from Investing Activities		
	Acquisition of Property, Plant & Equipment (including Work in Progress, Capital Advance and Creditors for Capital Expenditure)	(1,218)	(5,605)
	Proceeds from Sale Of Property, Plant and Equipment	34	-
	Interest Income	54	97
	(Purchase) / Redemption of Bank Deposit	269	746
	Net Cash flow generated from / (used in) Investing activities:	(861)	(4,762)
C	Cash Flow from Financing Activities		
	Proceeds from long-term borrowings	1,442	4,563
	Repayment of long-term borrowings	(799)	(307)
	Proceeds of short term borrowings (net)	(3,048)	4,478
	Proceeds from Issue of Equity Shares	-	80
	Interest Paid	(996)	(1,364)
	Net Cash flow generated from / (used in) Financing activities:	(3,401)	7,450
	Net Increase/(Decrease) In Cash And Cash Equivalents (A + B + C)	21	6
	Cash and cash equivalents at the beginning of the year	9	3
	Cash and cash equivalents at the end of year	30	9
	Net Increase/(decrease) as disclosed above	21	6
	Components of Cash and Cash Equivalent (Refer Note 8)		
	Balance with Bank –	26	1
	Current account	26	1
	Cash on Hand	4	8
	Cash and Cash Equivalent	30	9

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

(Formerly known as RMG Alloy Steel Limited)

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. Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress during the year.
3. 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

Vishal D. Shah

Partner

Membership No.119303

Place: Mumbai

Date: June 18, 2021

For and on behalf of the Board of Directors

Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Financial Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

(Formerly known as RMG Alloy Steel Limited)

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 Rolled Product, Ingot, Bloom, Seamless Pipe, Mill Scale, Slab Casting and others.

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, 2021 present the financial position of the Company.

These financial statements of the Company for the year ended March 31, 2021 were authorised for issue by the board of directors on June 18, 2021. 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

(Formerly known as RMG Alloy Steel Limited)

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.

a. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, property, plant and equipment, inventories and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company. The Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19 pandemic. As per initial assessment, demands for the Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business. The Company does not anticipate any additional liability as at the balance sheet date. However, due to the nature of the pandemic, the Company will closely monitor any material changes to future economic conditions impacting its business.

b. 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. 14,733 Lacs (March 31, 2020: Rs. 17,616 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.

c. 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.

d. 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 43 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

(Formerly known as RMG Alloy Steel Limited)

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

Leased Assets

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Act, where the lease period of land is beyond the useful life of the building.

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.

(Formerly known as RMG Alloy Steel Limited)

The residual values are not more than 5% of the original cost of the asset 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 atleast twelve months after the reporting period.

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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

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Derecognition

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.

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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured a amortised cost using the EIR method. Gains and losses are recognised in 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender 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.

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Disclosures for valuation methods, significant estimates and assumptions of Financial Instruments (including those carried at amortised cost) (Refer Note 41) and Quantitative disclosures of fair value measurement hierarchy (Refer Note 41).

(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.

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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.

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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).

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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

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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 lakhs as per the requirement of Schedule III, unless otherwise stated.

2A Property, Plant & Equipment

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

(Rs. in Lacs)

Particulars	Lease hold land	Free hold land	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office Equipment's	Total
Gross Carrying amount:									
Deemed cost as at April 01, 2019	351	14	8,906	28,156	1,998	129	28	293	39,875
Additions	-	-	2,909	8,950	684	6	-	72	12,621
Disposals	-	-	-	(371)	-	-	-	(7)	(378)
Balance as at March 31, 2020	351	14	11,815	36,735	2,682	135	28	358	52,118
Additions	-	-	9	2,047	-	1	-	16	2,073
Disposals	-	-	(194)	(26)	-	(2)	-	(1)	(223)
Balance as at March 31, 2021	351	14	11,630	38,756	2,682	134	28	373	53,968
Accumulated depreciation:									
Balance as at April 01, 2019	84	-	4,976	22,545	1,976	101	12	215	29,909
Additions	4	-	309	628	52	5	2	29	1,029
Disposals	-	-	-	(371)	-	-	-	(6)	(377)
Balance as at March 31, 2020	88	-	5,285	22,802	2,028	106	14	238	30,561
Additions	4	-	339	878	52	5	2	35	1,324
Disposals	-	-	(72)	(19)	-	-	-	-	(91)
Balance as at March 31, 2021	92	-	5,552	23,661	2,090	111	16	273	31,795
Net carrying amount									
Balance as at March 31, 2020	263	14	6,530	13,933	654	29	14	120	21,557
Balance as at March 31, 2021	259	14	6,078	15,095	592	23	12	100	22,173

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Notes:

1. Addition includes borrowing cost capitalized in Plant and Machinery amounting to Rs. Nil (Previous year Rs. 152 Lacs)
2. Additions to Plant and Machinery include trial run expenditure of Rs. Nil (Previous year Rs. 935 Lacs) capitalized.
3. The lease period for lease hold land is 99 years.
4. 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 Capital Work in Progress

Particulars	Opening	Addition	Capitalised	Closing
Balance as at March 31, 2020	8,515	1,211	8,526	1,200
Balance as at March 31, 2021	1,200	35	732	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.

Capital Work in Progress include:

- i) Rs. Nil (previous year Rs. Nil) on account of capital goods inventory.
- ii) Rs. 503 Lacs (previous year Rs. 1,200 Lacs) on account of project development expenditure including trail run loss of Rs. Nil (previous year Rs. Nil).

3 Intangible assets

Details of Intangible assets are as under:

Particulars	Computers Software
Gross Carrying amount:	
Deemed cost as at April 01, 2019	34
Additions	298
Disposals	-
Balance as at March 31, 2020	332
Additions	-
Disposals	-
Balance as at March 31, 2021	332
Accumulated depreciation:	
Balance as at April 1, 2019	33
Additions	4
Disposals	-
Balance as at March 31, 2020	37
Additions	57
Disposals	-
Balance as at March 31, 2021	94
Net carrying amount	
Balance as at March 31, 2020	295
Balance as at March 31, 2021	238

Note:

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

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4 Income tax assets (net)

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes paid (net of provision for tax)	15	169
	15	169

5 Other Non-current assets

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured and considered good unless otherwise stated)		
Capital advances	12	169
	12	169

6 Inventories

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at Lower of Cost or Net Realizable Value)		
Raw Materials	354	643
Semi Finished goods	1,680	2,860
Finished goods	840	1,292
Stores, spares and packing materials	2,558	2,301
Less: Provision for Obsolescence	(95)	(119)
Stores, spares and packing materials (Net of provision for Obsolescence)	2,463	2,182
Total	5,337	6,977

7 Trade Receivables

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,014	1,029
Credit Impaired	572	1,131
Total	1,586	2,160
Less: Allowance for doubtful trade receivables	(572)	(1,131)
Total	1,014	1,029

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8 Cash and Cash Equivalents

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks -		
In Current Accounts	26	1
Cash on hand	4	8
Total	30	9

9 Bank Balance Other than Cash and Cash Equivalent

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other bank balances:		
Bank Deposit		
In Margin Deposit Accounts*	37	306
Interest accrued on deposit	-	23
Total	37	329

*Above Fixed Deposit's shown in Margin Deposit Accounts are Lien Mark.

10 Other Current Assets

(Rs. in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2020
(Unsecured and considered good unless otherwise stated)		
Security deposit	51	83
Loans & Advances to employees	4	7
Other Claim receivable/recoverable	205	135
Balances with statutory / government authorities	114	587
Advances to suppliers	108	173
Prepaid Expenses	49	68
Income Tax Refund Receivable	9	-
Total	540	1,053

11 Equity Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	(Rs. In Lacs)	No of shares	(Rs. In Lacs)
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	52,94,21,306	31,765	48,90,08,690	29,341
Total	52,94,21,306	31,765	48,90,08,690	29,341

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a) Shares Pledge Details

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of Shares Pledged by Promoter Group Companies	15,88,26,392	12,48,32,750

Reconciliation of the Number of Shares

b)

Equity Shares :	As at March 31, 2021		As at March 31, 2020	
	No of shares	(Rs. In Lacs)	No of shares	(Rs. In Lacs)
Face value of Rs. 6 each				
As at beginning of the year	48,90,08,690	29,341	34,66,94,164	20,802
Shares issued during the year	4,04,12,616	2,425	14,23,14,526	8,539
Buyback/forfeiture/reduction shares	-	-	-	-
Outstanding at the end of the year	52,94,21,306	31,765	48,90,08,690	29,341

c) Details of shareholder holding more than 5% shares

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No of shares	% Held	No of shares	% Held
Equity Shares				
Welspun Steel Limited	26,51,90,034	50.09%	24,35,90,034	49.81%
Dilipkumar Lakhi	12,21,33,333	23.07%	12,21,33,333	24.98%

d) Rights, Preference and Restriction attached to shares

Equity Shares:

The Company has 52,94,21,306 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 share holders.

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12 Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus			Other Comprehensive Income		Equity Component of Borrowing	Warrants	Total
	Retained Earnings	Securities Premium	Share options outstanding account (refer note 34)	Effective portion of cash flow hedge	Remeasurements of net defined benefit plan			
Balance as at April 01, 2019	(58,416)	14,295	166	(127)	(29)	-	2,082	(42,029)
(Loss) for the year	(8,137)	-	-	-	-	-	-	(8,137)
Other comprehensive income for the year	-	-	-	162	(32)	-	-	130
Share Option Expense	-	-	107	-	-	-	-	107
Share Issued Against ESOP	-	-	(112)	-	-	-	-	(112)
Securities premium on Issue of Equity Shares	-	10,772	-	-	-	-	-	10,772
Share Warrants Issues	-	-	-	-	-	-	7,757	7,757
Equity share issued against Share Warrants	-	-	-	-	-	-	(8,329)	(8,329)
Balance as at March 31, 2020	(66,553)	25,067	161	35	(61)	-	1,510	(39,841)
Profit 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 share 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 remeasurement gains / (losses) arising on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

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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.

13 Borrowings

(Rs. in Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current maturities	Non-current	Current maturities
Secured				
Indian Rupee term loans from banks	5,883	596	6,614	560
Unsecured				
Sales Tax Deferred Loan	-	-	-	104
Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up (Refer Note iii below)	-	-	15,221	4,695
Non Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up (Refer Note iii below)	5,090	-	-	-
Loan from Related Parties (Refer Note: 38)	4,372	-	-	-
Total	15,345	596	21,835	5,359

Secured:

a) Rupee Term Loan of Rs. 4,000 Lacs (Previous year Rs. 4,504 Lacs) is secured by way of:

- i. First Pari Passu charge on all Fixed 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 15,88,26,392 shares (Previous year 12,48,32,750 shares) of Welspun Steel Limited (Promoter of the Company).
- iv. Corporate Guarantee by Welspun Steel Limited.
- v. 100% Fixed Deposit

a) Rupee Term Loan of Rs. 2,479 Lacs (Previous year Rs. 2,670 Lacs) is secured by way of:

- i. Equitable mortgage charge on all the immovable and moveable properties of the Company both present and future.
- ii. Second Charge on all current assets on the Company.

b) Rupee Term Loans carry interest at bank base rate/ MCLR / MIBOR plus margin. Loans of:

- i. Rs. 2,479 Lacs (Previous year Rs. 2,670 Lacs) are repayable in remaining 22 quarterly installments starting from March 2020 and ending on July 2025.
- ii. Rs. 4,000 Lacs (Previous year Rs. 4,504 Lacs) are repayable in remaining 21 quarterly installments starting from March 2020 and ending on June 2025.

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c) The Interest rate varies between 7.00% to 12.00%

Unsecured:

- a) Sales Tax Deferred Loan is repayable from April 2015 in six equal annual installments.
- b) Loan from Related Party is repayable within a period of 2 years i.e. by December 2022.

a) Details of Preference Shareholders (long term and short term)

i. Reconciliation of the Number of Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	(Rs. In Lacs)	No of shares	(Rs. In Lacs)
Preference Shares : Face value of Rs. 10 each				
As at beginning of the year	9,62,04,271	9,621	19,91,96,271	19,920
Shares issued during the year	-	-	-	-
Buyback/forfeiture/reduction shares	4,53,00,000	4,530	10,29,92,000	10,299
Outstanding at the end of the year	5,09,04,271	5,090	9,62,04,271	9,621

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	% Held	No of shares	% Held
Right Growth Trading Pvt. Ltd.	5,09,04,271	100%	5,09,04,271	52.91%
MGN Agro Properties Pvt. Ltd.	-	-	60,00,000	6.24%
Welspun Steel Ltd. (Refer note c. (i) below)	-	-	3,93,00,000	40.85%

iii. Rights, Preference and Restriction attached to shares

Preference Shares:

a. 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 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.

b. The Cumulative Redeemable Preference Shares carry dividend of 12% per annum;

- i. The Cumulative Redeemable Preference Shares 4,02,42,857 are redeemable with premium of Rs. 25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e. 19th February 2013).
- ii. The Cumulative Redeemable Preference Shares 42,85,714 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e. 11th February 2014).
- iii. The Cumulative Redeemable Preference Shares 63,75,700 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e. 11th November 2014).
- iv. The Cumulative Redeemable Preference Shares 60,00,000 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e. 23rd October 2015).

c. The Non-Cumulative Redeemable Preference Shares carry dividend of 0% per

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annum;

- i. The Non-Cumulative Redeemable Preference Shares 3,93,00,000 are redeemable at par on or before 15 months from the date of allotment (i.e. 26th September 2018).

14 Other non-current Financial liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on Loan	670	-
Total	670	-

15 Provisions

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Provision for Leave encashment	37	36
Provision for Gratuity (Refer Note: 33)	78	81
Total	115	117

16 Other non-current liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customer	5,483	-
Total	5,483	-

17 Borrowings

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loan		
From Banks		
Working Capital Loan	1,133	3,176
Unsecured Loan		
Loan from Related Parties (Refer Note: 38)	-	1,983
Supplier Finance Facility	114	1,119
Preference Shares (Refer Note: 13)	-	3,930
Total	1247	10,208

Security :

- Working capital loans from Banks are secured by way of first charge against Current Assets and second charge against Fixed Assets of the Company.
- Pledge of 15,88,26392 shares (Previous year 12,48,32,750 shares) of Welspun Steel Limited (Promoter of the Company).
- Corporate Guarantee by Welspun Steel Limited.

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18 Trade Payables

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro, Small & Medium Enterprises	-	9
Others	1,868	4,080
Total	1,868	4,089

The Company has amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act 2006 (MSMED Act) as at March 31, 2021.

The disclosure pursuant to said act is as under:

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid	-	9
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.

19 Other Financial Liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of long-term debt	596	664
Current Maturities of Preference Shares	-	4,695
Interest accrued on borrowing	40	558
Employees dues payable	1	183
Creditors for Capital Expenditure	178	180
Total	815	6,280

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20 Other Current Liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances received from customers and others	223	328
Statutory dues payable	39	50
Provision for Expenses	167	263
Security deposit	7	51
Total	436	692

21 Provisions

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Provision for Leave encashment	14	21
Provision for Gratuity (Refer Note: 33)	29	46
Total	43	67

22 Revenue from operations

(Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Sales of products:		
Finished goods	7,176	25,908
Trading Sales	-	1,486
	7,176	27,394
Other operating revenues:		
Exports Incentives	8	1
Other Revenue	2,159	2,122
	2,167	2,123
Total	9,343	29,517

23 Other Income

(Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest from Bank & others	75	110
Miscellaneous Income	55	14
Provision no longer required/Sundry Balance	-	
Written back		359
Exchange Rate Difference (Gain)	31	-
Total	161	483

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24 Cost of Materials Consumed (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Cost of Raw materials consumed (Refer Note: 24a)		
Inventory at the beginning of the year	643	3,262
Add: Purchases	3,966	15,936
Less: Inventory at the end of the year	(354)	(643)
Total	4,255	18,555

a) Details of Raw Materials Consumed: (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Metallic's	4,091	12,681
Ferro Alloys	3	3,385
Others	161	2,489
Total	4,255	18,555

25 Changes in inventories of finished goods and work-in-progress (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Inventories (at beginning)		
Finished Goods	1,292	1,216
Semi Finished Goods	2,860	4,952
Total (a)	4,152	6,168
Inventories (at close)		
Finished Goods	840	1,292
Semi Finished Goods	1,680	2,860
Total (b)	2,520	4,152
Net (Increase)/Decrease		
Finished Goods	451	(76)
Semi Finished Goods	1,180	2,092
Total (a+b)	1,631	2,016
Change In Inventory of SS & Pipe for Trial Run	-	1,022
Grand Total	1,631	3038

Details of Finished Goods and Semi Finished Goods:

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Finished Goods		
Steel	220	958
Pipe	620	334
	840	1,292
Semi Finished Goods		
Steel	302	1,822
Pipe	1,378	1,038
	1,680	2,860

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26 Employee benefits expense (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries and Wages	1,656	3,047
Contributions to Provident and Other Funds	96	142
Contributions to Gratuity (Refer Note 33)	24	31
Leave Encashment	24	35
Staff Welfare Expenses	76	107
Total	1,876	3,362

27 Finance cost (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest on Term Loan	663	686
Interest on Working Capital Loan	224	496
Interest on Inter Company Deposit	198	118
Other Borrowing Cost	62	241
Total	1,147	1,541

28 Depreciation and Amortization Expense (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Depreciation on Property, Plant and Equipment	1,324	1,028
Amortization of Intangible Assets	57	4
Total	1,381	1,032

29 Other Expenses (Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Manufacturing and Other Expenses		
Consumption of stores & spares	1,267	2,684
Less: Reversal of Provision of Obsolescence	(24)	-
Power and Fuel Expenses	1,115	4,940
Labour charges	333	509
Equipment hire charges	55	116
Job Work Expenses	76	132
Freight and forwarding charges	47	173
Repairs to buildings	17	24
Repairs to plant and machinery	58	94
Other repairs	7	18
Insurance	94	96
Communication Expenses	9	32
Provision Bad & Doubtful Debts	-	455
Rates and taxes	35	187
Travelling and conveyance	28	95

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Vehicle Expenses including Hire Charges	53	141
Listing Fees	4	12
Professional and consulting charges	106	217
LD Charges	9	
Director Sitting Fees	6	4
Auditors Remuneration		
-Audit Fees	9	9
-Tax Audit Fees	2	2
-Certification Fees	1	1
Exchange rate difference (net)	-	22
Selling and distribution expenses	15	6
Brokerage & Commission	9	3
Printing & Stationery	9	17
Security charges	49	57
Safety Expenses	13	16
Loss on sale/discard of assets (net)	98	-
Miscellaneous expenses	147	103
Total	3,646	10,165

30 Exceptional Items – Income (Net):

(Rs. in Lacs)

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	
Refund of Purchase Tax and Incentive ⁴	-	1,057
Total	13,761	1,057

- 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 installment 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.

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4. On account of completion of Value Added Tax Assessment for FY 2014-15, the Company has received Rs. 78 Lacs against refundable amount of Rs. 102 Lacs, resulting into short refund of Rs. 24 lacs. Further the Company has reversed provision of Rs. 15 Lacs made in previous year 2018-19, resulting net impact of Rs. 9 Lacs as on March 31, 2020. The Company has received Rs. 1,066 Lacs in during the year ended March 31, 2020 as per eligibility certificate no. IC/IM/VSIE/416337/2019/156706 dated 27th August 2019 on account of balance unutilized incentive already approved under 1990-95 Pioneer Unit scheme.

31 Going Concern

The Company expects improvement in operational performance on the basis of building of order book position from domestic as well as overseas market on account of capex incurred for value adding facilities. Further, the Company's continued thrust to improve operational efficiency and revenue is expected to result in sustainable cash flows. Accordingly, in spite of Operational Losses incurred by the Company during the quarter and year ended March 31, 2021, the statement of financial result has been prepared on a going concern basis and no adjustments are required to the carrying amount of assets and liabilities.

32 Earnings per share

Particulars	As at March 31, 2021	As at March 31, 2020
Earnings Per Share has been computed as under	(Rs. in Lacs)	(Rs. in Lacs)
Profit/(Loss) for the year	9,320	(8,137)
Less: Cumulative Dividend on 12% Cumulative Redeemable Preference Shares (Refer note 13)	-	(612)
Net Profit/(Loss) for the year considered for calculating Earnings per share	9,320	(8,749)
Weighted Average Number of equity shares outstanding		
- Basic	52,28,85,657	43,96,65,706
- Diluted	52,35,53,507	45,43,41,801
Face value per share in Rs.	6	6
Basic earnings per share in Rs.	1.78	(1.99)
Diluted earnings per share in Rs.	1.78	(1.99)

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

33 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) for qualifying employees.

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Employer's Contribution to Provident Fund	96	142
Total	96	142

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:

Particulars	(Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
A) Amount recognised in the Balance Sheet		
Gratuity:		
Present value of obligations	107	127
Fair Value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(107)	(127)
B) Statement of Profit and loss for current year		
Gratuity:		
Employee Benefit Expense :		
Current service cost	15	17
Net interest cost	9	14
Total Expense	24	31
Other Comprehensive income		
Actuarial loss/(gain) on obligation	36	32
Expense recognized in Statement of Profit & Loss	60	63
C) Reconciliation of defined benefit obligation		
Gratuity:		
Opening Defined Benefit Obligation	127	190
Current Service cost	15	17
Interest cost	9	14
Actuarial loss/(gain) on obligation	36	32
Benefits paid	(80)	(126)
Closing Defined Benefit Obligation	107	127
D) Bifurcation of liability as per schedule III		
Gratuity:		
Current Liability	29	46
Non-Current Liability	78	81
Net Liability	107	127
E) Principle actuarial assumptions	%	%
Discount Rate	6.91%	6.91%

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Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 35 Years	30.00%	30.00%
From 36 to 45 Years	28.00%	30.00%
Above 46 Years	25.00%	30.00%

	March 31, 2021	March 31, 2020
F) Sensitivity to key assumptions	DBO	DBO
Gratuity:		
Discount rate varied by 0.5%	107	127
+0.5%	(1.63)	(1.66)
-0.5%	1.68	1.70
Salary growth rate varied by 0.5%	107	127
+0.5%	1.72	1.74
-0.5%	(1.68)	(1.71)

G) Profit and loss account for subsequent period	March 31, 2022
Service cost	20
Net interest cost	7
Total included in 'Employee Benefit Expense'	27

H) Maturity Profile of Defined Benefit Obligation	Amount
Gratuity:	
2022	50
2023	61
2024	74
2025	84
2026	92

34. 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

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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, 2021	As at March 31, 2020
Opening balance	8,13,800	12,52,000
Granted during the year	-	-
Exercised during the year	1,45,950	4,38,200
Forfeited/Lapse during the year	-	-
Closing balance	6,67,850	8,13,800
Vested	3,75,600	4,38,200

During the year ended March 31, 2021, the Company has recognised share option expenses in Statement of Profit & Loss of Rs. 41 Lacs (Previous year Rs. 107 Lacs). During the year, one employee availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 1,45,950 Equity Shares at Rs. 25.5 each (including premium of Rs. 19.5 each), amounting to Rs. 37 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.

35 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, 2021		As at March 31, 2020	
	Amount	(%)	Amount	(%)
A) Value of Raw Material Consumed				
-Imported	-	-	1,642	8.85%
-Indigenous	4,255	100%	16,913	91.15%
Total	4,255		18,555	
B) Value of Stores & Spares Consumed				
-Imported	171	13.76%	278	10.36%
-Indigenous	1,072	86.24%	2,406	89.64%
Total	1,243		2,684	

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36 Contingent liabilities and commitments

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Commitments not provided for (Net of advances)	72	395
Bank Guarantees	378	515
Bills Discounted	134	126
Service Tax	1	1
Disputed Sales Tax Demands	20	20
Claim against the Company not acknowledged as debts	493	472
Dividend on Cumulative Redeemable Preference Shares (CRPS) (Refer Note 13)	-	4,164

37 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, 2021	
	Total Sale Value	% of Revenue
Maxim Tubes Company Pvt. Ltd.	1,789	18.82%
Welspun Corp Ltd.	1,546	16.26%
Particulars	March 31, 2020	
	Total Sale Value	% of Revenue
Shree Yash Stainless Pvt. Ltd.	4,289	14.53%

38 Related Party Disclosure

Parties where Control exists: None

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

Name of related party	Relationship
Welspun Steel Ltd. Rank Marketing LLP MGN Agro Properties Pvt. Ltd. Welspun Corp Ltd. Welspun India Ltd. Welspun Advanced Textiles Ltd. Welspun Global Brands Ltd. Welassure Pvt Ltd. Welspun Innovative Products Ltd. (formerly known as Welspun Advance Materials Ltd.) Welspun Metalics Ltd. (upto February 01, 21)	Enterprise having significant influence over the Company

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Name of related party	Relationship
Key Managerial Personnel	
Anuj Burakia	Whole Time Director
Narendra Kumar Bhandari	Chief Finance Officer
Rashmi Mamtura	Company Secretary
Non Executive Director	
Atul Desai	Non Executive Director & Independent Director
Balkrishan Goenka	Chairman & Non Executive Director
Prakash Tatia	Non Executive Director
Amita Karia	Non Executive Director & Independent Director
Narayana Rao Myneni	Non Executive Director & Independent Director

Transactions with related parties:

(Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	Enterprise/person having significant influence	Key Management Personnel and others	Enterprise/per son having significant influence	Key Management Personnel and others
Welspun Steel Limited				
Purchases	-		51	
Reimbursement Made	*		344	
Sales (including GST)	90		2,118	
Loan received	1,500		5,599	
Loan repaid	58		2,116	
Interest on Inter Company Deposit	214		118	
Loan/Preference share redemption amount utilised for issuance of Equity shares	690		5,419	
Preference share redemption amount utilised for issuance of share warrant	-		810	
Equity Share issued against Share Warrant	810		6,230	
Welspun Corp Ltd.				
Reimbursement Made	1		3	
Reimbursement Received	-		2	
Service Paid	20		9	
Purchase	22		6	
Sales (including GST)	1,825		***	
Advance Received	5,483		-	
MGN Agro Properties Pvt. Ltd.				
Preference share redemption amount utilised for issuance of share warrant	-		700	
Preference shares and share warrant	2,800		-	

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convert into equity shares				
Welassure Pvt Ltd.				
Security Service	46		-	
Welspun India Ltd.				
Purchase	-		5	
Sales (including GST)	3		-	
Reimbursement Made	7		-	
Welspun Innovative Products Ltd.				
Sales (including GST)	2		-	
Welspun Trading Limited				
Bank Guarantee charges	13		-	
Welspun Advanced Textiles Ltd.				
Sales	-		3	
Welspun Metallica Ltd.				
Sales	2		-	
Welspun Global Brands Ltd.				
Reimbursement of Expenses	9		1	
Remuneration				
Narendra Kumar Bhandari		6		6
Rashmi Mamtura		2		2
Employee Stock option Purchase				
Anuj Burakia (Refer Note 34)		-		75
Director Sitting Fees				
Atul Desai	2			2
Amita Karia	2			1
Narayana Rao Myneni	2			1

* WSL Reimbursement Rs. 4,000/-

*** WCL sales Rs. 32,419/-

Outstanding Balance with related parties:

(Rs. in Lacs)

Welspun Steel Ltd.	As at March 31, 2021	As at March 31, 2020
Trade Payable	-	225
Inter Corporate Deposit	4,372	1,983
Interest Accrued	670	474
Preference Shares	-	3,930
Share Warrants	-	810

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Outstanding Balance with related parties:

Particulars	(Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
Welspun Corp Ltd.		
Trade Receivable	-	1
Advance from Customer	5,483	-
Trade Payable	2	-
Welspun India Ltd.		
Trade Payable	-	4
Trade Receivable (@ Rs. 18,882)	@	-
Welassure Pvt Ltd.		
Trade Payable	4	
Welspun Advanced Textiles Ltd.		
Trade Receivable	-	3
MGN Agro Properties Pvt. Ltd.		
Preference Shares	-	2,100
Share Warrants	-	700

39 Tax Expenses

a) Amounts recognised in profit and loss

(Rs. in Lacs)

Particulars	2020-21	2019-20
Current income tax		
Current Year	-	-
Earlier Year Tax	(9)	-
Deferred income tax liability / (asset), net	-	-
Deferred tax expense	-	-
Income Tax expense reported in statement of profit and loss	(9)	-

b) Amounts recognised in other comprehensive income

Particulars	2020-21			2019-20		
	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	(30)	-	(30)	162	-	162
Net Gain / (Loss) on Re-measurements of the defined benefit plans	(36)	-	(36)	(32)	-	(32)
	(66)	-	(66)	130	-	130

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

Particulars	2020-21	2019-20
Accounting Profit / (Loss) before Income Tax	9,320	(8,137)
Tax using the Company's domestic tax rate March 31, 2021: 26% (March 31, 2020: 26 %)	(2,423)	2,116
Tax effect of:		
Tax effect of current year losses on which no deferred tax asset is recognized	2,432	(2116)
Utilisation of brought forwarded losses for which no deferred tax asset was recognised		
Earlier year tax	(9)	-
Net effective income tax	-	-

40 Deferred Tax (Liabilities)/Assets (Net)

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Related to Fixed Assets	2,304	2,080
Deferred Tax Asset		
Other Disallowances under Income tax Act, 1961	258	415
Unabsorbed Depreciation/Business Loss (Refer note below)	2,082	1,665
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 Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused Tax losses	17,265	28,288
Unabsorbed Tax depreciation	39,402	39,464
Total	56,667	67,752

(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 21-22 to 26-27.

(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.

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41 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 Lacs)

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	-	-	-
Cash and cash equivalents	30	-	-	-
Bank balance other than cash and cash equivalent	37	-	-	-
Financial assets At fair value through profit and loss				
Investments	-	-	-	-
Total	1,081	-	-	-
Financial liabilities				
Long term Borrowings	15,345	-	-	-
Short term Borrowings	1,247	-	-	-
Trade payables	1,868	-	-	-
Other financial liabilities	1,485	-	-	-
Total	19,945	-	-	-
Particulars	Carrying Amount	Fair Value		
	As at March 31, 2020	Level 1	Level 2	Level 3
Financial assets at amortised cost				

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Trade receivables	1,029	-	-	-
Cash and cash equivalents	9	-	-	-
Bank balance other than cash and cash equivalents	329	-	-	-
Financial assets At fair value through profit and loss				
Investments	-	-	-	-
Total	1,367	-	-	-
Financial liabilities				
Long term Borrowings	21,835	-	-	-
Short term Borrowings	10,208	-	-	-
Trade payables	4,089	-	-	-
Other financial liabilities	6,280	-	-	-
Total	42,412	-	-	-

42 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.

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Exposure to credit risk

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

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash and Cash Equivalent	30	9
Bank Balances other than above	37	329
Trade Receivables	1,014	1,029
Total	1,081	1,367

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, 2021	As at March 31, 2020
Trade receivables:		
Less than 90 days	744	550
90 to 180 days	71	97
Over 180 days	199	382
Total	1,014	1,029

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. Nil (Previous year Rs. 455 Lacs) towards loss allowance for the year as the Company expects that there is no credit loss on trade receivables.

43 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, 2021	As at March 31, 2020
Forward contracts to buy USD	USD in Lacs 1	USD in Lacs 9
Forward contracts to buy EURO	EURO in Lacs 2	EURO in Lacs 4

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

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Foreign currency exposures not specifically covered by forward exchange contracts as at year end are as follows:

Currency	As at March 31, 2021		As at March 31, 2020	
	Foreign currency	Rs. in Lacs	Foreign currency	Rs. in Lacs
USD	-	-	(1)	(44)
EURO	-	-	2	155

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, 2021		As at March 31, 2020	
	1 % increase (Rs. in Lacs)	1 % decrease (Rs. in Lacs)	1 % increase (Rs. in Lacs)	1 % decrease (Rs. in Lacs)
USD	(*)	*	(#)	#)
EURO	2	(2)	2	(2)

* Rs. 50,324

Rs. 44,454

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, 2021	As at March 31, 2020
Financial assets		
Interest bearing - Fixed interest rate		
- Current fixed deposit	37	306

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Liabilities		
Interest bearing		
Borrowings - Floating interest rate		
Working capital loan in rupee	1,133	3,176
Borrowings - Floating interest rate	4,000	4,506
Borrowings - Fixed interest rate		
- Loan	2,481	2,670
- Supplier finance facility	114	1,119
- Inter Company Loan	4,372	1,983

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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, 2021	As at March 31, 2020
Increase in 50 bps points		
Effect on profit/(loss) before tax	(26)	(38)
Decrease in 50 bps points		
Effect on profit/(loss) before tax	26	38

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, 2021 and March 31, 2020 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 Lacs)		
	Less than 1 year	More than 1 year	Total
Year ended March 31, 2021			
Borrowings	1,883	16,015	17,898
Other Financial Liabilities	179	-	179
Trade and other payables	1,868	-	1,868
Total	3,930	15,345	19,275
Year ended March 31, 2020			
Borrowings	16,125	21,835	37,960
Other financial liabilities	363	-	363
Trade and other payables	4,089	-	4,089
Total	20,577	21,835	42,412

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.

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44 Capital Management

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	16,592	32,043
Trade Payables	1,868	4089
Other Financial Liabilities	815	6280
Less: Cash and Cash Equivalents	(30)	(9)
Net debt (a)	19,245	42,403
Total Equity		
Total Member's Capital	3,877	(10,500)
Capital and Net Debt (b)	23,122	31,903
Gearing ratio (%) (a/b)*100	83.23	132.91

45 The outbreak of COVID-19 pandemic forced the company to suspend operation for 24 days and resumed operation at plant on April 17, 2020 in a limited scale, after getting requisite permission. The demand for the Company's products were lower and the same is expected to have a continuing impact on the business with second wave of COVID-19. The Company has notified the customers of potential delay and has invoked a force majeure provisions to comply with the delivery timelines and liquidated damages. Further, the Management is of the opinion on the basis of current quarter performance that adverse impact of Covid-19 pandemic on the financial position and performance of the Company, may not remain in the long-term.

The Company does not carry any risk in the recoverability and carrying values of its Assets including Property, Plant & Equipment, Trade receivable and Inventory. The Company does not anticipate any additional liability as at the balance sheet date. However, due to the nature of the pandemic, the Company will closely monitor any material changes to future economic conditions impacting its business.

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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, 2021	Year ended March 31, 2020
Long Term Borrowings (including Current Maturities)		
Opening Balances	27,195	26,064
Availed during the year	1,442	4,563
Repaid During the year	(799)	(307)
Converted to Equity Shares	(2,100)	(3,125)
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 30)	(12,726)	-
Preference Shares converted to loan	1,500	-
Closing Balances	15,942	27,195
Short Term Borrowings		
Opening Balances	10,208	14,903
Availed during the year	-	6,229
Repaid During the year	(3,048)	(1,751)
Redeemed and utilised for payment of Share warrants and for conversion to Equity Shares	(3,930)	(9,173)
Transfer of Loan to Long Term Borrowings	(1,983)	-
Closing Balances	1,247	10,208
Interest Expenses		
Interest Accrued – Opening Balances	558	381
Interest Charge as per Statement of Profit and Loss	1,147	1,541
Interest paid to Lenders	(996)	(1,364)
Interest Accrued – Closing Balances	709	558

47 During the previous year ended March 31, 2020, the Company issued 6,94,15,000 Equity Shares at a price of Rs. 12 each (including a premium of Rs. 6 each) amounting to Rs. 8,330 Lacs by conversion of share warrants of an equivalent amount.

48 During the previous year ended March 31, 2020, the Company has redeemed 3,57,92,000 6.5% Redeemable Preference shares of Rs. 10 each aggregating to Rs. 3,579 Lacs and 6,52,00,000

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Redeemable Preference Shares of Rs. 10 each amounting to Rs. 6,520 Lacs and utilised the redemption amount for subscription of 7,24,61,326 Equity Shares of Rs. 15 each (including premium of Rs. 9 each) amounting to Rs. 10,869 Lacs including money received from one allottee amounting to Rs. 80 Lacs and loan from Welspun Steel Limited amounting to Rs. 690 Lacs.

- 49** During the previous year ended March 31, 2020, the Company issued 4,02,66,666 share warrants at the issue price of Rs. 15 each and the 25% subscription of the said warrants was made by utilizing the loan obtained from Welspun Steel Limited to the extent of Rs. 810 Lacs and utilizing redemption proceeds of 20,00,000 12% Cumulative Redeemable Preference Shares of Rs. 10/- each redeemed at a premium of Rs. 25/- per preference shares aggregating to Rs. 700 Lacs.
- 50** During the year ended March 31, 2021, the Company redeemed 4,53,00,000 Preference Shares having redemption value of Rs. 6,030 Lacs 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 Lacs to the shareholders. The balance redemption amount of Rs. 1,500 Lacs has been considered as a loan from Welspun Steel Limited.
- 51** Subsequent to balance sheet date, 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 Lacs and were subscribed and fully paid up.
- 52** 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.

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

Vishal D. Shah
Partner
Membership No.119303

Place: Mumbai
Date: June 18, 2021

For and on behalf of the Board of Directors

Anuj Burakia
Whole time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Narendra Kumar Bhandari **Rashmi Mamtura**
Chief Financial Officer Company Secretary
FCS: 8658



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