

## Independent Auditor's Report

To the Members of Welspun Specialty Solutions Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Welspun Specialty Solutions Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter(s)

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

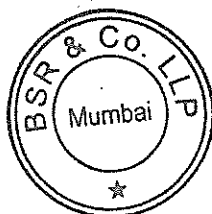
Deferred Tax Asset	
See Note 40 to financial statements	
The key audit matter	How the matter was addressed in our audit
As outlined in Note 40 of the financial statements, the Company has recognised deferred tax assets (DTA) of Rs. 3,388 lakhs as at 31 March 2026 (previous year: Rs. 3,340 lakhs), towards accumulated tax losses carried forward under the Indian Income-tax Act, 1961 ('the Act').	In view of the significance of the matter, we applied the following audit procedures in this area to obtain sufficient appropriate audit evidence.  <b>Test of Controls:</b> We tested the design, implementation and operating effectiveness of key controls over the critical inputs and assumptions used in projecting future taxable

Registered Office:

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

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

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**Independent Auditor's Report (Continued)**

**Welspun Specialty Solutions Limited**

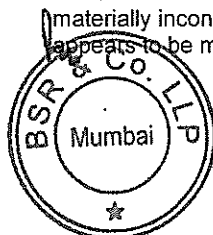
<p>Further, the Company has not recognised DTA of Rs. 21,509 lakhs on unabsorbed depreciation which has unlimited expiry as stipulated under the Act.</p> <p>The Company has recognized deferred tax assets to the extent it is probable that future taxable profits will be available against which such carried forward tax losses can be utilized before they expire.</p> <p>The management believes that the Company will be able to utilize the accumulated tax losses within the timeframe allowed under the Act due to:</p> <ul style="list-style-type: none"> <li>• enhanced operational performance; and</li> <li>• reduced interest expenses, facilitated by the repayment of borrowings through capital raised via a Rights Issue during the current year.</li> </ul> <p>The Company's assessment of the recoverability of DTA involves significant judgments and estimates in forecasting future taxable profits that will result in utilization of the accumulated tax losses.</p> <p>This is considered to be a key audit matter considering the Company's past history of losses, complexity of tax rules, and subjectivity involved in assumptions used in preparing the forecasts of future taxable profits.</p>	<p>profits of the Company.</p> <p><b>Test of Details:</b></p> <ul style="list-style-type: none"> <li>• Challenged the key underlying assumptions used in forecasting future taxable profits and the expected timing of utilization of the carried forward tax losses;</li> <li>• Assessed the historical accuracy of key inputs and assumptions such as volume and revenue growth rate, by comparing management's projections of the prior years to actual outcomes;</li> <li>• Read the minutes of the relevant board meetings to verify the budgets have been formally approved by the Board of Directors;</li> <li>• Performed sensitivity analysis of the key assumptions to evaluate the impact of change in key assumptions on future taxable profits;</li> <li>• Tested the arithmetical accuracy of the computation of the deferred tax;</li> <li>• Performed necessary procedures to verify the adequacy of disclosures made in the financial statements, in compliance with the applicable accounting standards and accounting principles generally accepted in India.</li> </ul>
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**Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



## Independent Auditor's Report (Continued)

### Welspun Specialty Solutions Limited

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

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

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

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

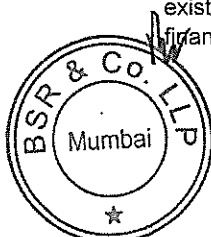
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions



**Independent Auditor's Report (Continued)**

**Welspun Specialty Solutions Limited**

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

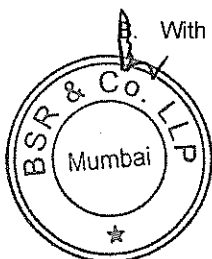
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of accounts 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 the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2026, 01 April 2026 and 02 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of



**Independent Auditor's Report (Continued)**

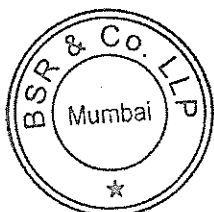
**Welspun Specialty Solutions Limited**

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:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 37 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 50(vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 50(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
  - The feature of recording audit trail (edit log) facility was not enabled at the application level for certain fields and changes, performed by users having privileged access for the accounting software.
  - The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software.

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

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



**Independent Auditor's Report (Continued)**

**Welspun Specialty Solutions Limited**

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

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

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

*Chartered Accountants*

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



**Bhavesh Dhupelia**

*Partner*

Place: Mumbai

Date: 30 April 2026

Membership No.: 042070

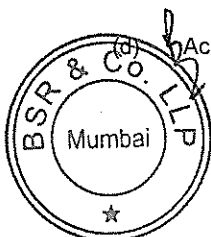
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**Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	14	RMG Alloy Steel Limited	No	31 Years	Title deeds are held in the former name of the Company
Right of use assets & Buildings	12,830	RMG Alloy Steel Limited	No	31 Years	Title deeds are held in the former name of the Company



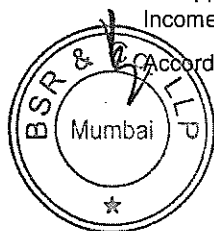
According to the information and explanations given to us and on the basis of our examination

**Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026 (Continued)**

of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The company has made investments in companies, mutual funds and other parties. The Company has not made any investments in firms and limited liability partnerships. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of payment of Income-Tax (Tax Deducted at Source).



According to the information and explanations given to us and on the basis of our examination

**Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026 (Continued)**

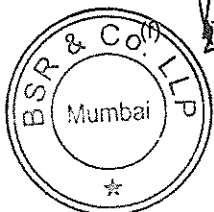
of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Gujarat Sales Tax Act, 1969	Sales Tax	20.27	2003-04	Joint Commissioner (Appeals)	Amount of Rs. 20.27 lakhs paid under protest
Gujarat State Goods and Service Tax Act, 2017	Goods and Service Tax	762.41*	2021-22	Joint Commissioner (Appeals)	Amount of Rs. 40.88 lakhs paid under protest
*Including interest and penalty levied thereon.					

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

The Company does not hold any investment in any subsidiaries, associates or joint ventures (as

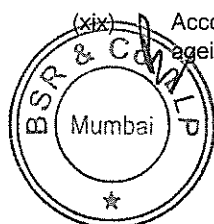


**Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026 (Continued)**

defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as defined in the regulations made by the Reserve Bank of India) has more than one CIC as part of the Group. The Group has three CICs as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,



**Annexure A to the Independent Auditor's Report on the Financial Statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026 (Continued)**

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

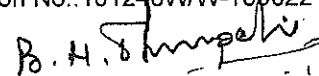
Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

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



**Bhavesh Dhupelia**

*Partner*

Place: Mumbai

Date: 30 April 2026

Membership No.: 042070

ICAI UDIN:26042070GTNQWY9263

**Annexure B to the Independent Auditor's Report on the financial statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Welspun Specialty Solutions Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

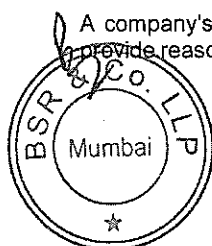
Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable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

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



**Annexure B to the Independent Auditor's Report on the financial statements of Welspun Specialty Solutions Limited for the year ended 31 March 2026 (Continued)**

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


**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

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

*Chartered Accountants*

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



**Bhavesh Dhupelia**

*Partner*

Place: Mumbai

Membership No.: 042070

Date: 30 April 2026

ICAI UDIN: 26042070GTNQWY9263

Welspun Specialty Solutions Limited  
Balance Sheet as at March 31, 2026  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2026	March 31, 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	19,760	19,253
Capital work-in-progress	3(b)	4,887	249
Right-of-use assets	3(c)	243	246
Intangible assets	4	26	44
Intangible assets under development	4a	228	-
<b>Financial assets</b>			
Other financial assets	5	87	68
Deferred tax assets (net)	40	3,388	3,340
Other tax assets (net)	6	173	111
Other non-current assets	7	66	606
<b>Total non-current assets</b>		<b>28,858</b>	<b>23,917</b>
<b>Current assets</b>			
Inventories	8	25,751	24,268
<b>Financial assets</b>			
Investments	9	14,356	2,431
Trade receivables	10	14,295	12,367
Cash and cash equivalents	11	1,125	7,213
Bank balances other than cash and cash equivalents	12	72	73
Other financial assets	13	221	75
Other current assets	14	2,398	2,442
Assets held for sale	14(a)	14	-
<b>Total current assets</b>		<b>58,232</b>	<b>48,869</b>
<b>Total assets</b>		<b>87,090</b>	<b>72,786</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	15	39,756	39,756
<b>Other equity</b>			
Equity component of compound financial instruments	17(a)	-	3,775
Reserves and surplus	16(a)	5,917	(3)
Items of other comprehensive income	16(b)	(19)	(91)
<b>Total equity</b>		<b>45,654</b>	<b>43,437</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	-	2,092
Provisions	18	509	306
<b>Total non-current liabilities</b>		<b>509</b>	<b>2,398</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	3,509	-
Trade payables	20	-	-
- total outstanding dues of micro enterprises and small enterprises; and		3,008	1,470
- total outstanding dues other than above		32,989	24,300
Other financial liabilities	21	787	349
Other current liabilities	22	332	627
Provisions	23	302	205
<b>Total current liabilities</b>		<b>40,927</b>	<b>26,951</b>
<b>Total liabilities</b>		<b>41,436</b>	<b>29,349</b>
<b>Total equity and liabilities</b>		<b>87,090</b>	<b>72,786</b>
Material accounting policies	1		
The accompanying notes are an integral part of these financial statements	1-51		

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

*B. H. Dhupelia*

Bhavesh Dhupelia  
Partner  
Membership No.042070  
Place: Mumbai  
Date: April 30, 2026

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

*B.K. Goenka*

B.K. Goenka  
Chairman  
DIN: 00270175  
Place: Mumbai  
Date: April 30, 2026

*Anuj Burakia*

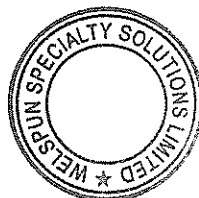
Anuj Burakia  
CEO & Whole Time  
Director  
DIN: 02840211  
Place: Mumbai  
Date: April 30, 2026

*Navin Agarwal*

Navin Agarwal  
Chief Financial Officer  
Place: Mumbai  
Date: April 30, 2026

*Dipti Modi*

Dipti Modi  
Company Secretary  
ACS: 25460  
Place: Mumbai  
Date: April 30, 2026



**Welspun Specialty Solutions Limited**  
**Statement of Profit and Loss for the year ended March 31, 2026**  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income</b>			
Revenue from operations	24	88,620	72,372
Other income	25	1,799	2,537
<b>Total income</b>		<b>90,419</b>	<b>74,909</b>
<b>Expenses</b>			
Cost of materials consumed	26	61,402	43,114
Changes in inventories of finished goods and work-in-progress	27	124	3,651
Employee benefits expense	28	4,902	4,440
Finance costs	29	2,581	4,397
Depreciation and amortisation expense	30	1,671	1,619
Power and Fuel Expense		7,026	6,438
Consumption of Stores and Spares		4,809	4,682
Other expenses	31	5,668	6,968
<b>Total expenses</b>		<b>88,183</b>	<b>75,309</b>
<b>Profit / (Loss) before tax</b>		<b>2,236</b>	<b>(400)</b>
<b>Tax expense / (credit)</b>			
Current tax	41	-	-
Deferred tax	40	(31)	9
<b>Total income tax expense/ (credit)</b>		<b>(31)</b>	<b>9</b>
<b>Profit / (Loss) for the year (A)</b>		<b>2,267</b>	<b>(409)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will be reclassified to profit or loss</b>			
Fair value change gain/ (loss) on derivatives designated as cash flow hedge (net)		72	(135)
Income tax relating to items that will be reclassified to profit or loss		(18)	(23)
		<b>54</b>	<b>(158)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements gain/ (loss) on defined benefit obligations		(139)	(59)
Income tax relating to items that will not be reclassified to profit or loss		35	(15)
		<b>(104)</b>	<b>(74)</b>
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(50)</b>	<b>(232)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>2,217</b>	<b>(641)</b>
<b>Earnings per equity share</b>			
Basic earnings per share of face value of Rs. 6 each (in Rupees)	35	0.34	(0.08)
Diluted earnings per share of face value of Rs. 6 each (in Rupees)	35	0.34	(0.08)
Material accounting policies	1		
The accompanying notes are an integral part of these financial statements	1-51		

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

*B. H. Dhupelia*

**Bhavesh Dhupelia**  
Partner  
Membership No.042070  
Place: Mumbai  
Date: April 30, 2026

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

*B.K. Goenka*

**B.K. Goenka**  
Chairman  
DIN: 00270175  
Place: Mumbai  
Date: April 30, 2026

*Anuj Burakia*

**Anuj Burakia**  
CEO & Whole Time  
Director  
DIN: 02840211  
Place: Mumbai  
Date: April 30, 2026

*Navin Agarwal*

**Navin Agarwal**  
Chief Financial Officer  
Place: Mumbai  
Date: April 30, 2026

*Dipti Modi*

**Dipti Modi**  
Company Secretary  
ACS: 25460  
Place: Mumbai  
Date: April 30, 2026



Welspun Specialty Solutions Limited  
Statement of Cash Flows for the year ended March 31, 2026  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>A) Cash flow from operating activities</b>		
(Loss)/Profit before tax	2,236	(400)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,671	1,619
Loss on sale/discarding of property, plant and equipment (net)	2	7
Finance costs	2,581	4,397
Gain on sales of investments	(130)	(42)
Fair valuation (gain)/loss on investment (net)	35	-
Bad debts expense	-	40
Loss allowance/(reversal) on trade receivables	(71)	125
Interest income	(359)	(95)
Unrealised (gain)/loss on foreign currency transactions and translations	156	(194)
Liabilities/provisions no longer required written back	(77)	(65)
	<u>3,808</u>	<u>5,792</u>
<b>Operating profit before changes in working capital</b>	<b>6,044</b>	<b>5,392</b>
<b>Working capital adjustments</b>		
(Increase)/Decrease in other non-current financial assets	(19)	41
(Increase)/Decrease in inventories	(1,483)	2,588
(Increase) in trade receivables	(1,967)	(7,584)
(Increase)/Decrease in other current financial assets	39	(2)
Decrease in other current assets	44	406
Increase in provisions	160	159
Increase in trade payables	10,244	5,039
Increase in other current financial liabilities	101	13
(Decrease) in other current liabilities	(295)	(208)
<b>Net Working capital adjustments</b>	<b>6,824</b>	<b>452</b>
<b>Cash generated from operating activities</b>	<b>12,868</b>	<b>5,844</b>
Income taxes (paid) (Net)	(55)	(67)
<b>Net cash generated from operating activities (A)</b>	<b>12,813</b>	<b>5,777</b>
<b>B) Cash flow from investing activities</b>		
Payments for property, plant and equipment, and intangible assets (including capital work-in-progress and intangible assets under development) (net off of capital advance and payable for capital expenditure)	(6,097)	(1,594)
Proceeds from sale of property, plant and equipments	22	30
Purchase of investments	(73,887)	(12,264)
Proceeds from sale/redemption of investments	62,057	9,875
Proceeds from maturity of fixed deposits (net)	1	(18)
Interest received	167	88
<b>Net cash (used in) investing activities (B)</b>	<b>(17,737)</b>	<b>(3,883)</b>
<b>C) Cash flow from financing activities</b>		
Proceeds from issue of equity share capital	-	34,769
Repayment of non current borrowings	(2,092)	(10,140)
Proceeds from current borrowings	8,734	10,000
Repayment of current borrowings	(5,225)	(23,719)
Finance cost paid	(2,581)	(5,592)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>(1,164)</b>	<b>5,318</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,088)</b>	<b>7,212</b>
Cash and cash equivalents at the beginning of the year	7,213	1
Cash and cash equivalents at the end of the year	<u>1,125</u>	<u>7,213</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,088)</b>	<b>7,212</b>
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	1	1
Balances with banks		
- In current accounts	424	1,241
Deposits with original maturity of less than three months	700	5,971
<b>Balance as per statement of cash flows</b>	<b>1,125</b>	<b>7,213</b>

Notes:-

- The above Statement of cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.
  - Refer note 45 for non-cash changes in the cash flows from financing activities.
- The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101244W/W-100022  
*B. H. Dhupelia*  
Bhavesh Dhupelia  
Partner  
Membership No.042070  
Date: April 30, 2026

For and on behalf of the Board of Directors  
Welspun Specialty Solutions Limited  
CIN: L27100GJ1980PLC020358  
*B. K. Goenka*  
B.K. Goenka  
Chairman  
DIN: 00270175  
Place: Mumbai  
Date: April 30, 2026  
*Anuj Burakia*  
Anuj Burakia  
CEO & Whole Time  
Director  
DIN: 02840211  
Place: Mumbai  
Date: April 30, 2026



*Navin Agarwal*  
Navin Agarwal  
Chief Financial Officer  
Place: Mumbai  
Date: April 30, 2026  
*Dipti Modi*  
Dipti Modi  
Company Secretary  
ACS: 25460  
Place: Mumbai  
Date: April 30, 2026

Welspun Specialty Solutions Limited  
Statement of changes in equity for the year ended March 31, 2026  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 01, 2024	31,805
Changes in equity share capital during the year (refer Note 15)	7,951
Balance as at March 31, 2025	39,756
Changes in equity share capital during the year	-
Balance as at March 31, 2026	39,756

B. Other equity [refer note 16(a), 16(b) and 17(a)]

	Reserves and surplus					Items of Other comprehensive income	Equity Component of compound financial instruments	Total other equity
	Retained earnings	Securities premium	General reserve	Capital reserve	Total reserve and surplus			
Balance as at April 01, 2024	(55,718)	28,849	553	-	(26,316)	44	3,775	(22,497)
Loss for the year	(409)	-	-	-	(409)	-	-	(409)
Other comprehensive (loss) for the year	(97)	-	-	-	(97)	(135)	-	(232)
Share Premium on Right Issue (refer Note 16(a)(i))	-	26,819	-	-	26,819	-	-	26,819
Total comprehensive income for the year	(506)	26,819	-	-	26,313	(135)	-	26,178
Balance as at March 31, 2025	(56,224)	55,668	553	-	(3)	(91)	3,775	3,681
Opening Balance as at April 01, 2025	(56,224)	55,668	553	-	(3)	(91)	3,775	3,681
Profit for the year	2,267	-	-	-	2,267	-	-	2,267
Other comprehensive income / (loss) for the year	(122)	-	-	-	(122)	72	-	(50)
Transfer to Capital Reserve	-	-	-	3,775	3,775	-	(3,775)	-
Total comprehensive income for the year	2,145	-	-	3,775	5,920	72	(3,775)	2,217
Balance as at March 31, 2026	(54,079)	55,668	553	3,775	5,917	(19)	-	5,898

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

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

*B. H. Dhupelia*

Bhavesh Dhupelia  
Partner  
Membership No.042070  
Place: Mumbai  
Date: April 30, 2026

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

*B.K. Goenka*

B.K. Goenka  
Chairman  
DIN: 00270175  
Place: Mumbai  
Date: April 30, 2026

*Anuj Burakia*

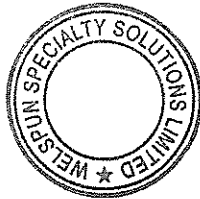
Anuj Burakia  
CEO & Whole Time Director  
DIN: 02840211  
Place: Mumbai  
Date: April 30, 2026

*Navin Agarwal*

Navin Agarwal  
Chief Financial Officer  
Place: Mumbai  
Date: April 30, 2026

*Dipti Modi*

Dipti Modi  
Company Secretary  
ACS: 25460  
Place: Mumbai  
Date: April 30, 2026



## Welspun Specialty Solutions Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2026

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

### General Information

Welspun Specialty Solutions Limited ("the Company") is domiciled and incorporated as a public limited company 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 registered with the Ministry of Corporate Affairs under Corporate Identification Number (CIN): L27100GJ1980PLC020358. 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, 2026 were approved for issue by the Board of Directors on April 30, 2026.

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 Rupees has been rounded off to the nearest lakhs unless otherwise stated.

### Note 1: Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation of financial statements

##### a) Compliance with Ind AS

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

##### b) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for the following items:

Items Basis	Measurement
Derivative Financial instruments	Fair value
Non Derivative Financial instruments at FVTPL	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

##### c) Current and non-current classification

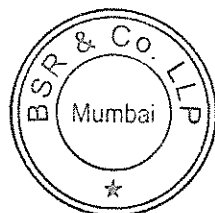
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e. 12 months) and other criteria set out in Schedule III (Division II) to the Act.

##### d) Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:



1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

## 1.2 Revenue Recognition

### a) Sale of goods

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

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

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

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

Revenue is recognized at a determined transaction price when identified performance obligations are satisfied. Revenue excludes any taxes and duties collected on behalf of the government.

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

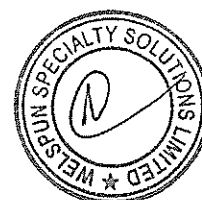
### b) Sale of services

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

## 1.3 Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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



### Government Grants

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

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

### Export Benefits

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

## 1.4 Income tax and Deferred tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

### a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### b) Deferred tax

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

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

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

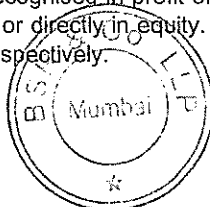
Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

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

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## 1.5 a) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Overhaul expenditure is capitalised where the activities undertaken improve the economic benefits expected to arise from the asset.

Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

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

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

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

Assets	Management Estimates of Useful Lives (in years)	Useful Life as per Schedule II of Companies Act, 2013 (in years)
<b>Buildings</b>		
Building	30	30
Residential and other buildings	60	60
Electrical Installation.	10	10
<b>Office and Other Equipment</b>		
Office equipment	3 to 5 years	5
Computer	3 years except Networking equipment which are depreciated over useful life of 5 Years	3 to 6 years
<b>Plant and Machinery</b>	5-30 years	5 to 25 years
<b>Vehicles</b>	10	6 to 10 years
<b>Furniture and fixtures</b>	10	8 to 10 years

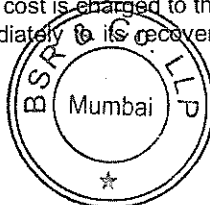
The useful lives have been determined based on technical evaluation done by management's expert which may differ from those specified in Schedule II of the Companies Act, 2013 (as indicated in table above) in order to reflect the actual usage of the assets.

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income or other expenses, as applicable.

#### **b) Intangible assets**

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

#### **Amortisation methods and periods**

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

### **1.6 Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

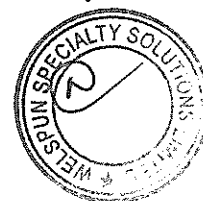
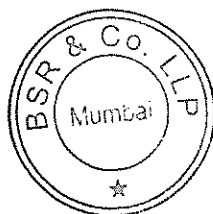
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific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

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

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

#### **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



## 1.7 Inventories

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

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

## 1.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### (I) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

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

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

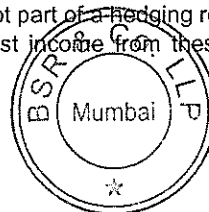
#### (II) Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. However, trade receivables do not contain significant financing component are measured at transaction price. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (i) Debt instruments

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

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



• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income.

**(ii) Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments and gain/loss on restatement of equity shares held in foreign currency are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(III) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(IV) Derecognition of financial assets**

A financial asset is derecognised only when

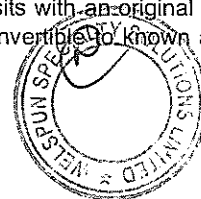
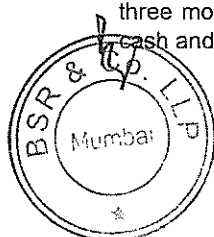
- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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) 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.



**(VI) Trade receivable**

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

**b) Financial liabilities**

**i) Measurement**

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

**ii) Derecognition**

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**iii) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.

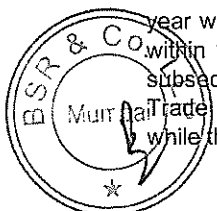
Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**IV) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

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



**c) Derivatives and hedging activities**

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

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

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a

hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

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

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

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

**i) Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income or other expenses (as applicable).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

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

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

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

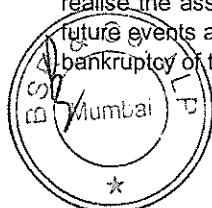
**ii) Derivatives that are not designated as hedges**

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

**d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be 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) Compound financial instruments**

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

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

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

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

**1.9 Provisions, contingent liabilities and contingent assets**

**a) Provisions**

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

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

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

**b) Contingent liabilities**

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

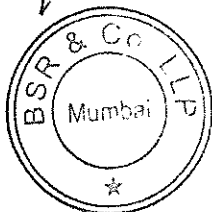
**c) Contingent Assets**

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

**1.10 Other accounting policy**

**a) Contract assets and contract liabilities**

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



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

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

**b) Leases**

**As a lessee**

The Company leases various leasehold lands, buildings, vehicles, and office and other equipments. Rental contracts are typically made for fixed periods of three to ninety-nine years but may have extension options as described in note 3(b). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

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

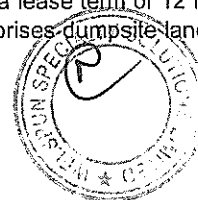
Right-of-use assets are measured at cost comprising the following, wherever applicable:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term (including extension considering reasonable certainty), on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets and short term lease assets comprises dumpsite land, laptops and other office equipment.



**c) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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

**d) Employee benefits**

**1) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**2) Other long-term employee benefit obligations**

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

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

**3) Post-employment obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund, superannuation fund and pension fund.

**(I) Defined Benefit Plans**

**(i) Gratuity obligations**

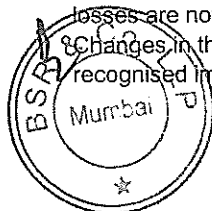
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the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

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

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

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

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



**(II) Defined contribution plans**

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

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

**(ii) Superannuation Fund**

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

**4) Bonus Plan**

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

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

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date. The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Equity settled share-based payments". In case of forfeiture of an unvested option, the portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Equity settled share-based payments" are transferred to the "General Reserve".

When the options are exercised, the Company issues new equity shares of the Company of Rs. 6 each fully paid-up. The proceeds received and the related balance standing to credit of the Equity settled share-based payments, are credited to share capital (nominal value) and Securities Premium.

**e) Contributed Equity**

Equity shares are classified as equity.

**f) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**g) Earnings per share**

**1) Basic earnings per share**

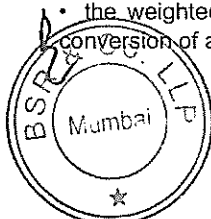
Basic earnings per share is calculated by dividing:

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

**2) Diluted earnings per share**

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

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



**h) Cash Flow Statement**

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

**i) Segment Reporting**

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

**j) Foreign currency translation**

**1) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR/Rs.), which is the Company's functional and presentation currency.

**2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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

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

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

**Note 2: Critical Estimates and Judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



## **Critical Estimates and Judgments**

### **2.1 Estimation of Provisions and Contingent Liabilities**

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

### **2.2 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 the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### **2.3 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.

### **2.4 Estimated fair value of Financial Instruments**

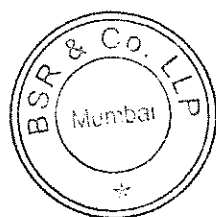
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

### **2.5 Recoverability of deferred tax asset on unabsorbed losses and unabsorbed depreciation**

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

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

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



3(a) Property, plant and equipment

Reconciliation of Carrying amounts

Gross Carrying amounts	Freehold land#	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2024								
Gross carrying amount								
Balance as at April 01, 2024	14	11,701	40,088	2,585	76	29	256	54,749
Additions	-	35	1,328	-	1	-	27	1,392
Disposals	-	-	50	-	-	-	5	55
Gross carrying amount as at March 31, 2025	14	11,736	41,366	2,585	76	29	279	56,085
Year ended March 31, 2025								
Gross carrying amount								
Additions	-	743	1,280	113	3	13	34	2,186
Disposals	14	-	871	-	-	1	25	911
Gross carrying amount as at March 31, 2026	-	12,479	41,775	2,698	79	41	288	57,360

Accumulated depreciation	Freehold land#	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Year ended March 31, 2024								
Balance as at April 01, 2024	-	6,492	26,378	2,175	54	18	179	35,295
Additions	-	342	1,107	63	4	4	34	1,553
Disposals	-	-	14	-	-	-	4	18
Accumulated depreciation as at March 31, 2025	-	6,833	27,470	2,237	58	21	210	36,829
Year ended March 31, 2025								
Additions	-	323	1,220	63	3	3	31	1,643
Disposals	-	-	847	-	-	1	24	872
Accumulated depreciation as at March 31, 2026	-	7,156	27,843	2,300	61	23	217	37,600

Net carrying amount of property, plant and equipment

Balance as at March 31, 2025	14	4,903	13,896	348	18	8	69	19,253
Balance as at March 31, 2026	-	5,323	13,932	398	18	18	71	19,760

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

# Freehold land was reclassified from Property, Plant and Equipment to assets held for sale during the year.

Note:

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

3(b) Capital work-in-progress

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

Opening balance as at April 01, 2025	249
Additions	6,781
Capitalisation	2,143
Closing balance as at March 31, 2026	4,887

Capital work-in-progress aging :

Aging for capital work-in-progress (CWIP) as at March 31, 2026 is as follows:

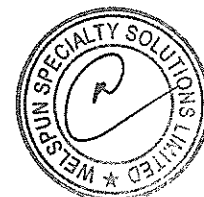
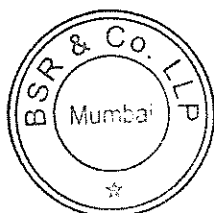
Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	4,804	83	-	-	4,887
Total	4,804	83	-	-	4,887

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

Capital work-in-progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	249	-	-	-	249
Total	249	-	-	-	249

Notes:

- For Capital work-in-progress pledged as security, refer note 19.
- There are no projects temporarily suspended as at March 31, 2026 and March 31, 2025.
- The completion schedule for the above capital work-in-progress is not overdue nor has exceeded its cost compared to its original plan/revised plan as amended and approved during the year.
- Capital work-in-progress majorly comprises of plant and machinery and buildings.



3(c) Right-of-use assets

	As at March 31, 2026	As at March 31, 2025
Right-of-use assets		
Leasehold land	351	351
Accumulated Depreciation		
Opening balance	105	101
Amortisation accounted in statement of Profit and Loss	3	4
Closing balance	108	105
<b>Net carrying amount</b>	<b>243</b>	<b>246</b>
(i) Amount recognised in balance sheet		
The Balance sheet shows the following amounts relating to leases:		
Right-of-use asset		
Leasehold land	243	246
	243	246
(ii) Amount recognised in the statement of profit and loss		
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of Right-of-use assets	3	4
Expense relating to low value leases (included in other expenses)	16	14
<b>Total</b>	<b>3</b>	<b>4</b>

Note:

- 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
- For right-of-use asset pledged as security refer note 19.
- The Company holds low-value leases for its offices in Delhi and Mumbai. It has elected not to recognise right-of-use assets and corresponding lease liabilities for these leases. Accordingly, the lease payments are directly charged to the Statement of Profit and Loss.

3(d) 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(c) 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	Reason for not being held in the name of the Company
Freehold Land*	14	31 Years	Title deeds are held in the former name of the Company (RMG Alloy Steel Limited).
Right of use assets and Building	12,830	31 Years	Title deeds are held in the former name of the Company (RMG Alloy Steel Limited)

\*Freehold land was reclassified from Property, Plant and Equipment to assets held for sale during the year.

4 Intangible assets

Carrying amounts	Computer Software
Gross carrying amount	
Balance as at April 01, 2024	383
Additions	3
Disposals	-
Gross carrying amount as at March 31, 2025	386
Gross carrying amount	386
Additions	7
Disposals	-
Gross carrying amount as at March 31, 2026	393

Accumulated amortisation	Computer Software
Balance as at April 01, 2024	279
Additions	63
Disposals	-
Accumulated amortisation as at March 31, 2025	342
Additions	25
Disposals	-
Accumulated amortisation as at March 31, 2026	367

Net carrying amount of Intangible assets	
As at March 31, 2025	44
As at March 31, 2026	26

4a Intangible assets under development

Intangible assets under development - Software	Software
Opening balance as at April 01, 2024	-
Additions	-
Capitalisation	-
Closing balance as at March 31, 2025	-
Opening balance as at April 01, 2025	-
Additions	228
Capitalisation	-
Closing balance as at March 31, 2026	228

Intangible assets under development aging :

Aging for intangible assets under development as at March 31, 2026 is as follows:

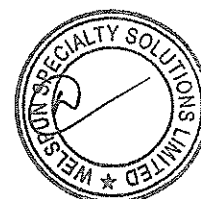
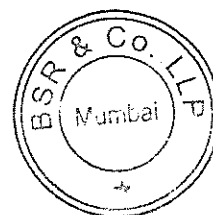
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress*	228	-	-	-	228
Total	228	-	-	-	228

Aging for intangible assets under development as at March 31, 2025 is as follows:

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress*	-	-	-	-	-
Total	-	-	-	-	-

\*Notes:

- Contractual obligations: Refer note 37 for disclosure of contractual commitments.
- The completion schedule for the above intangible assets under development is not overdue and has not exceeded its cost compared to its original plan.



	As at March 31, 2026	As at March 31, 2025
<b>5 Other non current financial assets</b>		
Unsecured, considered good		
Security deposits	87	68
<b>Total other non-current financial assets</b>	<b>87</b>	<b>68</b>
<b>6 Other tax assets</b>		
Advance taxes paid including tax deducted at source (net of provision for tax March 31, 2026: Nil (March 31, 2025: Nil)) (Refer Note 41(d))	173	111
<b>Total Income tax assets</b>	<b>173</b>	<b>111</b>
<b>7 Other non current assets</b>		
Unsecured, considered good		
Capital advances	66	606
<b>Total other non-current assets</b>	<b>66</b>	<b>606</b>
<b>8 Inventories</b>		
Raw materials	6,463	4,870
Raw materials in transit	153	410
Work-in-progress	5,247	5,887
Finished goods	9,816	9,300
Stores and spares	4,072	3,801
<b>Total inventories</b>	<b>25,751</b>	<b>24,268</b>

**Note:**

Write-downs of inventories to net realisable value amounted to Rs. 100 lakhs (Rs. 400 lakhs as on March 31, 2025). 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 19.

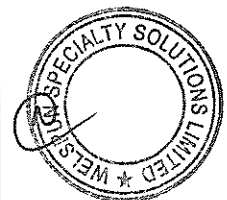
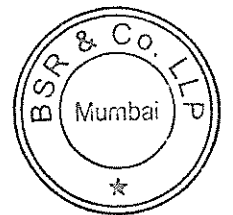
	As at March 31, 2026	As at March 31, 2025
<b>9 Current investments</b>		
Unquoted		
Investment carried at fair value through profit and loss		
Bonds	13,850	2,431
Mutual funds	506	-
<b>Total current investments</b>	<b>14,356</b>	<b>2,431</b>

**Unquoted**

Investment carried at fair value through profit and loss

**I. Investments in bonds**

Particulars	Face Value in Rupees	As at March 31, 2026		As at March 31, 2025	
		Units	Amount	Units	Amount
8.40% Indian Renewable Energy Development Agency Ltd. Perpetual NCD (Series PD1)	1,00,00,000	-	-	24	2431
6.59% Power Finance Corporation Ltd Bonds 15/10/2030	1,00,000	250	241		
6.74% NTPC Limited 14/04/2032	10,00,000	28	271		
6.40% NHPC Limited Bonds 12/08/2027	1,00,000	1160	1,146		
9.15 % Andhra Pradesh State Beverage Corporation Ltd 28/11/2031	1,00,000	680	689		
9.30% The Andhra Pradesh Mineral Development Corporation 07/05/2032	1,00,000	30	31		
9.30% The Andhra Pradesh Mineral Development Corporation 09/05/2031	1,00,000	390	398		
9.30% The Andhra Pradesh Mineral Development Corporation Ltd Bonds 07/05/2030	1,00,000	120	122		
9.15 % Andhra Pradesh State Beverage Corporation Ltd 29/11/2030	1,00,000	100	101		
9.15 % Andhra Pradesh State Beverage Corporation Ltd 29/11/2030	1,00,000	290	294		
9.15% Andhra Pradesh State Beverages Corporation Limited (Series Iv-H) 30/11/2033	1,00,000	2000	2,038		
9.15% Andhra Pradesh State Beverages Corporation Ltd 30/11/2034	1,00,000	400	406		
9.35% Telangana State Industrial Infra. Cor. Ltd 31/12/2029	1,00,000	1500	1,521		
9.35% Telangana State Industrial Infra. Corporation Limited Ncd 31/12/2030	1,00,000	500	513		
7.08% India Infrastructure Finance Company Limited 15/05/2035	1,00,000	950	944		
9.30% KIIIFB 21/01/2034	1,00,000	570	570		
9.30% KIIIFB 21/01/2034	1,00,000	400	400		
7.01% Nabard 16/03/2029	1,00,000	2500	2,479		
7.01% Nabard 16/03/2029	1,00,000	1700	1,686		
<b>Total investments in bonds</b>		<b>13,568</b>	<b>13,850</b>	<b>24</b>	<b>2,431</b>



II. Investments in Mutual funds

Particulars	As at March 31, 2026		As at March 31, 2025	
	Units	Amount	Units	Amount
JioBlackRock Arbitrage Fund - Dir - Growth	-	506	-	-
<b>Total investments in Mutual funds</b>	<b>49,57,890</b>	<b>506</b>	<b>-</b>	<b>-</b>
<b>Aggregate book value of unquoted investments</b>		<b>14,356</b>		<b>2,431</b>
<b>Aggregate market value of unquoted investments</b>		<b>14,356</b>		<b>2,431</b>

10 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - unsecured	14,295	12,367
Trade Receivables which have significant increase in credit risk	464	734
<b>Total trade receivables</b>	<b>14,759</b>	<b>13,101</b>
Less: Loss allowance	(464)	(734)
<b>Net trade receivables</b>	<b>14,295</b>	<b>12,367</b>

Note:

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

11 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash on hand	1	1
Balances with banks		
- On current accounts	424	1,241
Deposits with original maturity of less than three months	700	5,971
<b>Total cash and cash equivalents</b>	<b>1,125</b>	<b>7,213</b>

12 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
<b>Other bank balances:</b>		
Deposits with original maturity of more than three months but less than twelve months# (including Interest accrued on deposits)	71	67
Margin money deposits	1	6
<b>Total bank balances other than cash and cash equivalents</b>	<b>72</b>	<b>73</b>

# includes Rs. 71 Lakhs (March 31, 2025: 67 Lakhs) on which a lien has been created.

13 Other current financial assets

	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Security deposits	0	67
Interest accrued on Current investments	191	6
Others Receivables	30	2
<b>Total other current financial assets</b>	<b>221</b>	<b>75</b>

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

14 Other current assets

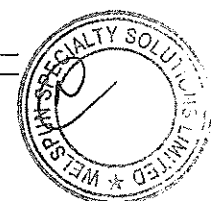
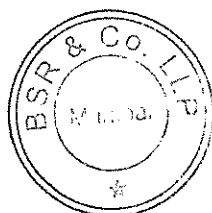
	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Balance with statutory authorities	1,200	1,233
Advance to suppliers	317	358
Prepaid expenses	567	303
Advance to employees	1	14
Export benefit receivable	23	63
Incentive receivable (refer note 34)	290	426
Other receivables	-	45
<b>Total other current assets</b>	<b>2,398</b>	<b>2,442</b>

14(a) Assets held for sale

	As at March 31, 2026	As at March 31, 2025
Assets held for sale*	14	-
<b>Total assets held for sale</b>	<b>14</b>	<b>-</b>

\* It represents land held for sale.

*[Handwritten signature]*



15 Equity share capital

	Equity shares		
	Number of Shares	Par value	Amount
Authorised share capital			
As at April 01, 2024	55,00,00,000	6	33,000
Increase/ (decrease) during the year	30,00,00,000	6	18,000
As at March 31, 2025	85,00,00,000	6	51,000
Increase/ (decrease) during the year	-	-	-
As at March 31, 2026	85,00,00,000	6	51,000
Issued, subscribed and paid up capital	66,26,11,445	6	39,756
Equity shares of Rs.6 each	-	-	-
Total equity share capital	66,26,11,445	6	39,756

a) Movement in equity shares capital

	Number of Shares	Par value	Amount
Issued, subscribed and paid up capital			
As at April 01, 2024	53,00,89,156	6	31,805
Increase/ (decrease) during the year	13,25,22,289	6	7,951
As at March 31, 2025	66,26,11,445	6	39,756
Increase/ (decrease) during the year	-	-	-
As at March 31, 2026	66,26,11,445	6	39,756

Note on Rights Issue (refer Note 49)

b) Terms and rights attached to equity shares

The Company has 662,611,445 equity shares having (March 31, 2025: 662,611,445 equity shares) par value of Rs. 6/- each fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed if any, by the board of Directors is subject to the approval of the Shareholders in ensuing annual general meeting.

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

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

Name of the Shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of total number of shares	No. of shares	% of total number of shares
Welspun Corp Limited (Holding company)	36,55,37,221	55.17%	33,82,97,477	51.06%
Dilipkumar Lakhi	15,35,91,864	23.18%	15,26,65,717	23.04%

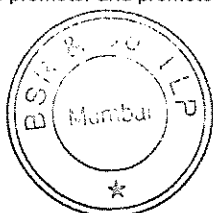
d) Details of shareholding of promoters

Name of the Shareholders	As at March 31, 2026		
	No. of shares	% of total number of shares	Percentage of change during the year
Equity Shares			
Welspun Corp Limited	36,55,37,221	55.17%	4.11%
MGN Agro Properties Private Limited	-	0.00%	-2.82%
Welspun Group Master Trust	-	0.00%	-1.29%

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

e) Share Pledge details

No shares are pledged by the promoter and promoter group companies as on March 31, 2026 (March 31, 2025: Nil).



**Welspun Specialty Solutions Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2026**

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

	As at March 31, 2026	As at March 31, 2025
<b>16 (a) Reserves &amp; Surplus</b>		
<b>(i) Securities premium</b>		
Opening balance	55,668	28,849
Movement during the year (refer note (i) below)	-	26,819
<b>Closing balance</b>	<b>55,668</b>	<b>55,668</b>
<b>(ii) General reserve</b>		
Opening balance	553	553
Movement during the year	-	-
<b>Closing balance</b>	<b>553</b>	<b>553</b>
<b>(iii) Capital reserve</b>		
Opening balance	-	-
Transfer of Equity component of Preference Shares (refer note 17 v)	3,775	-
<b>Closing balance</b>	<b>3,775</b>	<b>-</b>
<b>(iv) Retained earnings</b>		
Opening balance	(56,224)	(55,718)
Net profit / (loss) for the year	2,284	(447)
Item of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefit obligations	(139)	(59)
<b>Closing balance</b>	<b>(54,079)</b>	<b>(56,224)</b>
<b>Total Reserves &amp; Surplus</b>	<b>5,917</b>	<b>(3)</b>

**Nature and purpose of other equity**

**(i) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. On February 24, 2025, the Rights Issue Committee of the Board of Directors of the Company approved issuance of 13,25,22,289 Equity Shares of Face Value of Rs. 6 each at a price of Rs. 26.40 per Rights Equity Share (including Premium of Rs. 20.40 per Rights Equity Share), in the ratio of 1 Rights Equity Share for every 4 existing fully paid equity shares held by the eligible equity shareholders as on March 01, 2025, the Record Date. Rights issue expenses of Rs. 217 lakhs has been adjusted against securities premium account in FY 2024-25.

**(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) Capital reserve**

Capital Reserve created by transfer of Equity component of Preference Shares

**(iv) Retained earnings**

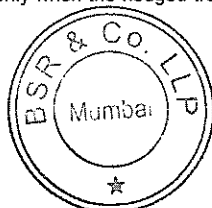
Retained earnings comprises of prior years as well as current year's undistributed earnings after taxes.

	As at March 31, 2026	As at March 31, 2025
<b>16 (b) Items of Other comprehensive income</b>		
<b>Cash flow hedging reserve</b>		
Opening balance	(91)	44
Amount recognised in cash flow hedging reserve during the year (net)	173	(118)
Gain transferred to statement of profit and loss	(101)	(17)
<b>Closing balance</b>	<b>(19)</b>	<b>(91)</b>

**Nature and purpose of other reserve**

**Cash flow hedging reserve**

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



	As at March 31, 2026	As at March 31, 2025
<b>17 Non- current Borrowings</b>		
<b>Unsecured</b>		
<b>Liability component of compound financial instruments</b>		
12% Non-cumulative redeemable preference shares of Rs.10/- each fully paid up (Refer note 17(a)(iv))	-	2,092
<b>Total borrowings</b>	-	2,092

**17(a) Details of preference shareholders**

**i Preference share capital**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Preference Shares of Rs. 10/- each	5,50,00,000	5,500	23,50,00,000	23,500
Increase/ (decrease) during the year	-	-	(18,00,00,000)	(18,000)
<b>As at March 31</b>	5,50,00,000	5,500	5,50,00,000	5,500
<b>Issued, Subscribed and Paid up:</b>				
12% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	-	-	5,09,04,271	5,090

**Note:**

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

**ii Reconciliation of the number of shares**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Preference shares : face value of Rs. 10 each	5,09,04,271	5,090	5,09,04,271	5,090
As at beginning of the year	-	-	5,09,04,271	5,090
Decrease during the year	(5,09,04,271)	(5,090)	-	-
<b>Outstanding at the end of the year</b>	-	-	5,09,04,271	5,090

**iii Details of preference shareholders holding more than 5% shares**

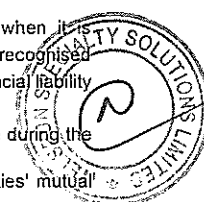
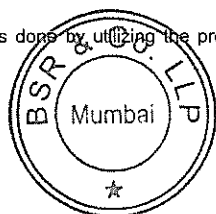
	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Right Growth Trading Private Limited	-	-	5,09,04,271	100%

**iv Rights, preference and restrictions attached to preference shares**

- The non-cumulative redeemable preference shares carry dividend of 12% per annum;
- The non-cumulative redeemable preference shares are redeemable at par on February 19, 2033 or any date before based on the availability of the cash flow. During the year, the same has been redeemed (refer Note No. V).
- Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.
- Refer note 33 and note 42 (c) & (d) for recognition of the fair value of the preference shares.

	As at March 31, 2026	As at March 31, 2025
<b>12% Non-cumulative redeemable preference shares</b>		
Face value	-	5,090
Equity component	-	3,775
Accumulated Interest expense	-	777
Interest paid	-	-
<b>Non-current borrowings portion</b>	-	2,092

- The Preference Shareholder of the Company, vide its letter dated May 5, 2025, requested the Company to consider the early redemption of 5,09,04,271 12% Non-Cumulative Redeemable Preference Shares ("NCRPS") of face value Rs.10 each. The Board of Directors, at its meeting held on May 16, 2025, approved the redemption of the aforesaid NCRPS aggregating to Rs.5,090 lakhs, out of which Rs.3,775 lakhs had been classified as the equity component in accordance with Ind AS 109 – Financial Instruments. The resultant financial liability component, including interest accrued thereon as at May 16, 2025, amounted to Rs.2,122 lakhs. Based on the valuation report obtained from Independent Chartered Accountants, the fair value of the NCRPS as on the redemption date was determined at Rs.2,700 lakhs. In accordance with Ind AS 32 and Ind AS 109 – Financial Instruments, a financial liability is derecognised when it is extinguished, and any difference between the carrying amount of the financial liability and the consideration paid is recognised in the Statement of Profit and Loss. Accordingly, the difference of Rs.578 lakhs arising on extinguishment of the financial liability has been recognised under Finance Costs for the year ended 31 March 2026. Further, the equity component of the NCRPS amounting to Rs.3,775 lakhs has been transferred to Capital Reserve during the year ended 31 March 2026. The said redemption of NCRPS was done by utilizing the proceeds of the Rights Issue and pursuant to the parties' mutual agreement.



Welspun Specialty Solutions Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2026  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
<b>18 Non Current Provisions</b>		
Employee benefit obligations		
Gratuity (refer note 36)	509	306
<b>Total non-current provisions</b>	<b>509</b>	<b>306</b>
	As at	As at
	March 31, 2026	March 31, 2025
<b>19 Current borrowings</b>		
Secured		
Cash credit from banks (Refer note below)	4	-
Working Capital Loan (WCCL)	3,505	-
<b>Total current borrowings</b>	<b>3,509</b>	<b>(0)</b>

**Note:**

Cash credit and working capital loan from banks is secured by way of:

- First Pari Passu charge on all current assets of the Company both present and future.
  - Second Pari Passu charge on Property, plant and equipment and Right-of-use assets of the Company both present and future.
  - The Corporate Guarantee provided by Welspun Corp Limited for Rs.16,000 lakhs in favour of Union Bank of India, Company has working capital facility of Rs.16,000 lakhs.
  - Working Capital Loan is the rate of 7.25% from Bank.
- Interest on cash credit ranges from 7.70% to 8.60% (March 31, 2025: 8.72% to 9.25%) varies from bank to bank. It is reset after every 3 months based on the RBI interest rate. Interest is charged either on 3 months T-Bill plus margin or 1 year MCLR plus margin.

	As at March 31, 2026	As at March 31, 2025
<b>20 Trade payables</b>		
Trade payables: dues of micro and small enterprises (refer note 20(a))	3,008	1,470
Trade payables other than above:		
Trade payables for acceptances (refer note 20(b))	9,344	13,924
Trade payable to related parties (refer note 39)	1,648	1,130
Trade payables others	21,997	9,246
<b>Total trade payables</b>	<b>35,997</b>	<b>25,770</b>
Refer note 47 for ageing schedule of trade payable.		

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

Disclosure of the amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as follows:

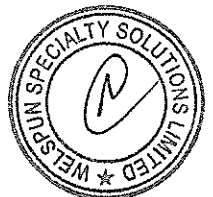
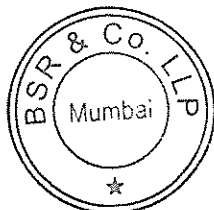
Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end #	3,114	1,456
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,163	1,513
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	32	14
Interest accrued and remaining unpaid at the end of the accounting year	32	14
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	32	24

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

# Includes dues of micro and small enterprises as presented in Capital Creditors under other current liabilities. Refer note no. 21.

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

	As at March 31, 2026	As at March 31, 2025
<b>21 Other current financial liabilities</b>		
Security deposits	10	13
Capital creditors	424	-
Employee dues payable	313	210
Foreign exchange forward contracts	40	126
<b>Total other current financial liabilities</b>	<b>787</b>	<b>349</b>
	As at	As at
	March 31, 2026	March 31, 2025
<b>22 Other current liabilities</b>		
Advance received from customers	218	194
Statutory dues payable	114	433
<b>Total other current liabilities</b>	<b>332</b>	<b>627</b>
	As at	As at
	March 31, 2026	March 31, 2025
<b>23 Current Provisions</b>		
Employee benefit obligations		
Gratuity (refer note 36)	118	84
Leave obligations (refer note 36)	184	121
<b>Total current provisions</b>	<b>302</b>	<b>205</b>



**Welspun Specialty Solutions Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2026

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

	Year ended March 31, 2026	Year ended March 31, 2025
<b>24 Revenue from operations</b>		
<b>Revenue from contracts with customers</b>		
Sale of products	87,049	71,309
	<u>87,049</u>	<u>71,309</u>
<b>Other operating revenue</b>		
Export incentives	233	415
Scrap sales	1,261	583
Liabilities/ Provision no longer required written back	77	65
Others	-	-
	<u>1,571</u>	<u>1,063</u>
<b>Total revenue from operations</b>	<u>88,620</u>	<u>72,372</u>

The Company is primarily engaged in the business of manufacturing 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 job work charges are recognised based on stage of completion of the contract.

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

The amount of Rs 194 lakhs included in contract liabilities at 31 March 2025 has been recognised as revenue during the year ended 31 March 2026. (The amount of Rs 582 lakhs included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025). Refer Note No.22 "Advance received from customers"

No information is provided about remaining performance obligations at 31 March 2026 or at 31 March 2025 that have an original expected duration of one year or less, as allowed by Ind AS 115.

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

	Year ended March 31, 2026	Year ended March 31, 2025
<b>25 Other income</b>		
Interest income under effective interest rate method on Fixed deposits	38	92
Interest income on investments through FVTPL	314	3
Interest Income on tax refund	7	9
Interest from Customers & others	301	64
<b>Other non-operating income</b>		
Incentive income (Refer note 34)	762	1,559
Net foreign exchange differences	232	755
Gain on sale of investments	130	42
Miscellaneous income	15	13
<b>Total other income</b>	<u>1,799</u>	<u>2,537</u>

	Year ended March 31, 2026	Year ended March 31, 2025
<b>26 Cost of materials consumed</b>		
Raw materials at the beginning of the year	5,280	4,469
Add: Purchases	62,738	43,925
	<u>68,018</u>	<u>48,394</u>
Less : Raw materials at the end of the year (including Goods in transit)	6,616	5,280
<b>Total cost of materials consumed</b>	<u>61,402</u>	<u>43,114</u>

	Year ended March 31, 2026	Year ended March 31, 2025
<b>27 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening balance</b>		
Finished goods	9,300	8,978
Work-in-progress	5,887	9,860
<b>Total opening balance</b>	<u>15,187</u>	<u>18,838</u>
<b>Closing balance</b>		
Finished goods	9,816	9,300
Work-in-progress	5,247	5,887
<b>Total closing balance</b>	<u>15,063</u>	<u>15,187</u>
<b>Net (Increase)/Decrease</b>		
Finished Goods	(516)	(322)
Work-in-progress	640	3,973
<b>Total changes in inventories of work-in-progress and finished goods</b>	<u>124</u>	<u>3,651</u>



	Year ended March 31, 2026	Year ended March 31, 2025
<b>28 Employee benefits expense</b>		
Salaries, wages and bonus	4,412	4,010
Contribution to provident and other funds (refer note 36)	234	210
Gratuity expense (refer note 36)	121	80
Staff welfare expenses	135	140
<b>Total employee benefits expense</b>	<b>4,902</b>	<b>4,440</b>

Note: On November 21, 2025, the Government of India notified four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs to enable assessment of the financial impact due to change in regulation.

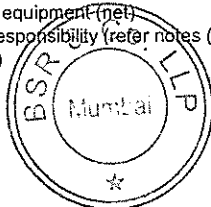
Accordingly, the Company has recognised an estimated incremental impact of Rs 66 lakhs under 'Employee benefits expenses' in the Profit and Loss Account during the year ended March 31, 2026, considering best information available. The Company continues to monitor the finalisation of Central and State Rules and clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

	Year ended March 31, 2026	Year ended March 31, 2025
<b>29 Finance costs</b>		
<b>Interest on financial liabilities measured at amortised cost</b>		
Interest on Term Loan	-	130
Interest on working capital loan	85	210
Interest on loan from related party	-	1,193
Interest on inter corporate deposit	-	492
Interest on others*	258	704
Interest on acceptances and charges on letter of credit	1,471	1,089
Interest on 12% Non-cumulative redeemable preference shares (Refer note 17)	608	225
Other finance cost (including corporate guarantee charges)	159	354
<b>Total finance cost</b>	<b>2,581</b>	<b>4,397</b>

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

	Year ended March 31, 2026	Year ended March 31, 2025
<b>30 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	1,643	1,553
Depreciation of right-of-use assets	3	4
Amortisation of intangible assets	25	62
<b>Total depreciation and amortisation expense</b>	<b>1,671</b>	<b>1,619</b>

	Year ended March 31, 2026	Year ended March 31, 2025
<b>31 Other expenses</b>		
Labour charges	1,115	1,091
Job work charges	1,102	1,297
Freight, material handling and transportation	1,159	1,740
Hire charges-Equipments	142	141
Hire charges-Vehicle	143	124
Rental charges	16	14
Rates and taxes	68	165
Repairs and maintenance		
Plant and machinery	205	168
Buildings	35	62
Others	125	209
Travel and conveyance expenses	116	166
Communication expenses	10	11
Legal and professional fees	170	412
Business Support services	120	90
Retainer Salary	68	69
Insurance	255	199
Directors' sitting fees (refer note 39)	20	22
Printing and stationery	15	22
Security charges	131	137
Membership and fees	20	15
Payment to auditors (refer note 30(a) below)	22	22
Sales promotion expenses	88	160
Commission on sales to agents	301	268
Loss allowance on trade receivables (net)	(71)	48
Loss on disposal of property, plant and equipment (net)	2	7
Expenditure towards corporate social responsibility (refer notes (b) below and 39)	7	-
Fair valuation loss on investments (net)	35	-
Donation	0	8
Miscellaneous expenses	249	301
<b>Total other expenses</b>	<b>5,668</b>	<b>6,968</b>



	Year ended March 31, 2026	Year ended March 31, 2025
<b>31(a) Payment to auditors</b>		
As auditor:		
Statutory Audit	5	5
Tax Audit	2	2
Limited Review of quarterly results	13	13
In other capacities		
Certification fees (Refer note below)	1	15
Reimbursement of expenses	1	2
<b>Total payment to auditors</b>	<b>22</b>	<b>37</b>

**Note:**

Rs.1 Lakhs (Previous Year Rs. 15 Lakhs) paid to statutory auditors for certification fees pertaining to rights issue and other certification work.

	Year ended March 31, 2026	Year ended March 31, 2025
<b>31(b) Corporate social responsibility expenditure</b>		
Contribution to Welspun Foundation for Health & Knowledge	7	-
<b>Total corporate social responsibility expenditure</b>	<b>7</b>	<b>-</b>
Amount required to be spent as per Section 135 of the Companies Act, 2013	7	-
Amount approved by the Board to be spent during the year	7	-

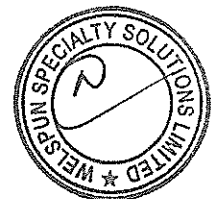
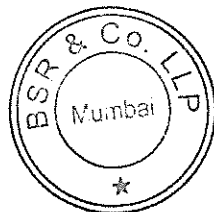
**Amount spent during the year on:**

	Year ended March 31, 2026	Year ended March 31, 2025
On purposes other than construction/ acquisition of an asset	7	-
Amount required to be spent by the Company during the year	7	-
Amount of expenditure incurred	7	-
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

Company has incurred Rs. 7 lakhs (March 31, 2025: Rs.Nil) during the year towards donation to Welspun Foundation for Health and Knowledge.

Details of ongoing CSR projects under Section 135(6) of the Act	Rs. Lakh
Balance as at April 01, 2025	-
With the Co.	-
In separate CSR unspent account	-
<b>Amount spent during the year</b>	<b>-</b>
From the company's bank account	-
From separate CSR unspent account	-
<b>Balance as at March 31, 2026</b>	<b>-</b>
With the Company	-
In separate CSR unspent account	-

It includes donation in electoral bonds to the political party Rs.Nil (March 31, 2025: Rs. Nil).



**32 Going Concern**

During the previous year, the Company has raised funds by way of Rights issue, for an aggregate amount of Rs 34,986 lakhs to the eligible equity shareholders. The net worth of the Company is positive as at March 31, 2026. The Company also has positive cashflows for the year ended March 31, 2026. The Company has reported a profit during the year and maintains a positive current ratio as at March 31, 2026. It also has adequate liquid assets in the form of current investments amounting to Rs. 14,356 lakhs, along with surplus bank balances..

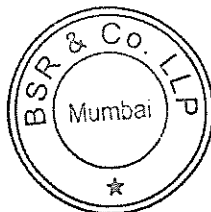
The Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

**33** In the FY 2022-23, the Company reassessed the nature of 12% Non-Cumulative Redeemable Preference Shares (NCRPS), resulting in change in liability portion of the same. On initial recognition the fair value of the instrument is bifurcated into liability and equity component. The fair value of the liability component on initial recognition was determined as the present value of the eventual redemption amount discounted at the market rate of return. The equity component was the residual amount. (Refer Note 17 a(iv))  
The NCRPS were redeemed during the year ended March 31, 2026. Refer note no. 17 a(v)

**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 762 Lakhs upto 30th June 2025 (Previous year - Rs 1,559 Lakhs) on account of such refund and the same has been recognised under the head 'Other Income'. The scheme was discontinued with effect from 1st July 2025 by the Government of Gujarat, Industries & Mines Department.

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Nominal value of an equity shares	6.00	6.00
Profit / (Loss) after tax attributable to the equity share holders of the Company	2,267	(409)
<b>Basic earnings/ (loss) per share:</b>		
Weighted average number of equity shares used as denominator for calculating basic EPS	66,26,11,445	54,46,12,147
Basic earnings per share (Rs.)	0.34	(0.08)
<b>Diluted earnings/ (loss) per share:</b>		
Profit / (Loss) after tax attributable to the equity share holders of the Company	2,267	(409)
Weighted average number of equity shares used as denominator for calculating diluted EPS	66,26,11,445	54,46,12,147
Diluted earnings per share (Rs.)	0.34	(0.08)
<b>Reconciliation of weighted average number of shares outstanding</b>		
Weighted Average number of equity shares used as denominator for calculating basic EPS	66,26,11,445	54,46,12,147
Total weighted average potential equity shares	-	-
Weighted average number of equity shares used as denominator for calculating diluted EPS	66,26,11,445	54,46,12,147



## 36 Employee benefit obligations

## A. Defined contribution plans

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

Particulars	As at March 31, 2026	As at March 31, 2025
Employer's Contribution to Provident Fund	222	203
Employer's Contribution to Employees' State Insurance Corporation	-	-
Employer's Contribution to Superannuation fund	3	3
Employer's Contribution to National Pension Fund	9	4
<b>Total expense recognised in the statement of Profit and loss</b>	<b>234</b>	<b>210</b>

## 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.

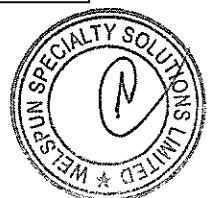
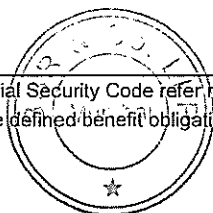
These defined benefit plans expose the Company to actuarial risks, such as interest rate risk.

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, 2026	As at March 31, 2025
<b>i) Amount recognised in the balance sheet</b>		
Present value of obligations	626	390
Fair value of plan assets	-	-
<b>Net liability recognised in balance sheet</b>	<b>626</b>	<b>390</b>
<b>ii) Statement of profit and loss</b>		
Current service cost*	94	59
Interest cost	27	21
<b>Total amount recognised in profit or loss</b>	<b>121</b>	<b>80</b>
<b>Other comprehensive income (OCI)</b>		
<b>Remeasurements</b>		
(Gain) from change in demographic assumptions	(4)	-
(Gain) from change in financial assumptions	26	85
Loss from change in experience adjustment	117	(26)
<b>Total loss amount recognised in other comprehensive income</b>	<b>139</b>	<b>59</b>
<b>iii) Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	390	251
Adjustment due to transfer in	2	40
Current Service cost	94	59
Interest cost	27	21
Actuarial loss on obligation	139	59
Benefits paid	(26)	(40)
<b>Closing defined benefit obligation</b>	<b>626</b>	<b>390</b>
<b>iv) Bifurcation of liability as per schedule III</b>		
Current	118	84
Non-Current	509	306
<b>Net Liability</b>	<b>627</b>	<b>390</b>
<b>v) Actuarial assumptions</b>		
Discount Rate	7.78%	6.99%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 30 Years	29%	30%
From 31 to 44 Years	25%	28%
Above 45 Years	18%	21%
<b>vi) Sensitivity to key assumptions</b>		
<b>Impact on defined benefit obligation:</b>		
Due to the change in discount rate		
increased by 0.5%	(11.67)	(6.60)
decreases by 0.5%	12.09	6.82
Due to the change in salary increase		
increased by 0.5%	12.24	6.98
decreases by 0.5%	(11.92)	(6.82)

\*Includes past service cost. Further impact on account of Social Security Code refer note no. 28

Note: At 31 March 2026, the weighted-average duration of the defined benefit obligation is 13.72 years (31 March 2025: 11.98 years)



**Welspun Specialty Solutions Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2026

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

**36 Employee benefit obligations (contd.)**

**vii) Defined benefit liability and employer contributions**

Expected contribution to post-employment benefit plans for next year ended March 31, 2027 is Rs. 163 Lakhs.

**viii) Maturity Profile of Defined Benefit Obligation**

The expected maturity analysis of undiscounted gratuity benefits is as follows:

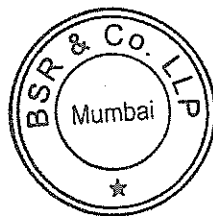
Year	As at March 31, 2026	As at March 31, 2025
Upto 1 years	141	109
Between 1 to 2 years	39	16
2 years to 5 years	492	257
Over 5 years	-	52
<b>Total</b>	<b>672</b>	<b>434</b>

**C. Other employee benefits**

Provision for leave obligation as at March 31, 2026 is Rs. 184 Lakhs (March 31, 2025 is Rs. 121 Lakhs) recognised under:

Particulars	As at March 31, 2026	As at March 31, 2025
Current	184	121
Non-Current	-	-
<b>Net Liability</b>	<b>184</b>	<b>121</b>

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



### 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, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debts	218	255
<u>Disputed indirect taxes:</u>		
Sales tax/ Value Added Tax (amount of Rs. 20 lakhs paid under protest)	20	20
Goods and Service tax (amount of Rs. 41 lakhs paid under protest)	762	-

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the 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, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account (net of advances):	213	2,031

### 38 Segment information

#### a) Description of segments and principle activities

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

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

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

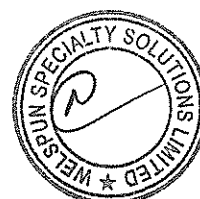
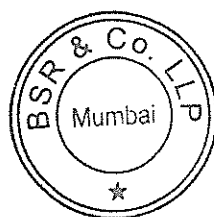
For the year ended	Number of Customers	Amount	% to revenue from operations
As at March 31, 2026	2	43,785	50%
As at March 31, 2025	1	11,347	16%

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

Revenue From Operation	As at March 31, 2026	As at March 31, 2025
Outside India	14,573	26,159
Within India	74,047	46,213
<b>Total</b>	<b>88,620</b>	<b>72,372</b>

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

Segment assets	As at March 31, 2026	As at March 31, 2025
Outside India	-	-
Within India	25,210	20,398
<b>Total non - current assets</b>	<b>25,210</b>	<b>20,398</b>



39 Related party transactions

a) List of related parties

Parties where control exists

Name	Type	Effective proportion of ownership interest (%)	
		As at March 31, 2026	As at March 31, 2025
Welspun Corp Limited	Holding company	55.17%	51.06%

Fellow Subsidiaries (with whom transactions exist)

Welspun Tradings Limited  
Anjar TMT Steel Private Limited  
Welspun Global Trade LLC

Key management personnel

Name	Nature of relationship
Mr. Balkrishan Goenka*	Non-Executive Chairman
Mr. Vipul Mathur*	Non-Executive Director
Mr. Anuj Burakia	CEO and Whole Time Director
Mr. Prakashmal Tatia*	Non-Executive Director
Mr. Atul Desai*	Independent Director (upto May 26, 2024)
Mr. K.H. Viswanathan	Independent Director
Ms. Amita Misra	Independent Director
Mr. Myneni Narayana Rao	Independent Director
Ms. Dipali Sheth*	Independent Director (w.e.f. April 26, 2024 till November 23, 2024)
Mr. Ravindra Pandey	Independent Director (w.e.f. November 23, 2024)
Mr. Navin Agarwal	Chief Financial Officer (w.e.f. December 19, 2024)
Mr. Brijveer Singh*	Chief Financial Officer (upto December 19, 2024)
Mr. Suhas Pawar	Company Secretary (upto March 20, 2026)
Ms. Dipti Modi*	Company Secretary (w.e.f. April 30, 2026)

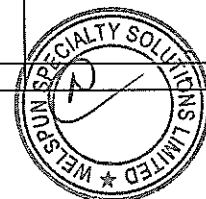
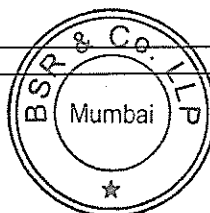
\*No transactions during the year

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 Realty Private Limited  
Welspun Global Brands Limited  
Welspun Enterprises Limited  
Welspun Living Limited (Formerly known as Welspun India Limited)  
Welspun Transformation Service Limited  
Bhargavi Renewable Private Limited  
Welspun Foundation For Health and Knowledge  
Welassure Private Limited (uptill February 12, 2025)

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

	Transactions	
	As at March 31, 2026	As at March 31, 2025
<b>1) Purchase of goods and expenses incurred</b>		
Welspun Corp Limited	434	575
Welassure Private Limited	-	76
Welspun Global Brands Limited	11	17
Welspun Global Trade LLC	21	168
Anjar TMT Steel Private Limited	96	60
Welspun Transformation Services Limited	441	222
Welspun Realty Private Limited	15	13
Bhargavi Renewable Private Limited	659	-
Welspun Foundation For Health and Knowledge	7	
Welspun Enterprise Limited	1	1
<b>Total purchase of goods and expenses incurred</b>	<b>1,685</b>	<b>1,132</b>
<b>2) Interest expenses on loan availed</b>		
Welspun Corp Limited		1,193
<b>Total of Interest expenses on loan availed</b>		<b>1,193</b>



Welspun Specialty Solutions Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2026  
(All amounts in Rupees (Rs.) Lakhs, unless otherwise stated)

Related party transactions (Contd...)

	Transactions	
	As at March 31, 2026	As at March 31, 2025
<b>3) Loans and deposit repaid</b>		
Welspun Corp Limited	-	18,263
<b>Total loans and deposit repaid</b>	-	<b>18,263</b>
<b>4) Interest on Loans and deposit paid</b>		
Welspun Corp Limited	-	2,269
<b>Total interest on loans and deposit repaid</b>	-	<b>2,269</b>
<b>5) Key management personnel compensation #</b>		
Anuj Burakia		
Short-term employee benefit	272	256
Navin Agarwal		
Short-term employee benefit	168	28
Brijveer Singh		
Short-term employee benefit	-	69
Suhas Pawar		
Short-term employee benefit	30	26
<b>Total key management personnel compensation</b>	<b>470</b>	<b>379</b>
<b>6) Directors' sitting fees</b>		
Atul Desai	-	0
Amita Misra	6	5
Myneni Narayana Rao	5	6
K.H. Viswanathan	7	8
Dipali Sheth	-	2
Ravindra Pandey	2	1
<b>Total directors' sitting fees</b>	<b>20</b>	<b>22</b>

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, 2026	As at March 31, 2025
<b>1) Trade receivables</b>		
Welspun Transformation Services Limited	-	0*
Welasure Private Limited	-	0*
Welspun Global Trade	-	0*
<b>Total trade receivables</b>	-	<b>0*</b>
<b>2) Trade payables</b>		
Welspun Corp Limited	1,450	1,082
Welspun Transformation Services Limited	35	-
Welspun Global Trade LLC	65	-
Bhargavi Renewable Private Limited	98	-
Anjar TMT Steel Private Limited	-	47
Welspun Enterprises Limited	0	0
<b>Total trade payables#</b>	<b>1,648</b>	<b>1,129</b>
<b>3) Security deposits</b>		
Welspun Enterprises Limited	1	1
<b>Total security deposits</b>	<b>1</b>	<b>1</b>

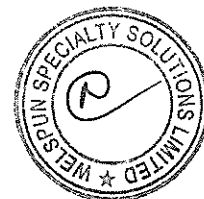
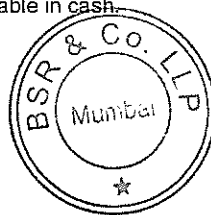
\* Amount is below the rounding off norms adopted by the Company

#Includes provision for expenses

Apart from above, the Company has taken guarantee from Welspun Corp Limited (Holding company) and guarantee charges paid are included in 'Purchase of goods and expenses incurred' above. Total corporate guarantee given by holding company is Rs 16,000 Lakhs as on March 31, 2026 ( March 31, 2025 - Rs 33,739 Lakhs)

(d) Terms and conditions

All outstanding balances are unsecured and are payable in cash.



40 Deferred tax assets (net)

	As at March 31, 2026	As at March 31, 2025
The balance comprises of temporary differences attributable to:		
<b>Deferred tax assets:</b>		
Brought forward income tax losses	5,407	5,481
Employee benefit obligations	204	129
Loss allowance on trade receivables (net)	117	184
Others	19	37
	<b>5,747</b>	<b>5,831</b>
<b>Deferred tax liabilities:</b>		
Property, plant and equipment	2,359	2,491
	<b>2,359</b>	<b>2,491</b>
<b>Total Deferred tax assets (net)</b>	<b>3,388</b>	<b>3,340</b>

Note:

The Company has unabsorbed tax losses and depreciation that are available for offsetting against future taxable profits of the Company. The Company had recognised deferred tax assets on the brought forward losses and unabsorbed depreciation

The Company has unabsorbed tax losses and depreciation that are available for offsetting against future taxable profits of the Company. In view of the profit made during the financial year 2023-24 and expected continued profitability in future. The Company has recognised net deferred tax asset of Rs 3,388 lakhs as at March 31, 2026 (Rs 3,340 lakhs as at March 31, 2025). Based on the projection of taxable profit for the next 3 years on prudent basis.

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

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

Also, refer note 41

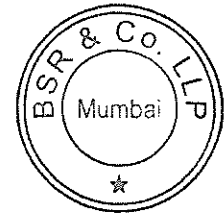
41 Income tax expense / (credit)

a) Amounts recognised in profit and loss

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current income tax</b>		
Current tax on profit for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Increase / (Decrease) in deferred tax assets	(47)	47
(Decrease) in deferred tax liabilities	-	-
<b>Total deferred tax expense / (credit) (Refer note 40)</b>	<b>(47)</b>	<b>47</b>
<b>Total income tax credit recognised in statement of profit and loss</b>	<b>(47)</b>	<b>47</b>

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

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Profit / (Loss) before tax</b>	<b>2,236</b>	<b>(400)</b>
Tax rate	25.17%	25.17%
Tax at normal rate	563	(101)
<b>Tax effect of:</b>		
Current year losses on which no deferred tax assets is recognised	-	101
Set off of brought forward business loss against taxable income	(563)	-
Reversal / (Recognition) of deferred tax assets	(47)	47
<b>Net effective income tax</b>	<b>(47)</b>	<b>47</b>
Tax impact on items classified as Other Comprehensive Income	17	(38)
<b>Total income tax</b>	<b>(31)</b>	<b>9</b>



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, 2026	As at March 31, 2025	Expiry period
Brought forward income tax losses	-	-	
Unabsorbed tax depreciation	21,509	25,965	Does not have expiry period
<b>Total</b>	<b>21,509</b>	<b>25,965</b>	

d) Advance taxes paid including tax deducted at source

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	111	44
Current tax expense	-	-
Tax paid during the year including tax deducted at source	132	67
Less: Refund received during the year	70	-
<b>Closing balance</b>	<b>173</b>	<b>111</b>

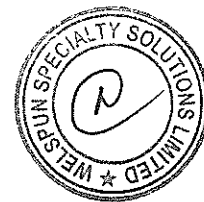
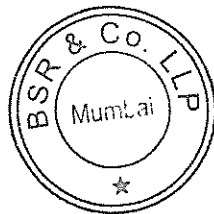


41 Income tax expense / (credit) (contd..)

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

Particulars	Deferred tax assets					Deferred tax liabilities		Net deferred tax assets recognised/reversal
	Brought forward income tax losses	Employee benefit obligations	Loss allowance on trade receivables (net)	Others	Total deferred tax assets	Property, plant and equipment	Total deferred tax liabilities	
As at April 01, 2024	5,597	89	153	15	5,854	2,467	2,467	3,387
Recognised in the								
Statement of profit and loss	(116)	40	31	-	(45)	25	25	(70)
Other comprehensive income	-	-	-	23	23	-	-	23
As at March 31, 2025	5,481	129	184	37	5,831	2,491	2,491	3,340
Recognised in the								
Statement of profit and loss	(74)	75	(67)	-	(66)	(132)	(132)	66
Other comprehensive income	-	-	-	(18)	(18)	-	-	(18)
As at March 31, 2026	5,407	204	117	19	5,747	2,359	2,359	3,388

*[Handwritten signature]*



42 Fair value measurements

a) Financial instruments by category

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
-Bonds	13,850	-	2,431	-
-Mutual fund	506	-	-	-
Trade receivables	-	14,295	-	12,367
Cash and cash equivalents	-	1,125	-	7,213
Bank balances other than cash and cash equivalents	-	72	-	73
<b>Other financial assets</b>				
Security deposits	-	87	-	135
Forward contracts	30	-	2	-
Others	-	191	-	6
<b>Total financial assets</b>	<b>14,386</b>	<b>15,770</b>	<b>2,433</b>	<b>19,794</b>
<b>Financial liabilities</b>				
Borrowings((includes interest accrued)	-	3,509	-	2,092
Trade payables	-	35,997	-	25,770
<b>Other financial liabilities</b>				
Forward contracts	40	-	126	-
Others	-	747	-	223
<b>Total financial liabilities</b>	<b>40</b>	<b>40,253</b>	<b>126</b>	<b>28,085</b>

b) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2026

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	14,356	-	14,356
Forward Contracts	-	30	-	30
<b>Total financial assets</b>	-	<b>14,386</b>	-	<b>14,386</b>
<b>Financial liabilities</b>				
Forward contracts	-	40	-	40
<b>Total financial liabilities</b>	-	<b>40</b>	-	<b>40</b>

Assets and liabilities which are measured at amortised cost for which fair value are disclosed as at March 31, 2026

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	87	87
Others	-	-	-	-
<b>Total financial assets</b>	-	-	<b>87</b>	<b>87</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued)	-	-	3,509	3,509
<b>Total financial liabilities</b>	-	-	<b>3,509</b>	<b>3,509</b>

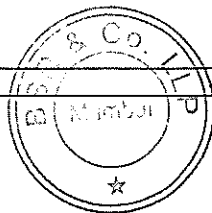
Carrying amount approximates to amortised cost.

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

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	2,431	-	2,431
Forward contracts	-	2	-	2
<b>Total financial assets</b>	-	<b>2,433</b>	-	<b>2,433</b>
<b>Financial liabilities</b>				
Forward contracts	-	126	-	126
<b>Total financial liabilities</b>	-	<b>126</b>	-	<b>126</b>

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

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Security deposits	-	-	135	135
<b>Total financial assets</b>	-	-	<b>135</b>	<b>135</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued)	-	-	2,092	2,092
<b>Total financial liabilities</b>	-	-	<b>2,092</b>	<b>2,092</b>



## 42 Fair value measurements (Contd...)

Level 1: This hierarchy includes financial instruments measured using quoted prices. There is no item under this category as at March 31, 2026 and as at March 31, 2025.

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, 2026 and March 31, 2025

	Borrowings (liability component of Compound financial instrument)
As at April 01, 2024	1,867
Interest expenses charged to profit and loss	225
As at March 31, 2025	2,092
Interest expenses charged to profit and loss	608
Less: Paid During the year	2,700
As at March 31, 2026	-

## d) Valuation inputs and relationships to fair value

	Fair value		Significant unobservable inputs	Probability weighted average		Sensitivity
	As at March 31, 2026	As at March 31, 2025		As at March 31, 2026	As at March 31, 2025	
Borrowings (liability component of Compound financial instrument)	-	2,092	Risk adjusted discount rate	0.00%	12.05%	The estimated fair value would increase by Rs.Nil (March 31, 2025 Rs.152 lakhs) if the discount rate were lower by 1% and the same would decrease by Rs. Nil (March 31, 2025 Rs. 139 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 among Authorised Dealers dealing in foreign exchange.

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

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

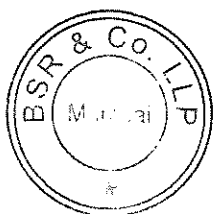
Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Security deposits	87	87	135	135
<b>Total</b>	<b>87</b>	<b>87</b>	<b>135</b>	<b>135</b>
<b>Financial liabilities</b>				
Borrowings (includes interest accrued)	3,509	3,509	2,092	2,092
<b>Total</b>	<b>3,509</b>	<b>3,509</b>	<b>2,092</b>	<b>2,092</b>

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

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

## g) Classification of interest income by instrument categories

	Year ended March 31, 2026	Year ended March 31, 2025
<b>Interest income at amortised cost:</b>		
Fixed deposits	38	92
Interest from Customers	301	64
<b>Interest income at FVTPL:</b>		
Interest income on investments	314	3
<b>Other Interest Income:</b>		
Income tax refund	7	9



#### 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
Market risk – security prices risk	Investments in bonds and mutual funds	Sensitivity analysis	Portfolio diversification

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 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.

##### Exposure to credit risk

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

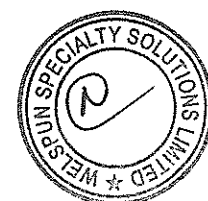
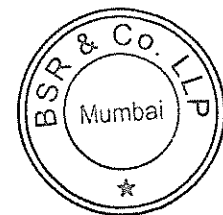
Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets		
Trade Receivables	14,759	13,101
<b>Total</b>	<b>14,759</b>	<b>13,101</b>

##### Reconciliation of loss allowance on trade receivables:

	As at March 31, 2026	As at March 31, 2025
Opening balance	734	609
Changes in loss allowance	(270)	125
Closing balance	464	734

##### 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, 2026			Carrying amount of trade receivables
	Gross trade receivables	Expected loss rate	Expected loss	
Trade receivables (Refer note 46):				
Not Due	11,782	0.01%	1	11,781
Less than 6 Months	2,479	0.66%	16	2,463
6 Months to 1 Year	35	27.47%	9	26
1 Year to 2 Years	7	94.54%	6	1
2 Years to 3 Years	-	94.54%	-	-
More than 3 Years	456	94.54%	432	24
<b>Total</b>	<b>14,759</b>		<b>464</b>	<b>14,295</b>



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

Particulars	As at March 31, 2025			Carrying amount of trade receivables
	Gross trade receivables	Expected loss rate	Expected loss	
Trade receivables (Refer note 46):				
Not Due	11,202	0.00%	-	11,202
Less than 6 Months	1,037	0.00%	-	1,037
6 Months to 1 Year	182	29.92%	54	128
1 Year to 2 Years	91	100.00%	91	-
2 Years to 3 Years	11	100.00%	11	-
More than 3 Years	578	100.00%	578	-
<b>Total</b>	<b>13,101</b>		<b>734</b>	<b>12,367</b>

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.

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, 2026 and March 31, 2025 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, 2026 and March 31, 2025.

	As at March 31, 2026	As at March 31, 2025
Floating rate		
Expiring within one year	-	-
Expiring beyond one year	17,147	16,075
<b>Total</b>	<b>17,147</b>	<b>16,075</b>

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, and derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

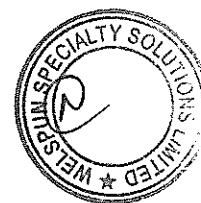
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

As at March 31, 2026

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings (includes interest accrued and current maturities of long-term debt)	3,509	-	-	-	3,509	3,509
Trade payables	35,997	-	-	-	35,997	35,997
Other financial liabilities	747	-	-	-	747	747
<b>Total non-derivative liabilities</b>	<b>40,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,253</b>	<b>40,253</b>
<b>Derivatives</b>						
Forward contracts	40	-	-	-	40	40
<b>Total derivative liabilities</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>40</b>

As at March 31, 2025

Contractual maturities of financial liabilities	< 1 Year	1 - 3 years	3 - 5 years	> 5 years	Total	Carrying value
<b>Non-derivatives</b>						
Borrowings (includes interest accrued and current maturities of long-term debt)	-	-	-	2,092	2,092	2,092
Trade payables	25,770	-	-	-	25,770	25,770
Other financial liabilities	223	-	-	-	223	223
<b>Total non-derivative liabilities</b>	<b>25,993</b>	<b>-</b>	<b>-</b>	<b>2,092</b>	<b>28,085</b>	<b>28,085</b>
<b>Derivatives</b>						
Forward contracts	126	-	-	-	126	126
<b>Total derivative liabilities</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126</b>	<b>126</b>



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 comprise 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 utilizing 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, 2026			As at March 31, 2025	
	USD	EUR	Other	USD	EUR
<b>Financial assets</b>					
Investment in preference share	-	-		-	-
Trade receivables	215	184		203	235
<b>Derivatives not designated as hedges</b>					
Forward contracts (Sell foreign currency)	(215)	(184)		(203)	(235)
<b>Derivatives designated as hedges</b>					
Forward contracts (Sell foreign currency)	(440)	(2,903)		(200)	(5,015)
<b>Net exposure to foreign currency risk (assets)</b>	<b>(440)</b>	<b>(2,903)</b>	<b>-</b>	<b>(200)</b>	<b>(5,015)</b>
<b>Financial liabilities</b>					
Trade payables	195	265	-	1,727	7
<b>Derivatives not designated as hedges</b>					
Forward contracts (Buy foreign currency)	(195)	(265)	-	(1,727)	(7)
<b>Derivatives designated as hedges</b>					
Forward contracts (Buy foreign currency)	(395)	(199)	(20)	(1,858)	(2,038)
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>(395)</b>	<b>(199)</b>	<b>(20)</b>	<b>(1,858)</b>	<b>(2,038)</b>
<b>Total Net exposure to foreign currency risk</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>
<b>Net Derivatives designated as hedges</b>	<b>(45)</b>	<b>(2,704)</b>	<b>20</b>	<b>1,658</b>	<b>(2,977)</b>

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

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

Foreign currency sensitivity

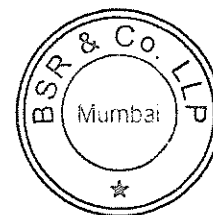
The Company does not have any unhedged foreign currency exposure, hence there is no foreign currency exchange risk.

(ii) Interest rate risk

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

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing. 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 liabilities by type of interest rate:

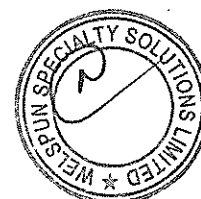
Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial Liabilities</b>		
Interest bearing		
Borrowings - Floating interest rate		
Cash credit from bank	4	-
Borrowings - Fixed interest rate		
Working Capital Loan (WCDL)	3,505	-
Loan from related party	-	-



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 excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit / (loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Increase in 50 bps points</b>		
Effect on profit/(loss) before tax	-	-
<b>Decrease in 50 bps points</b>		
Effect on profit/(loss) before tax	-	-



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:

March 31, 2026

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	3,343	614	(36)	17	Apr 26 - July 26	1:1

As at March 31, 2025

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

As at March 31, 2026

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	173	-	(101)	Revenue

As at March 31, 2025

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	(118)	-	(17)	Revenue

b) Movements in cash flow hedging reserve

	As at March 31, 2026	As at March 31, 2025
Cash flow hedging reserve		
Opening balance	(91)	44
Amount recognised in cash flow hedging reserve during the year (net)	173	(118)
Gain/ (loss) transferred to statement of profit and loss (net)	(101)	(17)
Closing balance	(19)	(91)

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, 2026 and March 31, 2025.

E Investment risk

a) Exposure

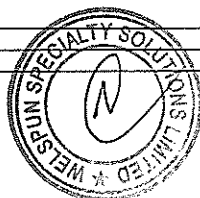
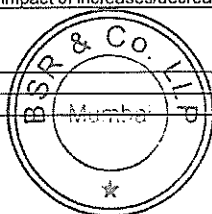
The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

b) Sensitivity

The table below summarises the impact of increases/decreases of 1% increase in price of bonds, government securities and mutual funds.

	Impact on profit before tax	
	As at March 31, 2026	As at March 31, 2025
Increase in rate 1%	84	12
Decrease in rate 1%	-84	-12



#### 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 maintain an optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

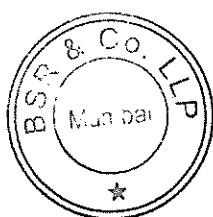
Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (including interest accrued)	3,509	2,092
Less: Cash and Bank Balance	(1,197)	(7,286)
Less: Current Investments	(14,356)	(2,431)
<b>Net debt (a)</b>	<b>(12,044)</b>	<b>(7,625)</b>
Equity	45,654	43,437
<b>Total equity (b)</b>	<b>45,654</b>	<b>43,437</b>
<b>Net debt equity ratio (a/b)</b>	<b>(0.26)</b>	<b>(0.18)</b>

The Company has complied with all the loan covenants applicable.

#### 45 Net debt reconciliation

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and Bank Balances	(1,197)	(7,286)
Current Investments	(14,356)	(2,431)
Borrowings (including interest accrued)	3,509	2,092
<b>Net Debt</b>	<b>(12,044)</b>	<b>(7,625)</b>

Particulars	Financial assets	Financial assets	Financial liabilities	Total
	Current Investments [A]	Cash and Bank Balances [B]	Borrowings [C]	[D] = [A]+[B]+[c]
Net debts as at April 1, 2024	-	56	(27,147)	(27,091)
Cash flow (net)	2,389	7,230	23,860	33,479
Fair value adjustments & others	42	-	-	42
Interest expenses	-	-	(4,397)	(4,397)
Interest paid	-	-	5,592	5,592
<b>Net debts as at March 31, 2025</b>	<b>2,431</b>	<b>7,286</b>	<b>(2,092)</b>	<b>7,625</b>
Cash flow (net)	11,830	(6,089)	(1,417)	4,324
Fair value adjustments & others	95	-	-	95
Interest expenses	-	-	(693)	(693)
Interest paid	-	-	693	693
<b>Net debts as at March 31, 2026</b>	<b>14,356</b>	<b>1,197</b>	<b>(3,509)</b>	<b>12,044</b>



46 Ageing for trade receivables as at March 31, 2026 is as follows:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>								
(i) considered good	-	11,782	2,479	34	-	-	-	14,295
(ii) which have significant increase in credit risk	-	-	-	1	7	-	11	19
(iii) credit impaired	-	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>								
(i) considered good	-	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	445	445
(iii) credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	11,782	2,479	35	7	-	456	14,759
Expected loss rate in %		0.01%	0.66%	27.47%	94.54%	94.54%	94.54%	
Less: Loss allowance		1	16	9	6	-	432	464
<b>Total trade receivables</b>	-	11,781	2,463	26	1	-	24	14,295

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

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade receivables</b>								
(i) considered good	-	11,202	1,037	128	-	-	-	12,367
(ii) which have significant increase in credit risk	-	-	-	54	91	11	133	289
(iii) credit impaired	-	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>								
(i) considered good	-	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	445	445
(iii) credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	11,202	1,037	182	91	11	578	13,101
Expected loss rate in %		0.00%	0.00%	29.92%	100.00%	100.00%	100.00%	
Less: Loss allowance	-	-	-	54	91	11	578	734
<b>Total trade receivables</b>	-	11,202	1,037	128	-	-	-	12,367

47 Ageing for trade payables as at March 31, 2026 is as follows:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
(i) Micro enterprise and small enterprises	215	2,488	305	*	-	-	3,008
(ii) Others	968	28,816	2,138	501	554	12	32,989
<b>Total</b>	1,183	31,304	2,443	501	554	12	35,997

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

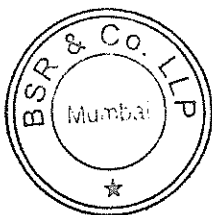
Other current liabilities includes payable to Micro enterprise and small enterprises capital creditors, above ageing does not included the same.

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

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Payables</b>							
(i) Micro enterprise and small enterprises	-	1,469	1	-	-	*	1,470
(ii) Others	893	20,917	1,866	574	10	40	24,300
<b>Total</b>	893	22,386	1,867	574	10	40	25,771

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

There are no disputed trade payables as on March 31, 2026 and March 31, 2025.



## 48 Analytical Ratios to the Financial Statements as of and for the year ended March 31, 2026

Sr. no.	Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance in %	Remark
1	Current ratio (times)	Current assets	Current liabilities	1.42	1.81	-22%	Variation is not material (below 25%)
2	Debt-equity ratio (times)	Total debt	Equity	0.08	0.05	60%	During the year company has taken a working capital loan at the yearend, due to which the ratio has increased
3	Debt service coverage ratio (times)	Earnings available for debt service	Debt Service	0.59	-0.13	556%	The ratio has improved is positive due to positive earnings during the year as compared to loss in the previous year, reflecting a positive operating cash flow.
4	Return on equity ratio (%)	Profit / (Loss) for the year	Average shareholders equity	5.13%	-1.78%	388%	Return on equity ratio has positive and higher, due to Profit after tax during the year as compared to loss last year Loss after tax.
5	Inventory turnover ratio (times)	Cost of goods sold	Average inventory	2.46	1.83	34%	This increase indicates enhanced efficiency in inventory management, primarily driven by higher cost of goods sold relative to average inventory levels. The improved turnover suggests faster movement of inventory management
6	Trade receivables turnover ratio (times)	Revenue from operations	Average Trade receivable	6.65	8.41	-21%	Variation is not material (below 25%)
7	Trade payable turnover ratio (times)	Net Credit purchases	Average Trade Payables	2.60	2.66	-2%	Variation is not material (below 25%)
8	Net capital turnover ratio (times)	Revenue from operations	Working capital	5.12	3.31	55%	Ratio has been improved due to higher sales during the year and the improved working capital
9	Net Profit margin (%)	Profit / (Loss) for the year	Revenue from operations	2.58%	0.65%	296%	Ratio has improved due to better profit after tax along with the increase in the Reveue from Operation and control fixed cost as appear in the oher expenses
10	Return on capital employed (%)	Earnings before interest and tax	Capital employed	10.23%	8.64%	18%	Variation is not material (below 25%)
11	Return on investment (%)	Treasury Income	Average Investment	4.09%	3.20%	28%	Ratio has improved, as the company has surplus funds that have been invested in bonds and mutual funds, generating comparatively higher income than the previous year.

## Notes:

1. Currents Assets = Total Current assets - Assets held for sales

2. Total debt = Non-current borrowings and Current borrowings

3. Earning for debt service = Profit for the year + Non-cash operating expenses like depreciation and other amortisations + Interest expenses

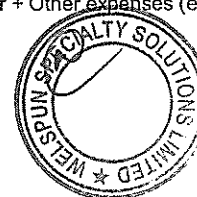
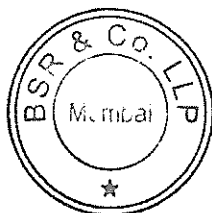
4. Debt service = Interest and principal repayments

5. Cost of Goods Sold = Cost of material consumed + Changes in inventories of finished goods and work-in progress

6. Working capital =Current assets (-) Current liabilities

7. Capital employed = Tangible net worth + Total debt

8. Net Credit purchases = Raw materials purchase during the year + Stores and spares purchases during the year + Other expenses (excluding non cash expenses)



**49 Note on Rights Issue**

The Rights Issue Committee (the "Committee") of the Company at its meeting held on March 24, 2025, had approved the allotment of 13,25,22,289 fully paid-up Equity Shares at an issue price of Rs. 26.40 per Rights Equity Share (including a premium of Rs 20.40 per Rights Equity Share) to eligible equity shareholders, pursuant to the Rights Issue. The objects of the Rights Issue were to utilize the Net Proceeds for Repayment and/or Prepayment, in full or in part, of certain outstanding borrowings availed by the Company and General corporate purposes. The company have raised Rs. 34,986 lakhs and had utilised the same as per the objects of the Rights issue.

**50 Additional regulatory requirements under Schedule III**

**(i) Details of Benami Property held**

No proceedings have been initiated 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, 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 Property, plant and equipment (PP&E) and intangible asset**

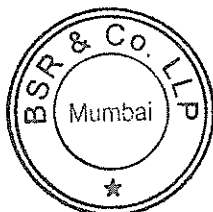
The company has not revalued its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the current or previous year.

**(xi) 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.

**(xii) 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.



**Welspun Specialty Solutions Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2026**

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

**51 Core Investment Companies (CIC)**

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

*B. H. Dhupelia*

**Bhavesh Dhupelia**

*Partner*

Membership No.042070

Place: Mumbai

Date: April 30, 2026

For and on behalf of the Board of Directors

**Welspun Specialty Solutions Limited**

CIN: L27100GJ1980PLC020358

*B.K. Goenka*

**B.K. Goenka**

*Chairman*

DIN: 00270175

Place: Mumbai

Date: April 30, 2026

*Anuj Burakia*

**Anuj Burakia**

*CEO & Whole Time*

*Director*

DIN: 02840211

Place: Mumbai

Date: April 30, 2026

*Navin Agarwal*

**Navin Agarwal**

*Chief Financial Officer*

Place: Mumbai

Date: April 30, 2026

*Dipti Modi*

**Dipti Modi**

*Company Secretary*

ACS: 25460

Place: Mumbai

Date: April 30, 2026

