



**39TH
ANNUAL
REPORT
2020-21**

**WELSPUN SPECIALTY
SOLUTIONS LIMITED**

(ERSTWHILE RMG ALLOY STEEL LIMITED)



WELSPUN SPECIALTY SOLUTIONS
Alloy & Stainless | Bars & Tubes

(ERSTWHILE RMG ALLOY STEEL LIMITED)

CIN:L27100GJ1980PLC020358

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Balkrishan Goenka	-	Chairman
Mr. Atul Desai	-	Independent Director
Mr. Myneni Narayana Rao	-	Independent Director
Ms. Amita Karia	-	Independent Director
Mr. Prakash Tatia	-	Director
Mr. Anuj Burakia	-	Whole Time Director

KEY MANAGERIAL PERSONNEL

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

AUDITORS

Pathak H.D. & Associates LLP., Nariman Point, Mumbai – 400 021

BANKERS

Corporation Bank
Yes Bank Ltd

REGISTERED OFFICE AND FACTORY

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

CORPORATE OFFICE

C/8, BKT House, Trade World, Kamala City, S.B.Marg, Lower Parel
Mumbai – 400013, Tel: 022-66136000/24908000, Fax: 022-24908020
E-mail: companysecretary_wssl@welspun.com
Website: www.welspunspecialty.com

LISTING OF SHARES

BSE LTD, MUMBAI
Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001

R&T AGENT

Bigshare Services Pvt. Ltd.
(Unit: Welspun Specialty Solutions Limited)
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Next to Keys Hotel, Marol Maroshi Road, Andheri (East)
Mumbai – 400059
Email: vinod.y@bigshareonline.com
Tel: 91-22-6263 8200
Fax: 91-22-6263 8261



WELSPUN SPECIALTY SOLUTIONS LIMITED

(Erstwhile RMG Alloy Steel Limited)

CIN : L27100GJ1980PLC020358

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

Corporate Office : C/8, BKT House, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.

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

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

NOTICE

To,
The Members,

NOTICE is hereby given that 39th Annual General Meeting of **Welspun Specialty Solutions Limited** (Erstwhile RMG Alloy Steel Limited) will be held via Video Conference or Other Audio-Visual Means on Tuesday, August 31, 2021, at 2.00 pm to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Prakashmal Tatia (DIN: 06559106), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution.

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Board, the continuation of appointment of M/s. Pathak H.D. & Associates LLP, Chartered Accountants (having Firm Registration Number 107783W), as the statutory auditors of the Company to hold office from the conclusion of the 39th Annual General Meeting until the conclusion of the 40th Annual General Meeting be and is hereby ratified by the members of the Company at a fee of Rs.9,50,000 (subject to deduction of tax at source at such rate as may be applicable) and out of pocket expenses.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the total remuneration of Rs.35,000/- approved by the Board of Directors of the Company to M/s. Kiran J. Mehta & Co. Cost Accountants (Firm Registration No. 000025), appointed as the Cost Auditors of the Company for the financial year ending March 31, 2022 and the other duties in accordance with the applicable legal provisions, be and is hereby ratified.”

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, and subject to such other consents and permission as may be necessary, and subject to such

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

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) read with Schedule IV to the Act and other applicable rules made under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Myneni Narayana Rao (DIN: 00577494), who was appointed as an independent director with effect from August 28, 2018 till August 27, 2021 by the members of the Company and who has submitted a declaration that he meets the criteria for independence as prescribed under Section 149 of the Act and who is eligible for re-appointment pursuant to, inter alia, Schedule IV of the Act, be and is hereby appointed as an independent director of the Company to hold the office for the second term of consecutive five years with effect from August 28, 2021 and whose office shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Act”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the recommendation by the Audit Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve the transactions (including any modifications, alterations or amendments thereto) entered into/ to be entered into by the Company in the ordinary course of business and on an arm’s length basis with related Party/ies within the meaning of the Act and Listing Regulations, as per below framework:

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Act”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the recommendation by the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/approve the transactions (including any modifications, alterations or amendments thereto) entered into/ to be entered into by the Company in the ordinary course of business and on arm’s length basis with related Party/ies within the meaning of the Act and Listing Regulations, as per below framework:

Sr. No.	Particulars	Framework for terms of contract
1.	Name of the Related Party	Welspun Corp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 (“WCL”)
2.	Name of the Director or Key Managerial Personnel who is/may be related	Mr. Balkrishan Goenka – Chairman (Non-Executive)
3.	Nature of Relationship	WCL is a company under same management. Please also refer Point. 9.
4.	Nature and particulars of the contract / arrangement	Availing of Loan /Inter Corporate Deposit (ICD)
5.	Material terms of the contract / arrangement	In line with prevailing market comparable rates on arm’s length basis as may be mutually agreed.
6.	Monetary value of the contract	Such amount as may be agreed between the Company and

	/ arrangement	WCL. Provided however that the loan/ ICD amount shall not exceed Rs.25 Crore.
7.	Duration of the transaction	The tenor of loan will be for Five years. The loan can be pre-paid or extended as per mutual agreement.
8.	The indicative base price or current contracted price and the formula for variation in the price, if any	The rate of interest as may be mutually agreed in line with prevailing comparable market rates on arm's length basis
9.	Any other information relevant or important for the members to take a decision on the proposed resolution	The Board of Directors of Welspun Steel Ltd (the "Demerged Company"), being the promoter of the Company has, inter alia, considered and decided to propose to National Company Law Tribunal ("NCLT") for its approval, a scheme in the nature of demerger to transfer its steel business undertaking which inter alia includes their stake (50.03%) in the Company to Welspun Corp Limited (the "Resulting Company"). Thus, under and pursuant to the said Scheme, the Company shall become a subsidiary of Welspun Corp Limited.

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

Place: Mumbai
Date: July 30, 2021

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

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

RESOLUTION NO. 2

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

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

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

Mr. Tatia holds 428213 equity shares in the Company.

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

Except Mr. Tatia, being the appointee herein, none of the Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested, financially or otherwise, in this resolution.

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

RESOLUTION NO. 4

As provided under the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, had appointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2022 and also to perform other duties under the applicable provisions of the law, on the total remuneration of Rs.35,000/- , subject to ratification in general meeting.

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

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

RESOLUTION NO. 5

Mr. Anuj Burakia is a qualified Chartered Accountant having experience of about 20 years in steel industry. Mr. Burakia is aged 42 years and have remained involved since the year 2002 with various

businesses of Welspun group from time to time. Since 2008, he has been heading steel business of the group namely Welspun Steel Limited and later the Company as the whole time director. He possesses very strong business acumen and exercises effective controls over end to end aspects of strategy, manufacturing, supply chain, marketing etc.

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

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

Company Name	Committee Type	Chairmanship / Membership
Welspun Specialty Solutions Limited*	Audit Committee	Member
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member

* Shareholding of Mr. Burakia as on July 30, 2021: 10,35,000 Equity Shares.

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

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

RESOLUTION NO. 6

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

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

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

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

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

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

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

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

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

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

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

RESOLUTION NO. 7

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

Since the proposed arrangement between the Company and WSL would be in the nature of loan / inter corporate deposit, it would be an arrangement in the ordinary course of business of the Company. Further, the interest payable on such loan/ inter corporate deposits is in line with prevailing market comparable rates. Hence, the transaction proposed for members' approval is in ordinary course and at an arm's length.

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

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

The proposed arrangement, along with other transactions, is estimated to exceed ten percent of the annual turnover of the Company as per the last audited financial statements, therefore, the approval of the shareholders is required.

Information required to be given in the explanatory statement pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 forms part of the resolution.

Except for Mr. Balkrishan Goenka and Mr. Prakash Tatia, none of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested (financially or otherwise) in the resolution.

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

Members' approval is sought by way of ordinary resolution proposed under Resolution No. 7 of the accompanying Notice in terms of Regulation 23 of the Listing Regulations. All the related parties are not entitled to vote on this resolution.

RESOLUTION NO. 8

The Board of Directors of Welspun Steel Ltd (the "Demerged Company"), being the holding company of the Company, at its meeting held on June 28, 2021 have, inter alia, considered and decided to propose to National Company Law Tribunal ("NCLT") for its approval, a scheme of arrangement in the nature of demerger to transfer its steel business undertaking which inter alia includes their stake (50.03%) in the Company to Welspun Corp Limited (the "Resulting Company"/ "WCL").

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

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

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

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

The proposed arrangement, along with other transactions, is estimated to exceed ten percent of the annual turnover of the Company as per the last audited financial statements, therefore, the approval of the shareholders is required.