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Letter of Offer
February 25, 2025
For Eligible Equity Shareholders only

Welspun Specialty Solutions Limited

Our Company was incorporated on December 29, 1980 with the corporate name "Remi Metals Limited" in the state of Maharashtra under the Companies Act, 1956. We received the certificate of commencement of business on February 5, 1981. Pursuant to a fresh certificate of incorporation, consequent to change of name, issued by the Registrar of Companies, Maharashtra, Mumbai on February 10, 1993, the corporate name of our Company was changed from "Remi Metals Limited" to "REMI Metals Gujarat Limited". Consequently, on October 6, 1993, the Registered office of our Company was transferred from the state of Maharashtra to the state of Gujarat. Pursuant to a fresh certificate of incorporation dated May 31, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the corporate name of Remi Metals Gujarat Limited was changed to "RMG Alloy steel Limited". Subsequently, pursuant to a fresh certificate of incorporation dated August 19, 2019, issued by the Registrar of Companies, Ahmedabad, the corporate name of RMG Alloy steel Limited was changed to "Welspun Specialty Solutions Limited".

Registered Office: Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Bharuch, Gujarat 393110, India
Contact person: Suhas Pawar, Company Secretary and Compliance Officer
Registered Office Telephone: +91 99980 65709 | | **E-mail id:** companysecretary_wssl@welspun.com **Website**: https://www.welspunspecialty.com/
Corporate Identity Number: L27100GJ1980PLC020358

PROMOTER OF OUR COMPANY:
WELSPUN CORP LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF WELSPUN SPECIALTY SOLUTIONS LIMITED (OUR "COMPANY" OR THE "ISSUER" ONLY)

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO 13,25,22,289 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹6 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹26.40 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹20.40 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹349,85,88,429.60 ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARE FOR EVERY 4 (FOUR) FULLY PAID UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS SATURDAY, MARCH 01, 2025, (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 217 OF THIS LETTER OF OFFER.

WILFUL DEFAULTER(S) OR FRAUDLENT BORROWER(S)

Neither our Company nor our Promoter or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s) by the Reserve Bank of India ("**RBI**") or any other Government Authority.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 23 of this Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited (**"BSE"**) (the "**Stock Exchange**"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* letter dated February 18, 2025. Our Company will also make an application to the Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SYSTEMATIX CORPORATE SERVICES LIMITED The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 **Telephone:** +91 22 6704 8000 **E-mail:** wssl_ri@systematixgroup.in **Investor grievance e-mail id:** investor@systematixgroup.in **Contact person:** Rabindra Kumar/Hanishi Shah **Website:** https://www.systematixgroup.in/ **SEBI Registration No:** INM000004224	**BIGSHARE SERVICES PRIVATE LIMITED** No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre Mahakali Caves Road, Andheri (East) Mumbai 400093 **Telephone**: 022 6263 8200 **Email**: rightsissue@bigshareonline.com **Investor grievance e-mail**: investor@bigshareonline.com **Contact Person**: Suraj Gupta **Website**: https://www.bigshareonline.com/ **SEBI Registration No.:** INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON-MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
MONDAY, MARCH 10, 2025	THURSDAY, MARCH 13, 2025	WEDNESDAY, MARCH 19, 2025

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

#Our Board/ Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in sections/chapters titled "**Industry Overview**", "**Statement of Tax Benefits**", "**Financial Information**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" on pages 67, 61, 102, 200 and 217 respectively, of the Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/chapters.*

General Terms

Term	Description
"Welspun Specialty Solutions Limited" or "Our Company" or "the Company" or "the Issuer" or "WSSL"	Welspun Specialty Solutions Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Bharuch, Gujarat 393110 India.
"We", "Our", "Us", or "Our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company.

Company Related Terms

Term	Description
Articles of Association/ Articles/AoA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Board.
Audited Financial Statements	The audited financial statements of our Company as at and for the financial year ended March 31, 2024 prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2024 and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.
Statutory Auditors	The current Statutory Auditors of our Company, namely, M/s. B S R & Co. LLP, Chartered Accountants
Board/Board of Directors	Board of Directors of our Company. For details of the Board of Directors, see *"**Our Management**"* on page 97 of this Letter of Offer
Chairman	Mr. Balkrishan Gopiram Goenka, the Chairman and Non-Executive Director of our Board
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Mr. Suhas Pawar, the Company Secretary and the Compliance Officer of our Company
Director(s)	Directors on the Board, as may be appointed from time to time
Equity Shareholder(s)/	A holder of Equity Share(s) of our Company, from time to time

Term	Description
Shareholders	
Equity Shares	Equity shares of face value of ₹ 6 each of our Company
Executive Director(s)	Executive Director(s) of our Company. For details of the Executive Director(s), see *"**Our Management**"* on page 97 of this Letter of Offer
Independent Director(s)	Independent Director of our Company as per Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and as described in the chapter *"**Our Management**"* on page 97 of this Letter of Offer
Key Managerial Personnel/ KMP	Key Managerial Personnel of our Company as per the definition provided in Section 2(51) of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI ICDR Regulations as described in the *"**Our Management**"* on page 97 of this Letter of Offer.
Limited Review Financial Results	The limited review unaudited financial results for the nine month period ended December 31, 2024 and December 31, 2023 prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see "***Financial Information***" on page 102 of this Letter of Offer.
Materiality Policy	Policy for Determination and Disclosure of Materiality of Events or Information formulated in accordance with SEBI Listing Regulations, read with the materiality threshold as amended and adopted by the Board in February 2019 and last modified on January 25, 2024.
Materiality Threshold	₹1.8 Crores
Memorandum of Association/Memorandum/ MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Board.
Non-executive Director(s)	Non-executive Director(s) on our Board, as described in "***Our Management***" on page 97 of this Letter of Offer.
Promoter	The promoter of our Company, being Welspun Corp Limited.
Promoter Group	Persons and/or entities constituting the promoter group as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company is Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Bharuch, Gujarat 393110, India.
Registrar of Companies/ RoC	The Registrar of Companies, Ahmedabad, Gujarat.
Redeemable Preference Shares/RPS	Unlisted 12% Non-cumulative Redeemable Preference Shares of ₹10 each
Rights Issue Committee	Rights Issue Committee of our Board. The committee is empowered to do acts for the purposes of the Issue and incidental matters thereof.
Stakeholders' Relationship Committee	Stakeholder Relationship Committee of our Board

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares/Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment/Allot/Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The accounts opened with the Banker to the Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in

Term	Description
	accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank	Bank which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Yes Bank Ltd.
Allotment Advice	The note, advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date/Date of Allotment	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form/ Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., ₹26.40 per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by an ASBA Applicants to make an application authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and as specified in the Application Form or the plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Yes Bank Ltd.
Banker to the Issue Agreement	Agreement dated February 07, 2025**,** entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in ***"Terms of the Issue"*** on page 217 of this Letter of Offer
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable.

Term	Description
Designated Branches/ Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available onhttp://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Eligible Equity Shareholder(s)/Eligible Shareholder(s)	Existing Equity Shareholder(s) as on the Record Date i.e. March 01, 2025. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see *"**Notice to Investors**"* on page 11 of this Letter of Offer.
FPI	Foreign Portfolio Investors as defined and registered under the SEBI FPI Regulations.
Fraudulent Borrower	Fraudulent Borrower as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations.
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date March 01, 2025, and the Renouncee(s).
Issue Agreement	Agreement dated February 11, 2025, entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
ISIN	International Securities Identification Number.
Issue/Rights Issue	Issue of up to 13,25,22,289 Rights Equity Shares of face value of ₹6 each of our Company for cash at a price of ₹26.40 per Rights Equity Share (including a premium of ₹20.40 per Rights Equity Share) aggregating up to ₹349,85,88,429.60* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Share for every 4 (Four) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment*
Issue Closing Date	Wednesday, March 19, 2025.
Issue Materials	Collectively, this Letter of Offer, Abridged Letter of Offer, Application Form, Rights Entitlement Letter, any other issue material relating to the Issue.
Issue Opening Date	Monday, March 10, 2025.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹26.40 per Rights Equity Share.
Issue Proceeds/Gross Proceeds	The gross proceeds raised through the Issue.
Issue Size	Amount aggregating up to ₹ 349,85,88,429.60# *#Assuming full subscription with respect to Rights Equity Shares*
Lead Manager/LM	Systematix Corporate Services Limited
Letter of Offer/LOF	This Letter of Offer dated February 25, 2025, filed with the Stock Exchange and submitted to SEBI.
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations.
Monitoring Agency	CARE Ratings Limited.
Monitoring Agency Agreement	Agreement dated February 06, 2025, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using

Term	Description
	additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to "***Objects of the Issue***" on page 54 of this Letter of Offer.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Thursday, March 13, 2025.
Payment schedule	The payment schedule requires the full amount for the Rights Equity Shares to be paid upon application.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being March 01, 2025.
Registrar to the Issue/ Registrar to the Company/ Registrar	Bigshare Services Private Limited.
Registrar Agreement	Agreement dated February 03, 2025, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Refund Bank(s)	The Banker to the Issue with whom the Refund Account(s) has been opened in this case being Yes Bank Ltd.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Companies Act and any other applicable laws.
RE ISIN	ISIN for Rights Entitlement i.e. INE731F20011.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Monday, March 10, 2025. Such period shall close on Thursday, March 13, 2025, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. Wednesday, March 19, 2025.
Rights Entitlement(s)/ RE(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being March 01, 2025, would be 1 (One) Rights Equity Share for every 4 (Four) Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. The Rights Entitlements with a separate RE ISIN will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also be accessible on the website of our Company and Registrar.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.

Term	Description
RoC	Registrar of Companies.
SEBI Rights Issue Circulars	SEBI master circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SCSB(s)/Self-Certified Syndicate Banks	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Stock Exchanges	Stock exchange where the Equity Shares of our Company are presently listed, i.e., BSE Limited.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter/ Fraudulent Borrower	Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry Related Terms

Term	Description
Advanced Economies	Countries with high levels of income, significant industrialization, a diverse export base, and a financial sector integrated into the global financial system.
Dun & Bradstreet Information Services India Private Limited or Dun & Bradstreet	Industry Report Provider.
Consumer Price Index (CPI)	An economic measure that gauges the average change in prices paid by consumers for a basket of goods and services over time, used to measure inflation.
World Stainless steel Association	An international organization that represents the interests of the stainless steel industry, providing information and analysis on market trends and developments
BCM	Billion Cubic Meters, a unit of measurement for the volume of natural gas.
CAGR	Compound Annual Growth Rate, a measure of the mean annual growth rate of an investment over a specified period of time longer than one year.
CARO	Companies (Auditor's Report) Order, 2020
Central Electricity Authority/CEA	A government agency in India responsible for overseeing the country's electricity sector.
Commercial Vehicles	Vehicles used for transporting goods or passengers for commercial purposes.
Domestic Steel	Steel produced within a country’s borders.
G I D C	Gujarat Industrial Development Corporation
Heat Exchanger Tubes	Tubes used in heat exchangers to transfer heat between two or more fluids.
Heat Exchangers	Devices used to transfer heat between two or more fluids.
Industry Report	Industry Report dated February 2025 titled, ‘Industry Report on Stainless steel (Seamless Pipes & Tubes and SS Bars) prepared by M/s Dun & Bradstreet

Term	Description
	Information Services India Private Limited
Mechanical Tubes	Tubes used in mechanical applications, such as in machinery and equipment.
Ministry of Steel	A government ministry responsible for the development and regulation of the steel industry
Ministry of Statistics & Programme Implementation (MOSPI)	A government ministry in India responsible for the collection, analysis, and dissemination of statistical data.
MMT	Million Metric Tons, a unit of measurement for mass
NPD	New Product Development
Stainless steel	A corrosion-resistant steel alloy containing chromium.
Seamless Pipes	Pipes manufactured without a seam or weld, offering higher strength and durability.
SS Bars	Stainless Steel (SS) Bars are solid metal bars made from stainless steel, known for their strength, durability, and resistance to corrosion.
Steel Melting Shop	A facility where raw materials are melted to produce steel.
Stainless steel	A type of steel that includes various elements to improve its mechanical properties. Products include intermediate and final products such as ingots, blooms, SS bars, extruded seamless pipes, tubes etc -
Tubes	Hollow cylindrical structures used to transport fluids or gases and are often made from materials like stainless steel or nickel alloys for durability and resistance to pressure and corrosion.

Conventional and General Terms/Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
API 5L	A specification developed by the American Petroleum Institute (API) for seamless and welded steel pipes used in pipeline transportation systems in the petroleum and natural gas industries
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBDT	Central Board of Direct Taxes, Government of India
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Central Government	Central Government of India
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Civil Code	Code of Civil Procedure 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the

Term	Description
	notification of the Notified Sections)
Companies Act, 2013/Companies Act	Companies Act, 2013 along with the rules made thereunder
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a Pandemic on March 11, 2020.
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant/DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DSAW	Double Submerged Arc Welded
DTAA	Double Taxation Avoidance Agreement
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortization
ECS	Electronic Clearance Service
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ERW	Electric Resistance Welded
Euro/EUR/€	Euro, the legal currency of the European Union
FCNR Account	Foreign Currency Non-Resident (Bank) account opened in accordance with the FEMA
FDI	Foreign Direct Investment
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal Year/Fiscal	Period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year, unless otherwise stated
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FW	Field Weld
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI/Government	The Government of India
GST	Goods and Services Tax
HSAW	Helical Submerged Arc Welding
HUF	Hindu Undivided Family

Term	Description
IBC/Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
IBEF	India Brand Equity Foundation
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IEPF Authority	Investor Education and Protection Fund Authority established by the GOI under Section 125 of the Companies Act, 2013
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act/IT Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles of India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
ISIN	International Securities Identification Number
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
KMP	Key Managerial Personnel
KVA	kilo Volt-Amperes
Ltd.	Limited
LSAW	Longitudinal Submerged Arc Welding
MCA	Ministry of Corporate Affairs
Mn/mn	Million
MSME	Micro Small and Medium Enterprises
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
MW	Mega Watt
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NBFC	Non-Banking Financial Companies
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPA	Non-Performing Assets
NRE Account	Non-resident External Account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-Resident Ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before

Term	Description
	such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PBT	Profit before tax
Pvt. Ltd.	Private Limited
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI	Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SAW	Submerged Arc Welding
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations/SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations/Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	The United States Securities Act of 1993
SMP	Senior Management Personnel
SMS	Short Message Service
STT	Securities Transaction Tax
State Government	The Government of a State in India
Supreme Court	Supreme Court of India
UK	United Kingdom
U.S.$/USD/U.S. Dollar/US$/US Dollar/$	United States Dollar, the legal currency of the United States of America
USA/U.S./US/United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-months period ending December 31 of a particular year
YTD	Year to date

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material (collectively termed as, the "**Issue Materials**") and the issue of Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Issue Materials will be sent/dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. The overseas Eligible Equity Shareholders who have not updated their records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent to such overseas Eligible Equity Shareholders.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "***Restrictions on Purchases and Resales***" on page 251 of this Letter of Offer.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders (being the Equity Shareholders as on the Record Date), however, the Issue Materials will be sent/dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders, who have provided an Indian address to our Company, have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchange.

Our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue Materials in the event the Issue Materials have been sent on the registered email addresses as provided by such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange and being submitted to SEBI. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares and the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares and the Rights Entitlements referred to in the Issue Materials.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory Statutory Disclosures – Selling Restriction*" on page 212 of this Letter of Offer.

Our Company, in consultation with the Lead Manager, reserves the right to treat any Application Form as invalid which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares and Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares and Rights Entitlements. For restrictions relating to any change in shareholding of 5% or more of the total issued capital of our Company, see *"Terms of the Issue"* on page 217 of this Letter of Offer.

In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The above information is given for the benefit of the Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENT AND THE RIGHTS EQUITY SHARES ARE OFFERED AND SOLD ONLY TO INVESTORS OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE, ON REGULATION S. NONE OF THE RIGHTS ENTITLEMENT OR THE RIGHTS EQUITY SHARES HAS BEEN, OR WILL BE, REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited (listed) company under the laws of India and all the Executive Directors are residents of India. It may not be possible or may be difficult for investors to affect service of process upon our Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to the Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

All references to "India" contained in this Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer have been derived from our Audited Financial Statements and Limited Review Financial Results. For details, please see "***Financial Information***" beginning on page 102 of this Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

The Audited Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue audit report on the Statement based on audit. Our Company publishes its financial statements in Rupees in lakh.

The Limited Review Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a review report on the Statement based on review. Our Company publishes its financial statements in Rupees in lakh.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures.

There are significant differences between Ind AS and IFRS. We have not provided a reconciliation of the financial information to IFRS. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with the Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. For further information, see "***Financial Information***" beginning on page 102 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America;
- "EUR" or "€" or "Euro" are to Euro, the official currency of the European Union; and

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000; one million represents 1,000,000 or 10 lakh and one crore represents 10,000,000 or 100 lakh or 10 million. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" beginning on pages 23, 83, and 176 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Name of the Currency	As of December 31, 2024	As of December 31, 2023	As of March 31, 2024*	As of March 31, 2023
United States Dollar	85.62	83.12	83.37	82.22
Euro	89.08	92.00	90.22	89.61

(Source: www.fbil.org.in)

Note: In case if March 31 and December 31 of any of the respective years/period is a public holiday, the previous Working Day not being a public holiday has been considered.

**As March 31, 2024, March 30, 2024, and March 29, 2024, were public holidays, the exchange rate as of March 28, 2024, has been considered*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on page 23 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this LOF. Certain information in "***Industry Overview***" on page 67 have been derived from the report dated February 2025, prepared by M/s Dun & Bradstreet Information Services India Private Limited. This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward looking statements.' Investors can generally identify forward looking statements by terminology such as, 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to' 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', project', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

a. Raw materials and stores spares and consumables constitute a significant percentage of our Company's total expenses. Any substantial increase in prices and any decrease in the supply would materially adversely affect our Company's business.
b. Our operations are subject to high working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding in a timely manner to meet our requirements of working capital or payment of our debts could adversely affect our operations.
c. Under-utilization of our manufacturing capacities and an inability to effectively utilize our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.
d. We rely on our Manufacturing Facility in Jhagadia, Bharuch, Gujarat, India, as our only Manufacturing Facility and any adverse developments affecting this facility and the region could have an adverse effect on our business, results of operations and financial condition.
e. We have incurred losses in the past and may face impairment risks related to our investments. Similar financial challenges may arise in the future, potentially impacting our financial stability and operational capabilities.
f. Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.
g. Our manufacturing facility is dependent on an adequate and uninterrupted supply of electricity, water and fuel. Any shortage or disruption in electricity, water or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.
h. Our manufacturing process involves extreme heat and fire. In the event of any accidents, our Company may be held liable for damages and penalties which may impact the financials of our Company.
i. Our global scope of operations subjects us to various risks of conducting business in foreign countries, which may adversely affect our financial performance.
j. We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections "***Risk Factors***", "***Our Business***" and *"**Management's Discussion and Analysis of Financial Condition and Results of Operations**"* on pages 23, 83 and 176, respectively, of this Letter of Offer.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations and Stock Exchange's requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

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SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "***Risk Factors***", "***Objects of the Issue***", "***Our Business***", "***Industry Overview***" and "***Outstanding Litigation and Material Developments***" beginning on pages 23, 54, 83, 67 and 200, respectively of this Letter of Offer.

Summary of Primary Business of our Company

Welspun Specialty Solutions Limited (formerly known as "**RMG Alloy Steel Limited**") is a manufacturer of superior Stainless-steel products, benchmarked globally. The Company stands as the integrated producer of quality stainless steel pipes and tubes, managing the entire production process from steel making to the finished products. Equipped with advanced technological capabilities and proven expertise, the Company specializes in manufacturing special grade steel with precisely controlled chemical compositions. The Company's modern infrastructure, which includes an integrated steel melting shop, rolling facility, and a state-of-the-art seamless pipes plant, provides a competitive edge in timely deliveries due to its in-house steel making capabilities. The Company's steel making capacity is approximately 1,00,000 metric tons per annum, and its stainless steel seamless pipe and tube manufacturing capacity is approximately 10,000 tons per annum.

For further information, please refer to "***Our Business***" beginning on page 83 of this Letter of Offer.

Industry Overview

The global stainless-steel market is growing steadily, driven by expanding industrial applications and regional development. The Asia Pacific region leads production, with significant growth expected across all major markets. In 2023, global stainless-steel production increased by 4.6% to 58.4 million tonnes. However, production in Asia (excluding China and South Korea) decreased by 7.2% to 6.88 million tonnes. China, holding over 62% of global production, saw a 12.6% growth, becoming the main driver of global growth. Other countries, including Brazil, South Africa, Indonesia, South Korea, and Russia, reduced production by 5.2% to 7.16 million tonnes.

India, once the second-largest producer of stainless steel, saw its share decrease to 6.2% by 2021, producing around 3.5 million tonnes per annum. This decline is due to rapid growth in other regions, especially Indonesia. Cold rolled flat products are the most produced stainless-steel items globally, accounting for 47% of total trade. Higher demand for oil, gas, and chemical industries is driving the demand for steel pipes and tubes.

Stainless steel pipes are classified into six types: standard pipe, line pipe, oil country tubular goods (OCTG), pressure tubing, mechanical tubing, and structural tubing. The two main types of pipes are welded and seamless, used in various applications based on their properties. The global stainless-steel seamless pipes and tubes market grew at a CAGR of 2.6% from 2019 to 2023 and is expected to grow at 7.8% until 2027.

India's steel production has increased significantly, making it the second-largest producer globally. In 2023, India produced 140.8 million tonnes of crude steel, an 11.8% increase from 2022. The country's finished steel consumption is also rising, driven by demand from infrastructure, construction, and automotive sectors.
Source: Industry Report

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

(in ₹ lakh)

Particulars	Estimated Amount
Gross proceeds from the Issue*	34,985.88
Less: Estimated Issue related expenses^^	229.65
Net Proceeds	**34,756.24**
Repayment and/or prepayment, in full or in part, of certain	28,400.00

Particulars	Estimated Amount
borrowings availed by our Company**	
General Corporate Purposes#	6356.24
Net Proceeds* **	**34,756.24**

Note: In case of any decrease in such gross proceeds due to undersubscription, Net Proceeds and thus the GCP will accordingly be adjusted.
**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment. In the event of any undersubscription, Gross Proceeds can be adjusted accordingly.*
^^Excluding taxes. Any increase in the above expenses will be paid from General Corporate Purpose and/or Company's cash flows.
***Including interest accrued on the borrowings till December 31, 2024.*
#The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Issue.
****Assuming full subscription in the Issue with respect to the Rights Equity Shares. Subject to finalisation of the Basis of Allotment.*

For further details, please see chapter titled "***Objects of the Issue***" beginning on page 54 of this Letter of Offer.

Intention and extent of participation by our Promoter and Promoter Group with respect to their rights entitlement

Pursuant to letters each dated February 10, 2025 and February 11, 2025, our Promoter and/or Promoter Group members have confirmed to (a) subscribe, to the full extent of their Rights Entitlement ("**RE**") in the Issue or renounce their RE in the favor of the other Promoter/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoter/Promoter Group may subscribe to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favour and/or subscription to the additional Equity Shares as a Renouncee or otherwise. Such a subscription, if there is any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of the minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the SCRR, as amended.

The acquisition of Rights Equity Shares by our Promoter and/or other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company as on the date of this Letter of Offer is provided below:

(₹ in lakh)*

Type of Proceeding	Number of Cases	Aggregate amount involved
Cases by our Company		
Issues involving moral turpitude or criminal liability	4	356.77
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of	Nil	Nil

Type of Proceeding	Number of Cases	Aggregate amount involved
our Company		
Taxation cases involving our Company		
Direct tax proceedings	2	9.87
Indirect tax proceedings	1	20.27

**To the extent quantifiable*

For further information on the outstanding litigation proceedings, please refer to "***Outstanding Litigation and Material Developments***" on page 200 of this Letter of Offer.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate, and our Equity Shares, please refer to the chapter titled "***Risk Factors***" beginning on page 23, of this Letter of Offer.

Contingent Liabilities

For details, please refer to the section titled "***Financial Information***" beginning on page 102 of this Letter of Offer.

Related Party Transactions

For details, please refer to the section titled "***Financial Information***" beginning on page 102 of this Letter of Offer.

Issue of equity shares made in the last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Letter of Offer.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year preceding the date of this Letter of Offer.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition.

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur; our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "**Forward-Looking Statements**" on page 18 of this Letter of Offer.*

*To obtain a complete understanding, you should read this section in conjunction with the sections "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" on pages 67, 83 and 176, respectively, of this Letter of Offer.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information, prepared in accordance with IND AS and the Companies Act, 2013 and audited in accordance with standard of auditing.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some risks may not be material individually but may be found material collectively;*
- *Some risks may have an impact which is qualitative though not quantitative; and*
- *Some risks may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Welspun Specialty Solutions Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

1. ***Raw materials and stores spares and consumables constitute a significant percentage of our Company's total expenses. Any substantial increase in prices and any decrease in the supply would materially adversely affect our Company's business.***

   Raw materials constitute a significant percentage of the total expenses of our Company. The cost of raw materials consumed accounted for 59.28 %, 70.23% and 74.98% of total expenses for nine month period ended December 31, 2024 and for Financial Year ended March 31, 2024 and March 31, 2023 respectively. Variability in raw material costs could affect the cost of work-in-progress and finished goods, comprising direct materials, direct labour and a proportionate share of overhead expenditure. Costs of purchased inventory, assigned on a weighted average basis, include all necessary expenses to bring the inventory to its present condition and location.

Moreover, our net realizable value, which is the estimated selling price in the ordinary course of business less estimated costs of completion and sale, may fluctuate with changes in raw material costs. Any adverse movements in raw material costs can affect our profitability and business performance.

Thus, our reliance on raw materials exposes us to significant risks associated with cost fluctuations, impacting our overall expenses, inventory valuation, and financial stability. Implementing effective cost management strategies is essential to mitigate these risks.

2. ***Our operations are subject to high working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding in a timely manner to meet our requirements of working capital or payment of our debts could adversely affect our operations.***

Our business requires a significant amount of working capital. We require a significant amount of our working capital for purchasing key raw materials which are sourced through the suppliers. Further, our Products have a credit cycle of 0 to 60 days which form a part of our working capital requirements. Though, presently we have sanctioned working capital limits from the existing banker, All these factors may result in an increase in the quantum of our current assets and short-term borrowings. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, to meet our working capital requirements, could adversely affect our financial condition and results of operations.

3. ***Under-utilization of our manufacturing capacities and inability to effectively utilize our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

As on the date of this Letter of Offer, we operate one manufacturing facility located in Jhagadia, Bharuch, Gujarat. In particular, the level of our capacity utilization can impact our operating results. High-capacity utilization allows us to spread our fixed costs, resulting in a higher gross profit margin. Our product mix also affects the capacity utilization of our manufacturing facility, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin. Our capacity utilization is affected by the availability of raw materials, industry/market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our manufacturing facility, resulting in operational inefficiencies, which could have a material adverse effect on our business prospects and financial performance. Further, if our customers place orders of less than the anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in under-utilization of our manufacturing capacity. Further, we have made significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to accurately estimate future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our manufacturing facility could adversely affect our business, results of operations, financial condition and cash flows.

For further information, see "***Our Business –Our Manufacturing Capacity***" on page 88 of this Letter of Offer.

4. ***We rely on our Manufacturing Facility in Jhagadia, Bharuch, Gujarat, India, as our only Manufacturing Facility and any adverse developments affecting this facility and the region could have an adverse effect on our business, results of operations and financial condition.***

We currently operate only one Manufacturing Facility, for manufacturing all of our Products, which is located in located in Jhagadia, Bharuch, Gujarat, India. For details, see "***Our Business - Our Manufacturing facility***" on page 84 of this Letter of Offer. Our Manufacturing Facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lockouts, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at the Manufacturing Facility may entail significant repair and maintenance costs and cause delays in our operations. In the event that we are forced to shut down our Manufacturing Facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole.

Our business is dependent on our ability to manage our Manufacturing Facility, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers' requirements and would result in us breaching our contractual obligations. Any disruption to the operations at our Manufacturing Facility may result in an adverse effect on our business, results of operations and financial condition. In addition, any significant social, political or economic disruption, or natural calamities or civil disruptions or breakdown of services and utilities in the region where Manufacturing Facility is located, or changes in the policies of the state or local governments of such region, may require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

5. ***We have incurred losses in the past and may face impairment risks related to our investments in assets. Similar financial challenges may arise in the future, potentially impacting our financial stability and operational capabilities***

In the financial year ended March 31, 2023, our company incurred a loss of ₹1,374 lakh. This financial loss may have significant implications for our business operations and future prospects. Such losses may recur in the future, potentially impacting our ability to generate sufficient revenue and profits, which is crucial for maintaining financial stability and supporting our growth initiatives. Future losses could also limit our capacity to invest in essential areas such as research and development and marketing which are vital for sustaining competitiveness in the market.

Furthermore, financial instability may increase the risk of non-compliance with regulatory requirements, exposing us to potential penalties or legal consequences. Investors should carefully consider these risks when evaluating our company's financial health and future performance, as they may have a material adverse effect on our operations and overall business outlook.

6. ***Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for the supply of our raw materials and delivery of our products to our domestic customers. In the past, during the pandemic and global war situations, we have also experienced supply chain disruptions. Any future transportation disruptions may have an adverse effect on the supplies from our suppliers and deliveries to our customers. These transportation facilities may not be adequate to support our existing and future operations. In addition, raw materials and products may be lost or damaged in transit for various reasons including the occurrence of accidents or natural disasters. There may also be delays in the delivery of raw materials and products which may also affect our business and results of operation. An increase in the freight costs or unavailability of freight for transportation may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair the supply raw materials to our Units and our products to our customers. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

7. ***Our manufacturing facility is dependent on an adequate and uninterrupted supply of electricity, water and fuel. Any shortage or disruption in electricity, water or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our production operations require an adequate supply of electricity, fuel and water, the shortage or non-availability of which may adversely affect our operations. In nine month period ended December 31, 2024, Financial Year ended March 31, 2024 and Financial Year ended March 31, 2023, the power and fuel costs, on a consolidated basis, was ₹ 4,891 lakh, ₹ 6,196 lakh and ₹ 4,591 lakh, respectively which accounted for 9.34%, 8.89% and 10.98%, respectively of our consolidated total revenue from operations.

Our Manufacturing Facility source their power from Grid from DGVCL and renewable energy, however, electricity sourced is partially renewable electricity. Inadequate electricity could result in interruption or suspension of our production operations. Further, Manufacturing Facility has adequate water supply arrangements for plant and human consumption purposes. There can be no assurance that such water supply will not be interrupted in the future.

Any failure on our part to obtain alternate sources of electricity, fuel or water in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

8. ***Our manufacturing process involves extreme heat and fire. In the event of any accidents, our Company may be held liable for damages and penalties which may impact the financials of our Company*.**

Our employees/ workers may be required to work under potentially dangerous circumstances in the operation of our manufacturing Units associated with the handling, storage, movement and production of our products, as well as accidents such as fire and explosions. Any mishandling of our equipment and machinery could also lead to serious and sometimes fatal accidents. These accidents can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. We have taken workmen compensation insurance covering our employees working at our manufacturing unit. While we believe that the insurance coverage maintained by us would be reasonably adequate to cover the normal risks associated with such accidents, to the extent that we suffer loss or damage for accidents for which our insurance is inadequate or which exceeds our insurance coverage, the loss would have to be borne by us. Such accidents have the potential to adversely impact our financial position, our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

9. ***Our global scope of operations subjects us to various risks of conducting business in foreign countries, which may adversely affect our financial performance.***

We market our products across Europe, Asia and North America. Our direct customers and distributors are located in India and outside India.

The table below sets forth certain information on the sale of our products for different regions in India and outside India, for the Financial Years ended March 31, 2024, and March 31, 2023:

Region	Fiscal 2024#		Fiscal 2023#	
	Amount (₹ in lakh)	Percentage of Revenue from operations (%)	Amount (₹ in lakh)	Percentage of Revenue from operations (%)
In India	43,943	63.07	26,517	63.46
Outside India	25,724	36.93	15,266	36.54
Total	**69,667**	**100**	**41,783**	**100**

#Audited Financial Statements

Further, we set forth below the foreign currency trade receivables and trade payables position for the nine months period ended December 31, 2024, six month period ended September 30, 2024, Fiscals 2024 and 2023.

Particulars	Currency	Fiscal 2024 (₹ in lakh)	Fiscal 2023 (₹ in lakh)
Trade Receivables (unhedged)	USD	-	104
	EUR	1,725	835
Trade Payable (unhedged)	USD	1,929	2,588
	EUR	32	30

Our sales from export and import of raw materials are denominated in foreign currencies, primarily, the U.S. Dollar and Euros. Our financial statements, however, are prepared in Indian Rupees. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S. Dollar and Euros. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. For further details on our exchange rate risk management, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations–Exchange Rate Risk***" on page 194 of this Letter of Offer.

In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, including as a result of anti-dumping measures, fluctuations in the demand for or supply of our products or services. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. In the event we are unable to effectively address or comply with changes in foreign laws, or meet the conditions stipulated in our licenses, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, result of operations and financial condition.

While we make provisions for foreign exchange fluctuations and also take steps to hedge our foreign currency fluctuation risk, a significant or frequent fluctuation in the exchange rate between the Indian Rupee and other currencies, may adversely affect our results of operations.

The exchange rate between the Indian Rupee and foreign currencies, primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

10. ***We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.***

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour and environmental protection. These safety, health, labour and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, treatment and processing, along with other aspects of our manufacturing operations.

For instance, there is a limit on the amount of pollutant discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, emissions management to comply with environmental standards, which may involve significant compliance costs and also result in delays.

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our manufacturing facility. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition

For details of our manufacturing facility, see "***Our Business***" on page 83 of this Letter of Offer.

11. ***Our Company has reported negative cash flows from its investing and financing activities, details of which are given below. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.***

In the previous years, our Company has reported negative cash flows from its investing and financing activities as per the Audited Financial Statements and the same are summarized below:

(₹ in lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) before Tax	2,860	(1,374)
Operating activities	747	5,011
Investing Activities	(1,244)	(504)
Financing Activities	469	(4,979)

We cannot assure you that in the future our net cash flows will be positive, which, if not, could adversely affect our ability to, among others, fund our operations or pay debts in a timely manner. For detailed information, see *"**Statement of Cash Flows - Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company**"* on page 193 of this Letter of Offer.

12. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could adversely affect our results of operations.***

Our operations are subject to extensive government regulations, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facility.

As on the date of this Letter of Offer, our Company has all requisite registrations to run its business operations. Several of these approvals are granted for a limited duration. These approvals expire from time to time, and we are required to make applications for renewal of such approvals.

Any inability to renew these approvals may have an adverse effect on our operations. We cannot assure you that such approvals will be issued or granted to us. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner, our business operations may be adversely affected. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply with the applicable regulations or if the regulations governing our business operations are amended, we may incur increased costs, be subjected to penalties, have our approvals and permits revoked or suffer from disruption in our operations, any of which could adversely affect our business operations.

13. ***We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including the cancellation of existing and future orders which may expose us to warranty claims.***

Most of our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered into with them. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of orders, loss of customers, rejection of the products, which will require us to incur additional cost, that may not be borne by the customers, which in turn could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/or litigation.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Company has achieved various manufacturing certifications such as ISO 9001;2015, ISO 14001 and OHSMS 45001. Such specifications and standards of quality are an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

Our customers may periodically undertake audits of our manufacturing facility and processes. The occurrence of quality defects due to errors and omissions could damage our reputation and result in the loss of customers, adversely affecting our business, operations, cash flows, and financial condition. Failure to meet the quality standards of our products and processes can lead to serious consequences, including product rejection, requiring us to incur additional costs for replacement, withdrawal of product approval, and loss of customers, which could negatively impact our reputation, business, and financial condition. This could result in customers cancelling present or future purchases of our products.

Although these incidents may not materially impact our operations, we have implemented stringent quality checks. However, there is no assurance that our products will always meet customer specifications. Rejection of a large volume of products in the future could adversely affect our operations.

The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

14. ***We may not be successful in penetrating new export markets.***

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. As part of our strategy, we intend to target additional export markets, increase exports and focus on marketing. We believe establishing a local presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. The risks involved in entering new geographic markets and expanding operations may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance could be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

15. ***Our success largely depends upon the knowledge and experience of our Directors, Senior Management Personnel and Key Managerial Personnel as well as our ability to attract and retain skilled personnel. Any loss of our directors, senior management or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations.***

Our Company has an experienced leadership team of highly qualified professionals with a demonstrated track record. The composition of our Board is an optimal mix of professionals, who are knowledgeable and have experience in their areas of expertise and this enables our Board to discharge its responsibilities effectively and provide leadership to the business. In order to successfully manage and expand our business, we are dependent on the services of our Directors Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of our Company. Our KMPs are key to the operations of our Company. Our success depends on the continued services and performance of the members of our SMP, KMP and other key employees.

Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly project managers, engineers, and skilled workers. The loss of services of our SMP, KMP or skilled professionals or our inability to recruit, train or retain a sufficient number of skilled professionals could adversely affect our business, operations, prospects, financial condition, profitability and results of operation.

16. ***We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of hazardous substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including, certain raw materials, which we use in production that are highly corrosive, hazardous and toxic. We are required to obtain approvals from various authorities for storing hazardous substances which results in high compliance costs and could potentially expose us to liability. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage, destruction of inventory of finished goods and/or raw materials and environmental contamination.

In the event of occurrence of any such accident, our business operations may be interrupted. Any industrial accident, any shutdown of our Manufacturing facility or any environmental damage caused by our operations could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of raw materials which would, amongst others, increase the cost of our operations. We cannot assure you that any such instances will not happen in the future. Any of these occurrences may result in the shutdown of our manufacturing facility and expose us to civil and/or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in termination of our approvals for storing such substances or penalties thereunder.

Further, any environmental damage could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

For details of litigation involving the Company, arising from such incidents, see "***Outstanding Litigation and Material Developments***" on page 200 of this Letter of Offer.

17. ***We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

In the ordinary course of business, we have entered into transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. For further details, see ***"Financial Statements – Note 39- Related Party Disclosures"*** on page 153 of this Letter of Offer.

These transactions principally include purchase of goods and services, sale of goods and services, interest expenses on loans availed, loans and deposits taken, loans and deposits repaid, interest on loans and deposits repaid, Key Management Personnel compensation, Directors' sitting fee, etc. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company, and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

18. ***Our Promoter and Directors may have interests in our business other than reimbursement of expenses incurred or normal remuneration or benefits***

Our Promoter and Directors may be deemed to be interested in our business other than reimbursement of expenses incurred or normal remuneration, commission or benefits owing to their shareholding in our Company, any guarantees extended by them, or other transactions they may separately enter into with our Company. We cannot assure you that conflicts of interest will not arise owing to such interest in our Company, or that any conflict will be resolved in our shareholders' best interests.

19. ***We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.***

We have developed t the technical know-how in the manufacturing process of our products, enhancing our ability to manage costs and improve quality in the Steel industry. This expertise comes from the experience of our management team, key employees, and our research and development efforts. However, there is a risk that proprietary knowledge could be leaked, either inadvertently or intentionally, during the manufacturing process. Some employees have access to confidential information, and while we rely on confidentiality agreements, these are not foolproof.

If our confidential information becomes public or is accessed by competitors, it could harm our competitive advantage. Protecting our technology through legal means can be challenging and costly. Any leakage of confidential information could adversely affect our business, financial condition, and prospects.

20. ***If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

We believe that our future profitability and competitiveness will largely depend on our ability to maintain low operational costs and efficiently process and supply our products according to agreed specifications. Adapting to changing trends and standards in technologies and equipment, as well as responding to market conditions or requirements in a timely and cost-effective manner, will be crucial. If we face challenges in these areas, it may impact our ability to compete effectively, which could affect our business, financial condition, and operational results.

21. ***Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/ or surplus of products, which could harm our business.***

We strive to monitor our inventory levels based on our projections of future demand. Given the time required to produce commercial quantities of our products, we make production decisions well in advance of sales. However, if our demand forecasts are inaccurate, it could lead to either a shortage or surplus of products. A shortage of high-demand products may impact sales volumes and customer relationships. On the other hand, an oversupply of products could increase costs, affect cash flow, reduce inventory quality, and erode margins, potentially leading to inventory write-offs. These situations could have a significant impact on our business, operations, and financial condition.

22. ***Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

Our business, manufacturing facility, plant and machinery, inventory and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

23. ***If we are unable to establish and maintain effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition and results of operations. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

24. ***Any adverse revision to our credit rating by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available.***

During the year under review, Care Ratings Limited, a rating agency, vide the rating rationale dated September 20, 2024 has reaffirmed ratings & outlook revised from negative to the following credit facilities of the Company:

Facilities	Amount (₹ in lakh)	Rating
Long Term Bank Facilities	1,687 (Reduced from 2,654)	CARE AA (CE); Positive [Double A (Credit Enhancement); Outlook: Positive]
Long Term / Short Term Bank Facilities	28,500	CARE AA (CE); Positive/ CARE A1+ (CE) [Double A (Credit Enhancement); Outlook: Positive/A One Plus (Credit Enhancement)]
Short Term Bank Facilities	1,500	CARE A1+ (CE) [A One Plus (Credit Enhancement)]

While the ratings for Long Term Bank Facilities and Short Term Bank Facilities are currently positive, any future downgrades could result in higher borrowing costs, reduced access to capital, and unfavourable financing terms, thereby adversely affecting our business operations, cash flows, and financial condition.

25. ***Our business and profitability will suffer if we fail to anticipate and develop new value added products and enhance existing products in order to keep pace with rapid changes in customer preferences and the industry on which we focus.***

To compete successfully in the industry, we must be able to identify and respond to changing demands and preferences, as well as operate within substantial production and delivery constraints. Changes in product mix impacts our operating results and our margins. We cannot assure you that our products will always gain buyer acceptance, and we will always be able to achieve competitive products to meet customer expectations. Failure to identify and respond to changes in consumer preferences could, among other things, limit our ability to differentiate our products, adversely affect consumer acceptance of our products, and lower sales and gross margins. Further, products, that are developed by our competitors may render our offerings uncompetitive or force us to reduce prices, thereby adversely affecting our margins. Any of these factors could have a material adverse effect on our business and results of operations.

26. ***Risk of Labour Availability***

The availability of skilled and unskilled labour is crucial to our manufacturing processes and overall operational efficiency. Any disruptions or shortages in labour supply could adversely affect our production schedules, increase operational costs, and lead to delays in fulfilling customer orders. Factors contributing to labour availability risks include:

1. Training and retention;
2. Workplace environment;
3. Labour costs;
4. Succession planning;
5. Dependence on key personnel.

In order to retain the labour company has taken initiative of providing training on skill development and also introduced performance linked incentive schemes. However, there can be no assurance that these measures will be sufficient to address potential labour shortages or disruptions, which could adversely affect our business operations and financial performance.

27. ***Our Company has not entered into long-term contracts with our customers for purchasing our products nor for the supply of raw materials with our suppliers. We are subject to uncertainties in demand and there is no assurance that these customers and suppliers shall continue to purchase our Products or sell raw materials to us or that they shall not scale down their orders. This could impact the business and financial performance of our Company.***

Our Company has been dealing with most of our customers for several years. However, we have not entered into any long-term contracts with our customers; instead, we rely on purchase orders to govern the volume and other terms of our product sales. Consequently, there is no commitment from our customers to continue placing new purchase orders with us, which may cause significant fluctuations in our cash flow and revenue. Further, we may not find other customers for the surplus or excess capacity, resulting in potential losses.

Similarly, we have not entered into long-term contracts with our raw material suppliers. All our procurements and supplies are managed through purchase orders, sales orders, or short-term contracts, governing the commercial terms such as product standards, quantity, and price. On the supply side, we may source raw materials like Iron Ore through various local suppliers, exposing us to risks related to market fluctuations, supply chain disruptions, and potential variability in material quality and cost.

Both our suppliers and customers have access to our competitors who may offer better commercial terms. In the absence of long-term contracts establishing formal exclusive relationships with these parties, we cannot ensure that such business relationships will last, and we may lose a significant portion of our revenues to competitors or face reduced or delayed orders from our customers. A change in the preferences of our customers and raw material suppliers can result in the discontinuation of our engagement with them, which could materially and adversely impact our business. Additionally, we run the risk of excess capacity if our customers do not honour their commitments or choose to engage with our competitors.

Although we emphasize quality, timely delivery of our Products and raw materials, and personal interaction by senior management with our customers and suppliers, any change in the buying patterns of buyers and preferences of suppliers can adversely affect our business and profitability.

28. ***Industry information included in this Letter of Offer has been derived from the Company commissioned M/s Dun & Bradstreet Information Services India Private Limited Industry Report titled "Industry Report on Stainless Steel (Seamless Pipes and Tubes)".***

This Letter of Offer includes information from the updated Company commissioned M/s Dun & Bradstreet Information Services India Private Limited industry report titles "Industry Report on Stainless Steel (Seamless Pipes and Tubes)" dated February 2025. which has been exclusively prepared for the purpose of the issue and is commissioned and paid for by our Company. M/s Dun & Bradstreet Information Services India Private Limited has advised that, while it has taken due care and caution in preparing its report based on public information and industry and statistical data information obtained from sources which it considers reliable, it does not guarantee the adequacy or completeness of such information and is not liable for any loss or damage suffered because of reliance on the information contained in the report. The Company commissioned Brad & Street Industry Report highlights certain industry and market data relating to our Company and our Competitors. Such data is subject to many assumptions. Further, such assumptions may change based on various factors. The assumptions of M/s Dun & Bradstreet Information Services India Private Limited have been obtained from sources generally believed to be reliable, but their completeness and underlying assumptions are not guaranteed. Prospective investors are advised not to rely unduly on the Company commissioned M/s Dun & Bradstreet Information Services India Private Limited Industry Report when making their investment decisions.

29. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and financial condition.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our businesses and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our company's dividend decisions in future or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

30. ***There are certain outstanding legal proceedings involving the Company which may adversely affect our business, financial condition and results of operations.***

As of the date of this Letter of Offer, our Company is involved in several legal proceedings, including certain civil cases filed against us, criminal cases filed by us, and other outstanding legal matters. These proceedings are pending at various levels of adjudication before different courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and may include amounts claimed jointly and/or severally from us and/or other parties, as the case may be.

We cannot assure you that these legal proceedings will be decided in favour of our Company or that no further liability will arise from these proceedings. We may incur significant expenses in such legal proceedings and may need to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations, and financial condition.

I. Litigations involving our Company

(₹ in lakh)*

Type of Proceeding	Number of Cases	Aggregate amount involved lakh
Cases by our Company		
Issues involving moral turpitude or criminal liability	4	356.77
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Cases against our Company		
Issues involving moral turpitude or criminal liability	Nil	Nil
Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil
Material violations of statutory regulations	Nil	Nil
Matters involving economic offences where proceedings have been initiated	Nil	Nil
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Taxation cases involving our Company		
Direct tax proceedings	2	9.87
Indirect tax proceedings	1	20.27

**To the extent quantifiable*

For detailed information, see "***Outstanding Litigation and Material Developments***" on page 200 of this Letter of Offer.

RISKS RELATING TO THE ISSUE

31. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

Our Company has opened a separate demat suspense escrow account (namely, "**Welspun Specialty Solutions Limited – Right Issue Escrow Entitlement Demat Account**") ("**Demat Suspense Account**") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the 1nvestor Education and Protection Fund ("**IEPF**") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/ suspense escrow account/demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.

Our Company shall credit the Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details/documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adverse impact the interest of certain Eligible Equity Shareholders. For details, please see "***Terms of the Issue***" on page 217 of this Letter of Offer.

32. ***The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Rights Equity Shares until they provide details of their demat account and Rights Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders, who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares) For further information, see "***Terms of the Issue***" on page 217 of this Letter of Offer.

33. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this 1ssue or cause the trading price of our Equity Shares to decline.

34. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this 1ssue with respect to such Rights Entitlements For details, see "***Terms of the Issue***" on page 217 of this Letter of Offer.

35. ***Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.***

We will not distribute the Issue Material to the shareholders who have not provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In the case that Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

36. ***Overseas shareholders may not be able to participate in the Company's future rights issues or certain other equity issues.***

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

37. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Rights Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Rights Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

38. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to eligible employees (as defined in the ESOP Schemes), may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholder (i.e. our Promoter) will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber its Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

39. ***The Rights Equity Shares may experience price and volume fluctuations.***

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in 1ndia's economic liberalization and deregulation policies, and significant developments in 1ndia's fiscal regulations 1n addition, the stock exchange may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

40. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchange during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Rights Equity Shares may not track the trading of Equity Shares.

41. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India (the "**RBI**"). If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Furthermore, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries and/or departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority.

Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the government approval route. Furthermore, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 249 of this Letter of Offer.

42. ***Rights of shareholders under Indian laws may be different from laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

43. ***Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

44. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by shareholders of such company.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

EXTERNAL RISK FACTORS

45. ***Developments in the competitive environment in the steel and steel products industry, such as consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects.***

We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, workforce skill and productivity, operating costs, pricing power with our buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. In the past, there have been instances of consolidation among our competitors. Competition from global and domestic steel and steel products producers with new market entrants could result in significant price competition, declining margins and a reduction in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to us. Further, changes in India's debt restructuring and insolvency laws, including the Insolvency and Bankruptcy Code, 2016, has led to consolidation among our competitors. In addition, our competitors may have lower leverage and/ or access to cheaper sources of funding. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel product producers and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete.

The Indian steel and steel products industry is highly competitive. Competing producers have increased their manufacturing capacity, and we expect domestic competition to further intensify with the ramping up of new manufacturing plants by these competitors. Some of our domestic competitors may possess an advantage over us due to various reasons, such as captive raw material sources, greater economies of scale, , specialization in production of value-added or niche products, stronger distribution network and greater presence in certain markets. Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to the pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. Failure by us to compete effectively could have a material adverse effect on our business, financial condition and results of operations. We may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets. These factors, among others, have intensified the competition from domestic steel products players and there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have an adverse effect on our business, financial condition and results of operations.

46. ***The demand and pricing in the steel and steel products industry is volatile and is sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel and steel product prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

47. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

48. ***Fluctuations in the prices of commodities may affect the sales of our steel products and our results of operations.***

We are also affected by movements in prices of metals, which may vary as a result of, among other things, quality and availability of supply, domestic and international prices, currency fluctuations, consumer demand and changes in government programs. Such movements may affect our customers decisions on purchase of our products which may affect the sales of our products and our results of operations. If prices of metal rise, our customers generally reduce their spending on metal related products and prefer available alternatives which could have an adverse effect on our business, financial condition and results of operations.

49. ***Regulation of greenhouse gas emissions could increase our operational costs and reduce demand for our products***.

International agreements and national or regional legislation and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. For instance, the Kyoto Protocol, along with other regulations, envision a reduction of greenhouse gas emissions through market-based regulatory programs, technology-based or performance-based standards or a combination of them. These and other greenhouse gas emissions-related laws, policies and regulations, may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with these laws and regulations is uncertain and is expected to vary by jurisdiction depending on the laws enacted in each jurisdiction, the company's activities in it and market conditions. Some of these activities, such as consumer's use of the company's products, as well as actions taken by the company‘s competitors in response to such laws and regulations, are beyond the company's control. The effect of regulation on the company‘s financial performance will depend on a number of factors, including, among others, the sectors covered, the greenhouse gas emissions reductions required by law, the extent to which we would be entitled to receive emission allowance allocations or need to purchase compliance instruments on the open market or through auctions, the price and availability of emission allowances and credits, and the impact of legislation or other regulation on the company‘s ability to recover the costs incurred through the pricing of the company‘s products. Material price increases or incentives to conserve or use alternative energy sources could reduce demand for products the company currently sells and adversely affect our sales volumes, revenues and margins.

50. ***Negative publicity against us, our Promoter, Directors, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.***

We, our Promoter, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

51. ***We may be subject to fraud, theft, employee negligence or similar incidents which may adversely affect results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking or delivery. Our industry typically does not encounter inventory loss on account of employee theft, vendor fraud, and general administrative error. We maintain large amounts of inventory at our manufacturing facility at all times and had a total inventory of ₹25,223 lakh for the nine month period ended December 31, 2024. There have been a couple of instances of loss in transit of our products..

52. ***Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.***

Wage and operating expenses increase in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, the Code on Wages, 2019 received the assent of the President of India on August 8, 2019, and has subsumed four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government. This may impact our wage structure and may lead to increased wage payments to our employees. Additionally, the cost of operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may reduce our profit margins.

53. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Economic and political factors that are beyond our control influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of the Government of India and/or state governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

54. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has implemented a major reform in Indian tax laws, namely the GST. The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST, with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. We cannot assure you that the relevant regulatory authorities will not make any material tax demands under GST on us in the future which could adversely impact our business, results of operations, financial condition, cash flows, and the price of the Equity Shares. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company. However, the Government has amended the Income Tax Act, 1961 ("**Income Tax Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the domestic company is required to withhold tax on such dividends distributed at the applicable rate. However, non-resident shareholders may claim benefit of an applicable tax treaty, read with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument), if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Further, the Government of India has recently announced the union budget for the financial year 2025-2026 ("**Budget**"), which is still to be passed by the Parliament. In the Budget, the Government has proposed a reduction in tax rates for individuals and companies and provided few benefits to investments by non-resident Indians and foreign companies. Once the Bill is enacted, we cannot assure you that there will not be any modification to these proposals. There is also no certainty on the impact of the Budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labour Codes**") which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The Parliament of India has passed the Bharatiya Nyaya Sanhita, 2023, the Bharatiya Nagarik Suraksha Sanhita, 2023 and the Bharatiya Sakshya, 2023, which have replaced the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, with effect from July 1, 2024. The effect of the provisions of these on us and the litigations involving us cannot be predicted with certainty at this stage.

55. ***A downgrade in credit ratings of India may affect the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in June 2024 and from BBB- with a "stable" outlook to BBB- with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- (long term) and A-3 (short term) with a "positive" outlook in May 2024. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

56. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly the emerging Asian market countries. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. dollar owing to various factors. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of our Equity Shares. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For example, China is one of India's major trading partners and a slowdown in the Chinese economy or adverse developments in the relationship between the two countries could have an adverse impact on the trade relations between the two countries. Any significant financial disruption could have an adverse effect on our business, financial condition and results of operation.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

57. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in the past, and such volatility may occur in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Furthermore, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

58. ***Investors may have difficulty in enforcing foreign judgments against our Company or our management.***

Our Company is incorporated under the laws of India and most of our Directors reside in India. Furthermore, significant portion of our assets, and the assets of our Key Managerial Personnel and Directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our Directors or to enforce judgments obtained in courts outside India against us or our Directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non- reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or Directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Furthermore, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

59. ***Our ability to raise foreign capital may be constrained by Indian law and this may affect our business growth, financial condition and results of operations.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

60. ***Rights of shareholders under Indian laws may be different from laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

61. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

The Competition Act prohibits any anti competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Furthermore, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on January 27, 2025 pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on February 24, 2025.

The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "***Terms of the Issue***" beginning on page 217 of this Letter of Offer.

Issue details in brief	
Rights Equity Shares being offered by our Company	Up to 13,25,22,289 Equity Shares
Rights Entitlement for the Rights Equity Shares	1 (One) Rights Equity Share for every 4 (Four) fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 4 (Four) Equity Shares or is not in multiples of 4 (Four) , the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	March 01, 2025
Face Value per Rights Equity Share	₹ 6 each
Issue Price	₹26.40 per Rights Equity Share (including a premium of ₹20.40 per Rights Equity Share)
Issue Size	Up to ₹ 349,85,88,429.60* **Assuming full subscription*
Equity Shares subscribed, fully paid-up and outstanding prior to the Issue	53,00,89,156 Equity Shares. For details, please refer to "***Capital Structure***" beginning on page 59 of this Letter of Offer
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	66,26,11,445 Equity Shares
Security codes for the Equity Shares and the Right Entitlements	**ISIN for Equity Shares**: INE731F01037 **BSE**: 500365 **ISIN for Rights Entitlements**: INE731F20011
Use of Issue Proceeds	For details, please refer to "***Objects of the Issue***" beginning on page 54 of this Letter of Offer.
Terms of the Issue	For details, please refer to "***Terms of the Issue***" beginning on page 217 of this Letter of Offer.
Terms of Payment	The full amount is payable on application

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GENERAL INFORMATION

Our Company was originally incorporated on December 29, 1980, pursuant to certificate of incorporation issued by RoC, as a public limited company under the name of “Remi Metals Limited”. On February 10, 1993, the Company's name was changed to “Remi Metals Gujarat Limited,” and a fresh certificate of incorporation was issued by the RoC. Subsequently, the Company underwent a name change to “RMG Alloy Steel Limited” on May 31, 2013, as evidenced by a new certificate of incorporation from the RoC. The Company adopted the name “Welspun Specialty Solutions Limited” on August 19, 2019, following the issuance of a new certificate of incorporation by the RoC.

Registered Office
Plot No 1, G.I.D.C. Industrial Estate,
Valida Road, Jhagadia,
Dist. Bharuch, Gujarat 393110
Telephone: +91 99980 65709

Corporate Office Address:
Welspun House, 5th Floor,
Kamala Mills Compound,
Lower Parel,
Mumbai 400013
Telephone: +91 22 6613 6000
Website: www.welspunspecialty.com
E-mail: companysecretary_wssl@welspun.com
Corporate Identity Number: L27100GJ1980PLC020358
Registration Number: 020358

Address of the Registrar of Companies

Our Company is registered with the RoC Ahmedabad, which is situated at the following address:
Registrar of Companies, Ahmedabad
Registrar Of Companies ROC Bhavan
Opp Rupal Park Society Behind Ankur Bus Stop
Naranpura Ahmedabad Gujarat 380013

Company Secretary and Compliance Officer

Suhas Pawar
Welspun House, 5th Floor,
Kamala Mills Compound,
S. B. Marg, Lower Parel (W), Mumbai 400013
Telephone: +91 22 6613 6000
E- mail: companysecretary_wssl@welspun.com

Details of Key Intermediaries pertaining to this Issue of our Company

Lead Manager to the Issue

Systematix Corporate Services Limited
The Capital A- Wing,
6th Floor, No. 603-606,
Plot No. C-70,G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai 400051,
Maharashtra
Telephone: +91 22 6704 8000
E-mail id: wssl_ri@systematixgroup.in

Investor grievance e-mail id: investor@systematixgroup.in
Contact person: Rabindra Kumar/Hanishi Shah
Website: www.systematixgroup.in
SEBI registration no.: INM000004224

Legal Advisor to the Issue

Rajani Associates
Advocates and Solicitors
204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400 020
Telephone: +91 22 4096 1002
E-mail: sangeeta@rajaniassociates.net
Contact Person: Sangeeta Lakhi

Statutory Auditors of our Company

B S R & Co. LLP, Chartered Accountants
14th floor Central B wing & North C wing
Nesco IT Park 4 Nesco Center
Western Express Highway
Goregaon (East) Mumbai 400063
Firm Registration Number: 101248W/W100022
Telephone: +91 (22) 6257 1000
E-mail: bdhupelia@bsraffiliates.com
Peer Review Certificate Number: 014196

Registrar to the Issue

Bigshare Services Private Limited
S6-2, 6th Floor, Pinnacle Business Park,
Mahakali Caves Road, next to Ahura Centre,
Andheri East, Mumbai- 400093, Maharashtra, India
Telephone: 022 6263 8200
E-mail: rightsissue@bigshareonline.com
Investor Grievance ID: investor@bigshareonline.com
Contact Person: Suraj Gupta
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see *"**Terms of the Issue**"* on page 217 of this Letter of Offer.

Experts

1. Our Company has received consent from its Industry Expert, M/s Dun & Bradstreet Information Services India Private Limited through its letter dated February 08, 2025 wrt Industry in which the Company operates and to include its name as an "Industry expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of Industry Report and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term "expert" and "consent" thereof shall not be construed to mean an "expert" or "consent" as defined under the U.S. Securities Act.

2. Our Company has received consent from its Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants through its letter dated February 11, 2025 to include its name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
3. Our Company has received a written consent dated February 06, 2025 from M/s. Kiran J. Mehta & Co., Cost Accountants, as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued in its capacity as Chartered Engineer and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
4. Our Company has received a written consent dated February 10, 2025 from Nikunj Raichura & Associates,, Independent Chartered Accountants, as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Annual Financial Statements, of the Previous Auditors, the audit reports in respect of the Annual Financial Statements and the reports issued thereon by it, the Statement of Possible Tax Benefits and certificates issued by it in its capacity as Independent Chartered Accountants and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.
5. Our Company has received a written consent dated February 10, 2025 from JMJA & Associates LLP, Practicing Company Secretary, as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the certificates issued by it in its capacity as Practicing Company Secretary and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and “consent” thereof shall not be construed to mean an “expert” or “consent” as defined under the U.S. Securities Act.

Banker to the Issue

Yes Bank Ltd
1st Floor, Plot No-444,
Udyog Vihar, Phase-5,
Gurugram, Haryana 122008
Telephone: +91 97183 95929
E-mail: dlggnescrowservices@yesbank.in
Contact Person: Mr. Arvinder Singh
Website: www.yesbank.in

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Credit Rating

This is an issue of Equity Shares, credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares, the appointment of Debenture Trustees is, therefore, not required.

Monitoring Agency

Our Company has appointed, **CARE Ratings Limited** as a monitoring agency, in accordance with Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

CARE Ratings Limited
4th Floor Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East) Mumbai 400022
Telephone: 022 6754 3456
E-mail: Maheshkumar.narhare@careedge.in
Contact Person: Mr. Maheshkumar Narhare
Website: www.careratings.com

Underwriting Agreement

The Issue is not underwritten, and our Company has not entered into any underwriting agreement.

Changes in Auditor during the last three years

Except for the changes listed below, the auditors of the Company have remained unchanged over the past three years.

Name of the Auditor	Date Of Appointment/ Resignation	Reason
M/s. Pathak H.D. & Associates LLP, Chartered Accountants	June 29, 2022	Resignation due to retirement.
Price Waterhouse Chartered Accountants LLP	June 29, 2022	Appointment in place of retiring auditors
Price Waterhouse Chartered Accountants LLP (the "**Previous Auditors**")	July 23, 2024	Resignation due to the management's desire to appoint an audit firm affiliated with the holding company's auditor, following the change of auditors at the holding company due to retirement.
B S R & Co. LLP., Chartered Accountants	July 23, 2024	Appointment due to change of auditor.
B S R & Co. LLP., Chartered Accountants	September 25, 2024	Regularization of Auditors in the AGM

Issue Schedule

Last Date for credit of Rights Entitlements (on or about)	Thursday, March 06, 2025
Issue Opening Date	Monday, March 10, 2025
Last date for On-Market Renunciation of Rights Entitlements#	Thursday, March 13, 2025
Issue Closing Date*	Wednesday, March 19, 2025
Finalization of Basis of Allotment (on or about)	Monday, March 24, 2025
Date of Allotment (on or about)	Tuesday, March 25, 2025
Date of credit (on or about)	Wednesday, March 26, 2025
Date of listing (on or about)	Friday, March 28, 2025

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two clear working days prior to the Issue

Closing Date, i.e., Monday, March 17, 2025 to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., Tuesday, March 18, 2025 **.** Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (*i.e.* www.bigshareonline.com/InvestorRegistration.aspx). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are duly complete in all respect and duly signed as per the signature recorded with the Company or the Registrar on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "***Terms of the Issue - Procedure for Application***" beginning on page 231 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "***Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 234 of this Letter of Offer.

Please note that if no valid Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit for the Rights Entitlements must make an application to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

Pursuant to letters each dated February 10, 2025 and February 11, 2025, our Promoter and/or Promoter Group members, have confirmed to (a) subscribe, to the full extent of their Rights Entitlement ("**RE**") in the Issue or renounce their RE in the favor of the other Promoter/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoter/Promoter Group may subscribe to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favor and/or subscription to the additional Equity Shares as a Renouncee or otherwise. Such a subscription, if there is any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of the minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the SCRR, as amended.

The acquisition of Rights Equity Shares by our Promoter and/or other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

This Letter of Offer is being filed with BSE as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, being BSE, do an online submission with SEBI through the SEBI intermediary portal at www.siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018, issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

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OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment and/or Prepayment, in full or in part, of certain outstanding borrowings availed by our Company; and
2. General corporate purposes.

(collectively, referred to as the "**Objects**")

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable our Company to undertake: (i) its existing activities; and (ii) undertake the activities for which borrowings were availed and which are proposed to be repaid from the Net Proceeds.

The details of the proceeds of the Issue are summarized in the table below:

(in ₹ lakh)

Particulars	Estimated Amount
Gross proceeds from the Issue*	34,985.88
Less: Estimated Issue related expenses^^	229.65
Net Proceeds	**34,756.24**

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment. In the event of any undersubscription, Gross Proceeds can be adjusted accordingly.*
^^Excluding taxes. Any increase in the above expenses will be paid from General Corporate Purpose and/or Company's cash flows.

Requirement of Funds and utilization of Net Proceeds:

The Net Proceeds are proposed to be utilised in the following manner:

(in ₹ lakh)

Particulars	Estimated Amount*
Repayment and/or prepayment, in full or in part, of certain borrowings availed by our Company**	28,400.00
General Corporate Purposes#	6356.24
Net Proceeds* **	**34,756.24**

Note: In case of any decrease in such gross proceeds due to undersubscription, Net Proceeds and thus the GCP will accordingly be adjusted.
***Including interest accrued on the borrowings till December 31, 2024.*
#The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Issue.
****Assuming full subscription in the Issue with respect to the Rights Equity Shares. Subject to finalisation of the Basis of Allotment.*

Subject to applicable laws, if the actual utilisation towards repayment and/or prepayment, or a portion of, certain outstanding borrowings availed by our Company is lower than the proposed deployment, such balance will be used for general corporate purposes, to extent that the total amount to be utilized will not exceed 25% of the Gross Proceeds.

We propose to deploy the entire Net Proceeds towards the Objects by the end of Fiscal 2026. However, if the Net Proceeds are not completely utilised for the Objects by the end of Fiscal 2026, due to various factors beyond our control, including any terms and conditions of our Company's borrowings and any other business and commercial considerations, such amounts will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable laws.

Details of the Objects of the Issue

1. Prepayment or scheduled re-payment of a portion of certain outstanding borrowings availed by our Company

Our Company has entered into various borrowing arrangements for borrowings, in the form of, *inter alia*, overdraft facility, working capital loans, rupee term loan, inter corporate deposit loans, from various banks, financial institutions and unsecured lenders. As on December 31, 2024, the total outstanding borrowings (including interest) of our Company, is ₹ 32,037 lakh.

Our Company intends to utilize ₹ 28,400 lakh from the Net Proceeds towards prepayment or scheduled repayment of all, or a portion, of the principal amount on certain loans availed by it, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, along with interest and other related costs, will also be funded out of the Net Proceeds. In the event the Net Proceeds are insufficient for payment of pre-payment penalty, interest or other related costs, as applicable, such payment shall be made from the internal accruals of our Company.

Our Company has availed an inter-corporate deposit ("**ICD**") of ₹10,000 lakh from Parmesh Finlease Ltd. at an interest rate of 9.50% per annum. This ICD is due for maturity on March 31, 2025. Our Company proposes to use a part of the Net Proceeds to repay this ICD so as to improve the financial position of the Company.

Our Company has availed a Term Loan of ₹7,500 lakh from Yes Bank, at an interest rate of 8.18%. This Term Loan will mature in three (3) instalments from March 31, 2025 to September 30, 2025. Our Company proposes to use a part of the Net Proceeds to repay this Term Loan so as to improve the financial position of the Company.

Our Company availed an ICD of ₹15,400 lakh from our Promoter at an interest rate of 7.25%. Our Company availed this ICD over the past three (3) years to meet certain expenses and working capital requirements. Our Company proposes to use a part of the Net Proceeds to repay this ICD Loan. This ICD is due for maturity on in three (3) instalments, being March 31, 2025, April 3, 2025 and June 30, 2025.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, pre-pay/repay some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of this Letter of Offer and/or draw down further funds under existing loans from time to time. Accordingly, in case any of the below loans are pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment/pre-payment of such additional indebtedness. In light of the above, if after filing this Letter of Offer, any of the below mentioned loans are repaid in part or full or if any additional credit facilities are availed or drawn down and if the terms of new loans are more onerous than the older loans or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

We believe that the prepayment or scheduled repayment of a portion of certain outstanding borrowings availed by our Company will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be prepaid and/or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and/or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/or repayment.

The details of the outstanding loans (including interest) of our Company as on December 31, 2024 proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

S. No.	Name of the lender	Nature of borrowing[2]	Date of the sanction letter/ loan agreement[2]	Amount sanctioned as on December 31, 2024 (₹ in lakh)	Amount outstanding as on December 31, 2024 [2] (₹ in lakh)	Rate of Interest (per annum)%	Purpose for which the loan was sanctioned[1][2]	Repayment date/ schedule (EMI Date)	Pre-payment penalty
1.	Parmesh Finlease Ltd	Inter Corporate Deposits	09-Sep-24	10,000.00	10,051.00	9.50%	Inter-Corporate Deposits	31-Mar-25	Nil
2.	Yes Bank Limited	Term Loan	21-Nov-18	7,500.00	1,206.00	8.18%	Towards part funding of the capex lakh	31-Mar-25 30-Jun-25 30-Sep-25	Nil
3.	Promoter's Loan	Inter Corporate Deposits	30-Mar-22 13-Oct-22	15,400.00	17,165.00	7.25%	Inter-Corporate Deposits	29-Mar-25 03-Apr-25 30-Jun-25	Nil
		TOTAL		**32,900.00**	**28,422.00**				

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the Independent Chartered Accountant certifying the utilization of loan for the purpose availed, pursuant to their certificate dated February 11, 2025.
(2)As certified by the Independent Chartered Accountant, Nikunj Raichura & Associates, Chartered Accountants, vide their certificate dated February 11, 2025. The amount also includes interest.

Our Company has obtained the consents, waivers, and no-objections from the requisite lenders, wherever applicable in terms of the respective facility documents in relation to the Issue, including but not limited to carrying out any of the actions that may be required in connection with the Issue.

2. General corporate purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross Proceeds in compliance with the Regulation 62(2) of the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include payment of interest accrued from January 01, 2025 until the repayment/prepayment, de-bottlenecking for plant, administrative and operating expenses, acquisition of fixed assets, working capital requirements, any redemption of outstanding preference shares, developing and acquiring information technology infrastructure, meeting exigencies and expenses incurred in the ordinary course of business, as may be applicable, to further strengthen our existing ecosystem, meeting ongoing general corporate exigencies, expenses incurred in ordinary course of business, meeting ongoing general corporate contingencies, any of the other objects, payment of lease liabilities, payment of commission and/or fees to consultants, other expenses including payment of taxes and duties and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Means of finance

The Net Proceeds will not be utilised for financing a particular project, accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and internal accruals as required under the SEBI ICDR Regulations.

Bridge financing facilities

As on the date of this Draft Letter of Offer, our Company has not raised any bridge loans from any bank or financial institution or other independent agency, which are required to be repaid from the Net Proceeds. However, the Company may avail bridge financing to repay/prepay any outstanding loan in case the Company wishes to prepay part or full amount which shall be repaid from the Net Proceeds.

Appraising entity

None of the Objects require appraisal from, or have been appraised by, any bank/financial institution/ any other agency, in accordance with applicable laws.

Issue expenses

The Issue related expenses consist of fees payable to Lead Manager, Legal Counsel, Registrar to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need ₹229.65 lakh towards these expenses, a break-up of the same is as follows:

Activity	Estimated expenses (₹ in lakh)	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees payable to the Lead Manager	50.00	21.77%	0.14%
Fees payable to Legal Advisor, Monitoring agency and other professional service providers (Including Statutory Auditors, Practicing Company Secretary, Independent Chartered Accountants etc.)	73.12	31.84%	0.21%
Fees payable to the Registrar to the Issue	4.00	1.74%	0.01%
Advertising, marketing expenses and shareholder outreach expenses	8.61	3.75%	0.02%
Fees payable to regulators including processing fees for Stock Exchange and SEBI, BSE Software Usage Fees, depositories and other statutory fee	64.83	28.23%	0.19%
Printing and stationery, distribution, postage, etc.	21.08	9.18%	0.06%
Other expenses (including miscellaneous expenses and stamp duty)	8.00	3.48%	0.02%
Total estimated Issue expenses	**229.65**	**100.00%**	**0.66%**

Note: Any underwriting fee arises post closure of the Issue shall be paid by the Company from the proceeds of General Corporate Purpose and/or internal accruals of the Company.

Monitoring utilization of funds from the Issue

In terms of Regulation 82 (1) of the SEBI ICDR Regulations, our Company has appointed a monitoring agency to monitor the utilisation of the Net Proceeds, prior to filing of the Letter of Offer with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds till the entire Net Proceeds are utilised. Our Company will provide details/information/certifications on the utilisation of Net Proceeds obtained from our Independent Chartered Accountant to the Monitoring Agency. The Monitoring Agency shall submit the report required under Regulation 82(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. The quarterly report shall provide item by item description for all the expense heads under each Object of the Issue. Our Company undertakes to place the report(s) of the

Monitoring Agency on receipt before the Audit Committee. Our Company will disclose the utilisation of the Net Proceeds, including their deployment under various expense heads and interim use under a separate head in its balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Independent Chartered Accountant and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be uploaded onto our website. The explanation for such variation (if any) will be included in our Directors' report in the annual report.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and the applicable rules, and the SEBI ICDR Regulations, our Company shall not vary the Objects without our Company being authorised to do so by our Shareholders by way of a special resolution. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details as required under the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English, and one in Hindi (Hindi also being the vernacular language where our Registered Office is situated). Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, in accordance with the Companies Act and SEBI ICDR Regulations, at a price as prescribed by SEBI, in this regard.

Strategic or Financial Partners

Since the Objects of the Issue comprise (i) prepayment and/or repayment of all or a portion of certain outstanding borrowings availed by our Company, and (ii) general corporate purposes, there are no strategic or financial partners to the Objects of the Issue.

Other confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoter (except as stated in the objects clause above), the members of the Promoter Group, our Directors, or Key Managerial Personnel, Senior Management or Group Companies. Our Company has not entered into or is not planning to enter into any arrangement/agreements with our Promoter, the members of the Promoter Group (other than as stated above in this chapter), our Directors or the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹, except shares data)

		Aggregate value at Face Value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	85,00,00,000 Equity Shares of ₹6 each	5,10,00,00,000	-
	5,50,00,000 Preference Shares of ₹10 each	55,00,00,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	53,00,89,156 Equity Shares of ₹6 each	3,18,05,34,936	-
	5,09,04,271 Preference Shares of ₹10 each	50,90,42,710	-
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**[(1)(2)]		
	Up to 13,25,22,289 Equity Shares, each at a premium of ₹20.40 per Rights Equity Share, i.e., at a price of ₹26.40 per Rights Equity Share	79,51,33,734	349,85,88,429.60
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE** [(2)]		
	66,26,11,445Equity Shares of ₹6 each, fully paid up	3,97,56,68,670	-
	5,09,04,271 Preference Shares of ₹10 each	50,90,42,710	-
E	**SECURITIES PREMIUM ACCOUNT**		*(₹ in lakh)*
	Before the Issue		28,849.00
	After the Issue [(2)]		55,883.55

[(1)]*The Issue has been authorised by our Board* pursuant *to a resolution dated January 27, 2025. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Rights Issue Committee at their meeting held on* February 24*, 2025.*

[(2)]*Assuming full subscription for, and allotment of, the Equity Shares. Subject to finalization of Basis of Allotment, allotment and deduction of Issue related expenses.*

Notes to the Capital Structure

1. **Except as detailed below, no Equity Shares or convertible securities have been acquired by the Promoter or the members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange:**

   Nil

2. **Details of shares locked-in, pledged, encumbrance by Promoter and Promoter Group:**

   None of the shares held by the Promoter and Promoter Group are either locked-in or pledged.

3. **Intention and extent of participation by our Promoter and Promoter Group in the Issue:**

   Pursuant to letters each dated February 10, 2025 and February 11, 2025, our Promoter and/or Promoter Group members, have confirmed to (a) subscribe, to the full extent of their Rights Entitlement ("**RE**") in the Issue or renounce their RE in the favor of the other Promoter/Promoter Group of our Company and (b) if subscribed to the full extent of their RE, our Promoter/Promoter Group may subscribe to the additional Equity Shares in the Issue, either in the form of subscription to the RE renounced in their favour and/or subscription to the additional Equity Shares as a Renouncee or otherwise. Such a subscription, if there is any, to be made, shall be in accordance with Regulation 3 of the Takeover Regulations and the exemption under Regulation 10(4) of Takeover Regulations. Further, such subscription shall not result in breach of the minimum public shareholding requirement stipulated in the SEBI Listing Regulations and the SCRR, as amended.

   The acquisition of Rights Equity Shares by our Promoter and/or other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Further, as the Objects of the Issue involve repayment or prepayment, in full or in part, of certain borrowings availed by our Company, the minimum subscription of 90% as per Regulation 86 of SEBI ICDR Regulations will not be applicable to this Issue.

4. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ 41.95 per Equity Share.

5. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**

   (i) The shareholding pattern of our Company, as on December 31, 2024, may be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/welspun-specialty-solutions-ltd/welsplsol/500365/shareholding-pattern/.

   (ii) A statement as on December 31, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=500365&qtrid=124.01&CompName=Welspun%20Specialty%20Solutions%20Ltd&QtrName=31-Dec-24&Type=TM.

   (iii) A statement as on December 31, 2024, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", may be accessed on the website of the BSE https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500365&qtrid=124.01&QtrName=31-Dec-24.

6. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and/or the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such a transaction.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue shall be fully paid-up. For further details on the terms of the Issue, please see "***Terms of the Issue***" on page 217 of this Letter of Offer.

9. **Details of outstanding securities of our Company**

   As on date of this Letter of Offer, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

STATEMENT OF SPECIAL TAX BENEFITS

Date: February 25, 2025

To,
The Board of Directors
Welspun Specialty Solutions Limited
Plot No 1, GIDC Industrial Estate,
Valida Road, Jhagadia,
Bharuch, Gujarat 393110

Systematix Corporate Services Limited
The Capital, A- Wing
6th Floor, No. 603-606, Plot No. C-70
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400051

(Systematix Corporate Services Limited referred to as the "**Lead Manager**" or "**LM**")

Dear Sir/Ma'am,

Re: Proposed rights issue of equity shares of face value of ₹ 6 each (the "Equity Shares") by Welspun Specialty Solutions Limited (the "Company") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and other applicable laws (the "Issue")

1. This certificate is issued in accordance with the terms of our engagement letter dated January 30, 2025 with the Company in the context of the Issue in accordance with Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and applicable provisions of the Companies Act, 2013, as amended (the "**Companies Act**").

2. We, Nikunj Raichura & Associates, Chartered Accountants (ICAI FRN 158531W) (the "Firm") have been appointed by the Board of Directors of Welspun Specialty Solutions Limited (the "Company") as an "expert" as defined under Section 2(38) of the Companies Act, 2013, as amended in the Letter of Offer ("LOF") intended to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and BSE Limited ("BSE") (the "Stock Exchange"), where the Equity Shares are proposed to be listed, as well as in other documents in relation to the Issue (the "Offer Documents"). The Company has asked us to furnish the captioned certificate towards the Special Tax Benefits of the Company, which would be forming part of the Offer Documents.

3. The Firm is independent of the Company in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. We report that the enclosed statement in the **Annexure A and B**, states the possible special tax benefits under direct tax laws i.e. Income-tax Act,1961 and Income tax Rules, 1962 including amendments made by the Finance Act, 2024 (hereinafter referred to as "**Income Tax Laws**"), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 (hereinafter referred to as **"Indirect Tax Laws")** as amended, including the relevant rules and regulations, circulars and notifications issued thereunder, Foreign Trade Policy which is in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions. Based on business imperatives, the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfill these conditions.

5. The preparation of the of the information contained in the certificate is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the information covered in the certificate and applying an appropriate basis; and making estimates that are reasonable in the circumstances.

6. The Management is responsible for ensuring that the company complies with the requirements of the requested documents and provides all relevant information towards filing of draft letter of offer and letter of offer.

7. Pursuant to the requirements stated for the given certificate, it is our responsibility to provide limited assurance in the form of a conclusion as to whether any matter has come to our attention that causes us to believe that the information included in the certificate is, in all material respects, not in agreement with the conditions mentioned in the certificate.

8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained be high had a reasonable assurance engagement been performed. The procedures selected depend on the independent chartered accountant judgment, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise.

9. We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India ("**ICAI**"). We also have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, '*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,*' issued by the ICAI.

10. The benefits discussed in the enclosed Statement pertain only to special tax benefits available to the Company and to its shareholders of the Company. The benefits described in the Statement are not exhaustive and do not cover any general tax benefits available to the Company or its shareholders. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws and current indirect tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

11. The benefits discussed in the enclosed Statement in the **Annexure A and B** are not exhaustive. The preparation of the contents stated in the Annexure is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor are we advising the investor to invest in the Issue based on this statement.

12. We do not express any opinion or provide any assurance as to whether:
    (i) the Company or its shareholders will continue to obtain these benefits in future; or
    (ii) the conditions prescribed for availing the benefits, where applicable, have been/would be met with.

    The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

13. We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer ("**LOF**") ("**Offer Documents**") of the Company or in any other documents in connection with the Issue.

14. We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

15. This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, recognized stock exchange, any other authority as may be required and/or for the records to be maintained by the LM in connection with the Issue and in accordance with applicable laws.

16. This certificate may be relied on by the Company, the LM, its affiliates (if any), and the Legal Counsel in relation to the Issue.

17. We undertake to immediately update you, in writing, of any changes in the above mentioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchange. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchange.

For **Nikunj Raichura & Associates**
Chartered Accountants
ICAI Firm Registration Number: 158531W

Nikunj Raichura
Proprietor
Membership Number: 180493
UDIN: 25180493BMUIKT7017
Date: February 25, 2025
Place: Mumbai

CC:
Rajani Associates
Advocates and Solicitors
204-207 Krishna Chambers
59 New Marine Lines
Mumbai 400020

ANNEXURE A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO WELSPUN SPECIALTY SOLUTIONS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS "INCOME TAX LAWS")

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2023-24. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

1. **Special tax benefits available to the Company under the Income Tax Laws**:

a) Lower corporate tax rate under section 115BAA of the IT Act:

Section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") with effect from 1 April 2019 (FY 2019-2020). Section 115BAA of the IT Act grants an option to a domestic company to be governed by the section from a particular assessment year ('AY'). If a company opts for section 115BAA of the IT Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the IT Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA of the IT Act. Also, if a company opts for section 115BAA of the IT Act, the tax credit (under section 115JAA of the IT Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the lower corporate tax rate of 25.168%

2. **Special tax benefits available to the shareholders under the Income Tax Laws**:

There are no special tax benefits available to the shareholders of the Company.

Notes:

(a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

(b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other laws.

(c) The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2024-2025.

(d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

(e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

(f) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE B

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO WELSPUN SPECIALTY SOLUTIONS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, INTEGRATED GOODS AND SERVICES TAX ACT, 2017, RESPECTIVE STATE GOODS AND SERVICES TAX ACT, 2017 ('GST ACT), CUSTOMS ACT, 1962 ('CUSTOM ACT') AND CUSTOMS TARIFF ACT, 1975 ('TARRIF ACT') (HEREINAFTER REFERRED TO AS "INDIRECT TAX LAWS")

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2023-24. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

1. Special tax benefits available to the Company under the Indirect Tax Laws:

a) Customs Act, 1962:

The Company is entitled to the benefit under Section 75 of the Customs Act, which provides for the drawback of customs duties paid on imported materials used in the manufacture or processing of goods intended for export. As stipulated in the section, the company must ensure that the goods have been manufactured, processed, or undergone any operation in India and have been entered for export, with the proper clearance order issued under Section 51. The Central Government, through notifications, directs the payment of drawbacks on the imported materials used in such goods, in accordance with the rules established under subsection (2). However, no drawback shall be granted if the export value of the goods is less than the value of the imported materials used, or if the export value does not meet a specified percentage of the material's value. This entitlement allows the company to claim a refund of duties, enhancing its competitiveness in the international market.

b) Goods and Services Tax Act, 2017 (Department of Industries and Mines, Gujarat):

Scheme for Relief and Concessions to the viable sick industries enterprise **-** The scheme was launched by the Government of Gujarat for the rehabilitation of sick enterprises registered with the Board for Industrial and Financial Reconstruction/ Gujarat Board for Industrial and Financial Reconstruction. The company is eligible for refund of 75% of State Goods and services tax paid through cash ledger. Company is eligible for this benefit only till July 01, 2025.

c) Integrated Goods and Services Tax Act, 2017:

The Company is entitled to a refund of integrated tax paid on goods exported out of India under Rule 96 of the Integrated Goods and Services Tax (IGST) Act. As per Rule 96, the shipping bill filed by the exporter is deemed to be an application for the refund, provided certain conditions are met. These conditions include the filing of a departure manifest, export manifest, or export report by the person in charge of the conveyance carrying the export goods, listing the shipping bill details. Additionally, the exporter must have submitted a valid return in FORM GSTR-3B.

d) Benefit of "Remission of Duties and Taxes on Exported Products ("RoDTEP Scheme") on Export of Steel":

The Company is eligible for refund of 1% of FOB value under RoDTEP Scheme, operational since January 1, 2021, aims to reimburse exporters for duties and taxes incurred during the production and distribution of exported goods that are not refunded under existing mechanisms. Under this scheme, eligible exporters receive electronic scrips, which are transferable and can be utilized to pay basic customs duties.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws:

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

(a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Certificate.

(b) The above statement covers only above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.

(c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

(d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The industry-related information contained in this section has been derived from certain reports by Dun & Bradstreet Information Services India Private Limited ("D&B Report") dated February 2025. The D&B Report has been prepared and issued by Dun & Bradstreet Information Services India Private Limited, for the purposes of confirming our understanding of the Stainless Steel Bars, Seamless Pipes & Tubes industry. The D&B Report form part of the material documents for inspection and is available on the website of our Company at https://www.welspunspecialty.com/. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the D&B Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Global Macroeconomic Scenario

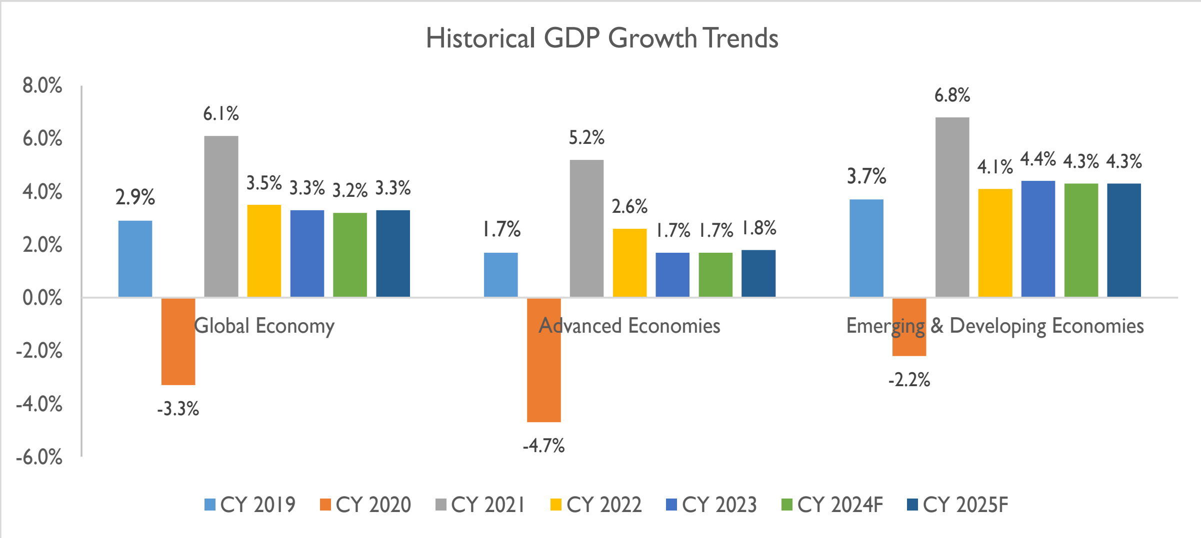
1. Global GDP Growth Scenario

The global economy started to rise from its lowest levels after countries started to lift the lockdown in 2020 and 2021. The lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched -3.3%.

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, which forced most of the central banks to tighten their fiscal policies. Russia's invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged its pre-pandemic trajectory, particularly in emerging markets and developing economies, leading to widening disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather conditions. As a result, global growth declined from 3.5% in CY 2022 to 3.3% in CY 2023.



Source – IMF Global GDP Forecast Release July 2024Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

Slow growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record a flat growth of 3.2% in CY 2024. The global economy is showing signs of stabilizing, yet growth will remain subdued this year before picking up pace in 2025.

India Macroeconomic Analysis

GDP Growth Scenario

India's economy showed resilience with GDP growing at 8.2% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (CY 2023)	Projected GDP Growth (CY 2024)	Projected GDP Growth (CY 2025)
India	8.20%	7.00%	6.50%
China	5.20%	5.00%	4.50%
Russia	3.60%	3.20%	1.50%
Brazil	2.90%	2.10%	2.40%
United States	2.50%	2.60%	1.90%
Japan	1.90%	0.70%	1.00%
Canada	1.20%	1.30%	2.40%
Italy	0.90%	0.70%	0.90%
France	1.10%	0.90%	1.30%
South Africa	0.70%	0.90%	1.20%
United Kingdom	0.10%	0.70%	1.50%
Germany	-0.20%	0.20%	1.30%

Source: World Economic Outlook, July 2024

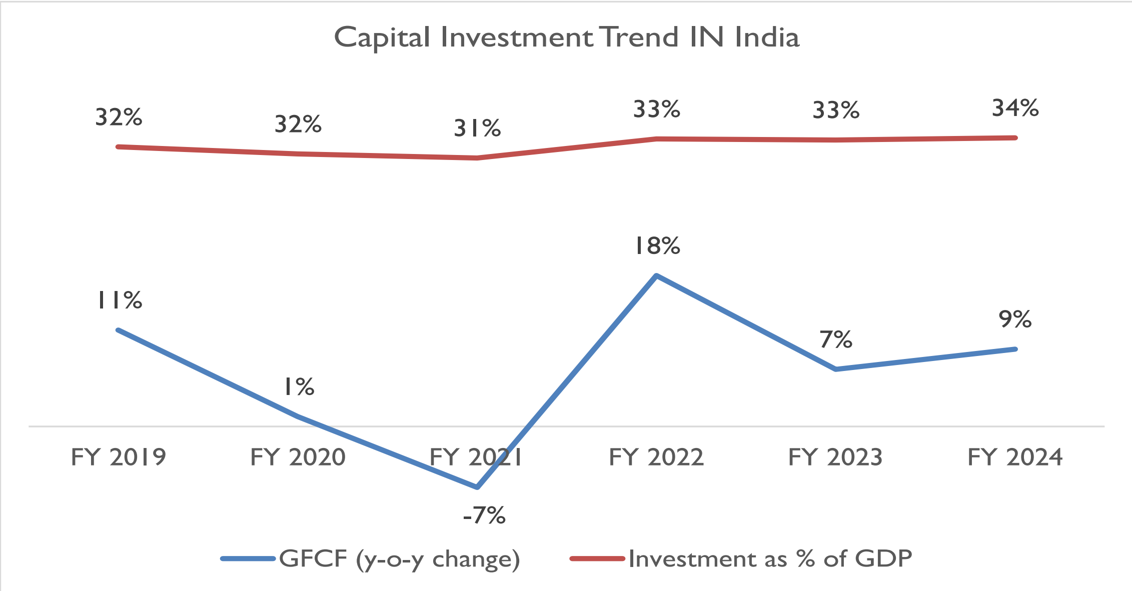
Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South) Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

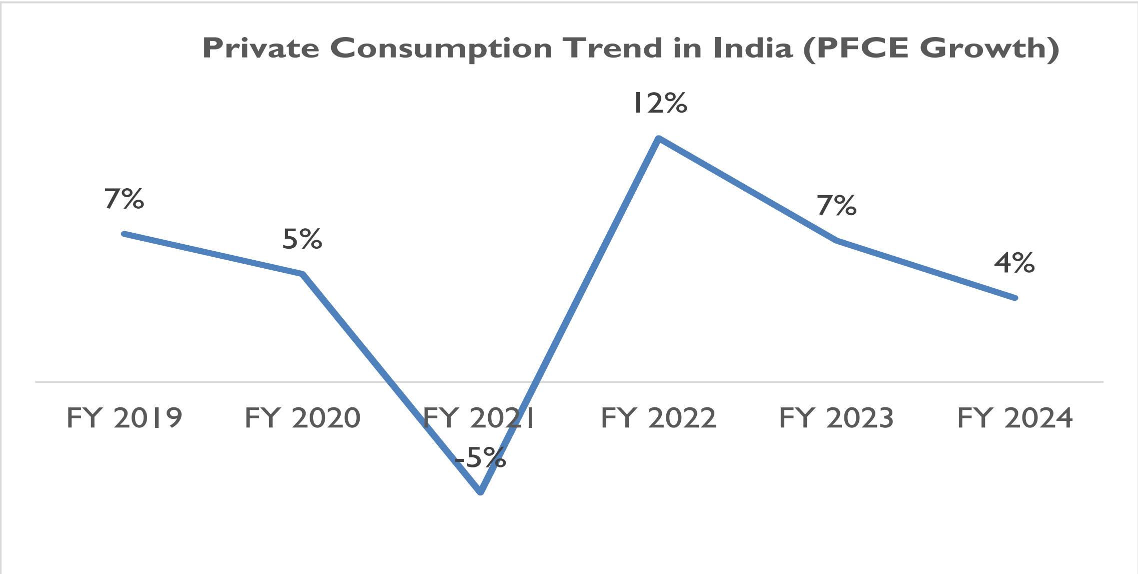
As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.

1. Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 9% on a y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured an all-time high settled higher at 34%.



Sources: MOSPI



Sources: MOSPI

Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 4% y-o-y growth in FY 2024 against 7% in FY 2023.

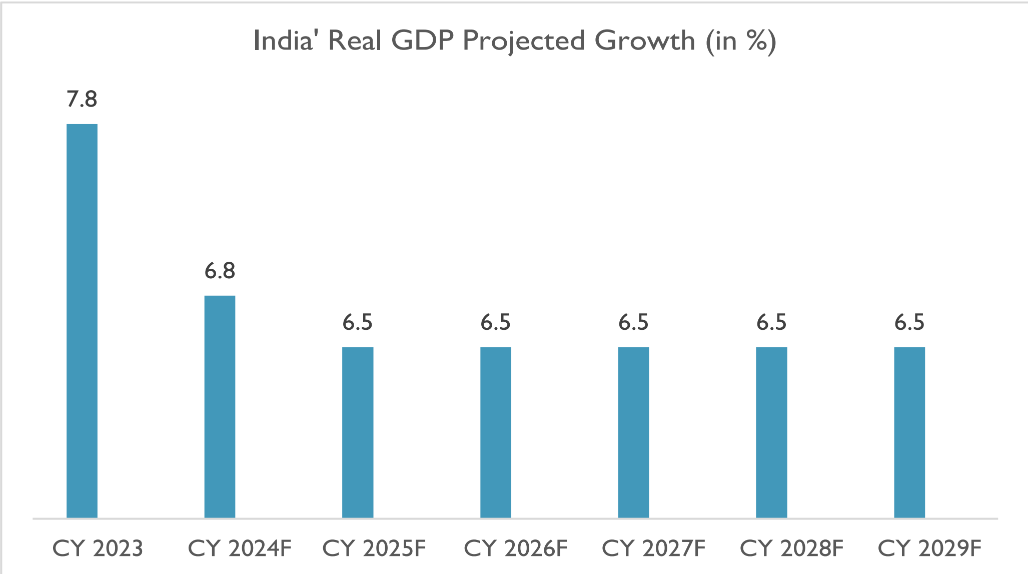
2. India's Growth Outlook

India's economy has exceeded expectations, registering an 8.2% growth in FY24. High-frequency indicators such as automobile sales, e-way bills, cargo traffic, and exports signal sustained growth momentum into Q2 FY25. However, the rural demand outlook is tied to the monsoon, where inconsistent rainfall could impact the agriculture sector and inflation. The government is proactively boosting grain storage capacity to mitigate these risks. On the credit front, the Reserve Bank of India ("RBI") has kept the policy rate unchanged, with inflation expected to average around 5% in FY25. Despite stable policy rates, lending rates may rise due to the incomplete transmission of earlier hikes, while strong credit growth in the private sector suggests potential capacity expansion. Supply-side challenges persist, particularly in food storage infrastructure. The government has launched a massive initiative to enhance grain storage capacity by 70 million tonnes over the next five years. The recent long-term agreement for operating Iran's Chabahar Port is also set to bolster trade and supply chain resilience.

In terms of trade, India's recent agreements, particularly with the European Free Trade Association ("EFTA") and Oman, are opening new markets and opportunities for exports. The proposed mega-distribution hub in the UAE by 2025 will further support India's global trade ambitions, particularly in Africa, Europe, and the US.

Overall, India's short-term growth outlook remains positive, underpinned by strong domestic demand, proactive government measures, and expanding global trade relationships, despite some challenges in the rural economy and supply chain infrastructure.

India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6%, and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



*Source: IMF*This decent growth momentum in near term (CY 2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit.

There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 billion) for fiscal year 2024-25 – is at a 21-year high (3.3% of GDP in fiscal year 2023-24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

Overview of Stainless-Steel Industry

1. Global Stainless Steel Production Scenario

The global stainless-steel market is experiencing steady growth, driven by expanding industrial applications and regional development. The Asia Pacific region leads production, with significant growth expected across all major markets. Global stainless-steel melt shop production grew by 4.6% to 58.4 Mn Tonnes in CY2023 compared to ~55.9 Mn Tonnes in CY2022[1]. In Asia, excluding China and South Korea, stainless steel production in CY2023 decreased by 7.2% compared to CY2022 - to 6.88 Mn Tonnes. In 2023, China with over 62% share in global SS production observed a spectacular 12.6% growth in 2023 against 1.6% y-o-y increase in the previous year, becoming the main driver of growth. Other countries, including Brazil, South Africa, Indonesia, South Korea, and the Russian Federation, reduced stainless steel production by 5.2% y/y – to 7.16 Mn Tonnes.

Worldwide Stainless steel melt shop steel production [000 metric tons] during CY2023 are listed below:

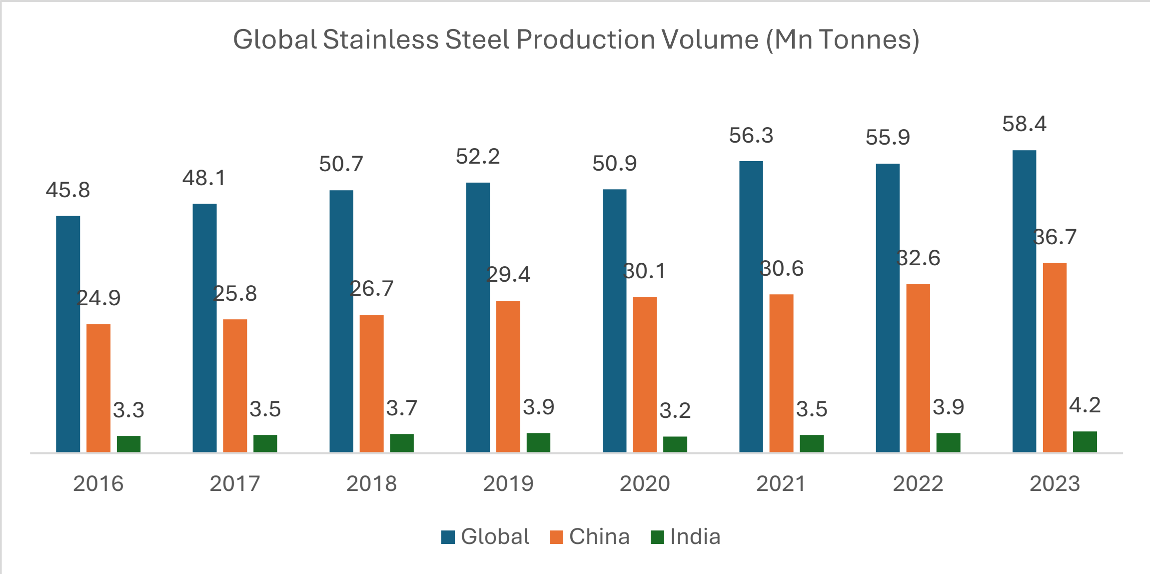
Region	Production (000 metric tons)
Europe	5,902
USA	1,824
China	36,676
Asia w/o China and S. Korea	6,880
Total	58,444

Source: World Stainless Steel Association

India maintained its position as the second-largest stainless-steel producer globally, behind China, until 2020. Between 2016 and 2020, India contributed an average of 7% to the global stainless-steel output. However, by 2021, India's share in global stainless-steel production had gradually decreased to 6.2%, with the country producing approximately 3.5 million tonnes of stainless steel. This reduction in share is attributed to rapid growth in stainless steel production in other regions, especially Indonesia, which increased its production capacity.

Globally, Cold rolled flat products is the largest produced stainless-steel product in the world, followed by hot rolled coils, and steel wire rods & bars. According to International Stainless-Steel Forum, cold rolled flat products accounts for approximately 47% of total stainless-steel trade in the world. Hot coils, Semis-flat, Semis Long, Hot Bar/Wire rod, Cold Bar/Wire, Hot Plate & Sheet are another SS intermediary product traded globally.

[1] World Stainless Steel Association



Sources: International Stainless-Steel Forum, World Stainless Steel Association, Indian Stainless-Steel Development Association (ISSDA)Sources: International Stainless-Steel Forum, World Stainless Steel Association

2. SS Seamless Pipes & Tubes Overview

(a) **Pipe Manufacturing**

Globally, 10% of the steel produced is estimated to be converted to tubes. Higher demand for oil & gas and chemical & petrochemical industry – two of the largest consumers of steel pipes and tubes – is driving the demand across the world. Steel pipes and tubular products are broadly classified in following six type:

1. **Standard Pipe:** There are three different types of standard metal pipes - welded (ERW Pipe), seamless pipe, and galvanized pipe.
2. **Line Pipe:** Used primarily in Oil and Gas Applications. Line pipe includes ERW, FW, SAW and DSAW Pipe. They are manufactured to API 5L Specification and are available in X42, X50, X60 etc. grades.
3. **Oil Country Tubular Goods (OCT**G): This includes drill pipes, tubing and casing and are primarily used in drilling and completion of Oil and Gas wells. OCTG are produced by ERW and Seamless manufacturing.
4. **Pressure Tubing**: Pressure tubing are produced using seamless manufacturing and are used for industrial and pressure application.
5. **Mechanical tubing:** These are used for mechanical and structural application and is produced by ERW and seamless manufacturing. They conform to ASTM specification.
6. **Structural Tubing**: These are used for support or retention purpose and are produced by ERW manufacturing. These are available in round or square and are largely used in construction, for fencing and other misc. support needs.

Pipe Manufacturing

The two most common types of pipes are welded pipe and seamless pipe, both of which are available in carbon steel and stainless steel. They are part of tubular goods, which are manufactured to different specifications and standards. Pipes are sold by "nominal pipe size" in sizes from 1/8" to 72".

Welded Pipes: Welded pipe is manufactured using following three process i.e. ERW (Electric Resistance Welded) pipe, Furnace Weld (FW) also called as Continuous Weld, and Submerged Arc Weld (SAW), also DSAW. Most common specification for welded carbon steel pipe is A53. Welded SS Pipe is made to specification ASTM A312 and A358. A312 is the most common specification for SS pipe. Welded stainless pipe is made from 1/8" to 24" NPS (Nominal Pipe Size).

Seamless pipes: Seamless pipes is manufactured using process that requires no welding. They are made from steel billets have uniform structure and strength across the entire pipe body because of which it can withstand high pressure, temperature and stress as compared to welded pipes wherein the strength of the pipe is somewhat limited to the strength of the weld joint. These are used in applications which require properties of high anti corrosion and ability to withstand high pressure. Most common specification for seamless carbon steel pipe is A106B and for seamless stainless-steel pipe is A312. Seamless Stainless-Steel Pipe is made to specification ASTM A312 and A376. A312 is also the most common spec for seamless SS pipe. Seamless SS pipe is made from size 1/8 to 14" nominal.

Based on manufacturing process and differentiated by their end-usage, several types of steel pipes & tubes manufactured are listed below:

Pipe Type	Size	Manufacturing	Key Application
Seamless	1/2” –14”	Piercing ingots/ billets of steel at high temperatures	It find wide application in High Pressure condition Oil & Gas Exploration & Drilling, Boiler, Automobiles, Process, Pipelines, Refineries.
Spiral HSAW	18” –100”	Spirally Welding HR Coils	Low Pressure Application Cross-Country Line Pipes for Oil & Gas and Water Transportion
Spiral LSAW	16” –50	Longitudinally submerged arc welding of steel plates	High Pressure Application Cross Country Line Pipes for Oil & Gas Transport
ERW	1/2 ” –20”	Hot Rolled steel coils using electrical resistance welding process	Low/Medium Pressure Application, Application in urban and rural infrastructure (scaffolding), industrial application in engineering, automobile and process industry such as chemical, food processing, fertilizers, dairy, amongst other; pharmaceutical, power plants and water & sewage transport.
Black steel Pipe	Dia : ½" to 20" **Thickness:** 1.00 mm – 12.7 mm	Are Forged and threaded	Water, Gas, Air, Steam, Sewage, Water Wells, Mechanical, Hot water circulation in Boilers system, General Engineering purpose**.**
GI Pipes (Glavanised Iron Pipes)	15mm to 200mm.	Coated with Zinc layers. Generally screwed & socketed plain bevelled cut ends in pipe are used	It is primarily used in the carrying water in homes and commercial building, Structural Application, Scaffolding
DI Pipes	10mm – 300 mm and above	DI also known as ductile cast iron is advanced form of cast iron that can be manufactured in multiple grades to achieve high ductility and tensile strength. Aus tempered ductile iron has even better mechanical properties and resistance to wear	It finds large application in transporting water for drinking water application, sewage treatment and for industrial water supply.

Source: Industry Sources, D&B Research

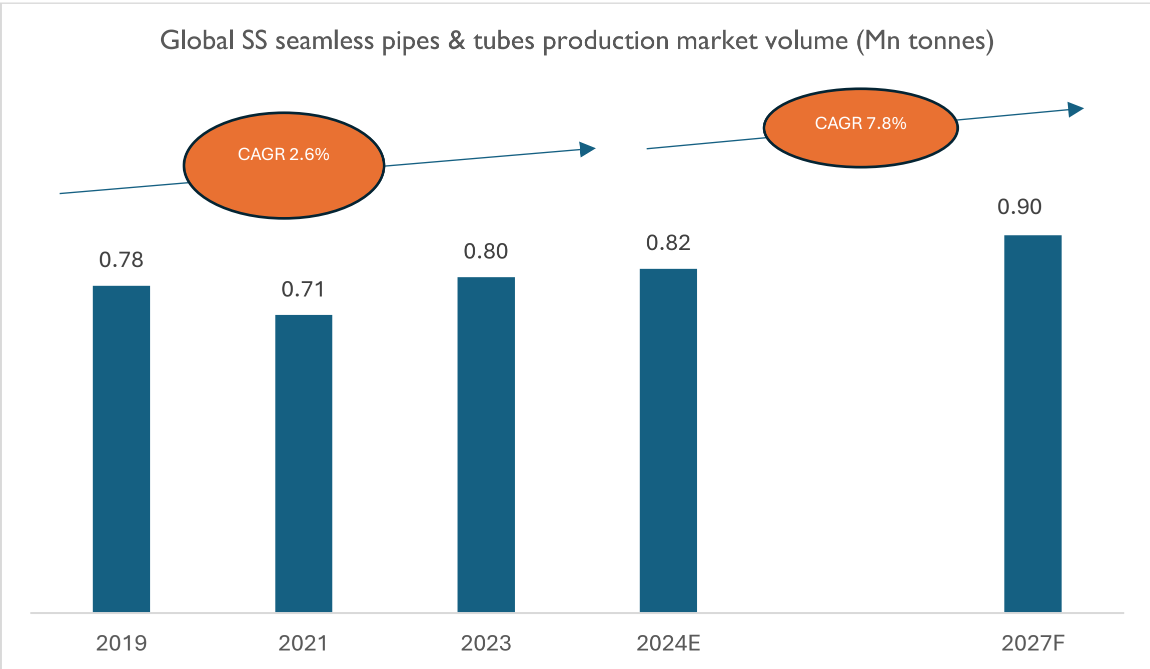
LSAW pipes, made from steel plates, are also used in high pressure applications. On the other hand, HSAW and ERW pipes, made from HR coils, are used in low pressure application areas.

Generally, LSAW, HSAW and seamless pipes are used in the oil and gas industry for exploration and transportation. Typically, ERW, HSAW and seamless pipes are used in the non – oil segment such as water and sewage, engineering, process industry, power plants, autos, and metros, among others.
Basis raw material, steel pipes and tubes segment, industry is primarily classified into –

- **Stainless Steel:** Seamless and welded, ERW SS Pipes. Most common stainless material used in pipes manufacturing is 316 and 304 material grades.
- **Carbon Steel:**
  a) **Submerged arc welding (SAW):** It include LSAW & HSAW
  b) **Electric welded resistance (ERW):** It Include Black pipe, DI Pipes, GI pipe, GP, and Hollow Section.
  c) Seamless

Stainless steel is iron based alloy containing a minimum of 16% chromium and Nickel being another important alloying element in stainless steel pipe. In many applications, stainless steel welded, and seamless pipes are used due to good resistance to corrosion, perform at high temperature, clean look, and low maintenance cost. Due to its general corrosive resistant and other attributes, stainless steel is used to manufacture SS High Precision and Heat Exchanger Tubes, SS Stainless Steel Hydraulic and Instrumentation Tubes. SS seamless pipes and SS welded and box pipes. These pipes and tubular product find diverse application in chemical plants, oil & gas, fertilizer, capital engineering good -heat exchangers, pressure vessel, process industry, automotive, pharmaceutical, paper & pulp, power plant, dairy, and food industries, amongst others.

3. Global Production Scenario



The Global SS seamless pipes & tubes market has grown at a CAGR of 0.6% between 2019 and 2023 to reach 0.8 Mn Tonnes. It is forecasted to reach 0.9 Mn Tonnes during 2027, growing at a CAGR of 4.0%.

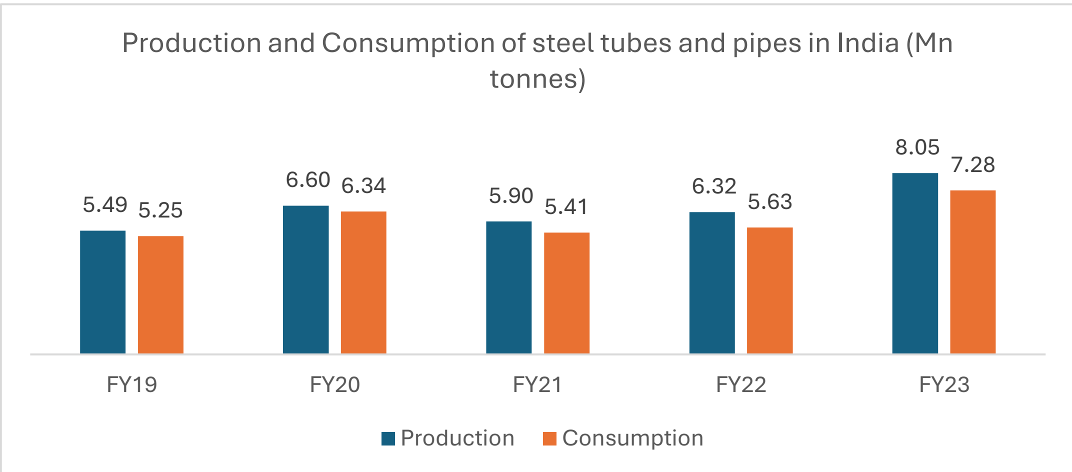
The stainless-steel seamless pipes and tubes market shows strong growth potential, driven by healthcare and construction industry demands. Technological advancements and strategic developments by major players shape the market landscape. Globally, the SS pipes and Tube industry was estimated to be valued at nearly USD 32.6 Bn in 2023 contributing ~25% share in global pipe & tube industry.

4. Annual Production and Consumption of SS Tubes & Pipes in India

Since 2000, steel production in the country has seen a phenomenal increase as the sector witnessed high investments in capacity addition as well as technology up-gradation. In 2018, India surpassed Japan to become the second largest steel producer in the world, after China. According to the World Steel Association (WSA), India produced 140.8 Mn Tonnes of crude steel in 2023, which represents an 11.8% increase compared to 2022, where it produced 125.4 Mn Tonnes. In April-June 2024, crude steel production in India stood at 36.6 Mn Tonnes.

This growth has strengthened India's position as the second-largest steel producer globally, accounting for 7.4% of the world's total crude steel production in 2023. On consumption side, India is also the second largest consumer of finished steel. The emergence of a middle-class consumer segment has altered the consumption landscape in India, and with it the industrial production. India's finished steel consumption has grown significantly since 2016, reaching a peak of 119.86 Mn Tonnes in FY 2022-23, reflecting steady annual growth despite the disruptions caused by the pandemic. The country's finished steel consumption has continued to rise, with an estimated growth rate of 7.5% in FY 2023-24, reaching 128.85 Mn Tonnes. This expansion is driven by robust demand from key sectors such as infrastructure, construction, and automotive, all benefiting from government initiatives like the Production Linked Incentive (PLI) scheme and massive investments in public infrastructure.

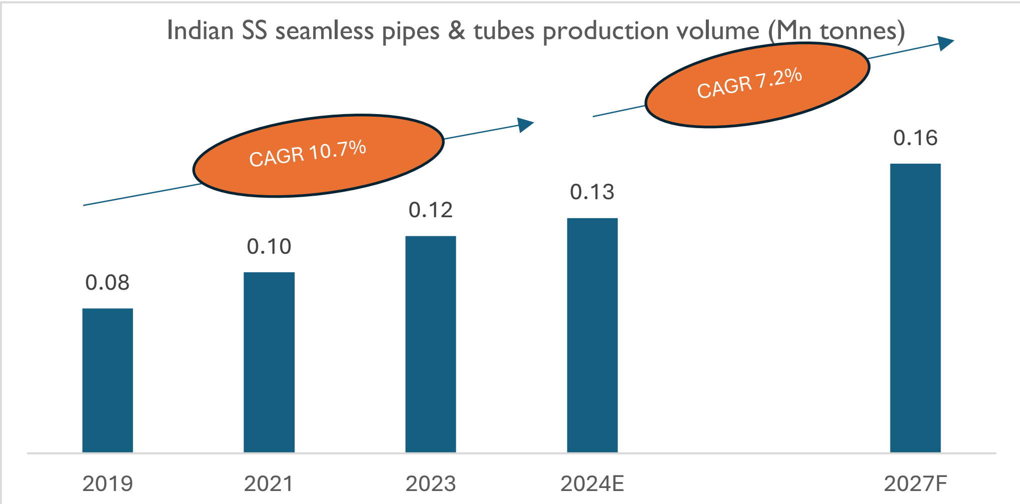
International statistics indicates steel pipes & tube segment constitute ~8% share of the total steel consumption. Subdued industrial activity, and economic uncertainty have dampened the demand scenario, leading to lower consumption. However, economic recovery in 2021 points towards rising consumption of finished steel, consequently driving the steel production. During FY 2023-24, India's finished steel production reached 136.25 Mn Tonnes, marking a 13.6% increase compared to the previous year. Presence of such a vast primary steel manufacturing infrastructure has also helped in the growth of secondary and finished steel products. In pipe & tube segment, India has emerged as one of the major producers of steel pipes after Europe and China. The country has a well-developed steel manufacturing industry capable of manufacturing crude steel to value added steel products including pipes & tubes. Availability of raw material, cheap labor, and ability to produce steel as low cost have supported India’s progress in steel pipe and tube industry. As per industry sources, the country’s manufacturing capacity of steel pipes and tubes stand at around 21.5 Mn Tonnes as of 2023, which is further split into welded, seamless, and casted pipes with respective capacity of 16.3 Mn Tonnes, 1.5 Mn Tonnes and 3.7 Mn Tonnes. Within welded pipes segment, ERW capacity is estimated at 9.5 Mn tonnes and SAW pipes at 6.80 Mn Tonnes.

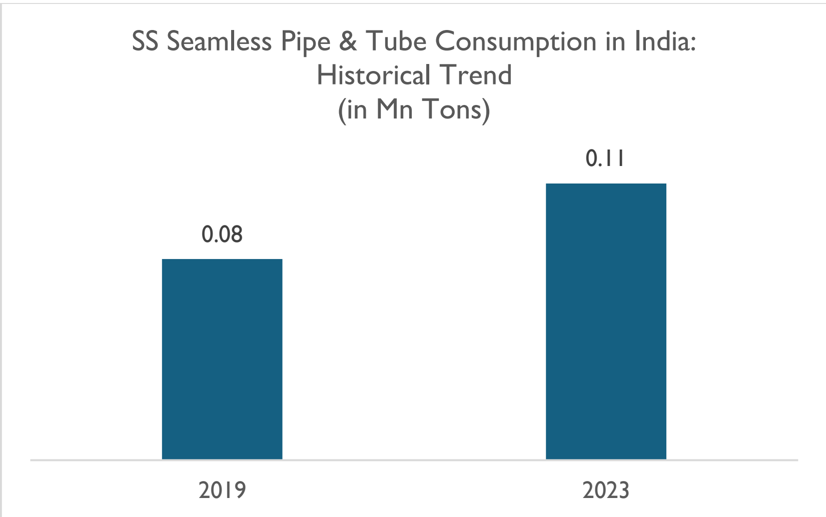


In FY 2023, India's steel tubes and pipes production was 8.05 Mn Tonnes, while apparent consumption was around 7.28 Mn Tonnes. The market has shown resilience post-pandemic, driven by infrastructure, oil & gas, and automotive demand, but recovery in consumption has been slower compared to production growth. Various sectors are seeing increased demand, and this is expected to drive further growth in the coming years as India continues to push forward with key infrastructure and industrial projects. The industry has observed a growth rate of 18.9% in YTD FY24 (Apr 2023-Aug 2023) in corresponding to the same period last year. During this period, production was 2.1 Mn Tonnes and consumption was 1.8 Mn Tonnes, respectively. In the previous year, both the output and consumption of steel pipes & tubes in India observed decline on the back of spread of covid-19 pandemic. Incremental demand originating from infrastructure, water transportation mainly driven by Jal Jeevan Mission, construction, oil exploration, industrial application, and expansion of gas pipelines such as city gas distribution and national gas grid, amongst others has supported the growth of Indian pipes & tubes industry.

Indian SS seamless pipes & tubes production and consumption in India

Production of stainless-steel seamless pipes & tubes in India observed growth phase between 20219 and 2023, with the production volume reaching 0.12 million tonnes by 2023, marking a CAGR of 10.7%. Looking forward, the chart projects continued growth, with production expected to increase to 0.16 million tonnes by 2027, indicating a CAGR of 7.2% between 2023 and 2027. This steady growth reflects the expanding capacity and demand for stainless steel seamless pipes and tubes in India.





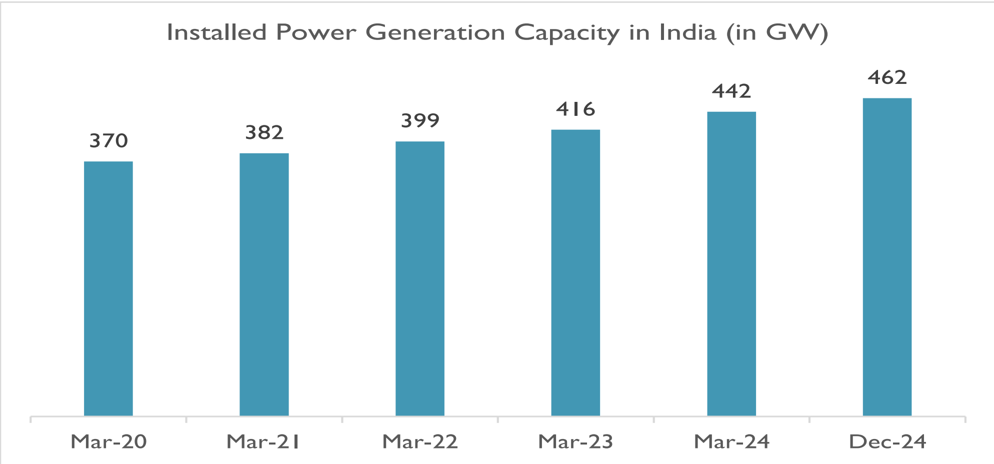
Key Demand Drivers

Stainless steel pipes and tubes are one of the important products in the steel industry and it find wide application in oil & gas, capital goods, power and several other. In the industrial sector, it is used in the manufacturer of the heat exchanger, condensers, and similar industrial equipment that are used in chemical plants, fertilizer plants, pharmaceuticals, sugar, dairy & dairy products, water desalination and automotive industry amongst other. Additionally, steel pipes & tubes also find application in construction. Oil & gas and chemical & petrochemical industry – are the two largest consumers of steel pipes and tubes – is driving the demand across the world. Thus, demand for steel pipes & tubes is linked to the demand scenario and capex plans prevalent in its end-user industries.

a. Demand from Power Sector

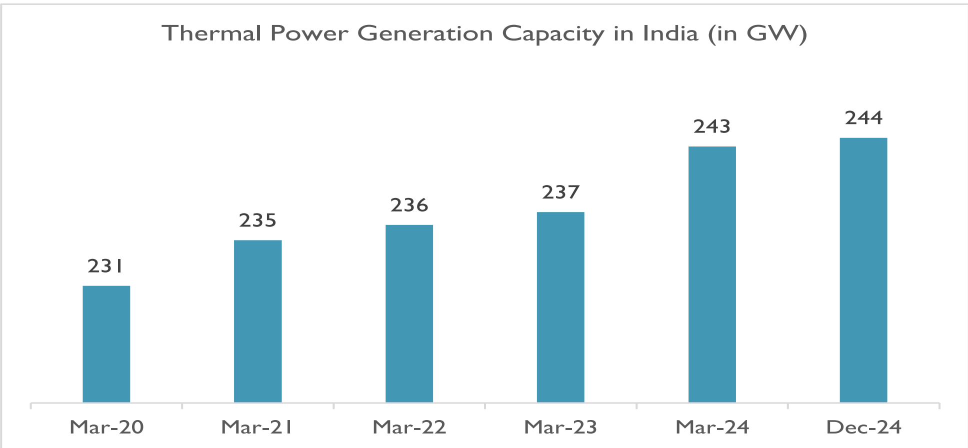
In power generation industry, SS pipes and tubes are used in the transport of a range of products include petroleum products, water, and steam. The superior corrosion resistance and high temperature performance are the two compelling attributes that have made SS pipes & tubes a preferred piping material in power generation sector. In addition to piping application SS is also used in structural support as well as heat exchangers in power sector.

India is the third largest producer and consumer of electricity in the world. Factors like increasing economic activity, growth in per capita power consumption, and large-scale electrification have all contributed to increasing the demand for electricity in the country. By December 2024 the installed power generation capacity in India reached 462 GW.



Source: Central Electricity Authority

Thermal power capacity accounts for nearly 53% of total installed generation capacity in the country. Capacity addition in thermal power segment has slowed down, as the focus shifts to cleaner power sources like renewables. Because of this shift in focus, the rate of capacity addition in thermal power segment in India has been abysmal. Between 31st March 2020 and 31st October 2024, only 13 GW of capacity was added in the thermal segment.



As per Central Electricity Authority (CEA), the overall electrical energy requirement and peak electricity demand is projected to grow at 6% CAGR and 5% respectively during FY 2022-27 and between FY 2027-32. This forecast scenario highlights the steady increase in electricity demand in the country to support the economic growth. To cater to the rising electricity demand, the Government is investing heavily for capacity addition, which is estimated to grow, but it is largely in non-conventional to improve the overall energy mix. By 2027, the Government plans to take total installed capacity to 610 GW, an addition of 155 GW by 2027 over FY 2024 installed capacity level and to 900 GW by 2032, an addition of 291 GW between FY 2027-32.

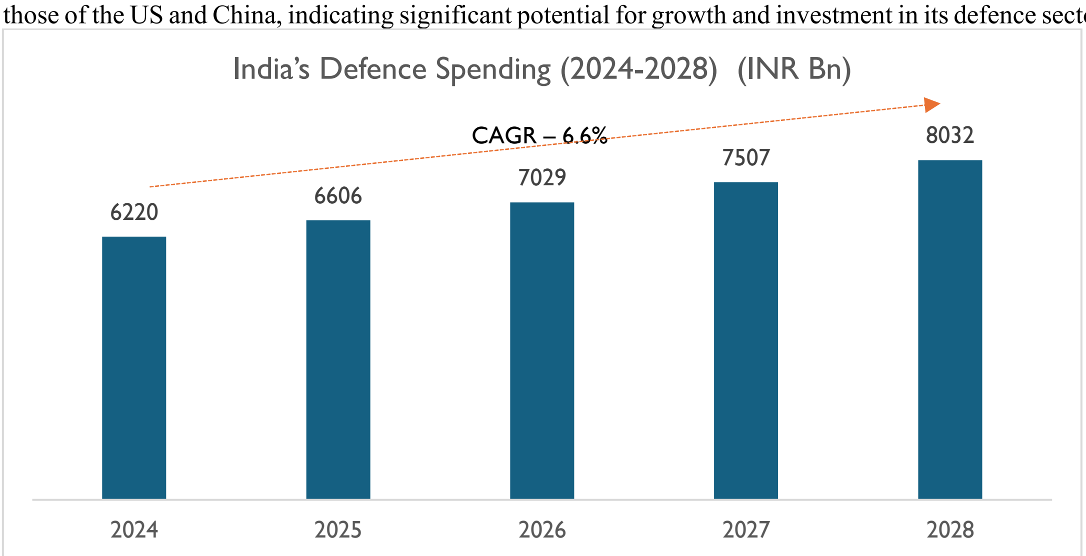
This capacity addition in power generation sector is expected to create demand for all kind of input materials, including machinery & equipment used in power plants. SS pipes & tubes too stand to gain by this trend.

b. Demand from Aerospace & Defense Industry

In aerospace & defense industry, SS seamless pipes and tubes are used in fuel & hydraulic systems, structural components, exhaust systems, heat exchangers, and instrumentation & control systems. Apart from their corrosion resistance ability, SS seamless pipes & tubes can also withstand constant stress and vibration which makes it a preferred material in the manufacture of aerospace & defense components.

To modernize its armed forces and reduce dependency on external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives. India's defence budget of INR 6,200 billion (USD 74.7 billion) ranked fourth highest globally in 2024. As per the Union Budget 2022-23, 25% of the defence R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defence technologies in India.

India's defence sector is projected to grow at a Compound Annual Growth Rate (CAGR) of 13% from FY23 to FY30, with an estimated domestic defence opportunity ranging between INR 8,300 to INR 9,960 billion (USD 100 to 120 billion) over the next 5-6 years. Although India is among the top three global defence spenders, its defence expenditure in Calendar Year 2022 (CY22) was only 10% of that of the United States and 27% of China's. Despite this, India's coastline and land area are nearly comparable to those of the US and China, indicating significant potential for growth and investment in its defence sector.



c. Developments in Indian Defense Industry

The focus on indigenization is expected to be a major driver, fostering double-digit growth in domestic defence spending. Additionally, export opportunities are projected to witness a 21% CAGR from FY23 to FY30, with India's defence exports increasing 16-fold from FY17 to FY24E, reaching INR 250 billion

(USD 3 billion). Projections suggest this figure could rise to USD 7 billion by FY30E, aligning with the government's target of INR 500 billion (USD 6 billion) by FY29E.

In 2023 and 2024, the aerospace and defence (A&D) industry experienced a resurgence in product demand. In the aerospace sector, domestic commercial aviation revenue passenger kilometres exceeded pre-pandemic levels in many countries, driving a surge in demand for new aircraft and aftermarket products and services. In the US defence sector, new geopolitical challenges and a focus on military modernization led to strong demand, particularly for weapons and next-generation capabilities.

This upward trend in demand for A&D products and services is expected to persist in the coming years. Commercial travel is anticipated to keep growing, while defence product demand is likely to rise with increasing geopolitical instability. Additionally, companies in emerging markets, such as advanced air mobility, are expected to progress in testing and certification as they prepare for commercialization.

d. Demand from Oil & Gas Sector

Oil & Gas sector is one of the largest end user industries for steel pipes and tubes including SS pipes and tubes with pipelines being the major mode of transport for petroleum, oil, and lubricants. Therefore, oil & gas industry has a close linkage that dictate steel pipes and tube demand in the country. Stainless steel offer good resistance to high-pressure and high-temperature and so is widely used in refineries, pipelines, storage capacity, gas terminals, and retail outlets. Talking about oil & gas industry, India is currently the 3rd largest energy and oil consumer in the world after China and US. India consumed 80.8 MMT petroleum products and 23.4 BCM natural gas in Apr-Jul 2024, making a growth of 4.8% and 8.83% respectively, over Apr-Jul 2023.

As of 2024, India's role in the global oil market continues to expand significantly. The country contributes to 4.6% of global oil demand and is expected to become the largest source of oil demand growth by 2030. According to the IEA (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 Mn Tonnes of oil equivalent, as India's gross domestic product (GDP) is expected to increase to US$ 8.6 trillion by 2040.

Being one of the largest end user industries of steel, capital investment trend in oil & gas industry has a great bearing on steel pipes & tubes demand. Typically, around 10% of the capex in the oil & gas and petrochemical industry is on towards steel pipes.

The government has plan to expand refining capacity from 249.87 MMTPA in 31.3.2020 to 304.3 MTPA by 2025 and 450 MMTPA by 2030.

India's refining capacity stands at 256.8 MMTPA as of April 2024, comprising 23 refineries. Indian Oil Corporation (IOC) is the largest domestic refiner with a capacity of 94.8 MMTPA. Such quantum of investments and expansion plans in the oil & gas segment is expected to Steel pipes and tube demand including SS pipes and tube demand buoyant in the country.

e. Other sector applications include Pharmaceuticals, Automobiles, Mass Transport Segment etc

SS Bars

Stainless Steel (SS) bars is becoming an increasingly popular steel material, on the back of their attributes including high temperature resistance, corrosion resistance, and superior strength. Moreover, the ability to manufacture varying sizes, grades, and shapes have also played a role in increasing the popularity of SS bars. Some of the common types of SS bars include round bars, square bars, flat bars, hexagonal bars, and angled bars. Each of these product variants have specific applications and finds usage across multiple industries.

Stainless Steel Bars: Key types & attributes	
Type	**Key Attributes & Applications**
Flat Bars	SS flat bars are mostly used in construction industry in the form of base plates & brackets. They are also used in architecture and industrial

Stainless Steel Bars: Key types & attributes	
Type	**Key Attributes & Applications**
	manufacturing.
Round Bars	These are excellent for machining purposes and finds application in manufacturing of machinery parts. So engineering industry is one of the biggest consumers of round bars. These are used mainly in industries which require structural components & manufacturing parts. Round SS bars are mainly used in the production of shafts, axles, pins and bolts, especially to make components that requires high strength and corrosion resistance.
Hexagonal & Channel bars	These are weight bearing bars with applications in construction industry. It is used in the fabrication of I beams, H beams, C beams or any other structural material
Square Bars	Finds widespread application in machining, fasteners & equipment manufacturing. This type of bars have uniform square cross section, and is ideal for applications that require precise angles and strong, rigid structures. They are ideal for custom fabrication

SS Bar consumption Scenario in India

Annual consumption of SS bars in India is estimated to be nearly 1.3 Mn tons per annum in FY 2024. Between the period FY 2021 & 24, the consumption of SS bars in India is estimated to have grown by a CAGR of nearly 16%. SS round bars is estimated to be most widely consumed SS bars globally, and Indian consumption pattern too is estimated to be mirror this global pattern.

Key Demand Drivers

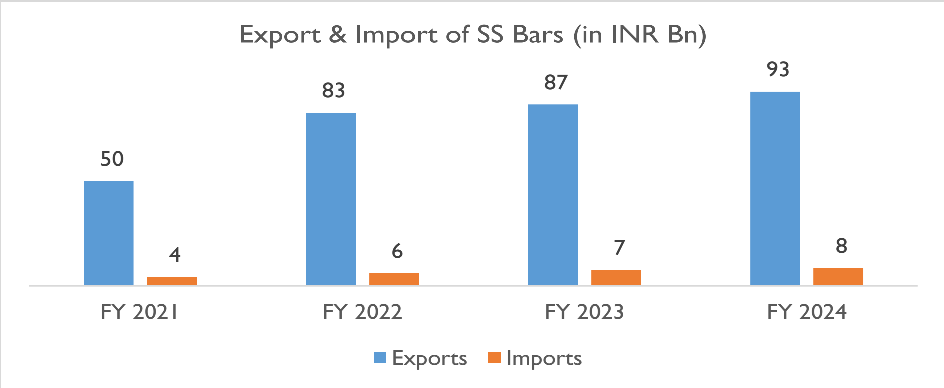
Over the years, the adoption of SS bars across various industries have increased manifold, owing to its superior attributes. Various grades & types of SS bars finds applications in industries ranging from construction to automobiles to food processing. Consequently, the demand landscape in these end user industries have a direct impact on the demand for SS bars.

Stainless Steel Bars: Key End Use Applications	
End Use Industry	**Applications**
Construction & Architecture	In construction sector, SS bars are used both for their load bearing attributes as well as aesthetic attributes. Leveraging their load bearing attribute, SS bar is used in the fabrication of I beams, H beams and similar structural materials that are used in construction. They are also used for reinforcing concrete, for the manufacture of building frames, and roofing support. The aesthetic attribute of SS bars is behind its usage for decorative cladding / panelling as well as in building facades.
Automotive	Used to make exhaust systems, drive shafts, axles and fasteners. During FY 2021 – 24 the domestic production of automobiles has increased by a CAGR of nearly 8%. This strong growth in domestic production has in turn created a strong demand for all types of auto components. SS bar being an integral component used in auto component has benefitted by this growth
Aerospace	Used to make structural components like aircraft frames, landing gear and engine components
Food Processing & Pharmaceuticals	Strict hygiene requirement along with corrosion resistance & high strength makes SS bars a preferred material in both food processing & pharmaceutical industry. In food process industry, SS bars are used to create equipments such as conveyers, tanks and pipes through which food & beverage products are transported / processed. Whereas in pharmaceutical industry, it is used to manufacture storge vessels, mixers etc. Indian manufacturing sector has witnessed strong investments in the past few years, driven by several greenfield and brownfield capacity

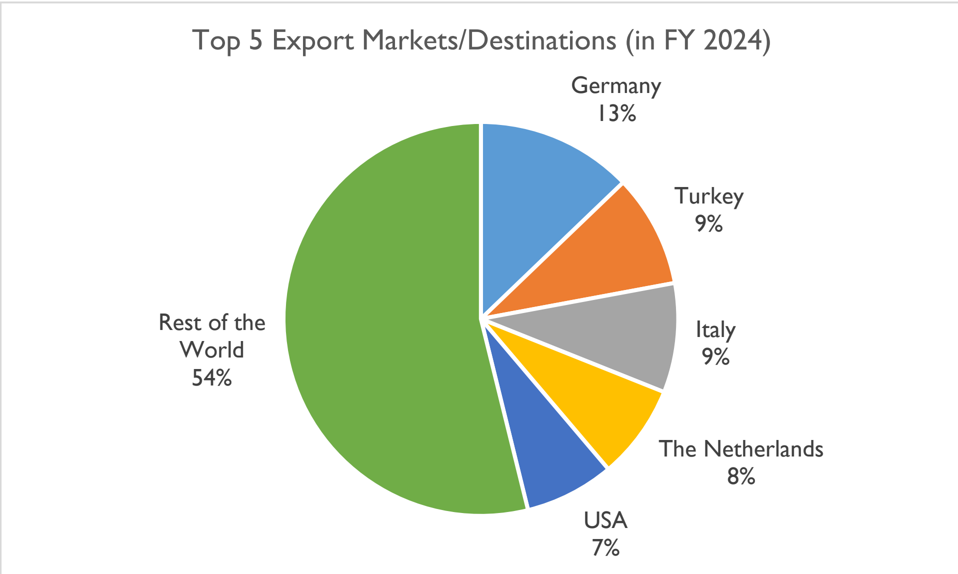
Stainless Steel Bars: Key End Use Applications	
	expansion projects. During the time period FY 2021 – 24, approximately 185 capacity expansion projects worth INR 287 Bn was completed in the food & beverage sector. The same time period saw completion of 310 projects in pharmaceutical sector which together was worth nearly INR 137 Bn.

Export and Import of SS Pipes & Tubes

India is a net exporter of SS bars. In FY 2024, approximately INR 93 Bn worth of SS bars were exported from India as against an import of INR 8 Bn. In volume terms, the total export of SS bars was nearly 369 thousand tons during FY 2024 while import volume was much lower at approximately 12 – 13 thousand tons per annum.



*Source: Ministry of Commerce*Nearly 46% of SS bar exports (by value) in FY 2024 was contributed by five markets namely Germany, Turkey, Italy, The Netherlands, and the USA. Among these Germany is the largest export market for SS bars from India (in FY 2024), accounting for nearly 13% of total export value.



Source: Ministry of Commerce

Growth Forecast

a. SS Pipes & Tubes

From demand perspective, India's growth scenario for steel pipes and tube including SS pipes and tubes remains intact on the back of substantial government expenditure planned in major end user industries under National Infrastructure Pipeline and recently announced PM gati Shakti project. The various initiatives for infrastructure development under the PM Gati Shakti will propel the demand of steel in various sectors thereby enhancing steel usage and growth of the SS pipes & Tubes. We expect domestic SS pipes & tube industry to grow from about 1.27 Mn tons in 2023 to approximately 1.77 Mn tons by 2027, growing by a CAGR of nearly 9 % between 2023 – 2027.

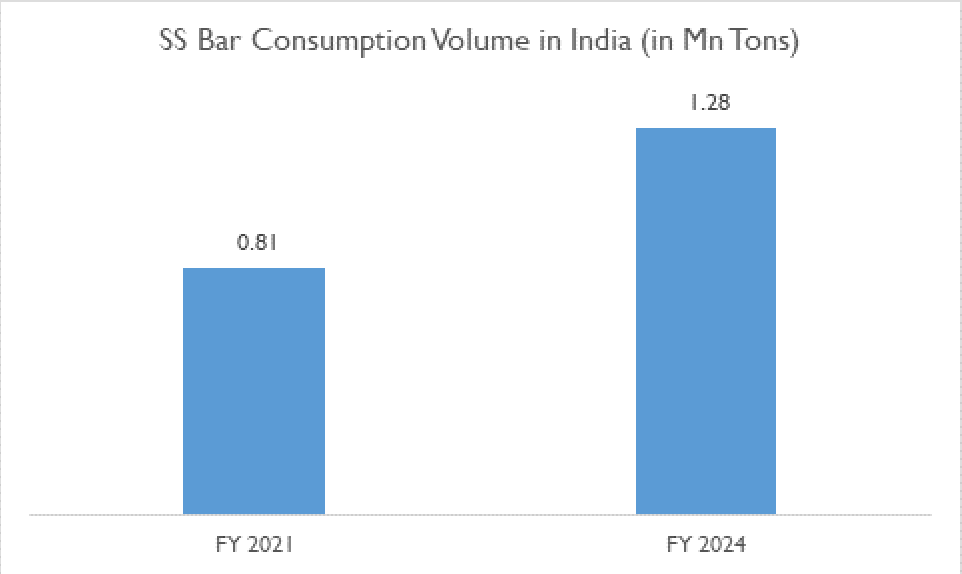
b. SS Bars

Stainless steel usage has seen a surge in recent years, as more and more industries have begun exploring the usage of this material because of the superior attributes and strength offered. This widespread transition has helped in creating strong demand for a wide range of SS products, and SS bars have also benefitted. The past few years have witnessed strong growth in consumption of SS bars as its penetration increase in industries ranging from automotive, to aerospace to construction.

This optimistic demand scenario is expected to sustain in the coming years too. On the one hand, the recyclability of SS products has aligned its usage with the sustainability practices industries are building in. On the other hand, the strong growth in domestic manufacturing sector – on the back of market forces and Government initiatives like Make in India and Production Linked Incentive (PLI) scheme) – have created strong demand.

Consequently, the demand for SS bar is expected to continue its strong growth and annual consumption would exceed 1.5 million tons per annum by FY 2026 and exceed 2 million tons per annum by end of this decade.

Annual consumption of SS bars in India is estimated to be nearly 1.3 Mn tons per annum in FY 2024. Between the period FY 2021 & 24, the consumption of SS bars in India is estimated to have grown by a CAGR of nearly 16%. SS round bars is estimated to be most widely consumed SS bars globally, and Indian consumption pattern too is estimated to be mirror this global pattern.



Source: D&B Research

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OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 18 of this Letter of Offer for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**", "**Financial Statements**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 23, 102 and 176, respectively, of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*For a discussion of the risks and uncertainties related to those statements please see the section "**Risk Factors**" beginning on page 23, for a discussion of certain risks and analysis of factors that may affect our business, financial condition or results of operations or cash flows.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Limited Review Unaudited Financial Results and the Audited Financial Statements included in this Letter of Offer in "**Financial Statements**" beginning on page 102.*

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2024 and 2023 has been derived from our Audited Financial Statements beginning on page 107 of this Letter of Offer. The financial information included in this section as of and for the nine month period ended December 31, 2024 and December 31, 2023 has been derived from our Limited Review Unaudited Financial Results beginning on page 103 of this Letter of Offer. See, "Financial Information" on page 102 of this Letter of Offer. The Limited Review Unaudited Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Financial Statements.

In this section, unless the context otherwise requires, indicates or implies, references to the "Company" or the "Issuer" are to Welspun Specialty Solutions Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Stainless Steel (Seamless Pipes & tubes)" dated February 2025, prepared and issued by M/s Dun & Bradstreet Information Services India Private Limited. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "**Risk Factors – This Letter of Offer contains information from an industry report which we have commissioned from M/s Dun & Bradstreet Information Services India Private Limited**" on page 34 of this Letter of Offer. Also see, "**Industry Overview**" on page 67 of this Letter of Offer.*

Overview

Welspun Specialty Solutions Limited (formerly known as "**RMG Alloy Steel Limited**") is a manufacturer of superior Alloy and Stainless-Steel products, benchmarked globally. The Company stands as the integrated producer of quality seamless stainless steel pipes and tubes, managing the entire production process from steel making to the finished products. Equipped with advanced technological capabilities and proven expertise, the Company specializes in manufacturing special grade steel with precisely controlled chemical compositions. The Company's ultra-modern infrastructure, which includes an integrated steel melting shop, rolling facility, and a state-of-the-art seamless pipes plant, provides a competitive edge in timely deliveries due to its in-house steel making capabilities. The Company's stainless steelmaking capacity is approximately 100,000 metric tons per annum, and its stainless steel seamless pipe and tube manufacturing capacity is approximately 10,000 tons per annum.

Our gross revenue from operations for Fiscal 2024 stood at ₹69,667 lakh as against ₹41,783 lakh in Fiscal 2023. Our operational EBITDA for Fiscal 2024 and 2023 was ₹5,583 lakh and ₹1,672 lakh, respectively. Our profit for Fiscal 2024 stood at ₹6,247 lakh (including DTA 3,387 lakh) as against loss of ₹1,374 lakh in Fiscal 2023. The stainless steel products sales volume rose by more than 130% Y-o-Y to about 15,903 tonnes. Seamless pipes and tubes sales volume rose by about 18% to 4,785 tonnes. Our Company has witnessed a stable order book throughout the year, which stood at over 4,100 tonnes. The total income of our Company increased by 66% Y-o-Y to ₹71,817 lakh and EBITDA more than doubled Y-o-Y to ₹7,732 lakh for Fiscal 2024.

Our products are utilized for varied applications , serving a diverse customer base across various industries. The following table provides detailed information about our portfolio, including products and the industries they cater to:

Portfolio	Products	Industries Served
Seamless Pipes and Tubes	6.00 – 168.30 mm outside diameter (OD)	Oil & Gas, Refinery, Petrochemicals, Nuclear power, Fertilizers, Energy & Power, Defense, Space, Railways, Aerospace, etc
Cast Product	CC: 150Sq, 198Oct, 232Oct, 262Oct, 308Oct, 280x350Rect Ingots: M2-M30 tons, Rounds 600-700mm	
Round & Bright Bars	45 – 300 mm diameter	
Grades	Austenitic, Ferritic, Martensitic, Precipitation Hardened (PH), Duplex / Super Duplex, Ni Alloys etc.	

Our Manufacturing Facility

The table below sets forth certain information regarding the products manufactured at our manufacturing facility and its location as on the date of this Letter of Offer:

Manufacturing Facility	Location	Products Manufactured
Integrated Stainless Steel Plant	Jhagadia, Bharuch, Gujarat	Stainless steel – Bars, Seamless Pipes & Tubes

As on the date of this Letter of Offer, we operate one manufacturing unit located at Jhagadia, Bharuch in state of Gujarat with an aggregate installed capacity of 100,000 MT for Steel and 10,000 MT for Pipes. To cater to the growing demand of our products from our existing customers and to meet the requirements of potential new customers, we intend to invest into certain process debottlenecking and upgradations.

Our Company is focused on enhancing its competitive position in the market through diversification in the high growth and sustainable industries. With the increasing need for the green technologies as well as the global trends toward the circular economy model, our Company intends to diversify its product range into the newer grades and applications.

Key elements of this strategy include:

Focus on manufacturing technology upgradation

Our Company is committed to advance its operations through technology upgrades in advanced manufacturing. By adopting recycling technologies, automation, and energy-efficient systems, our Company aims to enhance productivity, reduce waste, and support sustainable practices. This strategy includes integrating smart manufacturing tools for real-time monitoring, investing in R&D to drive innovation, and training employees to manage new technologies. These upgrades will position our Company as a leader in efficiency and environmental responsibility, meeting the growing market demand for high-quality, sustainable materials.

Continue to build our global customer base and enter new geographical markets

We export our products to global customers in more than 15 countries which comprise 37% of the total turnover. We believe that the long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indication of our position as a preferred source as compared to our competition.

We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationships with our customers through various strategic endeavours, which we intend to leverage by entering into long-term marketing arrangements. In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new customers.

We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets.

As on the date of this Letter of Offer, we have one manufacturing facility situated at location as set out below:

No.	Location	Product Manufactured	Installed Capacity (metric tons per annum)	Area (Acre)	Owned / Leased
1	Jhagadia, Bharuch	Stainless steel, Seamless Pipes & Tubes	Stainless steel – 100,000 MT SS Seamless Pipe – 10,000 MT	126 Acres	G I D C long lease

Research, Development and Technological Capabilities

Our R&D capabilities are focused on continuous process improvement and developing more efficient processes by exploring new products and scaling them up for successful commercialization. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities along with original design manufacturing.

Quality Control and Quality Certifications

In our product verticals especially in Stainless Steel, Pipes and Tubes, meant to serve niche and critical sectors such as Oil & Gas, Power (including nuclear), Defense, aviation, chemical, fertilizer, etc., providing specific design and maintaining strict quality standards is crucial to meet customers requirement. Any issues pertaining to defects and deviation on specification could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism, formularized SOPs and Quality Assurance Plans, and carry out Quarterly review meetings and any modifications needed to the SOP's/ Quality Assurance Plans. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Additionally, representatives from our customers inspect our manufacturing facilities and processes to ensure compliance with their specific requirements.

Our manufacturing facility has been certified in accordance with international standards of quality management systems such as ISO 9001:2015, occupational health and safety management system such as ISO:45001:2018 and environmental management systems such as ISO 14001:2015. We believe that accidents and occupational health hazards can be significantly reduced through systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Customers

We have a well-diversified customer base spread across 15+ countries. We have strong and long-established relationships with a number of our customers. The table below sets forth details of revenues generated from our top three customers and our top 10 customers for the periods indicated:

Particulars	As of and for the nine month period ended December 31,		As of and for the period ended March 31,	
	2024	2023	2024	2023
	% of revenue from operations	% of revenue from operations	% of revenue from operations	% of revenue from operations
Top three customers	30%	37%	33%	40%
Top 10 customers	62%	60%	55%	68%

We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups.

The Company's production and quality team periodically visit the customers' premises to update on the technological changes on the various products manufactured by the Company.

Repairs and Maintenance

We schedule regular repairs and maintenance programs for our facility, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials and Suppliers

The primary raw materials used in the manufacture of our products are stainless steel scrap, ferro alloys. For the nine months period ended December 31, 2024, December 31, 2023, Fiscals 2024 and 2023, our cost of raw materials consumed was ₹32,483 lakh, ₹36,854 lakh, ₹48,427 lakh and ₹33,467 lakh, comprising 59%, 68%, 70% and 75% of our total expenses, respectively. During the nine months period ended December 31, 2024, December 31, 2023, Fiscals 2024 and 2023, our cost of materials consumed, after adjustment of changes in inventories of finished goods and work-in-progress amounted to ₹33,295 lakh, ₹35,349 lakh, ₹43,880 lakh and ₹25,058 lakh, respectively, and our cost of materials consumed as a percentage of our total expenses was 61%, 66%, 64% and 56%, respectively.

As on December 31, 2024, we have more than 100 suppliers including 20+ outside India. Further, for the nine month period ended December 31, 2024, December 31, 2023, Fiscals 2024 and 2023, cost of raw material sourced from our top 10 suppliers was ₹23,083 lakh, ₹28,868 lakh, ₹34,754 lakh and ₹20,288 lakh, respectively, which represented 42%, 54%, 50% and 45% of our total expenditure for the respective period.

Exports

A portion of our revenue is generated from export of our products to Europe and other nations. The table below provides details of our revenue from operations from exports in the periods indicated:

Location/ Countries	**Revenue for the period ended December 31, 2024** ***(in lakh)***	**As a % of Revenue from Operations**	**Revenue for the period ended December 31, 2023** ***(in lakh)***	**As a % of Revenue from Operations**	**Revenue for the Fiscal 2024** ***(in lakh)***	**As a % of Revenue from Operations**	**Revenue for the Fiscal 2023** ***(in lakh)***	**As a % of Revenue from Operations**
Europe	19,398	37%	20,768	38%	24,585	35%	13,985	33%
Other than Europe	717	1%	1,083	2%	1,139	2%	1,281	3%
Total Export	20,115	38%	21,852	40%	25,724	37%	41,783	36%

Awards and Recognition

Our Company has received the following awards and recognitions:

Financial Year	**Awarding Agency**	**Award/Recognition**
2024	Indian Stainless Steel Development Association (ISSDA)	Stainless Steel Excellence Awards - Best Energy Transition Initiative
2025	Great Place To Work (GPTW)	Great Place To Work Certified Oct 2024 - Oct 2025
2025	BHEL	BHEL Samvaad 4.0 - Developing SS Boiler Tubes for Super-Critical Power Plants for first time in the country

Competition

The manufacturing industry in which we operate is characterized by intense competition. However, our extensive expertise across various domains coupled with our ability to meet diverse customer requirements and foster long-standing relationships, distinguishes us from our competitors. While there are no specific legal or regulatory barriers to entry, the capital-intensive nature of the industry, along with the requirement for sophisticated technology, machinery, and systems, serves as a significant impediment to new market entrants.

Furthermore, given that the parameters of competition within this industry are not as firmly established as in other sectors and that there are no standardized methodologies to assess industry dynamics, it is challenging to predict how the competitive landscape will evolve in the long term. In the short and medium term, competition may be influenced by general factors, including sensitivity to macroeconomic conditions, product quality and compliance with industry standards, design innovation, pricing, delivery timelines, customer experience, and the strength of relationships between manufacturers and their clients.

Key Performance Indicators

The following table below sets forth of KPIs of our Company. These KPIs herein have been certified Nikunj Raichura & Associates, Chartered Accountants pursuant to certificate dated February 11, 2025

₹ in lakh	9M FY25	9M FY24	9M-o-9M (%)	FY24	FY23	Y-o-Y(%)
Revenue from operations	52,357	54,540	-4%	69,667	41,783	67%
EBITDA	3,807	6,012	-37%	7,733	3,148	146%
EBITDA Margin	7.3%	11.0%	-375 bps	11.1%	7.5%	357 bps
EBIT	2,588	4,852	-47%	6,185	1,657	273%
EBIT Margin	4.9%	8.9%	-395 bps	8.9%	4.0%	491 bps
PAT	-803	2,244	NA	6,247	-1,374	NA
PAT Margin	-1.5%	4.1%	NA	9.0%	-3.3%	NA
Order Book	17,091	15,595	10%	15,785	14,904	6%
Order Book (Volume in Metric Tonnes)	4,221	4,204	0%	4,111	3,477	18%

History

Our Company was incorporated on December 29, 1980 with the corporate name "Remi Metals Limited" in the state of Maharashtra under the Companies Act, 1956. We received the certificate of commencement of business on February 5, 1981.

Pursuant to a fresh certificate of incorporation, consequent to change of name, issued by the Registrar of Companies, Maharashtra, Mumbai on February 10, 1993, the corporate name of our Company was changed from "Remi Metals Limited" to "REMI Metals Gujarat Limited". Consequently, on October 6, 1993, the Registered office of our Company was transferred from the state of Maharashtra to the state of Gujarat.

Remi Metals Gujarat Limited was incorporated by Mr. V.C. Saraf and Mr. R.C. Saraf to manufacture seamless stainless steel tubes and pipes with captive facilities for steel melting, continuous casting and rolling at Jhagadia, District Bharuch, Gujarat. In the year 1996, Remi Metals Gujarat Limited commenced its trial production.

In October 1996, there was an increase in power tariff in the state of Gujarat. During such time, Remi Metals Gujarat Limited was not able to install certain critical facilities in its plant and it had to shut down the plant in April 1997. At that time, Remi Metals Gujarat Limited could not bear the cost of capital expenditure for running the business, and in in August 1999, it was declared a sick unit and registered under the Board for Industrial and Financial Reconstruction (BIFR). In May 2009, pursuant to a scheme for rehabilitation, the Promoter Group acquired Remi Metals Gujarat Limited.

Pursuant to a fresh certificate of incorporation dated May 31, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the corporate name of Remi Metals Gujarat Limited was changed to "RMG Alloy steel Limited". Subsequently, pursuant to a fresh certificate of incorporation dated August 19, 2019, issued by the Registrar of Companies, Ahmedabad, the corporate name of RMG Alloy steel Limited was changed to "Welspun Specialty Solutions Limited".

Our Business Verticals

We categorise our business into 3 different verticals based on our product portfolio, namely: (i) Cast Products (CC & Ingots); (ii) Round & Bright Bars; (iii) Seamless Pipes & Tubes

Cast Products (Continuous Cast (CC) & Ingots)

In steel manufacturing, Cast Product - CC & Ingots represent two distinct forms of semi-finished steel products that are used as the starting point for further processing into a wide range of steel products, including bars, plates, beams and structural shapes. They are produced through the casting process and are then shaped through various rolling or forging techniques to create final products.

To produce Ingot, steel is melted in a furnace and the molten steel is then poured into moulds, cooled and solidified into an ingot shape.

To produce Continuous Cast billet/bloom, the liquid metal is poured into water cooled moulds where it begins to solidify into required shapes. Steel further solidifies further as it moves through rollers and then solidifies steel is cut into required lengths.

Round & Bright Bars

Cast products i.e. Billets or blooms are heated in furnace and these hot billets are passed through rolling mills, progressively reducing the size to form round bars. After rolling, the bars are cooled to room temperature. Round bars are straightened using straightening machines to remove any curvature from rolling. Bars are then cut into required lengths using cutting machines. Hot rolled round bars are then peeled and polished to convert them to bright bars.

Stainless Steel Seamless Pipes & Tubes

Seamless pipes and tubes are produced using several key processes, including extrusion, cold pilgering, and drawbenches, each suited for specific applications based on diameter, precision, and material properties. A heated billet is forced (extrusion) through a die under high pressure to form a hollow tube. This tube is then reduced in diameter and wall thickness through multiple passes in a pilger mill and Draw Benches process is chosen based on the required tube size, precision, and mechanical properties, making seamless pipes and tubes highly versatile for industries like oil & gas, automotive, and aerospace.

Our Manufacturing Capacity

Our manufacturing facility is operated by our Company. Below is a tabular representation of the capacity of our manufacturing facility:

Manufacturing Facility	Location	Total Capacity (MT/year)
Integrated Stainless Steel Plant	Bharuch, Jhagadia, Gujarat	Stainless Steel –100,000 MT Seamless Pipes & Tubes – 10,000 MT

Strengths

<u>Capability:</u>
- Fully integrated stainless steel facility in India from steelmaking to seamless Pipes
- Focus on technology upgrades and investment in advanced manufacturing technologies
- Product acceptability both in the domestic and export market with major approvals and accreditations
- Strong focus on R&D and New Product Development. State-of-the-art testing facilities accredited with ISO/IEC 17025
- Moving towards higher value added grades and products
- Government's "Make in India" policy showing impact on ground; preference to domestic manufacturers
- Sustainability and excellence initiatives progressing well

Customers:

- Wide domestic and international market outreach and acceptance for wide portfolio of products
- Customer base being consolidated in India and adding global customers by entering new geographical markets

Strategies under play:

- Scale up volumes for stainless steel and seamless pipes & tubes (sweating of assets)
- New/value added products
- PSU business under Make in India preference
- Consumption/demand growth in India
- New Global Markets
- Sustainability/Low emission products

The following are our competitive strengths:

Fully integrated primary stainless steel producer with forward integration into bright bars, seamless pipes and tubes

Bright Bars:

Bright Bars are high-quality, precision-engineered stainless steel bars with a smooth, bright surface finish. These bars are produced through peeling, and polishing processes to achieve superior dimensional accuracy and mechanical properties. The Bright Bars have a bright, smooth, and polished surface with no oxidation or scale. It has dimensional tolerances for precise engineering applications and enhanced tensile strength and hardness.

Bright Bars are used in (a) automotive industry in shafts, axles, fasteners, gears; (b) Oil & Gas industry (c) manufacturing & engineering in precision-machined components, tools; (d) aerospace & defence; and (e) medical & food processing in hygienic stainless steel components.

Integrated manufacturing process including steel making

An integrated manufacturing process is a seamless, end-to-end production approach where raw materials are transformed into finished products through interconnected stages. This method ensures high efficiency, cost-effectiveness, superior quality, and optimized resource utilization across industries such as stainless steel, automotive, aerospace, electronics, and heavy machinery.

An integrated steel manufacturing process involves the transformation of raw materials into high-quality stainless steel through a series of well-coordinated steps. This process ensures efficiency, cost-effectiveness, and superior mechanical properties of the final stainless steel product. It follows a continuous process, from raw material preparation to finished stainless steel products. Some of the key stages include raw material preparation, stainless steelmaking, and rolling & finishing.

The products are used in (a) Oil & Gas industry; (b) automotive & transportation (c) aerospace & defense in advanced stainless steel for high-performance parts; (d) energy & power plants in pipes, turbines, pressure vessels; and (e) shipbuilding & marine.

Competitive edge in cost optimization

Cost optimization is a critical factor in gaining a competitive edge across industries, ensuring higher profitability, operational efficiency, and long-term sustainability. Companies that effectively reduce costs while maintaining quality can outperform competitors and expand market share. A strategic cost optimization approach helps businesses maintain a competitive edge by reducing expenses without compromising quality. By leveraging technology, process efficiency, supply chain improvements, and workforce productivity, companies enhance profitability, resilience, and long-term success.

Cost optimization helps our Company in process automation thereby reducing labour costs and improving consistency. In addition, it lowers raw material expenses through scrap recycling and cuts power costs through energy efficient furnaces.

Superior quality and niche grades

Stainless steel manufacturers differentiate themselves by producing superior quality and niche grade stainless steel, designed for high-performance and specialized applications. These advanced stainless steel grades offer enhanced strength, corrosion resistance, heat tolerance and precision engineering, catering to industries requiring exceptional reliability and durability.

Some of the characteristics of superior quality stainless steel are high purity & precise composition, optimized microstructure, superior mechanical strength, corrosion and wear resistance and dimensional precision and surface finish. The competitive advantage of superior quality and niche stainless steel are high performance in extreme conditions, enhanced lifecycle and cost efficiency, customization for specialized applications, sustainability and energy efficiency and global demand and market differentiation.

Speed to market owing to in-house steel bar manufacturing facility

Achieving a quick turnaround time in steel production is a key competitive advantage, ensuring faster delivery, improved customer satisfaction, and cost efficiency. This is especially critical in industries requiring just-in-time inventory, rapid infrastructure projects, and high-demand manufacturing cycles.

Global presence across various geographies and growing

A diverse and widespread customer base gives steel manufacturers a competitive edge by ensuring market stability, demand resilience, and long-term growth. Expanding across multiple geographies allows companies to tap into various industries, reduce dependence on single markets, and enhance global brand reputation. A strong global customer base in the steel industry is essential for sustainable growth, profitability, and competitiveness. By leveraging geographic diversification, industry-specific customization, robust supply chains, and a focus on customer relationships, our Company can establish a dominant market presence worldwide.

Experienced management team

We are led by a dedicated senior management team with several years of industry experience. Our Promoter have played a key role in developing our business and we benefit from their significant experience in the industry we operate in. We also have a qualified senior management team with experience in the domestic and international steel industry. Our Promoter and senior management team have been instrumental in our successful implementation of various process improvements, expansion of our geographical reach and the growth in our operations.

We believe that our domain knowledge and experience of our Promoter and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the steel industry, to execute our business strategies and drive our future growth. In addition, we have an experienced and qualified team of employees. Our personnel policies are also aimed towards recruiting qualified and talented individuals, facilitating their integration into our Company, providing a conducive work environment, and promoting the development of their skills, including through in-house and external training programmes.

Wide product range along with strong new product

A diverse product portfolio combined with continuous innovation in stainless steel manufacturing provides a strong competitive advantage. Offering a wide range of stainless steel products ensures market reach across multiple industries, while new product development (NPD) enables companies to meet evolving customer demands, enter high-value segments, and drive long-term growth. A wide product range combined with a strong new product pipeline helps our Company stay ahead of the competition by addressing diverse industry needs, entering high-margin segments, and ensuring sustainable growth.

Customizable size range in stainless steel bar offerings

Offering a customizable size range in stainless steel bars allows our Company to cater to a wide variety of industries and applications, from high-performance machinery to customized construction projects. This flexibility provides a competitive edge by meeting specific customer needs that cannot be fulfilled by standard products. Offering a customizable size range in stainless steel bars enables our Company to stand out in the competitive market by addressing the diverse and specific needs of industries. From precision parts to heavy-duty industrial applications, the ability to provide customized sizes us to serve a broader market, reduce waste, and improve profitability. The competitive benefit of offering customizable stainless steel bar sizes may be categorised as differentiation in the market agility customer loyalty & retention and Premium Product Offering.

Wide bar size range from 50mm to 300 mm diameter in stream of various SS and Ni-Alloy grades

Offering a wide range of bar sizes, specifically from 50mm to 300 mm diameter, in various stainless steel and nickel alloy grades provides a significant competitive edge to our Company. This flexibility allows us to meet precise customer demands, offer specialized solutions and serve a variety of high-performance industries that require customized stainless steel products. A wide bar size ranges from 50mm to 300 mm in diameter offers immense flexibility and competitiveness in the stainless steel industry. The ability to serve a variety of industries with tailored, high-strength materials positions our Company at a competitive advantage, driving long-term growth and customer satisfaction.

Hot extrusion process for seamless stainless steel pipes

The hot extrusion process for seamless stainless steel pipes is a critical manufacturing technique that ensures superior material properties, precision and strength for various high performance applications. By utilizing elevated temperatures during extrusion, our Company creates seamless, high quality pipes with uniform thickness, strength, and reliability suited to demanding environments. In hot extrusion, steel billets are heated to high temperatures and then forced through a die to form pipes of various diameters, wall thicknesses and shapes. This process allows the material to flow and conform to the mould, resulting in seamless pipes with uniform mechanical properties. The hot extrusion process for seamless stainless steel pipes provides high-quality, reliable and customizable solutions for industries with demanding standards.

The competitive benefits of hot extrusion process include higher product quality, customization for specialized applications, lower production costs and long-term durability.

Various important accreditations and certifications

Certifications/ Accreditations Agency	Details
TUV-Nord/DQS	International Organization for Standardization (ISO) – ISO 9001:2015, ISO 14001 & OHSMS 45001
TUV-SUD	Pressure Equipment Directive (PED) – 2014/69/EU & AD 2000- Merkblatt W0
NABL	ISO/IEC 17025 – National accreditation board for testing and calibration laboratories
IBR	Indian Boilers Regulations (IBR) Well Known – Stainless steel/Pipe/Tube
GULF LLOYD	The Norwegian Shelf's Competitive Position (NORSOK)
BIS	Bureau of Indian Standards (BIS)
RINA	Marine Certification
BIS	IS 6529 (Bloom / Billet), IS 6603 (Rolled Bars), Pipe 17875 (SS Seamless Pipe)

Strong operational efficiency

Achieving strong operational efficiency in stainless steel manufacturing is a key driver of cost reduction, productivity improvement and long-term profitability. By optimizing production processes, reducing waste, and ensuring streamlined operations, our Company can enhance its competitive position, meet customer demands effectively and capitalize on market opportunities. Strong operational efficiency in stainless steel manufacturing is achieved by leveraging advanced technologies, optimizing processes and ensuring high-quality standards. With improvements in areas like automation, energy management, and maintenance, our Company can reduce costs, increase productivity and deliver superior products. This creates a sustainable competitive advantage, allowing us to thrive in a highly competitive global market.

Our Strategies

Our key strategies are as follows:

New/value added products

As the global steel industry continues to evolve, new and value-added steel products have become crucial for meeting the increasingly specialized demands of industries across sectors such as automotive, construction, energy and electronics. These innovations not only offer enhanced performance characteristics but also deliver sustainability and cost-efficiency, further establishing manufacturers as leaders in the marketplace. The steel industry continues to innovate and expand its product offerings to meet the diverse and specialized demands of modern industries. From lightweight, high-strength alloys and stainless steel innovations to new and value-added products enable steel manufacturers to stay ahead of the competition, reduce environmental impact and provide tailored solutions to customers.

Increasing Reach in the Global Markets

USA, UK, South Africa, SE Asia, South America, etc. presents growth opportunities in the steel industry, driven by changing market needs, technological advancements, and sustainable development goals. These opportunities largely stem from the demand for advanced stainless steel products, sustainable production practices and diversified industries that are increasingly relying on high-performance, cost-effective and environmentally friendly steel solutions. These markets offer demand for sustainable production, advanced technologies, and eco-friendly solutions across industries such as automotive, renewable energy, construction, and manufacturing. As these markets evolve, stainless steel manufacturers that focus on green stainless steel, advanced alloys, and innovative stainless steel applications will be well-positioned for growth.

PSU business under Make in India preference

The Make in India initiative, launched by the Government of India in 2014, aims to transform India into a global manufacturing hub. The steel industry plays a crucial role in this vision, as it is a backbone of industrial growth, infrastructure development and economic progress. India is one of the largest producers and consumers of stainless steel in the world and the Make in India initiative seeks to further expand the country's stainless steel manufacturing capabilities, focusing on sustainability, advanced technology and increasing its global competitiveness.

India is the second largest stainless steel producer globally, behind China, and is also one of the largest consumers of stainless steel. The country's consumption is driven by construction, automotive, infrastructure, energy and defence sectors.

The Indian steel industry, driven by the Make in India initiative, is poised for substantial growth. The country’s focus on sustainability, advanced manufacturing technologies and diversified end-user industries will allow it to meet the increasing demand for high-performance stainless steel, both domestically and in international markets. By continuing to innovate and invest in sustainable practices, new technologies, and expansion of export markets, India can solidify its position as a key global player in the steel industry.

Sustainability/Low emission products

The steel industry is one of the largest industrial sources of carbon emissions globally, responsible for about 7-9% of total CO_2 emissions. With increasing global attention on climate change and sustainability, there is a growing push for the steel sector to adopt low-emission production methods and environment friendly practices. This trend is especially aligned with the Make in India initiative, which aims to promote sustainable development and green technologies in the manufacturing sector.

Recycled Steel (scrap based steel) is one of the most recycled materials globally, and the use of recycled scrap in the production of new steel reduces the need for raw material extraction and lowers energy consumption. This circular economy approach not only minimizes waste but also helps reduce emissions associated with mining and production. Recycled steel uses about 75% less energy than virgin steel and can be recycled infinitely without losing quality.

To meet global climate targets, the steel industry needs to adopt new low-emission technologies and shift toward greener and more energy-efficient methods. The Make in India initiative also emphasizes sustainability and low-emission products, supporting the transition to green steel production.

Consumption/demand growth in India

India is one of the largest and fastest growing markets for steel globally. The demand for steel is expected to see significant growth in the coming years, driven by the country's expanding economy, infrastructure projects, urbanization and industrialization. The Make in India initiative, along with various government programs, is helping to fuel this growth by focusing on boosting manufacturing, sustainability and infrastructure development.

India's automotive sector is another major driver of steel demand. The sector is seeing increasing production volumes, spurred by both domestic consumption and exports. Additionally, the rise of electric vehicles and lightweight materials is influencing the type of steel required, particularly high-strength steel and advanced high-strength steel.

As India moves towards a sustainable energy future, the growth of renewable energy sources such as solar power, wind energy and hydropower is boosting the demand for steel. Steel is essential in the construction of wind turbines, solar panel support structures, power plants, and energy storage systems.

India's steel consumption is expected to continue its upward trajectory in the next decade. The country's steel demand has been growing at an average annual rate of around 5-7% in recent years, and this trend is projected to continue. By 2030, India is expected to become the world's second largest steel consumer and increase its steel consumption to around 150-160 million tons per year.

State of the art cold process set-up with Pilger Mills up to 5.5" input and Draw Benches up to 75T capacity

In the steel and metal processing industry, cold working processes like pilgering and drawing are crucial for achieving specific dimensional tolerances, surface finishes and material properties. These processes are often applied to materials such as stainless steel, alloy steel, nickel alloys and carbon steel to create products such as pipes, tubes, bars and wire.

In an integrated setup where Pilger Mills and Draw Benches work together, the processes are optimized to produce high-quality, dimensionally accurate, and high-strength products. Pilgering is typically used to reduce the diameter of tubes and pipes in an efficient, multi-stage process, while Drawing is used for further reduction in diameter and increase in length, with improved mechanical properties.
This helps our Company achieve increased production capacity, high quality products and customise our products.

Hot extrusion press for seamless pipes delivering better concentricity and superior wall tolerances

Hot extrusion press, is a highly specialized piece of equipment used in the manufacturing of seamless pipes. It is renowned for its ability to deliver better concentricity and superior wall tolerances, making it ideal for producing high precision, high quality pipes, particularly for demanding applications in industries such as aerospace, oil & gas, chemical processing and automotive.

An hot extrusion press is a machine that applies high pressure to force a material through a die, resulting in production of a continuous product with a consistent cross-section. In a hot extrusion press, the pressing is performed, which offers several advantages, particularly in terms of precision and control.

The hot extrusion press, known for its efficiency in producing seamless pipes with high-quality dimensions and mechanical properties. This is beneficial for maintaining uniformity in the pipe's properties.

Quality Control and Testing

We believe that maintaining high standard of quality of our products is critical to our brand and continued growth. In our manufacturing facility, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our regular internal audits, we ensure that our manufacturing facility is in compliance with local and international regulatory requirements.

We implement and maintain best industry practices including for, adequate premises and space, suitable equipment and services, appropriate materials, approved procedures and instructions, and equipped machines. Our employees are required to undergo thorough training programs designed to update them on latest quality norms and standards periodically.

Our quality function monitors all stages of product development. Various in-process quality checks are performed to monitor product quality during manufacturing process. Final finished products are tested as per the predetermined quality specifications before release in the market. Each batch of the manufactured products is dispatched to our quality control and testing centres where they go through different levels of testing to test the physical properties, purity and quality of the end products to ensure traceability and repeatability for each batch. We employ trained and experienced members to conduct evaluation procedures for quality control and testing. In addition to our in-house quality testing of our products, we conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. All of our manufacturing facility also has waste management and environment protection systems designed to comply with laws on environmental pollution.

Our Company has achieved various manufacturing certifications as given below:

Certifications/ Accreditations Agency	Details
TUV-Nord/DQS	International Organization for Standardization (ISO) – ISO 9001:2015, ISO 14001 & OHSMS 45001
TUV-SUD	Pressure Equipment Directive (PED) – 2014/69/EU & AD 2000- Merkblatt W0
NABL	ISO/IEC 17025 – National accreditation board for testing and calibration laboratories
IBR	Indian Boilers Regulations (IBR) Well Known – Stainless steel/Pipe/Tube
GULF LLOYD	The Norwegian Shelf's Competitive Position (NORSOK)
BIS	Bureau of Indian Standards (BIS)
RINA	Marine Certification
BIS	IS 6529 (Bloom / Billet), IS 6603 (Rolled Bars), Pipe 17875 (SS Seamless Pipe)

Environment, Health and Safety

Manufacturing is subject to a number of national and regional laws and regulations. These include in particular, regulations on technical safety and environment protection, including, among others, restriction of air pollution and noise, discharge of waste products into water above and below the ground and other occupational health and safety regulations. Further, our offices and manufacturing plants in India are required to comply with several laws governing every aspect of our operations, including compliance with building regulations, consumer protection, occupational health, safety and protection of labourers.

Sales and Marketing

We primarily market our products through our own sales team. Our established sales and marketing department has separate teams focusing on each of our products. We have a wide sales and marketing network, spread across the globe. We have our own sales and marketing team in primarily based out of India, headed by experienced professionals.

In certain jurisdictions such as EU, Turkey, USA, etc. and in certain parts of India, where we do not have our own sales team, we typically enter into distribution arrangements with our business partners in such jurisdictions to market and distribute our products.

Infrastructure

Registered Office and Corporate Office

Our offices and manufacturing facility is well equipped with computer systems, laptops, internet connectivity, communication equipment, security and other facilities such as fire safety and anti-theft alarm which are necessary for our business operations

Power

Our manufacturing facility at Jhagadia, Bharuch, Gujarat sources its power from grid power from DGVCL and renewable hybrid power

Details of Power at our facility premises

Location	Sanctioned Load (KVA)	Connected Load (MW)
Plant at Jhagadia, Bharuch, Gujarat	9453	54

Water facilities

Our registered office and our manufacturing facility has adequate water supply arrangements for human consumption purposes.

Human Resource

We place importance on developing our human resources. Through internal trainings and workshops, our human resources team tracks the progress of our employees through systematic individual development plans. As of January 31, 2025, we employed a total of 696 individuals, for our Company; we also employ labourers on contracts through third parties, primarily at our manufacturing facility. The breakdown of our employees in different facilities has been provided below:

Function	Number of Employees
Manufacturing	495
Sales and Marketing	12
Quality Control	96
Finance, Human Resources, Legal, Secretarial and Operations	93
Total	**696**

Information Technology

Our information technology systems provide support to all aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. Our information technology team does regular inspection and audits of all our network systems and servers to prevent them from external threats. Our Company believes that its advanced information technology systems not only enhance the Company's operational efficiency and customer service quality, but also reduce operating costs of the Company, enable the Company to respond to the market promptly and enhance its ability to handle emergency situations, making it more competitive in the market.

Intellectual Property

NIL

Property

Our registered office is situated at Plot No 1, GIDC Industrial Estate, Valia Road, Jhagadia, Bharuch, Gujarat 393110. Our manufacturing facility is on leasehold premises on 99 years on long term basis with GIDC.

For details, see "***Risk Factors - Our registered office, corporate office and some of our manufacturing facility is not owned by our Company***" on page 25 of this Letter of Offer.

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OUR MANAGEMENT

Board of Directors

The composition of the Board is governed and is in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association and the Companies Act, 2013, our Company shall have a minimum of three directors and a maximum of fifteen directors. However, more than fifteen directors can be appointed if approved by passing a special resolution in a general meeting.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has 8 (eight) Directors, comprising of 1 (one) Executive Director, 3 (three) Non-Executive Directors and 4 (four) Independent Directors, inclusive of 1 (one) woman Independent Director. The Chairman is a Non-Executive Director.

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Balkrishan Gopiram Goenka *Address:* Rocky Isle 46-C, Bhulabhai Desai Road, Breach Candy Cumballa Hill, Mumbai Maharashtra 400026 *Designation*: Chairman and Non-Executive Director *Occupation*: Business *Term:* Liable to retire by rotation. *Period of Directorship:* Since August 06, 2018. *DIN:* 00270175 *Date of Birth*: August 15, 1966	58 years	Indian Companies 1. Welspun One Investment Management Private Limited 2. Balkrishan Goenka Foundation 3. Welspun New Energy Limited 4. Laxman Gyanpith Foundation 5. The Associated Chambers of Commerce and Industry of India 6. Welspun Living Limited 7. Welspun Corp Limited 8. Welspun One Private Limited 9. Welspun Logistics Limited 10. Welspun Energy Private Limited 11. Welspun Enterprises Limited 12. Adani Welspun Exploration Limited 13. Welspun Advanced Materials (India) Limited Foreign Companies NIL
Anuj Burakia *Address:* Flat No. 2406, 24th Floor, Boulevard-3, LBS Marg, Opp. R City Mall, Ghatkopar (West), Mumbai, Maharashtra 400086 *Designation*: CEO and Whole-Time-Director *Occupation*: Service	45 years	Indian Companies 1. Welassure Private Limited 2. Welspun Steel Resources Private Limited Foreign Companies NIL

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Term: For a period of 3 years from July 29, 2024 *Period of Directorship*: Since May 28, 2015 *DIN*: 02840211 *Date of Birth*: June 27, 1979		
Prakashmal Ranjeetmal Tatia *Address*: A-405, Versova Breeze CHS Ltd, 3rd Cross Lane, Near Hi-point Restaurant, Lokhandwala, Andheri West, Mumbai, Azad Nagar, Maharashtra, 400053 *Designation*: Non-Executive Director *Occupation*: Business *Term*: Liable to retire by rotation *Period of Directorship*: Since August 28, 2018 *DIN*: 06559106 *Date of Birth*: March 11, 1953	71 years	Indian Companies NIL Foreign Companies NIL
Myneni Narayana Rao *Address*: House No. 8-2-293/82/J/A-60 Journalist Colony, Jubilee Hills, Hyderabad 500 033 *Designation*: Independent Director *Occupation*: Consultant *Term*: Liable to retire by rotation *Period of Directorship*: Since August 28, 2018 *DIN*: 00577494 Date of Birth: September 01, 1955	69 years	Indian Companies 1. Innomet Advanced Materials Limited 2. Avantel Limited 3. Bridge Gap Engineering India Private Limited Foreign Companies NIL
Viswanathan Kollengode Hariharan *Address*: Flat No. 4, Kalyani Uttam Society, St. Antony Road, Chembur, Mumbai- 400 071 *Designation*: Independent Director *Occupation*: Business *Term*: For a period of four years from April 27, 2022.	62 years	Indian Companies 1. BAPL Rototech Private Limited 2. Welspun BAPL Private Limited 3. Welspun Anjar SEZ Limited 4. Welspun Captive Power Generation Limited Foreign Companies 1. East Pipes Integrated Company for Industry

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Period of Directorship: Since April 27, 2022 *DIN*: 00391263 *Date of Birth*: May 11, 1962		
Amita Misra *Address*: 99, Shreshtha Vihar, New Delhi 110 092 *Designation*: Independent Director *Occupation*: Retired Civil/International Servant *Term*: For a period of four years from April 27, 2022. *Period of Directorship:* Since April 27, 2022 *DIN*: 07942122 *Date of Birth*: July 09, 1955	69 years	Indian Companies 1. Sintex-BAPL Limited 2. Welspun Tradings Limited 3. Anjar TMT Steel Private Limited 4. Welspun DI Pipes Limited 5. Dalmia Bharat Sugar and Industries Limited Foreign Companies NIL
Vipul Mathur *Address*: Signia Isles Unit No. 1703, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051 *Designation*: Non-Executive Director *Occupation*: Service *Term*: Liable to retire by rotation *Period of Directorship:* Since April 27, 2022 *DIN:* 07990476 Date of Birth: March 21, 1970	54 years	Indian Companies 1. Welspun Corp Limited 2. Welspun DI Pipes Limited 3. Gladiator Consultancy Private Limited Foreign Companies 1. East Pipes Integrated Company for Industry 2. Welspun Pipes Inc, USA 3. Welspun Tubular LLC 4. Welspun Global Trade LLC 5. Welspun Logistics LLC
Ravindra Pandey *Address*: 3503, Bldg. No. 1, Auris Serenity Tower-1, Kachpada, Off Link Road, Malad (West), Mumbai, Maharashtra, 400064 *Designation*: Independent Director *Occupation*: Self Employed *Term*: For a period of four years from November 23, 2024.	62 Years	Indian Companies 1. SIS Cash Services Limited 2. Welspun Corp Limited 3. Payu Finance India Private Limited 4. Pay 10 Services Private Limited 5. Jamipol Limited 6. Dreamfolks Services Limited 7. Trillionloans Fintech Private Limited 8. NSDL Database Management Limited Foreign Companies NIL

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Period of Directorship: Since November 23, 2024. *DIN*: 07188637 *Date of Birth*: June 03, 1962		

Confirmations

None of our Directors is or was the director of any listed company during the five years immediately preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such a company.

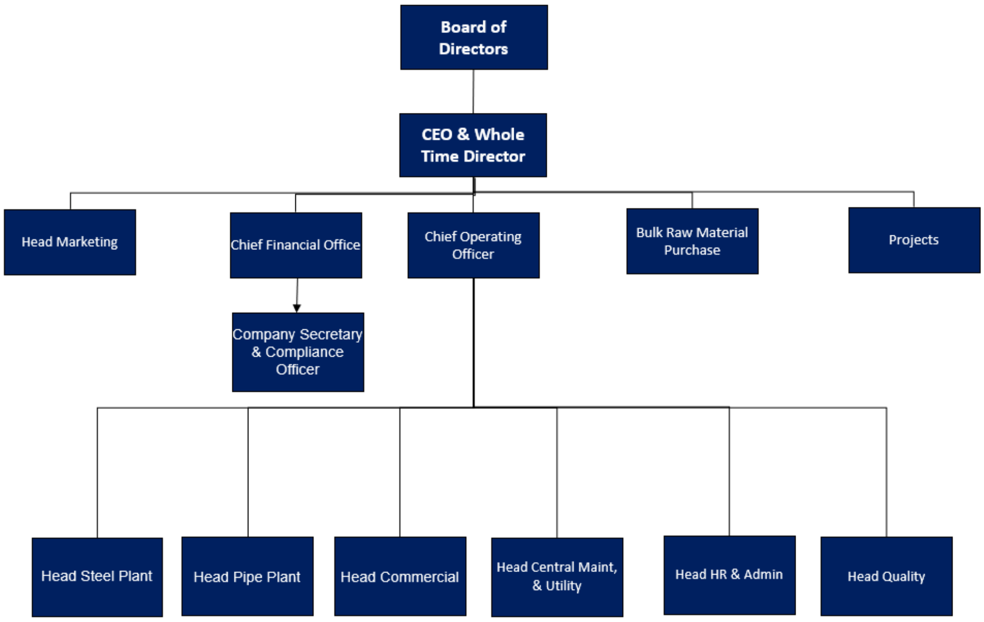
None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer with the Stock Exchange.

Details of Key Managerial Personnel and Senior Management

The details of our Key Managerial Personnel and the members of our Senior Management in terms of the Companies Act and the SEBI ICDR Regulations (as applicable) as on date of this Letter of Offer are set forth below:

Sr. No.	Particulars	Designation
Key Managerial Personnel		
1.	Anuj Burakia	Chief Executive Officer and Whole-Time Director
2.	Navin Agarwal	Chief Financial Officer
3.	Suhas Gopal Pawar	Company Secretary and Compliance Officer
Senior Management (excluding Key Managerial Personnel)		
1.	Gourishankar Roy	Chief Operating Officer

Organizational Structure



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Limited Review Report on unaudited financial results of Welspun Specialty Solutions Limited for the quarter ended 31 December 2024 and year to date results for the period from 01 April 2024 to 31 December 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Welspun Specialty Solutions Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Welspun Specialty Solutions Limited (hereinafter referred to as "the Company") for the quarter ended 31 December 2024 and year to date results for the period from 01 April 2024 to 31 December 2024 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The financial results of the Company for the year ended 31 March 2024 were audited by the predecessor auditor whose report dated 26 April 2024 had expressed an unmodified opinion. The financial results of the Company for the corresponding quarter ended 31 December 2023 and the corresponding period from 01 April 2023 to 31 December 2023 were reviewed by the predecessor auditor whose report dated 25 January 2024 had expressed an unmodified conclusion.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

B S R & Co (a partnership firm with Registration No BA61223) converted into B S R & Co LLP (a Limited Liability Partnership with LLP Registration No AAB-8181) with effect from October 14, 2013

Registered Office

14th Floor, Central B Wing and North C Wing Nesco IT Park 4 Nesco Center, Western Express Highway, Goregaon (East) Mumbai - 400063

6. The financial results of the Company for the three months ended 30 June 2024 were reviewed by the predecessor auditor whose report dated 23 July 2024 had expressed an unmodified conclusion.

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

Chartered Accountants

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

Bhavesh Dhupelia

Partner

Mumbai

27 January 2025

Membership No.: 042070

UDIN:25042070BMKUZN5392

Welspun Specialty Solutions Limited

Regd. Office : Plot No. 1, GIDC Industrial Estate, Jhagadia, Dist. Bharuch, Gujarat-393110

Website : www.welspunspecialty.com, Email ID : companysecretary_wssl@welspun.com

CIN : L27100GJ1980PLC020358

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year ended (Audited)
		31-Dec-24	30-Sep-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Mar-24
1	**Income**						
a)	Revenue from operations	19,405	16,742	17,475	52,357	54,540	69,667
b)	Other income	552	556	719	1,700	1,636	2,150
	Total income (a+b)	19,957	17,298	18,194	54,057	56,176	71,817
2	**Expenses**						
a)	Cost of materials consumed	11,307	9,290	8,655	32,483	36,854	48,427
b)	Changes in inventories of finished goods and work-in-progress	1,387	1,709	2,755	812	(1,505)	(4,546)
c)	Employee benefits expense	1,130	1,196	1,053	3,361	3,110	4,165
d)	Finance costs	1,237	1,060	910	3,326	2,608	3,325
e)	Depreciation and amortisation expense	421	407	391	1,219	1,160	1,548
f)	Power and Fuel expense	1,714	1,551	1,428	4,891	4,693	6,196
g)	Consumption of stores and spares	1,151	1,184	1,082	3,702	3,414	4,750
h)	Other expenses	1,970	1,536	1,310	5,001	3,598	5,092
	Total expenses	20,317	17,933	17,584	54,795	53,932	68,957
3	**Profit/(Loss) before tax (1-2)**	(360)	(635)	610	(738)	2,244	2,860
4	**Income tax expense/(credit)**						
a)	Current tax	-	-	-	-	-	-
b)	Deferred tax (refer note-4)	-	-	-	65	-	(3,387)
	Total tax expense/ (credit)	-	-	-	65	-	(3,387)
5	**Net profit/(loss) for the period/year (3-4)**	(360)	(635)	610	(803)	2,244	6,247
6	**Other comprehensive income, net of tax**						
a)	**Items that will be reclassified to profit or loss (net)**						
	Deferred gains/ (losses) on cash flow hedges (net)	254	(328)	(312)	(27)	1	137
b)	**Items that will not be reclassified to profit or loss (net)**						
	Remeasurements of post employment benefit obligations	(3)	(3)	(5)	(9)	(13)	(13)
	Total other comprehensive income/(loss), net of tax	251	(331)	(317)	(36)	(12)	124
7	**Total comprehensive income/(loss) for the period/year (5+6)**	(109)	(966)	293	(839)	2,232	6,371
8	**Paid up equity share capital (Face value of INR 6/- each)**	31,805	31,805	31,805	31,805	31,805	31,805
9	Other equity						(22,497)
10	**Earnings per equity share (not annualised for the quarter)**						
	(a) Basic (In INR)	(0.07)	(0.12)	0.11	(0.15)	0.42	1.18
	(b) Diluted (In INR)	(0.07)	(0.12)	0.11	(0.15)	0.42	1.18

BSR & Co. LLP
4th Floor, Central B Wing and North C Wing, Nesco IT Park-4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

WELSPUN SPECIALTY SOLUTIONS LIMITED

Notes :

1 The aforesaid financial results of Welspun Specialty Solutions Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on January 27, 2025. The Statutory Auditors have carried out a Limited review and expressed an unmodified Conclusion on the aforesaid results.

2 The aforesaid financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3 The Company is engaged in the business of manufacturing of steel and steel products which in the opinion of the management is a single business segment in the context of Ind AS 108 on "Operating Segment".

4 The Company has unabsorbed tax losses and depreciation that are available for offsetting against future taxable profits of the Company. In view of the profit made during the financial year 2023-24 and expected continued profitability in future, during the year ended March 31, 2024, the Company has recognised deferred tax asset of Rs 3,387 lakhs based on the projection of taxable profit for the next 4 years on prudent basis. During the Quarter ended December 31, 2024 an amount of Rs. NIL lakhs in profit and loss account and Rs. NIL lakhs in other comprehensive income (Rs.NIL lakhs and Rs.NIL lakhs respectively in quarter ended Sep-24) of deferred tax has been charged.

5 The Board of Directors of the Company at its meeting held today i.e. January 27, 2025, approved raising of funds by way of issuance of equity shares of face value of Rs.6/- each (at such premium to be decided by the Board/Rights Issue Committee) through Rights issue, for an aggregate amount not exceeding ₹ 350 crores (Rupees three hundred and fifty crores only) to the eligible equity shareholders of the Company as on record date (to be determined in due course), pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable laws and subject to such regulatory/statutory approvals as may be required.

For and on behalf of Board

WELSPUN SPECIALTY SOLUTIONS LIMITED

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Date: January 27, 2025
Place: Mumbai

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report
To the Members of Welspun Specialty Solutions Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Welspun Specialty Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Mumbai

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 7th & 8th Floor, Nesco IT Park, Nesco Complex
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T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	**How our audit addressed the Key audit matter**
Assessment of recoverability of deferred tax asset recognised (Refer Note 40 to the financial statements) The Company has significant accumulated tax losses and unabsorbed depreciation on account of past losses against which deferred tax asset was recognised only to the extent of deferred tax liability until the prior year end due to continued losses and lack of convincing evidence. During the year, the Company has earned profits consistently over the quarters and expects to continue to make profits. Therefore, the Company has recognised additional deferred tax assets during the year based on future business plans adjusted for possible uncertainties and have calculated the amount of deferred tax assets to the extent of probable taxable profits over the next four years. The ultimate recoverability of the deferred tax asset will depend upon continued improvement in the profitability of the Company. The assessment of recoverability of deferred tax assets is considered to be a key audit matter as it involves significant judgement.	Our audit procedures included the following: - Understanding, evaluating and testing the design and operating effectiveness of controls over recoverability of deferred tax assets including business plans used in such assessment. - Comparing the actual performance for the year ended March 31, 2024 against the budget for the year. - Evaluating reasonableness of key assumptions like revenue growth and gross margins used in the future projections of profits - Testing the accuracy and appropriateness of the input data - Performing sensitivity analysis over key assumptions to corroborate that recognised amount of deferred tax assets is within a reasonable range - Testing related presentation and disclosure in the financial statements. Based on the above procedures performed, we noted that the management's assessment of amount of recognition of deferred tax assets is reasonable.

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Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Business Responsibility and Sustainability Report but does not include the financial statements and our auditors' report thereon.

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

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

   We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the financial statements

8. 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.

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9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material suncertainty 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.

10. 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.

11. 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.

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

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Report on other legal and regulatory requirements

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

14. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

   (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 A".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;

      ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2024.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

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iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 50(vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 50(vii) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for changes made through specific access and for direct database changes. Further, during the course of performing our procedures, except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with.

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

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

Neeraj Sharma
Partner
Membership Number 108391

UDIN: 24108391BKCZBC1603
Place : Mumbai
Date: April 26, 2024

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Welspun Specialty Solutions Limited on the financial statements for the year ended March 31, 2024

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

1. We have audited the internal financial controls with reference to financial statements of Welspun Specialty Solutions Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Annexure A to Independent Auditors' Report

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 24108391BKCZBC1603

Place: Mumbai
Date: April 26, 2024

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

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

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) and Note 3(b) to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	14	RMG Alloy Steel Limited	No	29 Years	Title deeds are held in the former name of the Company
Right of use assets	351	RMG Alloy Steel Limited	No	29 Years	Title deeds are held in the former name of the Company

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

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(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also, refer Note 50(ii) to the financial statements)

iii. The Company has not made any investments, granted secured/ unsecured loans/ advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 50(xii) to the financial statements)

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

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

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

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

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

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xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has three CICs as part of the Group as detailed in note 51 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 24108391BKCZBC1603

Place: Mumbai
Date : April 26, 2024

Welspun Specialty Solutions Limited
Balance Sheet as at March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	19,453	20,314
Right-of-use assets	3(b)	249	252
Capital work-in-progress	3(c)	523	117
Intangible assets	4	104	165
Income tax assets (net)	5	44	30
Financial assets			
Other financial assets	6	109	72
Other non-current assets	7	169	66
Deferred Tax Asset (net)	40	3,387	-
Total non-current assets		**24,038**	**21,016**
Current assets			
Inventories	8	26,856	19,837
Financial assets			
Trade receivables	9	4,853	4,132
Cash and cash equivalents	10	1	29
Bank balances other than cash and cash equivalents	11	55	51
Other financial assets	12	67	9
Other current assets	13	2,848	2,602
Total current assets		**34,680**	**26,660**
Total assets		**58,718**	**47,676**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	31,805	31,805
Other equity			
Equity component of compound financial instruments	16(a)	3,775	3,775
Reserves and surplus	15(a)	(26,316)	(32,550)
Other reserves	15(b)	44	(93)
Total equity		**9,308**	**2,937**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	12,232	21,859
Other financial liabilities	17	615	-
Provisions	18	195	143
Total non-current liabilities		**13,042**	**22,002**
Current liabilities			
Financial liabilities			
Borrowings	19	13,719	1,469
Trade payables	20		
- total outstanding dues of micro and small enterprises		511	176
- total outstanding dues other than above		20,317	19,822
Other financial liabilities	21	620	418
Provisions	22	157	156
Other current liabilities	23	1,044	696
Total current liabilities		**36,368**	**22,737**
Total liabilities		**49,410**	**44,739**
Total equity and liabilities		**58,718**	**47,676**

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Neeraj Sharma
Partner
Membership No.108391

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Brijveer Singh
Chief Financial Officer

Suhas Pawar
Company Secretary
ACS: 36560

Place: Mumbai
Date: April 26, 2024

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	24	69,667	41,783
Other income	25	2,150	1,476
Total income		**71,817**	**43,259**
Expenses			
Cost of materials consumed	26	48,427	33,467
Changes in inventories of work-in-progress and finished goods	27	(4,546)	(8,409)
Employee benefits expense	28	4,165	3,327
Depreciation and amortisation expense	29	1,548	1,491
Power and Fuel Expense		6,196	4,591
Consumption of Stores and Spares		4,750	3,431
Other expenses	30	5,092	3,704
Finance costs	31	3,325	3,031
Total expenses		**68,957**	**44,633**
Profit / (Loss) before tax		**2,860**	**(1,374)**
Income tax expense / (credit)			
Current tax	41	-	-
Deferred tax	41	(3,387)	-
Total income tax expense/ (credit)		**(3,387)**	**-**
Profit / (Loss) for the year (A)		**6,247**	**(1,374)**
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Fair value change gain/ (loss) on derivatives designated as cash flow hedge (net)		137	(33)
Items that will not be reclassified to profit or loss			
Remeasurements gain/ (loss) on defined benefit obligations		(13)	(17)
Other comprehensive income for the year, net of tax (B)		**124**	**(50)**
Total comprehensive income for the year (A+B)		**6,371**	**(1,424)**
Earnings per equity share			
Basic earnings per share of face value of Rs. 6 each (in Rupees)	35	1.18	(0.26)
Diluted earnings per share of face value of Rs. 6 each (in Rupees)	35	1.18	(0.26)

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Neeraj Sharma
Partner
Membership No.108391

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Brijveer Singh
Chief Financial Officer

Suhas Pawar
Company Secretary
ACS: 36560

Place: Mumbai
Date: April 26, 2024

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of cash flows for the year ended March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
A) Cash flow from operating activities		
Profit / (loss) before tax	2,860	(1,374)
Adjustments for:		
Depreciation and amortisation expense	1,548	1,491
(Gain)/loss on sale/discarding of property, plant and equipment (net)	(20)	1
Finance costs	3,325	3,031
Gain on sales of investments	(4)	(5)
Loss allowance on trade receivables	-	18
Interest income on bank deposits	(6)	(4)
Interest on income tax refund	(2)	(10)
Unrealised loss / (gain) on foreign currency transactions and translations	106	(28)
Liabilities/ provisions no longer required written back	(118)	(15)
	4,829	4,479
Operating profit before changes in working capital	**7,689**	**3,105**
Movement in working capital		
Movement in other non-current financial assets	(37)	(72)
Movement in inventories	(7,019)	(8,392)
Movement in trade receivables	(690)	(2,637)
Movement in other current financial assets	(58)	59
Movement in other current assets	(246)	(1,016)
Movement in non current provisions	39	(5)
Movement in trade payables	946	13,259
Movement in other current financial liabilities	(214)	144
Movement in other current liabilities	348	347
Movement in current provisions	1	74
	(6,930)	**1,761**
Cash flow from operations	759	4,866
Income taxes paid (net of refund received)	(12)	145
Net cash generated from operating activities (A)	747	5,011
B) Cash flow from investing activities		
Payments for property, plant and equipment (including Capital work-in-progress, capital advance and capital creditors)	(1,266)	(508)
Proceeds from disposal of property, plant and equipments	20	1
Proceeds from redemption of investments	3,489	2,015
Purchase of investments	(3,485)	(2,010)
Purchase of intangible assets	(4)	(46)
(Investments in)/ Proceeds from maturity of fixed deposit (net)	(4)	40
Interest income on fixed deposits	6	4
Net cash used in investing activities (B)	(1,244)	(504)
C) Cash flow from financing activities		
Proceeds from non current borrowings	-	9,400
Repayment of non current borrowings	(965)	(10,885)
Proceeds from current borrowings	3,387	548
Interest paid	(1,953)	(4,042)
Net cash generated from / (used in) financing activities (C)	469	(4,979)
Net decrease in cash and cash equivalents (A+B+C)	(28)	(472)
Cash and cash equivalents at the beginning of the year	29	501
Cash and cash equivalents at the end of the year	1	29
Net decrease in cash and cash equivalents	(28)	(472)
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	1	*
Balances with banks		
- In current accounts	-	29
Balance per statement of cash flows	1	29

* Amount is below the rounding off norm adopted by the Company.
The above statement of cash flows should be read in conjunction with the accompanying notes.
This is the statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Neeraj Sharma
Partner
Membership No.108391

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Brijveer Singh
Chief Financial Officer

Suhas Pawar
Company Secretary
ACS: 36560

Place: Mumbai
Date: April 26, 2024

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited
Statement of changes in equity
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 01, 2022	**31,805**
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**31,805**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**31,805**

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

	Reserves and surplus				Other reserves	Equity Component of compound financial instruments	
	Retained earnings	Securities premium	General reserve	Total reserve and surplus	Cash flow hedging reserve	Equity Component of 12% Non-cumulative redeemable preference shares (Refer note 16(a))	Total other equity
Balance as at April 01, 2022	(60,561)	28,849	553	(31,159)	(60)	3,775	(27,444)
Loss for the year	(1,374)	-	-	(1,374)	-	-	(1,374)
Other comprehensive income for the year	(17)	-	-	(17)	(33)	-	(50)
Total comprehensive income for the year	**(1,391)**	-	-	**(1,391)**	**(33)**	-	**(1,424)**
Balance as at March 31, 2023	**(61,952)**	**28,849**	**553**	**(32,550)**	**(93)**	**3,775**	**(28,868)**
Profit for the year	6,247	-	-	6,247	-	-	6,247
Other comprehensive income for the year	(13)	-	-	(13)	137	-	124
Total comprehensive income for the year	**6,234**	-	-	**6,234**	**137**	-	**6,371**
Balance as at March 31, 2024	**(55,718)**	**28,849**	**553**	**(26,316)**	**44**	**3,775**	**(22,497)**

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

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

Neeraj Sharma
Partner
Membership No: 108391

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

B.K. Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Brijveer Singh
Chief Financial Officer

Suhas Pawar
Company Secretary
ACS: 36560

Place: Mumbai
Date: April 26, 2024

WELSPUN SPECIALTY SOLUTIONS LIMITED

Welspun Specialty Solutions Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

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

General Information

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

The financial statements as at March 31, 2024 were approved for issue by the Board of Directors on April 26, 2024.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs unless otherwise stated.

1. Material Accounting Policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis.

The financial statements have been prepared on a historical cost basis, except for the following items:

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

(iii) Current and non-current classification

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

(iv) New and amended standards adopted by the company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

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Welspun Specialty Solutions Limited

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

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(b) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for it intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

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

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

These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery wherein the estimated useful lives as per schedule II is 5 to 25 years and lives considered is 5 to 30 years based on a technical evaluation done by the Management.

Plant and machinery is depreciated on straight line method over the useful life ranging between 5 years to 30 years in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

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

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

(c) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Financial Instruments

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

a) Financial assets

(I) Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

(II) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(III) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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(IV) Derecognition of financial assets
A financial asset is derecognised only when
- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(V) Income recognition
Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
Interest on income tax and indirect tax are recognised in the year in which it is received.

(VI) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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

b) Financial liabilities

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

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(II) Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(III) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.
Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.
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.

(IV) Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.
Trade payables includes acceptances arrangements where operational suppliers of goods are paid by banks while Company continues to recognise the liability till settlement with the banks.

c) Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, the Company enters into forward derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market to their fair value at the end of each reporting period.
The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.
The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges).

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The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.
The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(I) Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).
When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.
Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.
Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the deferred forward contracts, if any are included within the initial cost of the asset.
When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss within other income or other expense (as applicable). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in statement of profit or loss at the time of the hedge relationship rebalancing.

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

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

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(e) Inventories

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

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

(f) Income tax and deferred tax

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

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

(i) Current tax

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

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

(ii) Deferred tax

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

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

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

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

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

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

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(g) Revenue Recognition
Sale of goods

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

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

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

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer.

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

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

(h) Foreign Currency Transaction
Transactions and Balances

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

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

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

(i) Government grants

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

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

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2. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(i) Estimation of provision for Impairment

The Company has made losses in the past and has accumulated losses, however the Company has made profit during the current year. The Company has performed impairment assessment. In preforming the impairment assessment, the Company has calculated value in use of assets. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long-term growth rates; and the selection of discount rates to reflect the risks involved. Based on the assessment, no impairment is required.

(ii) Estimation of Defined Benefit Obligations

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

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

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

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

(iv) Estimated fair value of Financial Instruments

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

(v) Estimation of Provision for Inventory

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

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(vi) Estimation of Deferred tax recoverable

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward losses and accumulated depreciation. The Company has made losses in the past. In the current year, the Company has made taxable profit and is expected to continue to make profit in the future. Hence the Company has recognised deferred tax assets based on projected profit in the next four years. The Company will continue to evaluate the expected recovery and recognise additional deferred tax assets in the future as considered appropriate.

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3(a). Property, plant and equipment

Carrying amounts	Freehold land	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2023								
Gross carrying amount								
Balance as at April 01, 2022	**14**	**11,641**	**38,988**	**2,682**	**136**	**38**	**384**	**53,883**
Additions	-	42	873	-	1	-	27	943
Disposals	-	-	325	-	67	9	194	595
Gross carrying amount as at March 31, 2023	**14**	**11,683**	**39,536**	**2,682**	**70**	**29**	**217**	**54,231**
Year ended March 31, 2024								
Gross carrying amount								
Additions	-	18	556	-	6	*	39	619
Disposals	-	-	4	97	-	-	-	101
Gross carrying amount as at March 31, 2024	**14**	**11,701**	**40,088**	**2,585**	**76**	**29**	**256**	**54,749**

Accumulated depreciation	Freehold land	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2023								
Balance as at April 01, 2022	-	**5,860**	**24,639**	**2,151**	**115**	**19**	**302**	**33,086**
Additions	-	313	1,011	60	3	4	33	1,424
Disposals	-	-	325	-	67	9	192	593
Accumulated depreciation as at March 31, 2023	-	**6,173**	**25,325**	**2,211**	**51**	**14**	**143**	**33,917**
Year ended March 31, 2024								
Additions	-	319	1,056	61	3	4	37	1,480
Disposals	-	-	4	97	-	-	-	101
Accumulated depreciation as at March 31, 2024	-	**6,492**	**26,377**	**2,175**	**54**	**18**	**180**	**35,296**

Net carrying amount of property, plant and equipment

Balance as at March 31, 2023	14	5,510	14,211	471	19	15	74	**20,314**
Balance as at March 31, 2024	14	5,209	13,711	410	22	11	76	**19,453**

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

Note:

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

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Notes forming part of the financial statements as at and for the year ended March 31, 2024
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3(b). Right-of-use assets

	As at March 31, 2024	As at March 31, 2023
Right-of-use assets		
Leasehold land	351	351
Accumulated Depreciation		
Opening balance	99	95
Amortisation accounted in statement of Profit and Loss	3	4
Closing balance	102	99
Net carrying amount	**249**	**252**

(i) Amount recognised in balance sheet
The Balance sheet shows the following amounts relating to leases:

Right-of-use asset		
Leasehold land	249	252
	249	252

(ii) Amount recognised in the statement of profit and loss
The statement of profit or loss shows the following amounts relating to leases:

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation charge of Right-of-use assets	3	4
Expense relating to low value leases (included in other expenses)	14	13
Total	17	17

Note:

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

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

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

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3(c). Capital work-in-progress

Opening balance as at April 01, 2022	**619**
Additions	461
Capitalisation	963
Closing balance as at March 31, 2023	**117**

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

Capital work-in-progress aging :

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

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	431	92	-	-	523
Total	431	92	-	-	523

Capital work-in-progress aging :
Aging for capital work-in-progress (CWIP) as at March 31, 2023 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	117	-	-	-	117
Total	117	-	-	-	117

Notes:
1. For Capital work-in-progress pledged as security, refer note 16 and note 19.
2. There are no projects temporarily suspended as at March 31, 2024 and March 31, 2023.
3. The completion schedule for the above capital work-in-progress is not overdue nor has exceeded its cost compared to its original plan.
4. Capital work-in-progress majorly comprises of plant and machinery and buildings.

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4 Intangible assets

Carrying amounts	**Computer Software**
Year ended March 31, 2023	
Gross carrying amount	
Balance as at April 01, 2022	333
Additions	46
Disposals	-
Gross carrying amount as at March 31, 2023	**379**
Year ended March 31, 2024	
Gross carrying amount	
Additions	4
Disposals	-
Gross carrying amount as at March 31, 2024	**383**

Accumulated amortisation	**Computer Software**
Year ended March 31, 2023	
Balance as at April 01, 2022	151
Additions	63
Disposals	-
Accumulated amortisation as at March 31, 2023	**214**
Year ended March 31, 2024	
Additions	65
Disposals	-
Accumulated amortisation as at March 31, 2024	**279**

Net carrying amount of Intangible assets

As at March 31, 2023	165
As at March 31, 2024	104

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

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Notes forming part of the financial statements as at and for the year ended March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
5	**Income tax assets (net)**		
	Advance taxes paid including tax deducted at source (net of provision for tax March 31, 2024: Nil (March 31, 2023: Nil))	44	30
	Total Income tax assets	**44**	**30**
	Refer Note 41		

		As at March 31, 2024	As at March 31, 2023
6	**Other non current financial assets**		
	Unsecured, considered good		
	Security deposits	109	72
	Total other non-current financial assets	**109**	**72**

		As at March 31, 2024	As at March 31, 2023
7	**Other non current assets**		
	Unsecured, considered good		
	Capital advances	169	66
	Total other non-current assets	**169**	**66**

		As at March 31, 2024	As at March 31, 2023
8	**Inventories**		
	Raw materials	4,469	2,708
	Work-in-progress	9,860	8,681
	Finished goods	8,978	5,611
	Stores and spares	3,549	2,837
	Total inventories	**26,856**	**19,837**

Note:
Write-downs of inventories to net realisable value amounted to Rs. 80 lakhs (Rs. 75 lakhs as on March 31, 2023). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress and finished goods in statement of profit and loss.
For inventories pledged as security, refer note 16 and note 19.

		As at March 31, 2024	As at March 31, 2023
9	**Trade receivables**		
	Trade receivables from related parties (refer note 39)	-	174
	Trade receivables from others	5,462	4,567
	Less: Loss allowance	(609)	(609)
	Total trade receivables	**4,853**	**4,132**
	Current portion	4,853	4,132
	Break up of security details		
	Unsecured, considered good	4,853	4,132
	Unsecured, considered doubtful	609	609
	Total	**5,462**	**4,741**
	Loss allowance	(609)	(609)
	Total trade receivables	**4,853**	**4,132**

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

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		As at March 31, 2024	As at March 31, 2023
10	**Cash and cash equivalents**		
	Cash on hand	1	*
	Balances with banks		
	- in current accounts	-	29
	Total cash and cash equivalents	1	29

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

		As at March 31, 2024	As at March 31, 2023
11	**Bank balances other than cash and cash equivalents**		
	Other bank balances:		
	Deposits with original maturity of more than three months but less than twelve months#	53	49
	Margin money deposits	2	2
	Interest accrued on deposits	*	*
	Total bank balances other than cash and cash equivalents	55	51

\# includes Rs. 53 Lakhs (March 31, 2023: 49 Lakhs) on which a lien has been created.
* Amount is below the rounding off norm adopted by the Company.

		As at March 31, 2024	As at March 31, 2023
12	**Other current financial assets**		
	Unsecured, considered good		
	Foreign-exchange Forward contracts	67	9
	Total other current financial assets	67	9

		As at March 31, 2024	As at March 31, 2023
13	**Other current assets**		
	Unsecured, considered good		
	Balance with statutory authorities	1,906	1,695
	Advance to suppliers	339	117
	Prepaid expenses	307	51
	Advance to employees	2	1
	Export benefit receivable	51	43
	Electricity duty refund receivable	-	92
	Incentive receivable (refer note 34)	243	601
	Other receivables	*	2
	Total other current assets	2,848	2,602

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

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14 Equity share capital

	Equity shares		
	Number of Shares	Par value	Amount
Authorised share capital			
As at April 01, 2022	55,00,00,000	6	33,000
Increase/ (decrease) during the year	-	-	-
As at March 31, 2023	55,00,00,000	6	33,000
Increase/ (decrease) during the year	-	-	-
As at March 31, 2024	55,00,00,000	6	33,000
Issued, subscribed and paid up capital	53,00,89,156	6	31,805
Equity shares of Rs.6 each	-	-	-
Total equity share capital	53,00,89,156	6	31,805

a) Movement in equity shares capital

	Number of Shares	Amount
Issued, subscribed and paid up capital		
As at April 01, 2022	53,00,89,156	31,805
Increase/ (decrease) during the year	-	-
As at March 31, 2023	53,00,89,156	31,805
Increase/ (decrease) during the year	-	-
As at March 31, 2024	53,00,89,156	31,805

b) Terms and rights attached to equity shares

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

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

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

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of total number of shares	No. of shares	% of total number of shares
Welspun Corp Limited (Holding company)	26,51,90,034	50.03%	26,51,90,034	50.03%
Dilipkumar Lakhi	12,21,32,717	23.04%	12,21,32,717	23.04%

d) Details of shareholding of promoters

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

Name of the Shareholders	As at March 31, 2023		
Equity Shares	No. of shares	% of total number of shares	Percentage of change during the year
Welspun Corp Limited	26,51,90,034	50.03%	0.00%
MGN Agro Properties Private Limited	1,86,66,666	3.52%	0.00%
Welspun Group Master Trust	85,73,078	1.62%	100.00%

e) Share Pledge details

No shares are pledged by the promoter and promoter group companies as on March 31, 2024 (March 31, 2023: Nil).

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		As at March 31, 2024	As at March 31, 2023
15	**(a) Reserves & Surplus**		
	(i) Securities premium		
	Opening balance	28,849	28,849
	Movement during the year	-	-
	Closing balance	**28,849**	**28,849**
	(ii) General reserve		
	Opening balance	553	553
	Movement during the year	-	-
	Closing balance	**553**	**553**
	(iii) Retained earnings		
	Opening balance	(61,952)	(60,561)
	Net profit / (loss) for the year	6,247	(1,374)
	Item of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post employment benefit obligations, net of tax	(13)	(17)
	Closing balance	**(55,718)**	**(61,952)**
	Total Reserves & Surplus	**(26,316)**	**(32,550)**

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium on issue of shares.

(ii) General reserve

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

(iii) Retained Earnings

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

		As at March 31, 2024	As at March 31, 2023
15	**(b) Other reserves**		
	Cash flow hedging reserve		
	Opening balance	(93)	(60)
	Amount recognised in cash flow hedging reserve during the year (net)	243	(16)
	Gain transferred to statement of profit and loss	(106)	(17)
	Closing balance	44	(93)

Nature and purpose of other reserve

Cash flow hedging reserve

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

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	As at March 31, 2024	As at March 31, 2023
16 Non- current Borrowings		
Secured		
- Rupee Term Loan from bank (refer note (i) below)	965	1,930
Unsecured		
Loan from related party (Refer note (ii) below and note 39)	9,400	18,263
Liability component of compound financial instruments		
12% Non-cumulative redeemable preference shares of Rs.10/- each fully paid up (Refer note 16(a)(iv))	1,867	1,666
Total borrowings	**12,232**	**21,859**

(i) Term loan

Rupee term loan of Rs. 1,930 Lakhs (including current maturities of Rs. 965 Lakhs) (Previous year Rs. 2,895 Lakhs, including current maturities of Rs. 965 Lakhs) is secured by way of:

1. First Pari Passu charge on Property, plant and equipment and Right-of-use assets of the Company both present and future.
2. Second Pari Passu charge on all current assets of the Company both present and future.
3. Corporate Guarantee by Welspun Corp Limited.

The Rupee term Loan carries interest rate of 8.26%-8.85% p.a. (March 31, 2023: 6.55%-8.95% p.a.). Interest rate is derived from MCLR plus margin. Loan is repayable in 6 remaining quarterly instalments till September 30, 2025.

(ii) Loan from related party

1. Loan from related party is repayable as below
   - Rs. 5,900 Lakhs repayable on April 2025
   - Rs. 3,500 Lakhs is repayable on June 2025

   Disclosed under current borrowings (refer note 19):
   - Rs. 2,363 Lakhs is repayable on September 2024
   - Rs. 500 Lakhs is repayable on November 2024
   - Rs. 6,000 Lakhs repayable on March 2025
2. The loan from related party carries interest rate of 7.25% p.a. (March 31, 2023: 7.25% p.a.).

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16(a) Details of preference shareholders

i Preference share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Preference Shares of Rs. 10/- each	23,50,00,000	23,500	23,50,00,000	23,500
Issued, Subscribed and Paid up:				
12% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	5,09,04,271	5,090	5,09,04,271	5,090

ii Reconciliation of the number of shares

Particulars	As at March 31, 2024		As at March 31, 2023	
Preference shares : face value of Rs. 10 each	No. of shares	Amount	No. of shares	Amount
As at beginning of the year	5,09,04,271	5,090	5,09,04,271	5,090
Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	**5,09,04,271**	**5,090**	**5,09,04,271**	**5,090**

iii Details of preference shareholders holding more than 5% shares

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Right Growth Trading Private Limited	5,09,04,271	100%	5,09,04,271	100%

iv Rights, preference and restrictions attached to preference shares

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

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

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

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

	As at March 31, 2024	As at March 31, 2023
12% Non-cumulative redeemable preference shares		
Face value	5,090	5,090
Equity component	3,775	3,775
Accumulated Interest expense	552	351
Interest paid	-	-
Non-current borrowings portion	**1,867**	**1,666**

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	As at March 31, 2024	As at March 31, 2023
17 Other non-current financial liabilities		
Interest accrued on borrowings	615	-
Total other non-current financial liabilities	**615**	**-**

	As at March 31, 2024	As at March 31, 2023
18 Non Current Provisions		
Employee benefit obligations		
Gratuity (refer note 36)	195	143
Total non-current provisions	**195**	**143**

	As at March 31, 2024	As at March 31, 2023
19 Current borrowings		
Secured		
Cash credit from banks (Refer note below)	3,891	504
Current maturities of long-term borrowings (Refer note 16(i))	965	965
Unsecured		
Loan from related party (Refer note 16(ii) and note 39)	8,863	-
Total current borrowings	**13,719**	**1,469**

Note:

Cash credit from banks is secured by way of:

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

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

iii. Corporate Guarantee by Welspun Corp Limited.

Interest on cash credit ranges from 8.50% to 9.65% (March 31, 2023: 7.10% to 8.90%) varies from bank to bank. It is reset after every 3 months based on the RBI interest rate. Interest are charged either on T-Bill plus margin or MCLR plus margin.

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		As at March 31, 2024	As at March 31, 2023
20	**Trade payables**		
	Trade payables: dues of micro and small enterprises (refer note 20(a))	511	176
	Trade payables other than above:		
	Trade payables for acceptances (refer note 20(b))	15,045	17,624
	Trade payable to related parties (refer note 39)	724	71
	Trade payables others	4,548	2,127
	Total trade payables	**20,828**	**19,998**

Refer note 47 for ageing schedule of trade payable.

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

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	511	176
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	*	*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	668	253
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	9	4
Interest accrued and remaining unpaid at the end of the accounting year	9	4
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	13	4

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

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

		As at March 31, 2024	As at March 31, 2023
21	**Other current financial liabilities**		
	Interest accrued on borrowings	580	23
	Security deposits	*	1
	Corporate guarantee charges payable (Refer note 39)	-	89
	Capital creditors	38	178
	Foreign exchange forward contracts	2	127
	Total other current financial liabilities	**620**	**418**

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

		As at March 31, 2024	As at March 31, 2023
22	**Current Provisions**		
	Employee benefit obligations		
	Gratuity (refer note 36)	56	64
	Leave obligations (refer note 36)	101	92
	Total current provisions	**157**	**156**

		As at March 31, 2024	As at March 31, 2023
23	**Other current liabilities**		
	Advance received from customers	582	498
	Statutory dues payable	297	146
	Employee dues payable	165	52
	Total other current liabilities	**1,044**	**696**

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

	Year ended March 31, 2024	Year ended March 31, 2023
24 Revenue from operations		
Revenue from contracts with customers		
Sale of products	68,135	41,178
	68,135	41,178
Other operating revenue		
Export incentives	478	261
Scrap sales	133	38
Job-work sales	921	306
	1,532	605
Total revenue from operations	69,667	41,783

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
25 Other income		
Interest income		
Fixed deposits	6	4
Income tax refund	2	10
Interest from Customers	83	68
Incentive income (Refer note 34)	1,181	906
Other non operating income		
Insurance claims received (Refer note 49)	-	58
Net foreign exchange differences	736	410
Gain on sale of property plant and equipments (Net)	20	-
Gain on sale of investments	4	5
Liabilities/ Provision no longer required written back	118	15
Total other income	2,150	1,476

	Year ended March 31, 2024	Year ended March 31, 2023
26 Cost of materials consumed		
Raw materials at the beginning of the year	2,708	2,888
Add: Purchases	50,188	33,287
Less : Raw materials at the end of the year	4,469	2,708
Total cost of materials consumed	48,427	33,467

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	Year ended March 31, 2024	Year ended March 31, 2023
27 Changes in inventories of work-in-progress and finished goods		
Opening balance		
Work-in-progress	8,681	4,155
Finished goods	5,611	1,728
Total opening balance	**14,292**	**5,883**
Closing balance		
Work-in-progress	9,860	8,681
Finished goods	8,978	5,611
Total closing balance	**18,838**	**14,292**
Total changes in inventories of work-in-progress and finished goods	**(4,546)**	**(8,409)**

	Year ended March 31, 2024	Year ended March 31, 2023
28 Employee benefits expense		
Salaries, wages and bonus	3,797	3,034
Contribution to provident and other funds (refer note 36)	176	144
Gratuity expense (refer note 36)	63	48
Staff welfare expenses	129	101
Total employee benefits expense	**4,165**	**3,327**

	Year ended March 31, 2024	Year ended March 31, 2023
29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,480	1,424
Depreciation of right-of-use assets	3	4
Amortisation of intangible assets	65	63
Total depreciation and amortisation expense	**1,548**	**1,491**

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Welspun Specialty Solutions Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

		Year ended March 31, 2024	Year ended March 31, 2023
30	**Other expenses**		
	Labour charges	966	732
	Job work charges	753	250
	Freight, material handling and transportation	988	1,173
	Hire charges-Equipments	91	61
	Hire charges-Vehicle	116	90
	Rental charges (refer note 3(b))	14	13
	Rates and taxes	129	36
	Repairs and maintenance		
	Plant and machinery	186	76
	Buildings	32	11
	Others	170	73
	Travel and conveyance expenses	195	80
	Loss allowance on trade receivables	-	18
	Communication expenses	12	7
	Legal and professional fees	482	298
	Insurance	163	121
	Directors' sitting fees (refer note 39)	9	8
	Printing and stationery	24	9
	Security charges	103	99
	Membership and fees	19	-
	Payment to auditors (refer note 30(a) below)	26	26
	Sales promotion expenses	124	68
	Commission on sales to agents	324	269
	Loss on disposal of property, plant and equipment (net)	-	1
	Miscellaneous expenses	166	185
	Total other expenses	**5,092**	**3,704**

		Year ended March 31, 2024	Year ended March 31, 2023
30(a)	**Payment to auditors**		
	As auditor:		
	Audit fee	18	18
	Tax audit fee	2	2
	In other capacities		
	Certification fees	4	6
	Reimbursement of expenses	2	-
	Total payment to auditors	**26**	**26**

		Year ended March 31, 2024	Year ended March 31, 2023
31	**Finance costs**		
	Interest on financial liabilities not at fair value through profit and loss		
	Interest on Term Loan	225	277
	Interest on working capital loan	2,348	2,264
	Interest on 12% Non-cumulative redeemable preference shares (Refer note 16(a))	201	185
	Other finance cost (including corporate guarantee charges)	551	305
	Total finance cost	**3,325**	**3,031**

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32 Going Concern

The Company has earned profit in the current financial year, however the Company has accumulated losses as on March 31, 2024. The net worth of the Company is positive. The Company has obtained a support letter from its holding company indicating that it will take necessary actions to organise for any shortfall in liquidity during the period of 12 months from the date of approval of the financial statements.

Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

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

34 The Company is eligible for refund of State Goods and Service Tax paid through cash ledger under the "Scheme for Relief and Concessions to the viable sick industrial enterprises" issued by the Government of Gujarat Industries & Mines Department. The scheme was launched by the Government of Gujarat for the rehabilitation of sick enterprises registered with the Board for Industrial and Financial Reconstruction/ Gujrat Board for Industrial and Financial Reconstruction. During the year, the Company has recognised an income of Rs 1,181 Lakhs (Previous year - 906 Lakhs) on account of such refund and the same has been recognised under the head 'Other Income'.

35 Earnings / (loss) per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (loss) attributable to the equity holders of the Company used in calculating basic / diluted earnings / (loss) per share	6,247	(1,374)
Weighted Average Number of equity shares outstanding		
-Basic	53,00,89,156	53,00,89,156
-Diluted	53,00,89,156	53,00,89,156
Face value per share in Rs.	6	6
Basic earnings/ (loss) per share in Rs.	1.18	(0.26)
Diluted earnings/ (loss) per share in Rs.	1.18	(0.26)

36 Employee benefit obligations

A. Defined contribution plans

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

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Employer's Contribution to Provident Fund	173	141
Employer's Contribution to Employees' State Insurance Corporation	-	*
Employer's Contribution to Superannuation fund	3	3
Total expense recognised in the statement of Profit and loss	**176**	**144**

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

B. Defined Benefit Obligations

(i) Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is unfunded and the Company does not make any contributions to funds.

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
i) Amount recognised in the balance sheet		
Present value of obligations	251	207
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**251**	**207**
ii) Statement of profit and loss		
Current service cost	48	36
Interest cost	15	12
Total amount recognised in profit or loss	**63**	**48**
Remeasurements		
(Gain) from change in demographic assumptions	(1)	(1)
(Gain) from change in financial assumptions	(29)	(1)
Loss from change in experience adjustment	43	19
Total loss amount recognised in other comprehensive income	13	17
iii) Reconciliation of defined benefit obligation		
Opening defined benefit obligation	207	159
Adjustment due to transfer in	-	42
Current Service cost	48	36
Interest cost	15	12
Actuarial loss on obligation	13	17
Benefits paid	(32)	(59)
Closing defined benefit obligation	**251**	**207**
iv) Bifurcation of liability as per schedule III		
Current	56	64
Non-Current	195	143
Net Liability	**251**	**207**
v) Significant actuarial assumptions	%	%
Discount Rate	7.22%	7.50%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 35 Years	30%	30%
From 36 to 45 Years	28%	29%
Above 46 Years	21%	22%
vi) Sensitivity to key assumptions		
Impact on defined benefit obligation:		
Due to the change in discount rate		
increased by 0.5%	(4.10)	(2.95)
decreases by 0.5%	4.24	3.04
Due to the change in salary increase		
increased by 0.5%	4.35	3.14
decreases by 0.5%	(4.25)	(3.07)

vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plans for next year ended March 31, 2025 is Rs. 78 Lakhs (March 31, 2024: Rs. 59 Lakhs).

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36 Employee benefit obligations (contd.)

viii) Maturity Profile of Defined Benefit Obligation

The expected maturity analysis of undiscounted gratuity benefits is as follows:

Year	As at March 31, 2024	As at March 31, 2023
Upto 1 years	72	91
Between 1 to 2 years	17	23
2 years to 5 years	192	46
Over 5 years	-	71
Total	**281**	**231**

C. Other employee benefits

Provision for leave obligation as at March 31, 2024 is Rs. 101 Lakhs (March 31, 2023 is Rs. 92 Lakhs) recognised under:

Particulars	As at March 31, 2024	As at March 31, 2023
Current	101	92
Non-Current	-	-
Net Liability	**101**	**92**

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

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37 Contingent liabilities and capital commitments

a) Contingent liabilities

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

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts	328	571
Disputed indirect taxes:		
Sales tax/ Value Added Tax	20	20

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

The Company does not expect any re-imbursements in respect of the above contingent liabilities.

b) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances):	21	153

38 Segment information

a) Description of segments and principle activities

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

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

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

For the year ended	Number of Customers	Amount	% to revenue from operations
March 31, 2024	2	17,816	26%
March 31, 2023	3	16,898	40%

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

Revenue From Operation	Year ended March 31, 2024	Year ended March 31, 2023
Outside India	25,724	15,266
Within India	43,943	26,517
Total	**69,667**	**41,783**

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

Segment assets	As at March 31, 2024	As at March 31, 2023
Outside India	-	-
Within India	20,607	20,986
Total non - current assets	**20,607**	**20,986**

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39 Related party transactions

a) List of related parties
Parties where control exists

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2024	As at March 31, 2023
Welspun Corp Limited	Holding company	50.03%	50.03%

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

Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka*	Non-Executive Chairman
Mr. Vipul Mathur*	Non-Executive Director
Mr. Anuj Burakia	CEO and Whole Time Director
Mr. Atul Desai	Independent Director
Mr. K.H. Vishwanathan	Independent Director
Ms. Amita Misra	Independent Director
Mr. Myneni Narayana Rao	Independent Director
Mr. Prakash Tatia*	Non-Executive Director
Mr. Brijveer Singh	Chief Financial Officer (w.e.f. October 31, 2022)
Mr. Narendra Bhandari*	Chief Financial Officer (upto October 31, 2022)
Mr. Suhas Pawar	Company Secretary (w.e.f. October 31, 2022)
Ms. Rashmi Mamtura*	Company Secretary (upto September 28, 2022)

*No transactions during the year

List of others related parties over which key management personnel or relatives of such personnel exercise significant influence or control and entities which are members of same group with whom transaction have taken place during the current year or previous year:
Welspun Global Services Limited
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Enterprises Limited
Welassure Private Limited
Welspun Living Limited (Formerly known as Welspun India Limited)
Welspun Transformation Service Limited
Welspun Global Transformation USA
Welspun Steel Limited

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

	Transactions	
	Year ended March 31, 2024	Year ended March 31, 2023
1) Sale of goods and services (including job work)		
Welspun Corp Limited	239	3,781
Total sale of goods and services	**239**	**3,781**
2) Purchase of goods and expenses incurred		
Welspun Corp Limited	805	578
Welassure Private Limited	77	84
Welspun Trading Limited	-	8
Welspun Global Brands Limited	9	12
Welspun Global Services Limited	-	@
Welspun Global Transformation USA	88	-
Anjar TMT Steel Private Limited	20	3
Welspun Transformation Service Limited	179	94
Welspun Realty Private Limited	13	15
Welspun Enterprise Limited	1	1
Total purchase of goods and expenses incurred	**1,192**	**795**
3) Interest expenses on loan availed		
Welspun Corp Limited	1,328	1,257
Total of interest expenses on loan availed	**1,328**	**1,257**
4) Loans and deposit taken		
Welspun Corp Limited	-	9,400
Total loans and deposit taken	**-**	**9,400**

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Related party transactions (Contd...)

	Transactions	
	Year ended March 31, 2024	Year ended March 31, 2023
5) Loans and deposit repaid		
Welspun Steel Limited	-	4,925
Total loans and deposit repaid	**-**	**4,925**
6) Interest on Loans and deposit paid		
Welspun Corp Limited	-	1,226
Welspun Steel Limited	-	961
Total interest on loans and deposit repaid	**-**	**2,187**
7) Key management personnel compensation #		
Anuj Burakia		
Short-term employee benefit	246	124
Narendra Bhandari		
Short-term employee benefit	-	63
Brijveer Singh		
Short-term employee benefit	65	14
Rashmi Mamtura		
Short-term employee benefit	-	16
Suhas Pawar		
Short-term employee benefit	18	7
Total key management personnel compensation	**329**	**224**
8) Directors' sitting fees		
Atul Desai	1	1
Amita Misra	3	2
Myneni Narayana Rao	2	2
K.H. Vishwanathan	3	3
Total directors' sitting fees	**9**	**8**

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

(c) Disclosure of significant closing balances:

	As at March 31, 2024	As at March 31, 2023
1) Trade receivables		
Welspun Corp Limited	-	174
Welspun Metallics Limited	-	@
Total trade receivables	**-**	**174**
2) Trade payables		
Welspun Corp Limited	626	-
Welspun Transformation Services Limited	13	63
Welspun Global Brands Limited	-	@
Welspun Global Transformation USA	70	
Welassure Private Limited	9	7
Anjar TMT Steel Private Limited	5	-
Welspun Enterprises Limited	1	1
Total trade payables	**724**	**71**
3) Other payables (other financial liabilities)		
Welspun Corp Limited (net of TDS)	-	85
Total other payables	**-**	**85**
4) Trade Advance (other current liabilities)		
Welspun Living Limited (Formerly known as Welspun India Limited)	@	@
Total trade advance	**-**	**-**
5) Security deposits		
Welspun Enterprises Limited	1	1
Total security deposits	**1**	**1**
6) Borrowings		
Welspun Corp Limited	18,263	18,263
Total borrowings	**18,263**	**18,263**
7) Interest accrued on borrowings		
Welspun Corp Limited	1,195	-
Total Interest accrued on borrowings	**1,195**	**-**

@ amount is below the rounding off norms adopted by the Company

Apart from above, the Company has taken guarantee from Welspun Corp Limited (Holding company) and guarantee charges paid are included in 'Purchase of goods and expenses incurred' above. Total corporate guarantee given by holding company is 33,739 Lakhs as on March 31, 2024 (March 31, 2023 - 33,739 Lakhs)

(d) Terms and conditions
All outstanding balances are unsecured and are payable in cash.

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40 Deferred tax assets (net)

	As at March 31, 2024	As at March 31, 2023
The balance comprises of temporary differences attributable to:		
Deferred tax assets:		
Brought forward income tax losses	5,597	2,328
Employee benefit obligations	89	78
Allowance for doubtful debts and advances	153	159
Others	15	15
	5,854	**2,580**
Deferred tax liabilities:		
Property, plant and equipment	2,467	2,580
	2,467	**2,580**
Total Deferred tax assets (net)	**3,387**	**-**

Note:

The Company has unabsorbed tax losses and depreciation that are available for offseting against future taxable profits of the Company. The Company had recognised deferred tax assets to the extent of deferred tax liabilities of Rs. 2,580 lakhs as of March 31, 2023 due to continuous losses in the earlier years.

In view of the profit made during the year and expected continued profitability in future, during the year ended March 31, 2024, the Company has recognised additional deferred tax assets of Rs. 3,387 lakhs based on the projection of taxable profit for the next four years on prudent basis.

Also, refer note 41

41 Income tax expense / (credit)

a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax		
Current tax on profit for the year	-	-
Total current tax expense	-	-
(Increase) in deferred tax assets	(3,274)	
(Decrease) in deferred tax liabilities	(113)	-
Total deferred tax expense / (credit) (Refer note 40)	**(3,387)**	**-**
Total income tax credit recognised in statement of profit and loss	**(3,387)**	**-**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit / (Loss) before tax	2,860	(1,374)
Tax rate	25.17%	26.00%
Tax at normal rate	720	(357)
Tax effect of:		
Current year losses on which no deferred tax assets is recognised	-	357
Set off of brought forward business loss against taxable income	(720)	-
Recognition of deferred tax assets	(3,387)	-
Net effective income tax	**(3,387)**	**-**

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

Particulars	As at March 31, 2024	As at March 31, 2023	Expiry period
Brought forward income tax losses	-	24,027	
Unabsorbed tax depreciation	36,152	43,111	Does not have expiry period
Total	**36,152**	**67,138**	

d) Advance taxes paid including tax deducted at source

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	30	166
Current tax expense	-	-
Tax paid during the year including tax deducted at source	52	38
Less: Refund received during the year	38	174
Closing balance	**44**	**30**

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

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

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

Particulars	Deferred tax assets					Deferred tax liabilities		Net deferred tax assets recognised
	Brought forward income tax losses	Employee benefit obligations	Allowance for doubtful debts and advances (net)	Others	Total deferred tax assets	Property, plant and equipment	Total deferred tax liabilities	
As at April 01, 2022	**2,277**	**60**	**154**	**15**	**2,506**	**2,506**	**2,506**	**-**
Recognised in the								
Statement of profit and loss	51	18	5	-	74	74	74	-
Other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2023	**2,328**	**78**	**159**	**15**	**2,580**	**2,580**	**2,580**	**-**
Recognised in the								
Statement of profit and loss	3,269	11	(6)	-	3,274	(113)	(113)	**(3,387)**
Other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2024	**5,597**	**89**	**153**	**15**	**5,854**	**2,467**	**2,467**	**(3,387)**

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

42 Fair value measurements

a) Financial instruments by category

Particulars	As at March 31, 2024		As at March 31, 2023	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Trade receivables	-	4,853	-	4,132
Cash and cash equivalents	-	1	-	29
Bank balances other than cash and cash equivalents	-	55	-	51
Other financial assets				
Security deposits	-	109	-	72
Forward contracts	67	-	9	-
Total financial assets	**67**	**5,018**	**9**	**4,284**
Financial liabilities				
Borrowings((includes interest accrued)	-	27,146	-	23,351
Trade payables	-	20,828	-	19,998
Other financial liabilities				
Forward contracts	2	-	127	-
Others	-	38	-	268
Total financial liabilities	**2**	**48,012**	**127**	**43,617**

b) Fair value hierarchy

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

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

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Forward Contracts	-	67	-	67
Total financial assets	-	67	-	**67**
Financial liabilities				
Borrowings (liability component of Compound financial instrument)	-	-	-	-
Forward contracts	-	2	-	2
Total financial liabilities	-	2	-	**2**

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

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

Carrying amount approximates to amortised cost.

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

42. Fair value measurements (Contd...)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Forward contracts	-	9	-	9
Total financial assets	**-**	**9**	**-**	**9**
Financial liabilities				
Forward contracts	-	127	-	127
Total financial liabilities	**-**	**127**	**-**	**127**

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	72	72
Total financial assets	**-**	**-**	**72**	**72**
Financial liabilities				
Borrowings (includes interest accrued)	-	-	23,351	23,351
Total financial liabilities	**-**	**-**	**23,351**	**23,351**

Level 1: This hierarchy includes financial instruments measured using quoted prices. There is no item under this category as at March 31, 2024 and as at March 31, 2023.

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

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

c) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

	Borrowings (liability component of Compound financial instrument)
As at April 01, 2022	**1,481**
Interest expenses charged to profit and loss	185
As at March 31, 2023	**1,666**
Interest expenses charged to profit and loss	201
As at March 31, 2024	**1,867**

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42 Fair value measurements (Contd...)

d) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs	Probability weighted average		Sensitivity
	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023	
Borrowings (liability component of Compound financial instrument)	1,867	1,666	Risk adjusted discount rate	12.05%	12.05%	The estimated fair value would increase by Rs.152 lakhs (March 31, 2023 Rs.152 lakhs) if the discount rate were lower by 1% and the same would decrease by Rs. 139 lakhs (March 31, 2023 Rs. 138 lakhs) if the discount rate were higher by 1%.

e) Valuation techniques used to determine fair value

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

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security deposits	109	109	72	72
Total	**109**	**109**	**72**	**72**
Financial liabilities				
Borrowings (includes interest accrued)	27,146	27,146	23,351	23,351
Total	**27,146**	**27,146**	**23,351**	**23,351**

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

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

g) Classification of interest income by instrument categories

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income at amotised cost:		
Fixed deposits	6	4
Interest from Customers	83	68
Other Interest Income		
Income tax refund	2	10

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43 Financial risk management objectives and policies

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

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

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

The Company's risk management is carried out by treasury department under policies approved by the board of directors. Treasury department identifies, evaluates and hedges financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. There is no change in objectives, policies and process for managing the risk and methods used to measure the risk as compared to previous year.

A Credit risk on financial assets

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

a) Trade receivables

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

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

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

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

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Exposure to credit risk

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

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Trade Receivables	4,853	4,132
Total	**4,853**	**4,132**

Reconciliation of loss allowance on trade receivables:

	As at March 31, 2024	As at March 31, 2023
Opening balance	609	591
Changes in loss allowance	-	18
Closing balance	609	609

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

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

Particulars	As at March 31, 2023			
	Gross trade receivables	Expected loss rate	Expected loss	Carrying amount of trade receivables
Trade receivables (Refer note 46):				
Not Due	3,759	0.00%	-	3,759
Less than 6 Months	334	0.00%	-	334
6 Months to 1 Year	2	0.00%	-	2
1 Year to 2 Years	-	0.00%	-	-
2 Years to 3 Years	149	75.17%	112	37
More than 3 Years	497	100.00%	497	-
Total	**4,741**		**609**	**4,132**

b) Other financial assets

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

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

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

B Liquidity risk

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

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

a) Financing arrangements

The Company had below undrawn borrowing facilities for working capital as at March 31, 2024 and March 31, 2023.

	As at March 31, 2024	As at March 31, 2023
Floating rate		
Expiring within one year	-	-
Expiring beyond one year	11,064	11,317
Total	**11,064**	**11,317**

b) Maturities of financial liabilities

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

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

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

As at March 31, 2024

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

As at March 31, 2023

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (includes interest accrued and current maturities of long-term debt)	1,492	20,193	-	1,666	23,351	23,351
Trade payables	19,998	-	-	-	19,998	19,998
Other financial liabilities	268	-	-	-	268	268
Total non-derivative liabilities	**21,758**	**20,193**	**-**	**1,666**	**43,617**	**43,617**
Derivatives						
Forward contracts	127	-	-	-	127	127
Total derivative liabilities	**127**	**-**	**-**	**-**	**127**	**127**

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

C Market risk

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

(i) Foreign currency risks

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

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

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

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

a) Foreign currency risk exposure

	As at March 31, 2024		As at March 31, 2023	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	-	1,725	104	835
Derivatives not designated as hedges				
Forward contracts (Sell foreign currency)	-	(1,725)	(104)	(835)
Derivatives designated as hedges				
Forward contracts (Sell foreign currency)	(313)	(7,495)	(238)	(11,272)
Net exposure to foreign currency risk (assets)	**(313)**	**(7,495)**	**(238)**	**(11,272)**
Financial liabilities				
Trade payables	1,929	32	2,588	30
Derivatives not designated as hedges				
Forward contracts (Buy foreign currency)	(1,929)	(32)	(2,588)	(30)
Derivatives designated as hedges				
Forward contracts (Buy foreign currency)	(630)	(71)	(962)	(21)
Net exposure to foreign currency risk (liabilities)	**(630)**	**(71)**	**(962)**	**(21)**
Total Net exposure to foreign currency risk	**-**	**-**	**-**	**-**
Net Derivatives designated as hedges	**317**	**(7,424)**	**724**	**(11,251)**

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

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

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

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

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Interest bearing - Fixed interest rate		
Current fixed deposit	53	49

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Liabilities		
Interest bearing		
Borrowings - Floating interest rate		
Cash credit from bank	3,891	504
Rupee term loan from bank	1,930	2,895
Borrowings - Fixed interest rate		
Loan from related party	18,263	18,263

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

Particulars	March 31, 2024	March 31, 2023
Increase in 50 bps points		
Effect on profit/(loss) before tax	(29)	(17)
Decrease in 50 bps points		
Effect on profit/(loss) before tax	29	17

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

D Impact of hedging activities

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

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

As at March 31, 2024

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

As at March 31, 2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio
	Assets	Liabilities	Assets	Liabilities		
Cash flow hedge **Foreign exchange risk** Forward contract	11,510	983	8	102	Apr 23-Oct 23	1:1

As at March 31, 2024

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

As at March 31, 2023

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge Foreign Exchange Risk	(16)	-	(17)	Revenue

b) Movements in cash flow hedging reserve

	As at March 31, 2024	As at March 31, 2023
Cash flow hedging reserve		
Opening balance	(93)	(60)
Amount recognised in cash flow hedging reserve during the year (net)	243	(16)
Gain/ (loss) transferred to statement of profit and loss (net)	(106)	(17)
Closing balance	**44**	**(93)**

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

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

(i) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
(ii) Differences arise between the credit risk inherent within the hedged item and the hedging instrument. There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2024 and March 31, 2023.

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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 maximise the shareholder value.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (including interest accrued)	27,146	23,351
Less: Cash and Cash Equivalents	(1)	(29)
Net debt (a)	**27,145**	**23,322**
Equity	9,308	2,937
Total equity (b)	**9,308**	**2,937**
Net debt equity ratio (a/b)	**2.92**	**7.94**

The Company has complied with all the loan covenants applicable.

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45 Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	1	29
Borrowings (including interest accrued)	(27,146)	(23,351)
Net Debt	**(27,145)**	**(23,322)**

	Financial assets	Financial liabilities	Total
	Cash and cash equivalents [A]	Borrowings [B]	[C] = [A]+[B]
Net debts as at April 1, 2022	**501**	**(25,299)**	**(24,798)**
Cash flow (net)	(472)	937	465
Interest expenses	-	(3,031)	(3,031)
Interest paid	-	4,042	4,042
Net debts as at March 31, 2023	**29**	**(23,351)**	**(23,322)**
Cash flow (net)	(28)	(2,423)	(2,451)
Interest expenses	-	(3,325)	(3,325)
Interest paid	-	1,953	1,953
Net debts as at March 31, 2024	**1**	**(27,146)**	**(27,145)**

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

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

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
considered good	-	3,759	334	2	*	37	-	**4,132**
which have significant increase in credit risk	-	-	-	-	-	112	52	**164**
Less: Loss allowance	-	-	-	-	-	(112)	(52)	**(164)**
Total Undisputed trade receivables (a)	**-**	**3,759**	**334**	**2**	**-**	**37**	**-**	**4,132**
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	445	**445**
Less: Loss allowance	-	-	-	-	-	-	(445)	**(445)**
Total Disputed trade receivables (b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total trade receivables (a +b)	**-**	**3,759**	**334**	**2**	**-**	**37**	**-**	**4,132**

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

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

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
(i) Micro enterprise and small enterprises	-	268	243	-	-	*	511
(ii) Others	413	15,490	4,315	17	9	73	20,317
Total	413	15,758	4,558	17	9	73	20,828

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

Ageing for trade payable as at March 31, 2023 is as follows:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
(i) Micro enterprise and small enterprises	-	172	4	-	-	-	176
(ii) Others	425	17,741	1,506	14	22	114	19,822
Total	425	17,913	1,510	14	22	114	19,998

There are no disputed trade payables as on March 31, 2024 and March 31, 2023.

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Welspun Specialty Solutions Limited

Welspun Specialty Solutions Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2024
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

48 Analytical Ratios to the Financial Statements as of and for the year ended March 31, 2024

Sr. no.	Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance in %	Remark
1	Current ratio (times)	Current assets	Current liabilities	0.95	1.17	-19%	Variation is not material (below 25%)
2	Debt-equity ratio (times)	Total debt	Equity	2.92	7.94	-63%	Ratio improved due to increase in net worth on account of profit earned in current year.
3	Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	2.65	0.21	1157%	Debt Service Coverage ratio has significantly increased due to profit earned during the year.
4	Return on equity ratio (%)	Profit / (Loss) for the year	Average shareholders equity	102.05%	-37.65%	-371%	Return on equity ratio has increased due to profit earned during the year.
5	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	2.08	1.82	14%	Variation is not material (below 25%)
6	Trade receivables turnover ratio (times)	Revenue from operations	Average Trade receivable	15.51	14.75	5%	Variation is not material (below 25%)
7	Trade payable turnover ratio (times)	Net Credit purchases	Average Trade Payables	3.28	3.38	-3%	Variation is not material (below 25%)
8	Net capital turnover ratio (times)	Revenue from operations	Working capital	-41.26	10.65	-487%	Decrease in working capital due to current portion of long term liability classification during the year.
9	Net Profit margin (%)	Profit / (Loss) for the year	Revenue from operations	8.97%	-3.29%	-373%	Increase in net profit margin due to profit earned during the year as compared to loss incurred in previous year.
10	Return on capital employed (%)	Earnings before interest and tax	Capital employed	17.54%	6.31%	178%	Return on capital employed has increased due to profit earned during current financial year.
11	Return on investment (%)	Profit/(Loss) for the year	Total current assets	10.64%	-2.88%	-469%	Return on investment has increased due to profit earned during current financial year.

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

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49 Other income

In the previous year, the Company had recognised income from insurance claim of Rs. 58 lakhs in respect with the claim filed with the insurance company for loss due to cyclone in the year ended March 31, 2021. The same was disclosed under Other income.

50 Additional regulatory requirements under Schedule III

(i) Details of Benami Property held
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets
The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

(iii) Willful defaulter
The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies
The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

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

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

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

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

Description of property	Gross carrying value (Rs. In Lakhs)	Period held
Freehold Land	14	29 Years
Right of use assets	351	29 Years

Title deeds are held in the former name of the Company.

(xii) Utilisation of borrowings availed from banks and financial institutions
The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

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

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

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Note 52. Summary of Other Accounting policies

(a) Employee benefits

(i) Defined contribution plans

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

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

- **Superannuation Fund**

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

(ii) Defined benefit plans (Gratuity)

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit and loss in the subsequent periods.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
The Defined benefit plans (Gratuity) is unfunded.

(iii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(iv) Leave encashment employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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(b) Intangible assets
Computer software
Intangible Assets are recognised 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 to 5 years

(c) Segment Reporting
The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The chief operating decision makers are the Board of Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

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

(e) Provisions, contingent liabilities and contingent assets
(i) Provisions
Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

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

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(f) Leases

As a lessee

The Company has leasehold land, this land is for a period of ninety-nine years with an extension option for further ninety-nine years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use assets and a corresponding lease liability at the date at which the leased assets is available for the use by the Company.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments, as applicable:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Right-of-use assets are measured at cost comprising the following, wherever applicable:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term (including extension considering reasonable certainty), on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets and short term lease assets comprises of laptops and other office equipements.

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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 attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Neeraj Sharma
Partner
Membership No.108391

Place: Mumbai
Date: April 26, 2024

For and on behalf of the Board of Directors

B.K.Goenka
Chairman
DIN: 00270175

Anuj Burakia
CEO & Whole Time Director
DIN: 02840211

Brijveer Singh
Chief Financial Officer

Suhas Pawar
Company Secretary
ACS: 36560

Place: Mumbai
Date: April 26, 2024

WELSPUN SPECIALTY SOLUTIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "**Financial Statements**" beginning on page 102 of this Letter of Offer. Unless otherwise indicated or the context requires, the financial information for Financial Year ended March 31, 2024 and Financial Year ended March 31, 2023 included herein is derived from our Audited Financial Statements, as of and for the year ended March 31, 2024 and March 31, 2023 and our Limited Review Financial Results for the nine month period ended December 31, 2024. Financial information as of and for the nine month period ended December 31, 2024 and December 31, 2023 are not indicative of future operating results and are not comparable with annual financial information.*

Our Audited Financial Statements as of and for the year ended March 31, 2024 and March 31, 2023, in this Letter of Offer have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the SEBI ICDR Regulations, each as amended. Our Limited Review Financial Results for the nine month period ended December 31, 2024 and December 31, 2023 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial statements may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS and U.S. GAAP. Our Company's financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year.

*Some of the information in this section, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 18 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements. You should also read the sections "**Risk Factors**", "**Industry Overview**", "**Financial Statements**" and "**Our Business**" on pages 23, 67, 102 and 83, respectively of this Letter of Offer, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

Unless otherwise specified or the context requires, references in this section to the "Company" or the "Issuer", or "we", or "us" or "ours" are to Welspun Specialty Solutions Limited, as per Ind AS, as at and during the relevant year or period end and as the context requires.

Overview

Welspun Specialty Solutions Limited (formerly known as "**RMG Alloy Steel Limited**") is a manufacturer of Stainless-Steel products, benchmarked globally. The Company stands as the only integrated producer of quality stainless steel pipes and tubes, managing the entire production process from steel making to the finished products. Equipped with advanced technological capabilities and proven expertise, the Company specializes in manufacturing special grade stainless steel with precisely controlled chemical compositions. The Company's ultra-modern infrastructure, which includes an integrated steel melting shop, rolling facility, and a state-of-the-art seamless pipes plant, provides a competitive edge in timely deliveries due to its in-house steel making capabilities. The Company's steelmaking capacity is approximately 100,000 metric tons per annum, and its stainless steel seamless pipes and tube manufacturing capacity is approximately 10,000 tons per annum.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our financial condition and results of operations have been affected and will continue to be affected by various factors including the following factors of particular importance:

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. The iron and steel market in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments, we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Relationship with key customers

Our revenue levels and results of operations are significantly influenced by the demand from our customers. Our sales are directly impacted by the production and inventory levels of our customers, which in turn depend on demand from their customers and general trends in the global iron and steel industry, as well as the construction and infrastructure industries. Over the years, we have developed strong relationships with a number of domestic corporations, enabling us to expand our product offerings and geographic reach. Our business relies on the continuity of our arrangements with these customers. Sales to our customers are typically conducted based on purchase orders placed with us from time to time.

Availability and Cost of Raw Materials

A significant portion of our production costs is attributed to the price and consumption of raw materials, which represent a substantial share of our total expenses. The primary raw materials we use in our manufacturing process include scrap metals, ferroalloys, and various other alloying elements. The prices of these raw materials have historically exhibited volatility, influenced by market developments and factors such as the global supply and demand dynamics of iron ore and metals. These fluctuations in raw material prices can impact our cost structure, and we may not always be able to pass on such price increases to our customers.

Government approvals, licenses, regulations and policies

We have focused on broadening our income base to cover India as well as several other countries. As a result, our products are subject to regulation by numerous Indian and foreign regulatory agencies and similar agencies in other jurisdictions. Each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, marketing and distribution of our products and we are required to maintain various approvals, licenses, registrations and permissions for our business activities which may be time-consuming and incur cost.

Our business, prospects, results of operations and financial condition could be adversely affected if we fail to obtain or comply with applicable conditions that may be attached to our approvals, licenses, registrations and permissions. Further, even if we obtain all necessary approvals and licenses to sell a product in a particular market, regulatory agencies may reassess the safety of our products, manufacturing processes, and various practices and activities, which may result in the withdrawal of the existing approvals, licenses, registrations and permissions, which, in turn, could result in a loss of income.

Competition

Iron and steel being a vast and global industry, we face competition from various domestic and international players. Though being dominated by the large conglomerates, the industry is also unorganized and fragmented with many small and medium-sized companies and entities. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from companies that are able to produce the products at competitive costs and consequently, supply their products at cheaper prices. Certain of our competitors may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Accordingly, we may not be able to compete effectively with our competitors across our product portfolio, which may have an adverse impact on our business, financial condition, results of operations and future prospects. We intend to continue competing vigorously to capture more market share and adding more personnel to manage our growth in an optimal way.

Material Accounting Policies

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

(a) Basis of preparation

(i) **Compliance with Ind AS**

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

(ii) **Historical cost convention**

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for the following items:

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

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

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

(iv) **New and amended standards adopted by the company**

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

(1) Disclosure of accounting policies - amendments to Ind AS 1
(2) Definition of accounting estimates - amendments to Ind AS 8
(3) Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

(b) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of Capital Work in Progress ('**CWIP**') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for it intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

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

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

These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery wherein the estimated useful lives as per schedule II is 5 to 25 years and lives considered is 5 to 30 years based on a technical evaluation done by the Management.

Plant and machinery is depreciated on straight line method over the useful life ranging between 5 years to 30 years in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

(c) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Financial Instruments

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

a) Financial assets

(I) Classification

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

(1) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

(2) those measured at amortised cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

(II) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(III) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(IV) Derecognition of financial assets

A financial asset is derecognised only when

(1) The Company has transferred the rights to receive cash flows from the financial asset; or

(2) Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(V) Income recognition

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

(VI) Cash and cash equivalents

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

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

(VII) Trade receivables

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

b) Financial liabilities

(I) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability.

After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(II) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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.

(IV) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

c) Derivatives and hedging activities

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

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

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

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

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

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

(I) **Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

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

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

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

(II) Derivatives that are not designated as hedges

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

d) Offsetting financial instruments

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

e) Inventories

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

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

f) Income tax and deferred tax

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

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

(i) Current tax

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

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

(ii) Deferred tax

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

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

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

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

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

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

g) Revenue Recognition

Sale of goods

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

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

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

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer.

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

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

h) Foreign Currency Transaction

Transactions and Balances

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

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

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

i) Government grants

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

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

Summary of other Accounting Policies

(a) Employee benefits

(i) Defined contribution plans

(1) Provident Fund and Employee State Insurance Corporation (ESIC)

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

(2) Superannuation Fund

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

(ii) Defined benefit plans (Gratuity)

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

The Defined benefit plans (Gratuity) is unfunded.

(iii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(iv) Leave encashment employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(b) Intangible assets

Computer software

Intangible Assets are recognised 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 to 5 years.

(c) Segment Reporting

The board of directors of the Company assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision makers are the Board of Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:
(1) the profit attributable to owners of the Company; and
(2) by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
(1) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
(2) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(e) Provisions, contingent liabilities and contingent assets

(i) Provisions

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

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

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

(ii) Contingent liabilities

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

(iii) Contingent assets

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

(f) Leases

As a lessee

The Company has leasehold land, this land is for a period of ninety-nine years with an extension option for further ninety-nine years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use assets and a corresponding lease liability at the date at which the leased assets is available for the use by the Company.

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

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

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

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

Right-of-use assets are measured at cost comprising the following, wherever applicable:

(1) the amount of the initial measurement of lease liability;
(2) any lease payments made at or before the commencement date less any lease incentives received;
(3) any initial direct costs; and
(4) restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term (including extension considering reasonable certainty), on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets and short term lease assets comprises of laptops and other office equipment.

Presentation of Financial Information

Income and Expenditures

Our income and expenditures are determined and reported in the following manner:

Income

Total income consists of revenue from operations and other income.

Revenue from Operations: Income from operations primarily comprises sale of our finished goods, traded goods and services.

- *Sale of products:* Sale of products comprises of sales of finished goods that we manufacture at our manufacturing facility and trading sales; and
- *Other Operating Income:* Other Operating income comprises primarily of export/import incentives, service income and scrap sales.
- *Other Income:* Other Income comprises primarily of interest income, gain on foreign exchange fluctuations and miscellaneous income.

Expenditures

Our expenditure consists of cost of materials consumed, purchase of stock in trade, changes in inventory of finished goods/ work-in-progress ("**WIP**")/ stock in trade, employee benefits expenses, finance costs, depreciation and amortization expenses, research and development expenses, other expenses and tax expenses.

Cost of raw materials consumed: Cost of raw materials consumed include consumption of raw materials such as scrap metals, ferroalloys, and various other alloying elements, trading as well as packing.

Employee benefit expenses: Employee benefits expense comprise salaries and wages, contributions to provident fund and gratuity fund, expense on Employee Stock Exchange Option Scheme and staff welfare expenses.

Finance Costs: Our finance costs primarily comprise interest paid on term loans and working capital loans from banks and financial institutions, interest on lease liabilities, foreign exchange (gain)/loss and other costs incurred in connection with our borrowings.

Depreciation and amortisation expenses: Depreciation and amortisation expenses include depreciation on tangible assets, amortisation of intangible assets and depreciation and amortisation expenses on right-of-use-assets.

Research and development expenses: Research and development expenses comprise of salaries and incentives, travelling and conveyance expenses, professional fees, laboratory expenses and other related expenses.

Other expenses: Other expenses include consumption of stores and spare parts, power and fuel, rent, repairs and maintenance of building, insurance, rates and taxes, sub-contracting charges, labour charges, advertisement and sales promotion, transport and forwarding charges, commission/discount/service charge on sales, traveling and conveyance, directors sitting fee, auditor's remuneration, CSR contribution, legal and professional fees, provision for doubtful debt/advances and bad debts written-off.

Results of Operations

The following table sets forth the break-down of our results of operations for the periods indicated:

(Rs.in lakh)

Particulars	Limited Review Financial Results		Audited Financial Statements	
	For the nine month period ended		Financial Years ended	
	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Income				
Revenue from operations	52,357	54,540	69,667	41,783
Other income	1700	1636	2,150	1,476
Total Income	**54,057**	**56,176**	**71,817**	**43,259**
Expenses				
Cost of materials consumed	32,483	36,854	48,427	33,467
Changes in inventories of finished goods, work-in-progress and traded goods	812	(1505)	(4,546)	(8,409)
Employee benefits expense	3,361	3,110	4,165	3,327
Finance costs	3,326	2,608	3,325	3,031
Depreciation and amortization expense	1,219	1,160	1,548	1,491
Other expenses	13,594	11,706	16,038	11,726
Total expenses	**54,795**	**53,932**	**68,957**	**44,633**
(Loss) / Profit before tax	**(738)**	**2,244**	**2,860**	**(1,374)**
Tax expense				
Current tax	0	0	0	0
Deferred tax expense /(benefit)	65	0	(3,387)	0
Total Tax Expense	**65**	**0**	**(3,387)**	**0**
(Loss) / Profit for the year	**(803)**	**2,244**	**6,247**	**(1,374)**
Total Other Comprehensive Income , net of tax	**(36)**	**(12)**	**124**	**(50)**
Total Comprehensive (Loss) / Income, net of tax	**(839)**	**2,232**	**6,371**	**(1,424)**

NINE MONTH ENDED DECEMBER 31, 2024, COMPARED TO NINE MONTH ENDED SEPTEMBER 31, 2023

Total Income

During nine month period ended December 31, 2024, total income decreased by 3.8% to ₹54,057 lakh from ₹ 56,176 lakh in nine month period ended December 31, 2023, due to the factors described below:

Revenue from Operations: Our revenue from operations, which included export incentive, decreased by 4.0% to ₹ 52,357 lakh in nine month period ended December 31, 2024 from ₹ 54,540 lakh in nine month period ended December 31, 2023. This decrease was primarily attributed to drop in sales realization.

Other Income: Other income marginally increased by 3.9% to ₹ 1,700 lakh in nine month period ended December 31, 2024 compared to ₹ 1,636 lakh in nine month period ended December 31, 2023.

Total Expenses

Our total expenses increased by 1.6% to ₹54,795 lakh in nine month period ended December 31, 2024 from ₹53,932 lakh in nine month period ended December 31, 2023, due to the factors described below:

(₹ in lakh)

Particulars	Nine month period ended December 31, 2024	Nine month period ended December 31, 2023
Cost of materials consumed (including (increase)/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade)	33,295	35,349
Employee benefits expense	3,361	3,110
Power and Fuel Expense	4,891	4,693

Particulars	Nine month period ended December 31, 2024	Nine month period ended December 31, 2023
Consumption of Stores and Spares	3,702	3,414
Depreciation and amortisation expenses	1,219	1,160
Other Expenses	5,001	3,598
Finance costs	3,326	2,608
Total Expenses	**54,795**	**53,932**

Cost of materials consumed (including (increase)/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade):

Cost of materials consumed including change in inventory of finished goods, work-in-progress and traded goods and purchase of stock in trade decreased by 5.8% to ₹ 33,295 lakh in nine month period ended December 31, 2024 from ₹ 35,349 lakh in nine month period ended December 31, 2023 primarily on account of reduced raw materials cost.

Employee Benefits Expense

Our employee benefits expense increased by 8% to ₹ 3,361 lakh in nine month period ended December 31, 2024 from ₹ 3,110 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to salary expenses and new recruitments.

Power and Fuel Expense

Power and Fuel expense increased by 4.2% to ₹ 4,891 lakh in nine month period ended December 31, 2024 from ₹ 4,693 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to increased production.

Consumption of Stores and Spares

Consumption of Stores and Spares increased by 8.4% to ₹ 3,702 lakh in nine month period ended December 31, 2024 from ₹ 3,414 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to increased production.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 5.1% to ₹ 1,219 lakh in nine month period ended December 31, 2024 from ₹ 1,160 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to addition in plant & machinery.

Other Expenses

Other expenses increased by 39% to ₹ 5,001 lakh in nine month period ended December 31, 2024 from ₹3,598 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to higher freight charges and job-work charges paid to outside vendors.

Finance Costs

The Finance costs increased by 27.5% to ₹ 3,326 lakh in nine month period ended December 31, 2024 from ₹ 2,608 lakh in nine month period ended December 31, 2023. This increase was primarily attributed to increase in borrowings and underlying borrowing rates.

(Loss)/ Profit before Tax

During the nine month period ended December 31, 2024, our loss before tax was ₹ 738 lakh and during the nine month period ended December 31, 2023 our profit before tax was ₹ 2,244 lakh.

Tax Expense / (Credit)

Our total tax expenses decreased to ₹ 65 lakh in nine month period ended December 31, 2024 from ₹ NIL lakh in nine month period ended December 31, 2023, primarily on account of decrease in profitability.

(Loss)/ Profit for the Year

During the nine month period ended December 31, 2024, our loss for the year was ₹ 803 lakh and during the nine month period ended December 31, 2023 our profit for the year was ₹ 2,244 lakh.

FINANCIAL YEAR ENDED MARCH 31, 2024 COMPARED TO FINANCIAL YEAR ENDED MARCH 31, 2023

Total Income

During Fiscal 2024 total income increased by 66.0% to ₹ 71,817 lakh from ₹ 43,259 lakh in Fiscal 2023, due to the factors described below:

Revenue from Operations: Our revenue from operations, which included export incentive increased by 66.7% to ₹ 69,667 lakh in Fiscal 2024 from ₹ 41,783 lakh in Fiscal 2023. This increase was primarily attributed to higher sales.

Other Income: Other income increased by 45.6% to ₹ 2,150 lakh in Fiscal 2024 compared to ₹ 1,476 lakh in Fiscal 2023 which was primarily due to increase in interest income, net foreign exchange difference and GST incentive.

Total Expenses

Our total expenses increased by 54.5% to ₹ 68,957 lakh in Fiscal 2024 from ₹ 44,633 lakh in Fiscal 2023, due to the factors described below:

(₹ in lakh)

Particulars	FY 2024	FY2023
Cost of materials consumed (including (increase)/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade)	43,880	25,058
Employee benefits expense	4,165	3,327
Power and Fuel Expense	6,196	4,591
Consumption of Stores and Spares	4,750	3,431
Depreciation and amortisation expenses	1,548	1,491
Other Expenses	5,092	3,704
Finance costs	3,325	3,031
Total Expenses	**68,957**	**44,633**

Cost of materials consumed (including (increase)/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock-in-trade):

Cost of materials consumed including increase/decrease in inventory of finished goods, work-in-progress and traded goods and purchase of stock in trade increased by 75.1% to ₹ 43,881 lakh in Fiscal 2024 from ₹ 25,058 lakh in Fiscal 2023 primarily on account of increase in business turnover and high raw materials cost.

Employee Benefits Expense

Our employee benefits expense increased by 25.2% to ₹ 4,165 lakh in Fiscal 2024 from ₹ 3,327 lakh in Fiscal 2023. This increase was primarily attributed to increase in number of employees.

Power and Fuel Expense

Power and Fuel expense increased by 35% to ₹ 6,196 lakh in Fiscal 2024 from ₹ 4,591 lakh in Fiscal 2023. This increase was primarily attributed to increased production.

Consumption of Stores and Spares

Consumption of Stores and Spares increased by 38.5% to ₹ 4,750 lakh in Fiscal 2024 from ₹ 3,431 lakh in Fiscal 2023. This increase was primarily attributed to increased production.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 3.8% to ₹ 1,548 lakh in Fiscal 2024 from ₹ 1,491 lakh in Fiscal 2023. This increase was primarily attributed to addition in plant & machinery.

Other Expenses

Other expenses increased by 37.5% to ₹ 5,092 lakh in Fiscal 2024 from ₹ 3,704 lakh in Fiscal 2023. This increase was primarily attributed to expenses pertaining to increased volumes

Finance Costs

The Finance costs increased by 9.7% to ₹ 3,325 lakh in Fiscal 2024 from ₹ 3,031 lakh in Fiscal 2023. This increase was primarily attributed to increase in borrowings and underlying borrowing rates.

(Loss)/ Profit before Tax

During the year ended March 31, 2024, our profit before tax was ₹ 2,860 lakh and during the year ended March 31, 2023 our loss before tax was ₹ 1,374 lakh.

Tax Expense / (Credit)

Our total tax expenses / (credit) increased to ₹ 3,387 lakh in Fiscal 2024 from ₹ NIL lakh in Fiscal 2023, primarily on account of recognising deferred tax asset on account of expected continued profitability in future.

(Loss)/ Profit for the Year

During the year ended March 31, 2024, our profit for the year was ₹ 6,247 lakh and during the year ended March 31, 2023 our loss for the year was ₹ 1,374 lakh.

Statement of Cash Flows

The following table sets forth the break-down of our cash flow statements for the periods indicated:

(in ₹ lakh)

Particulars	Audited Financial Statements Financial Year ended	
	March 31, 2024	March 31, 2023
Net cash generated from operating activities	747	5,011
Net cash generated used in investing activities	(1,244)	(504)
Net cash generated from financing activities	469	(4,979)
Net increase or (decrease) in cash and cash equivalents	**(28)**	**(472)**
Cash & Cash Equivalents at the beginning of the year	**29**	**501**
Cash & Cash Equivalents at the end of the year	**1**	**29**

Operating activities

Financial Year ended March 31, 2024

Our net cash from operating activities was ₹ 747 lakh in Financial Year ended March 31, 2024. Our operating profit before working capital changes was ₹ 7,689 lakh in Financial Year ended March 31, 2024, which was primary due to profit for the year and increase in working capital.

Financial Year ended March 31, 2023

Our net cash from operating activities was ₹ 5,011 lakh in Financial Year ended March 31, 2023. Our operating profit before working capital changes was ₹ 3,105 lakh in Financial Year ended March 31, 2023, which was mainly on account of loss for the year and decrease in working capital.

Investing activities

Financial Year ended March 31, 2024

Our net cash used in investing activities was ₹ 1,244 lakh in Financial Year ended March 31, 2024. This was primarily on account of increased payment of fixed assets.

Financial Year ended March 31, 2023

Our net cash used in investing activities was ₹ 504 lakh in Financial Year ended March 31, 2023. This was primarily on account of payment of fixed assets and intangible assets and proceeds from maturity of fixed deposits.

Financing activities

Financial Year ended March 31, 2024

Our net cash generated from financing activities was ₹ 469 lakh in Financial Year ended March 31, 2024. This was primarily due to increase in current loans and repayment of term loan and interest paid.

Financial Year ended March 31, 2023

Our net cash used in financing activities was ₹ 4,979 lakh in Financial Year ended March 31, 2023. This was primarily on account of repayment of non-current loans and interest payment.

Total Borrowings

As of March 31, 2024, our total borrowings (non-current borrowings and current borrowings) were ₹ 25,951.00 lakh.

Quantitative and Qualitative Disclosures about Market Risk

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

(i) Foreign currency risks

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

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

(ii) Interest rate risk

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

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

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Auditor's Observations

Other than as stated below, there are no auditor qualifications/reservation/emphasis of matters/adverse remarks/ other observations in CARO included in the audit reports/limited review report and the Audited Financial Statements of the Company:

Opinion

1. Auditor has audited the accompanying financial statements of Welspun Specialty Solutions Limited, which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In Auditor's opinion and to the best of their information and according to the explanations given to them, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. Auditor conducted their audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Their responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of Annual report of FY2024. Auditor is 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 they have fulfilled their other ethical responsibilities in accordance with these requirements and the Code of Ethics. They believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in their professional judgement, were of most significance in their audit of the financial statements. These matters were addressed in the context of their audit of the financial statements as a whole and in forming our opinion thereon, and they do not provide a separate opinion on these matters. They have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How their audit addressed the key audit matter
Assessment of recoverability of deferred tax asset recognised (Refer Note 40 to the financial statements) The Company has significant accumulated tax losses and unabsorbed depreciation on account of past losses against which deferred tax asset was recognised only to the extent of deferred tax liability until the prior year end due to continued losses and lack of convincing evidence. During the year, the Company has earned profits consistently over the quarters and expects to continue to make profits. Therefore, the Company has recognised additional deferred tax assets during the year based on future business plans adjusted for possible uncertainties and have calculated the amount of deferred tax assets to the extent of probable taxable profits over the next four years. The ultimate recoverability of the deferred tax asset will depend upon continued improvement in the profitability of the Company. The assessment of recoverability of deferred tax assets is considered to be a key audit matter as it involves significant judgement.	Their audit procedures included the following: - • Understanding, evaluating and testing the design and operating effectiveness of controls over recoverability of deferred tax assets including business plans used in such assessment. • Comparing the actual performance for the year ended March 31, 2024 against the budget for the year. • Evaluating reasonableness of key assumptions like revenue growth and gross margins used in the future projections of profits • Testing the accuracy and appropriateness of the input data • Performing sensitivity analysis over key assumptions to corroborate that recognised amount of deferred tax assets is within a reasonable range • Testing related presentation and disclosure in the financial statements. Based on the above procedures performed, we noted that the management's assessment of amount of recognition of deferred tax assets is reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the financial statements and our auditor's report thereon. Auditor's opinion on the financial statements does not cover the other information and they do not express any form of assurance conclusion thereon. In connection with their audit of the financial statements, their 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, they conclude that there is a material misstatement of this other information, they are required to report that fact. They have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. Auditor's 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 their opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Statutory Audits 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.

9. As part of an audit in accordance with Statutory Audits, they exercise professional judgement and maintain professional scepticism throughout the audit. They 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 their 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, they 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 they conclude that a material uncertainty exists, they are required to draw attention in their auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Their conclusions are based on the audit evidence obtained up to the date of their 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.

10. They 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 they identify during our audit.

11. They also provide those charged with governance with a statement that they 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.

12. From the matters communicated with those charged with governance, they 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. They describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, they determine that a matter should not be communicated in their 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

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

14. As required by Section 143(3) of the Act, we report that: (a) They have sought and obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit. (b) In their opinion, proper books of account as required by law have been kept by the Company so far as it appears from their examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account. (d) In their opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act. (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act. (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to their remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). (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 their separate Report in "Annexure A". (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), Rules 2014, in their opinion and to the best of our information and according to the explanations given to us: i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements; ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2024. iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024. iv. (a) The management has represented that, to the best of our knowledge and belief, as disclosed in Note 50(vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 50(vii) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding,

whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and (c) Based on such audit procedures that they considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement. v. The Company has not declared or paid any dividend during the year. vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for changes made through specific access and for direct database changes. Further, during the course of performing their procedures, except the aforesaid instances, they did not notice any instance of audit trail feature being tampered with.

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

Known Trends or Uncertainties

Our business has been affected, and we expect that it will continue to be affected by the trends identified as detailed in "***Risk Factors***" on page 23 of this Letter of Offer. To our knowledge, except as disclosed in this Letter of Offer, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "***Risk Factors***" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. See "***Risk Factors***" and "***Our Business***" on pages 23 and 83, respectively of the Letter of Offer.

Changes in accounting policies during last two years and their effect on the profits and reserves of the Company

There are no changes in accounting policies during last two years.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

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SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding litigation proceedings with respect to (i) issues of moral turpitude or criminal liability on part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position: and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) considered material in terms of (a) the "Policy for Determination of Materiality of Events and Information" adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the materiality policy as adopted by the Board in February 2019 and last modified on January 25, 2024 , for the purpose of litigation disclosures in this Letter of Offer ("**Materiality Policy**").*

In this regard, please note the following:
Any outstanding litigation involving our Company i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violation of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer, if it,

a) is likely to result in discontinuity or alteration of event or information already available publicly; or
b) is likely to result in significant market reaction if the said omission came to light at a later date; or
c) whose value or the expected impact in terms of value exceeds the lower of the following:
    1) 2% of turnover, as per the last audited financial statements of the Company;
    2) 2% of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;
    3) 5% of the average of absolute value of profit or loss after tax, as per the last 3 audited financial statements of the Company.
d) in case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material. Where the above specified criteria are not applicable, the Disclosure Committee shall determine the materiality of events or information.

Our Company vide a meeting of Board of directors dated April 26, 2024, determined that the materiality threshold limit shall be Rs. 1.8 Crore i.e., 2% of the net worth for the financial year 2024-2025, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

*Based on the criteria outlined in (i) above, any ongoing litigation or arbitration involving the Company will be deemed "material" for disclosure in the Issue Documents if the amount in question exceeds ₹ 1.8 Crore, which is equivalent to two percent of the Company's net worth according to the latest audited financial statements ("**Materiality Threshold**"). However, if the amount involved is below the Materiality Threshold or cannot be quantified, but is considered material by the Board or could potentially have a significant adverse impact on the Company's operations or financial position, such matters have also been disclosed in this section.*

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

All terms defined herein in a particular litigation disclosure pertain to that litigation only. A summary of legal proceedings involving our Company, which we consider material, is set forth below:

1. Litigations involving our Company

A. Proceedings involving issues of moral turpitude or criminal liability initiated against our Company

As on date of filing of this letter of offer, there are no proceedings initiated against our company involving issues of moral turpitude or criminal liability.

B. ***Proceedings involving issues of moral turpitude or criminal liability initiated by our Company***

As on date of filing of this letter of offer, there are no proceedings initiated by our company involving issues of moral turpitude or criminal liability except as listed below:

1. Our company had initiated a complaint ("**Complaint**") bearing no. CC/4855/2017 against Duke Corporation Limited, its managing director Gopal Patwardhan and its associate managing director Balasaheb Patwardhan ("**Opponents**") for dishonour of cheques amounting to ₹327.88235 lakh under section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") on October 26, 2017. The proceeding is pending before the court of 3rd Addl Civil Judge and Judicial Magistrate of First Class. The aggregate amount involved in these proceedings is 151.27062 lakh to the extent ascertainable. Company accused that Opponents had issued thirteen cheques worth of ₹327.88235 lakh for discharge of the legal debt arising out of the materials admittedly supplied to them against the purchase order dated October 10, 2011 and November 14, 2011. Later, with an ulterior motive and intent to cheat the company, Opponents had got the said cheques dishonoured without any cogent reason. The matter is currently pending.

2. Our Company had initiated a complaint ("**Complaint**") bearing no. CC/4856/2017 against Harig Crankshaft Limited, its Chief Executive Officer Vinay Ranjan and Ajit Darandale ("**Opponents**") for dishonour of cheques amounting to ₹65.86162 lakh under section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") on March 02, 2012. The proceeding is pending before the court of 4th Addl Civil Judge and Judicial Magistrate of First Class. The aggregate amount involved in these proceedings is 77.80221 lakh, to the extent ascertainable. The matter is currently pending.

3. Our Company had initiated a complaint ("**Complaint**") bearing no. CC/918/2016 against Chaitali Forge and Machining, its Director, G G Chaudhari ("**Opponents**") for dishonour of cheques amounting to ₹120 lakh under section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") on March 16, 2016. Legal notice was served to the opponents on August 18, 2012. The proceeding is pending before the court of Addl Civil Judge and Judicial Magistrate of First Class. The aggregate amount involved in these proceedings is 77.14 lakh, to the extent ascertainable. The matter is currently pending.

4. The plaintiff, RMG Alloy Steel Ltd, has filed a suit against Veesons Energy System Pvt Ltd and its directors to recover ₹50.56 lakh under Order 37 Rule 1 of the CPC. The plaintiff claims that the defendant placed a purchase order for seamless tubes worth ₹26,30,057, which was later revised. The plaintiff supplied the tubes and issued invoices, but the defendant failed to honour the payment due to discrepancies in the letter of credit. Despite several follow-ups and partial payments, the defendant has not settled the full amount. Since Veesons went into liquidation in 2018, the summary suit has been pending.

C. ***Proceedings involving material violations of statutory regulations by our Company***

As on date of filing of this letter of offer, there are no proceedings involving material violations of statutory regulations by our Company.

D. ***Economic offences where proceedings have been initiated against our Company***

As on date of filing of this letter of offer, there are no proceedings initiated against our company for economic offences.

E. ***Other proceedings involving our Company which if they result in an adverse outcome, would materially and adversely affect the operations or financial position of our Company***

As on date of filing of this letter of offer, there are no other proceedings involving our company which involve an amount exceeding the materiality threshold or are otherwise material in terms of the Material

Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company except as stated below:

1. Ami Builders and Paragon Construction filed execution petitions (Nos. 56/2013 and 57/2013) against Welspun Specialty Solutions Ltd in the Additional District Judge's Court, Bharuch. Following the Gujarat High Court's order, the execution petitions were returned to the applicants on 14th February 2023 and 19th April 2023 for re-filing in the appropriate jurisdiction, Ankleshwar. The petitions involve claims related to arbitration awards, with Ami Builders awarded ₹30.72 lakh plus 12% interest per annum from 18th July 2012. The court directed the transfer of proceedings to Ankleshwar within a specified timeframe.

2. On July 18, 2012, an arbitration award resolved a dispute between Paragon Construction and Remi Metals Gujarat Ltd. over staff quarters construction, awarding Paragon ₹31.53 lakh with 12% annual interest if unpaid within three months. Remi Metals' counterclaims were mostly rejected. On October 6, 2012, Remi Metals filed a petition under Section 34 of the Arbitration and Conciliation Act, 1996, to set aside the award, citing contract violations and lack of detailed reasoning. On December 4, 2012, Remi Metals sought a stay on the award, arguing invalid arbitration due to their BIFR status. On February 15, 2020, the District Court in Bharuch transferred execution proceedings involving Welspun Specialty Solutions Ltd. and Paragon Construction to Ankleshwar. On February 14, 2023, and April 19, 2023, the Gujarat High Court ordered the return of original papers in two execution petitions to the applicants, directing them to file in the appropriate jurisdiction within one month. On March 29, 2023, the Gujarat High Court confirmed the lack of jurisdiction of the Bharuch court over the execution proceedings, transferring them to Ankleshwar and instructing the return of papers within 10 days, with a one-month filing deadline for the respondent.

3. Welspun entered into a High Seas Sales Agreement with Agrasha Alloys Tradings Pvt Ltd for the purchase of shredded steel scrap materials delivered via cargo vessels. Tristar was appointed as the clearing and forwarding agent. According to the High Seas Sales Agreement, the Buyer, Welspun Steel Ltd (WSSL), was responsible for all clearing charges, including customs duty, CVD, special additional duty, octroi, and clearing charges. Tristar Oceanic forwarded the shredded steel scrap materials to WSSL on various dates, incurring expenses related to the clearance of vessels. On March 9, 2012, Tristar filed a civil suit, claiming that Welspun failed to pay the clearing, forwarding, and shipping charges amounting to ₹12.48 lakh. A notice of motion for hearing is scheduled for February 5, 2025.

4. Welspun Steel Ltd (WSSL) supplied Rolled Iron & Steel to Saturn Ventures worth ₹1.33 crore from 2013 to 2015. WSSL issued a notice to Saturn Ventures for the payment of ₹58.13 lakh outstanding as of March 31, 2016, and also issued Form C worth ₹107.92 lakh. Saturn Ventures refuted WSSL's claim of ₹58.13 lakh, citing reasons such as defective material supplied, steel returns, amounts due from WSSL under debit notes, and deduction of transport charges. Saturn Ventures instituted a civil suit in the Satara District Court, claiming damages worth ₹34.73 lakh. WSSL filed a counterclaim of ₹59.86 lakh with the Satara District Court. The matter has been transferred to the District Court, Wai from the District of Satara. The case is currently at the arguments stage, with the next hearing scheduled for March 7, 2025.

5. In 2001, a supply dispute arose between Essar Steel and Remi Metals. Essar Steel initiated Special Civil Suit No. 165 of 2001 in the Court of Civil Judge (Senior Division), Surat, on April 11, 2001, seeking a decree for ₹17.19 lakh with 24% interest per annum. Upon receiving the summons, Remi Metals filed an application under Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985, asserting that the company was a sick industrial unit. Consequently, under Section 22 of the Act, no suit for the recovery of money could be instituted against the applicant company without the permission of the Board for Industrial and Financial Reconstruction (BIFR). The court dismissed Remi Metals' application. Subsequently, Remi Metals filed Civil Revision Application No. 1421 of 2001 before the Gujarat High Court. On September 9, 2002, the Gujarat High Court ruled in favor of Remi Metals, staying the proceedings in Special Civil Suit No. 165 of 2001 in the Court of Civil Judge (Senior Division), Surat, until the BIFR proceedings concluded or Essar Steel obtained

permission from BIFR to proceed with the suit. Since then, Special Civil Suit No. 165 of 2001 has remained pending. The matter is currently at the summons-notice stage, with the next hearing scheduled for February 24, 2025.

F. *Tax Proceedings*

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lakh)

Particulars	Number of Cases	Amount involved *lakh*
Our Company		
Direct Tax	2*	9.87
Indirect Tax	1#	20.27
Total	3	30.14

Notes:

1. **On November 30, 2024, the Company received a notice, with demand reference number 2024202337332243590C, issued under Section 143(3) of the Income Tax Act, 1961 for the Assessment Year 2023-2024. As of this date, the Company has not provided any response to the notice.*
2. **On March 27, 2024, the Company received a notice, with demand reference number 2023202237246455160C, issued under Section 143(3) of the Income Tax Act, 1961 for the Assessment Year 2022-2023. On April 05, 2024, the Company filed an appeal with the Commissioner of Income Tax (Appeals) against the order dated March 26, 2024, which resulted in the issuance of a demand notice. This appeal is currently pending before the Authority. Subsequently, on July 02, 2024, the Company submitted a response contesting the demand, either wholly or partially.*
3. *#In the VAT assessment for FY 2003-04, the Commissioner (Appeals) - Gujarat Sales Tax, Vadodara, filed a first appeal against the Gujarat State Tax, VAT Office Vadodara, concerning fuel purchases on Concessional Form 26 under Sales Tax Section 50. The Company had purchased furnace oil and light diesel oil against Form 26 under the Sales Tax Incentive (remission) Scheme. The High Court delivered a judgment in favor of the industry, but the Sales Tax Department appealed this judgment in the Supreme Court. Consequently, the Company's appeal is currently in abeyance pending the Supreme Court's decision. The disputed amount of ₹20,26,905 has been paid under protest and reported in the financial statements, with a potential refund contingent on a favorable Supreme Court order. A similar matter is pending before the Supreme Court, with no listing date available on the Supreme Court Registry.*

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "***Objects of the Issue***" beginning on page 54 of this Letter of Offer.

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MATERIAL DEVELOPMENTS

No circumstances have arisen since March 31, 2024, which materially or adversely affect or are likely to affect, the operations, performance, prospects or profitability of the Company, or the value of the assets of the Company or its ability to pay its liabilities.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated January 27, 2025, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Rights Issue Committee, in its meeting held on February 24, 2025 has resolved to issue up to 13,25,22,289 fully paid up Equity Shares on rights basis to the Eligible Equity Shareholders, at Issue price of ₹26.40 per Rights Equity Share (including a premium of ₹20.40 per Rights Equity Share) aggregating up to ₹349,85,88,429.60/- and the Rights Entitlement as 1 (One) Rights Equity Share for every 4 (Four) fully paid-up Equity Share, as held on the Record Date. The Issue Price is ₹26.40 per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Manager to the Issue prior to determination of the Record Date.

This Letter of Offer has been approved by the Rights Issue Committee pursuant to its resolution dated February 25, 2025.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to its letter dated February 18, 2025. Our Company will also make an application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: INE731F20011 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "***Terms of the Issue***" beginning on page 217 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoter by SEBI in the five years preceding the date of filing of this Letter of Offer.

None of our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking the Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made an application to BSE and has received its in-principle approval dated February 18, 2025 for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE, a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer;

2. The entire shareholding of the members of our Promoter Group in our Company is held in dematerialized form as at the date of filing of this Letter of Offer;

3. The average market capitalization of the public shareholding (as defined in the SEBI ICDR Regulations) of our Company is at least ₹250 crore, in at least one of the recognized stock exchange with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of SEBI ICDR Regulations;

4. The annualized trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on the Stock Exchange;

5. The annualized delivery-based trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Letter of Offer has been at least 10% of the annualized trading turnover of our Equity Shares during such six-month period on the Stock Exchange;

6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchange and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing of this Letter of Offer;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of filing of this Letter of Offer;

8. As on the date of filing of this Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoter or Whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, our Promoter or Whole-time Directors;

9. Our Company, our Promoter, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing of this Letter of Offer;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during the three years

immediately preceding the date of filing of this Letter of Offer;

11. There is no conflict of interest between the Lead Manager and our Company or our Group Companies in accordance with applicable regulations;

12. Our Promoter has undertaken and confirmed in relation to this Issue to subscribe to their rights entitlement and to not renounce their rights, except to the extent of renunciation within the Promoter Group.

    For further details in relation to intention and extent of participation in the Issue by the Promoter and/or the members of the Promoter Group with respect to their Rights Entitlements, please see *"**Summary of Letter of Offer - Intention and extent of participation by our Promoter and Promoter Group with respect to their rights entitlement**"* on page 21 of this Letter of Offer.

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company, in respect of the Financial Years for which such accounts are disclosed in this Letter of Offer.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the website of BSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Non-applicability of conditions precedent under Clause (3) of Part B of schedule VI of the SEBI ICDR Regulations

1. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of the Takeover Regulations. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and

2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, 2013 as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS

PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, NAMELY, SYSTEMATIX CORPORATE SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE THE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER BEING NAMELY SYSTEMATIX CORPORATE SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 25, 2025, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- **(a) THE LETTER OF OFFER SUBMITTED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
- **(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- **(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) BESIDES US, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. <u>COMPLIED WITH</u>

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOT APPLICABLE</u>

(5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH THE STOCK EXCHANGE UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO

SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH ASCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. <u>NOT APPLICABLE</u>

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE, AND THAT THE AGREEMENT ENTERED INTO BETWEENTHE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE</u>

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. <u>COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES)</u>; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. <u>COMPLIED WITH</u>

WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. <u>NOTED FOR COMPLIANCE</u>

IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. <u>NOT APPLICABLE</u>

(11) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. <u>COMPLIED WITH</u>

(12) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS

ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH

(13) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH

(14) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTIN AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE

(15) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the exclusive jurisdiction of the court(s) in Ahmedabad, Gujarat, India.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer, is as under:

*"BSE Limited ("**the Exchange**") has given, vide its letter dated February 18, 2025, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is not making the Issue on a rights basis in offshore transactions outside the United States in compliance with Regulation S to the Eligible Equity Shareholders.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange and being submitted to SEBI. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale of Equity Shares and/or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in "offshore transactions" as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

The distribution of this Letter of Offer may be restricted by law in certain jurisdictions. Persons into whose possession this document and any other related documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document, in whole or in part, does not form the basis of, and should not be relied upon in connection with, any contract, agreement or commitment whatsoever. Anyone purchasing or seeking to acquire the Rights Equity Shares will be deemed to have represented that they have complied with all applicable restrictions.

Investors are advised to consult their own legal counsel prior to taking up any Rights Equity Shares, or making any offer, sale, resale, pledge or transfer of the Rights Equity Shares. No action has been or will be taken to permit a public offering of the Rights Equity Shares in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares may not be offered, sold, resold, allotted, taken up, pledged, transferred or delivered, directly or indirectly, and this document may not be distributed, in any jurisdiction outside of India, except in accordance with legal requirements applicable in such jurisdiction.

Notice to Investors

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED IN THIS LETTER OF OFFER.

Consents

Consents in writing of our Board of Directors, Company Secretary, Legal Counsel to the Issue, Lead Manager to the Issue, the Registrar to the Issue, the Bankers to the Issue and Statutory Auditors to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any public issues during last one year immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE.

Filing

This Letter of Offer is being filed with BSE and being submitted to SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, being BSE, do an online submission with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in .

Listing

The Rights Equity Shares offered through this Letter of Offer are proposed to be listed on BSE. Applications will be made to the Stock Exchange to obtain permission for listing and trading of the Equity Shares. BSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES, the SEBI master circular bearing reference number SEBI/HO/OIAE/IGRD/P/CIR/2022 dated November 7, 2022, and any other circulars issued in this regard. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets once every quarter. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. *Bigshare Services Private Limited* is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 217 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Bigshare Services Private Limited
Pinnacle Business Park Office no S6-2 6th floor
Mahakali Caves Road Next to Ahura Centre
Andheri (East) Mumbai Maharashtra India 400093
Tel: 022 6263 8200
E-mail: investor@bigshareonline.com
Investor Grievance ID: investor@bigshareonline.com
Contact Person: Mr. Suraj Gupta
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment/share certificates/demat credit/ Refund Orders etc.

Suhas Pawar is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Address: Suhas Pawar, Company Secretary & Compliance Officer, Welspun House, 5th Floor, Kamala Mills Compound, S. B. Marg, Lower Parel (W), Mumbai 400013
Telephone: 022 6133 6796
E- mail: companysecretary_wssl@welspun.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

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SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with the instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account (namely, "Welspun Specialty Solutions Limited – Right Issue Escrow Entitlement Demat Account") ("Demat Suspense Account") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("IEPF") authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/suspense escrow account/demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details/documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by Monday, March 17, 2025, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat accounts, details of which have been provided to our Company or the Registrar account are active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along

with the Rights Entitlement Letter. Upon submission of such documents/records, no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

1. our Company at www.welspunspecialty.com;
2. the Registrar to the Issue at www.bigshareonline.com;
3. the Lead Manager, i.e., Systematix at www.systematixgroup.in;
4. the Stock Exchange at www.bseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.welspunspecialty.com).

Please note that neither our Company nor the Registrar to the Issue nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in

the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchange and is being submitted to SEBI. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat any Application Form as invalid which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares and/or the Rights Entitlements in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

2. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

1. ***In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.***

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 234 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see "*Grounds for Technical Rejection*" on page 230 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 223 of this Letter of Offer.

2. Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders' Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at www.welspunspecialty.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- renounce its Rights Entitlements in full.

3. Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

4. Do's for Investors applying through ASBA:

- Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

- Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

- Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

- Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

- Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

5. Don’ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

3. Do not send your physical Application to the Lead Manager, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB’s), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

5. Do not submit Application Form using third party ASBA account.

6. Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.

7. Do not submit Multiple Application Forms.

6. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Welspun Specialty Solutions Limited;

- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

- Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialized form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for within the Rights Entitlements;
- Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- Total number of Rights Equity Shares applied for;
- Total Application amount paid at the rate of ₹26.40 per Rights Equity Share;
- Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar to the Issue at:

  Bigshare Services Private Limited
  Pinnacle Business Park Office no S6-2 6th floor
  Mahakali Caves Road Next to Ahura Centre
  Andheri East Mumbai Maharashtra India 400093
  Contact person: Mr. Suraj Gupta
  Tel: 022 6263 8200

  E-mail ID: rightsissue@bigshareonline.com
  Website: www.bigshareonline.com
  Investor Grievance Email pertaining to Rights Issue: investor@bigshareonline.com

  CIN: U99999MH1994PTC076534; and

- *All such Eligible Equity Shareholders are deemed to have accepted the following:*

  Purchaser Representations and Transfer Restrictions

  Any person who acquires Rights Entitlements and/or Rights Equity Shares, by its acceptance of this Letter of Offer/Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

  ➢ *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has* *obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Rights Equity Shares, and it acknowledges and agrees that none of us or the Lead Manager and its respective affiliates shall have any responsibility in this regard;*

- *It certifies that it is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, it is located outside the United States, Canada, the People's Republic of China, South Africa and Australia, and it has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People's Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People's Republic of China, South Africa and Australia; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, (ii) such customer is located outside the United States, Canada, the People's Republic of China, South Africa and Australia, and (iii) such customer has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States, Canada, the People's Republic of China, South Africa and Australia, or entered into any arrangement for the transfer of the Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States, Canada, the People's Republic of China, South Africa and Australia,;*

- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and/or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and/or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India; or or (B) in the United States pursuant to an exemption from the registration requirement of the Securities Act and applicable state securities laws;*

- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*

- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Rights Entitlements and/or Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S under the Securities Act);*

- *It will base its investment decision on a copy of the Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of its respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and/or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and/or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*

- *It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*

- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*

- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

- *It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall visit https://www.bigshareonline.com/RightsIssue.aspx to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and

(c) The remaining procedure for Application shall be same as set out in the section entitled "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 223 of this Letter of Offer.

In accordance with the SEBI Master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled "***Basis of Allotment***" on page 243 of this Letter of Offer.

- **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.**

  Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

  Additional general instructions for Investors in relation to making of an Application

  (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

  (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

  (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 223 of this Letter of Offer.

  (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

  (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.

  (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

  (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the**

SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple applications.

(s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.

(u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

7. *Grounds for Technical Rejection*

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

3. Sending an Application to our Company, the Lead Manager, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.

4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

6. Account holder not signing the Application or declaration mentioned therein.

7. Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

9. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

11. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

13. Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

15. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

16. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

17. Applications which have evidence of being executed or made in contravention of applicable securities laws.

18. Application from Investors that are residing in U.S. address as per the depository records.

19. Applicants not having the requisite approvals to make Application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

➢ ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "***Procedure for Applications by Mutual Funds***" on page 233 of this Letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "***Capital Structure – Intention and extent of participation by our Promoter and/or Promoter Group***" on page 54 of this Letter of Offer.

➢ ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment who is from the Financial Action Task Force member country, the investment shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., in any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors, or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, March 19, 2025, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "***Basis of Allotment***" on page 243 of this Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Investor within a period of four days (on or about) from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable laws.

For further instructions, please read the Application Form carefully.

1. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

➢ ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, *www.bigshareonline.com*) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, *www.welspunspecialty.com*).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE731F20011**.** The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://www.bigshareonline.com/ipo_allotment.html) Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "**Welspun Specialty Solutions Limited – Right Issue Escrow Entitlement Demat Account**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF Authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar to the Issue on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any;.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar to the Issue not later than two Working Days prior to the Issue Closing Date, i.e., by Monday, March 17, 2025 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar to the Issue account is active to facilitate the aforementioned transfer.

2. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➢ ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by the RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) ***On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: INE731F20011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, March 10, 2025, to Thursday, March 13, 2025, (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE731F20011 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) ***Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE731F20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

3. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

(a) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

(b) Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

(c) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

(d) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

(e) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

(f) Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

4. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "***The Issue***" beginning on page 47 of this Letter of Offer.

1. Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Share for every 4 (Four) Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 4 (Four) Equity Shares or not in the multiple of 4 (Four), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 4 (Four) Equity Shares as on Record Date shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

2. Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

3. Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/MV/FIP/1831/2024-25 dated February 18, 2025. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500365) under the ISIN: INE731F01037. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

4. Subscription to this Issue by our Promoter and/or members of our Promoter Group

For details of the intent and extent of subscription by our Promoter and/or members of our Promoter Group, see "***Capital Structure – Intention and extent of participation by our Promoter and Promoter Group***" on page 54 of this Letter of Offer.

5. Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to receive surplus on liquidation;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/restricted by law and as disclosed in this Letter of Offer; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

5. GENERAL TERMS OF THE ISSUE

6. Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

7. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

8. *Nomination*

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

9. *Arrangements for Disposal of Odd Lots*

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

10. *Restrictions on transfer and transmission of shares and on their consolidation/splitting*

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

11. *Notices*

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address through email and speed post. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

12. *Offer to Non-Resident Eligible Equity Shareholders/Investors*

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on https://www.bigshareonline.com or physically/postal means at the address of the Registrar Pinnacle Business Park Office no S6-2 6th floor Mahakali Caves Road Next to Ahura Centre Andheri East Mumbai Maharashtra India 400093. It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

This Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at rightsissue@bigshareonline.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "*ALLOTMENT ADVICE OR REFUND/UNBLOCKING OF ASBA ACCOUNTS*" ON PAGE 244 OF THIS LETTER OF OFFER.

6. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS (ON OR ABOUT)	**THURSDAY, MARCH 06, 2025**
ISSUE OPENING DATE	**MONDAY, MARCH 10, 2025**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**THURSDAY, MARCH 13, 2025**
ISSUE CLOSING DATE*	**WEDNESDAY, MARCH 19, 2025**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**MONDAY, MARCH 24, 2025**
DATE OF ALLOTMENT (ON OR ABOUT)	**TUESDAY, MARCH 25, 2025**
DATE OF CREDIT (ON OR ABOUT)	**WEDNESDAY, MARCH 26, 2025**
DATE OF LISTING (ON OR ABOUT)	**FRIDAY, MARCH 28, 2025**

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or any Committee thereof will have the right to extend the Issue Period as it may determine from time to time but*

not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Monday, March 17 2025 to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Tuesday, March 18, 2025. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.bigshareonline.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar at www.bigshareonline.com.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

7. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the designated

Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.
4. Further, the list of Applicants eligible for refund/unblocking with corresponding amount will also be shared with Banker to the Issue to refund/unblock such Applicants.

I. ALLOTMENT ADVICE OR REFUND/UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable laws, our Company shall pay the requisite interest at such rate as prescribed under applicable laws.

8. PAYMENT OF REFUND

13. Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

9. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

14. Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

1. Tripartite agreement dated March 22, 2004 amongst our Company, NSDL and the Registrar to the Issue;
2. Tripartite agreement dated March 04, 2004 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch,

by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Non-transferable Allotment advice/refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
- Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

10. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakh or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10 lakh or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakh or with both.

11. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.; and
4. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

12. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund/unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications
7. No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
8. As on date of this Letter of Offer, our Company does not have any convertible debt instruments.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

13. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

a) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

b) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Welspun Specialty Solutions Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

Bigshare Services Private Limited
Pinnacle Business Park Office no S6-2 6th floor
Mahakali Caves Road Next to Ahura Centre
Andheri East Mumbai Maharashtra India 400093
Tel: 022 6263 8200
E-mail: rightsissue@bigshareonline.com
Investor Grievance ID: investor@bigshareonline.com
Contact Person: Mr. Suraj Gupta
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

c) In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022 6263 8200.

d) The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com.

- Updation of Indian address/e-mail address/phone or mobile number in the records maintained by the Registrar to the Issue i.e. Bigshare Services Private Limited: www.bigshareonline.com.
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: as applicable: www.bigshareonline.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: rightsissue@bigshareonline.com.

This Issue will remain open for a minimum seven days. However, our Board or any committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other Issue Materials in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with the Stock Exchange and submitted to SEBI.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India, in each case, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India. If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlement and the Rights Equity Shares are being offered and sold only to investors outside the United States in “offshore transactions” as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in “offshore transactions” as defined in, and in reliance, on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "**purchaser**", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States, Canada, the People's Republic of China, South Africa and Australia in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States, Canada, the People's Republic of China, South Africa and Australia and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in "offshore transactions" as defined in, and in reliance, on Regulation S .

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as defined in Regulation S under the Securities Act).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer;

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the

stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or their respective affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or their respective affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of their respective affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or their respective affiliates.

14. The purchaser will not hold our Company, the Lead Manager or their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or their respective affiliates to it.

15. The purchaser understands and acknowledges that the Lead Manager is assisting our Company in respect of this Issue and that the Lead Manager is acting solely for our Company and no one else in connection with this Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their respective engagement with our Company and in connection with this Issue.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

17. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

18. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

19. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

20. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

21. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

22. Except for the sale of Rights Equity Shares on the Stock Exchange, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

23. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

24. The purchaser acknowledges that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian

Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer and the Lead Manager that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Belgium

The Issue does not constitute a public offer in Belgium. This Letter of Offer relating to the Issue has not been, and will not be, notified to the Financial Services and Markets Authority in Belgium in accordance with the Belgian Law of 11 July 2018 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (as amended or replaced from time to time, the "**Prospectus Law**") and Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Accordingly, the Equity Shares and Rights Entitlements may not be distributed, offered, sold or resold, transferred or delivered in Belgium except (i) to "qualified investors" as referred to in article 2, (e) of the Prospectus Regulation, (ii) to fewer than 150 natural or legal persons who hold shares in our Company (other than qualified investors as defined in the Prospectus Regulation) or (iii) in any other circumstances in which the Issue does not qualify as an offer to the public in Belgium in accordance with the Prospectus Regulation and the Prospectus Law.

Canada

The Equity Shares and the Rights Entitlements, this Letter of Offer and any other offering material may be offered to and distributed to shareholders resident in Canada in accordance with the exemption from prospectus requirements in National Instrument 45-106, section 2.1.2 "Rights Offering-Issuer With Minimal Connection to Canada".

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Equity Shares may be made to the public in the Cayman Islands.

China

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Denmark

This Letter of Offer has not been and will not be filed with, registered with or approved by the Danish Financial Supervisory Authority (*Finanstilsynet*) or any other Danish regulatory authority.

European Economic Area (EEA)

In relation to each member State of the European Economic Area (each, a "**Relevant State**"), no Rights Entitlement or Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlement and the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlement and the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons per Relevant State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or

(c) in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Equity Shares requires the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplements of a prospectus pursuant to article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any Rights Entitlement and the Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Rights Entitlement and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement and the Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended from time to time.

France

This Letter of Offer has not been and will not be submitted for clearance procedures or otherwise reviewed or approved by the French *Autorité des Marchés Financiers*.

Germany

None of the Issue, this Letter of Offer or any other prospectus within the meaning of the Prospectus Regulation has been submitted to, or approved by, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*).

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Ireland

The Rights Entitlements and the Equity Shares have not been offered or sold, and will not be offered, sold, underwritten, in Ireland other than in conformity with:

a. Regulation (EU) 2017/1129 (the Prospectus Regulation), the European Union (Prospectus) Regulations 2019 of Ireland and any rules issued by the Central Bank pursuant to section 1363 of the Companies Act 2014 of Ireland;
b. the provisions of the Irish Companies Act 2014;
c. the provisions of the Central Bank Acts 1942 to 2018 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland;
d. the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. no. 375 of 2017) (as amended) and the provisions of the Investor Compensation Act 1998; and
e. the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended), the European Union (Market Abuse) Regulations 2016 of Ireland and any rules issued by the Central Bank of Ireland pursuant to section 1370 of the Companies Act 2014 of Ireland.

Italy

This Letter of Offer has not been submitted to the Italian *Commissione Nazionale per le Società e la Borsa* ("**Consob**") for clearance and will not be subject to formal review, clearance or approval by Consob. The Rights Entitlement and the Equity Shares may not be offered, sold or delivered, directly or indirectly in the Republic of Italy or to a resident of the Republic of Italy, unless such offer, sale or delivery of the Rights Entitlement and the Equity Shares or distribution of copies of this Letter of Offer takes place:

(i) pursuant to the Prospectus Regulation and Italian legislative decree no. 58 of February 24, 1998, as amended from time to time (the "**TUF**"), made only to "qualified investors" (*investitori qualificati*), as defined pursuant to article 34-*ter*, first paragraph, letter (b), of Consob Regulation no. 11971 of May 14, 1999 as amended from time to time ("**Consob Issuers Regulation**") by reference to article 35, paragraph 1, letter (d) of Consob Regulation no. 20307 of February 15, 2018, as amended from time to time ("**Consob Regulation no. 20307**"); or
(ii) in any other circumstances which are exempt from the rules on public offers pursuant to the Prospectus Regulation, article 100 of the TUF and its second-level Consob regulations, including Consob Issuers Regulation.

Any such offer, sale or delivery of the Rights Entitlement and the Equity Shares or any distribution of copies of this Letter of Offer in the Republic of Italy must comply with the selling restrictions under (i) and (ii) above and be:

(1) made by authorized persons (*soggetti abilitati*) (including, without limitation, investment firms, banks or financial intermediaries, as defined by article 1, first paragraph, letter (r), of the TUF), to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the TUF, Consob Regulation no. 20307, Italian legislative decree no. 385 of September 1, 1993, as amended, and any other applicable laws and regulations; and
(2) in compliance with any other applicable Italian securities and tax and exchange laws and regulations as well as in compliance with other applicable requirements or limitations which may be imposed by Consob or the Bank of Italy or any other Italian regulatory authority from time to time.

Any investor purchasing the Rights Entitlement and the Equity Shares is solely responsible for ensuring that any offer or resale of the rights it purchases occurs in compliance with applicable laws and regulations.

In accordance with article 100-*bis* of the TUF,

(A) the subsequent resale on the secondary market in the Republic of Italy of financial instruments, which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus; or
(B) the systematic resale to investors different from qualified investors of financial instruments which were purchased by qualified investors in the previous 12 months in the context of a placement reserved to qualified investors only,

constitutes a distinct and autonomous offer that must be made in compliance with the public offer and prospectus requirement rules provided under the Prospectus Regulation, the TUF and Consob Issuers Regulation, unless an exemption applies.

Failure to comply with such rules may also result in the subsequent resale of such financial instruments being declared null and void and in the liability of the intermediary transferring the financial instruments for any damage suffered by the investors.

Japan

The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Equity Shares. No Rights Entitlements or Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Equity Shares (the "**QII Rights Entitlements and the QII Rights Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Rights Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Equity Shares offered in this Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Equity Shares.

Distribution of this Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Mauritius

The Rights Entitlements and the Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Netherlands

This Letter of Offer has not been and will not be approved by the Authority for the Financial Markets of The Netherlands (*Autoriteit Financiële Markten*) pursuant to the Prospectus Regulation.

Norway

This Letter of Offer has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Letter of Offer shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Rights Entitlements and the Equity Shares may not be offered or sold, directly or indirectly, in Norway except to professional clients (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

Each Lead Manager has acknowledged that this Letter of Offer has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Lead Manager has represented and agreed that it has not offered or sold any Rights Entitlement or Equity Shares or caused the Rights Entitlement and Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Rights Entitlement or Equity Shares or cause the Rights Entitlement or Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Letter of Offer or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlement and the Equity Shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA;

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Entitlement and the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlement, and the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(ii) where no consideration is or will be given for the transfer;
(iii) where the transfer is by operation of law;
(iv) as specified in Section 276(7) of the SFA; or
(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Equity Shares.

Sweden

This Letter of Offer has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this Letter of Offer may not be made available, nor may the Rights Entitlements and the Equity Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of the Rights Entitlements and the Equity Shares in Sweden is limited to persons who are qualified investors (as defined in the Financial Instruments Trading Act). Only such investors may receive this Letter of Offer and they may not distribute it or the information contained in it to any other person.

Switzerland

This Letter of Offer is not intended to constitute an offer or solicitation to purchase or invest in the Rights Entitlements and the Equity Shares described herein. The Rights Entitlements and the Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Rights Entitlements and the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue constitutes a prospectus pursuant to the FinSA or pursuant to Articles 652a and 1156 of the Swiss Code of Obligations (as in effect immediately prior to the entry into force of the FinSA) or pursuant to Articles 27 ff. of the listing rules of SIX Exchange Regulation or any other trading venue in Switzerland, and neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue or our Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Letter of Offer will not be filed with, and the Issue will not be supervised by, the Swiss

Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Rights Entitlements and the Equity Shares.

This Letter of Offer, as well as any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issuer, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Rights Entitlements and the Equity Shares in Switzerland and it does not constitute an offer to any other person. This Letter of Offer may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Rights Entitlements and the Equity Shares have not and will not be registered with the Financial Supervisory Commission of Taiwan or any other governmental authorities of Taiwan, and are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan or otherwise, to, or for the benefit of, any resident or entity of Taiwan, except (i) pursuant to the requirements of the securities related laws and regulations in Taiwan; and (ii) in compliance with any other applicable requirements of Taiwan laws.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Ahmedabad, Gujarat, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

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SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 am to 5:00 pm on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated February 03, 2025, between our Company and the Registrar to the Issue.

2. Issue Agreement dated February 11, 2025 between our Company and the Lead Manager.

3. Bankers to the Issue Agreement dated February 07, 2025among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

4. Monitoring Agency Agreement dated February 06, 2025 between our Company and the Monitoring Agency.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of Incorporation dated December 29, 1980, under the name “Remi Metals Limited”.

3. Certificate of Incorporation dated February 10, 1993, consequent to change in name of our Company from “Remi Metals Limited” to “Remi Metals Gujarat Limited”.

4. Certificate of Incorporation dated May 31, 2013, consequent to change in name of our Company from “Remi Metals Gujarat Limited” to “RMG Alloy Steel Limited”.

5. Certificate of Incorporation dated August 19, 2019, consequent to change in name of our Company from “RMG Alloy Steel Limited” to “Welspun Specialty Solutions Limited”.

6. Letter of Offer dated February 25, 2025, in respect of the rights issue of equity shares of face value of ₹6 each by our Company.

7. Resolution of the Board of Directors dated January 27, 2025, authorising the Rights Issue.

8. Resolution of the Rights Issue Committee dated February 24, 2025, finalizing the terms of the Issue including Issue Price, Record Date and Rights Entitlement Ratio.

9. Resolution of the Rights Issue Committee dated February 25, 2025 approving and adopting the Letter of Offer.

10. Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Independent Chartered Accounts, Independent Chartered Engineer, Practicing Company Secretary, Statutory Auditors, Bankers to the Issue, Lead Manager, Legal Advisor, Monitoring Agency and the Registrar to the Issue for inclusion of their named in this Letter of Offer to act in their respective capacities.

11. Consent letter dated February 11, 2025 from our Statutory Auditors, namely, M/s. B S R & Co. LLP, Chartered Accountants to include their name in this Letter of Offer, as an “expert” as defined under

Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

12. Consent letters from our Independent Chartered Accountant, namely, Nikunj Raichura & Associates, Chartered Accountants, Practicing Company Secretary, namely, JMJA and Associates LLP, to include their name in this Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer, from each of the above letters. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act

13. Copy of the Audited Financial Statements of our Company for the year ended March 31, 2024 and the auditor's Reports thereon.

14. Copy of unaudited financial results of our Company for the nine month period ended December 31, 2024, and the limited review report thereon.

15. Copy of the annual reports of our Company for the last five financial years.

16. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated March 22, 2004.

17. Tripartite Agreement between our Company, Central Securities Depository Limited and the Registrar to the Company dated March 04, 2004.

18. Statement of Tax Benefits dated February 25, 2025, issued by Independent Chartered Accountant, included in this Letter of Offer.

19. In-principal approval issued by the BSE, dated February 18, 2025.

20. Due diligence certificate dated February 25, 2025, addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable laws.

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DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Anuj Burakia
CEO & Whole-Time Director
Date: February 25, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Balkrishan Gopiram Goenka
Non-Executive Director
Date: February 25, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Prakashmal Ranjeetmal Tatia
Non-Executive Director
Date: February 25, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Myneni Narayana Rao
Independent Director
Date: February 25, 2025
Place: Chennai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Viswanathan Kollengode Hariharan
Independent Director
Date: February 25, 2025
Place: Kerala

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Amita Misra
Independent Director
Date: February 25, 2025
Place: Noida

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Vipul Mathur
Non-Executive Director
Date: February 25, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Ravindra Pandey
Independent Director
Date: February 25, 2025
Place: Mumbai

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, the SEBI Act, and the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE KEY MANAGERIAL PERSONNEL OF THE COMPANY

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Navin Agarwal
Chief Financial Officer
Date: February 25, 2025
Place: Mumbai