

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

February 9, 2022

Dear Sirs/ Madam,

Reg: Unaudited Financial Results and matters related thereto pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Un-audited Financial Results for the quarter and nine months ended December 31, 2021 ("UFR") (signed by Mr. Anuj Burakia (DIN: 02840211)) prepared in accordance with IND-AS, as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today.

Also attached herewith is the Limited Review Report of the Statutory Auditors of the Company on the UFR and a brief business update.

The Board meeting commenced at 11.08 am and concluded at 1.00 pm.

Kindly take note of the above.

Yours Faithfully,
For Welspun Specialty Solutions Ltd


Rashmi Mamtura
Company Secretary
F-8658



Welspun Specialty Solutions Limited

(Erstwhile RMG Alloy Steel Limited)

C/8, BKT House, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, India

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

E-mail : companysecretary_wssl@welspun.com Website : www.welspunspecialty.com

Registered Address & Works : Plot No. 1, GIDC Industrial Estate, Valia Road, Dist. Jhagadia, Bharuch, Gujarat - 393110, India

T : +91 70690 05579

Corporate Identification No. : L27100GJ1980PLC020358

Pathak H.D. & Associates LLP

Chartered Accountants

Limited Review Report on Unaudited Financial Results of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) for the quarter and nine months ended December 31, 2021 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited),

1. We have reviewed the accompanying statement of unaudited financial results of **Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited)** ("the Company") for the quarter and nine months ended December 31, 2021 ("the Statement"), attached herewith being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended.
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on February 09, 2022, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ("the Act") as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note no. 5 of the Statement, which states that the Company continues to incur losses, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. However financial result has been prepared by the management on going concern basis, for the reasons stated in the aforesaid note. Our conclusion on the Statement is not modified in respect of this matter.
6. We draw attention to Note no. 7 of the Statement, as regards to the management evaluation of Impact of COVID – 19 on the future performance of the Company. Our conclusion on the Statement is not modified in respect of this matter.

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

JT Shah

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 22161851AAYAF11602



Date: February 09, 2022
Place: Mumbai

Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited)

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

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

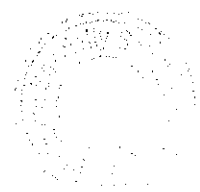
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2021

(Rs. In Laacs)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		Un-Audited			Un-Audited		Audited
1	Income						
a)	Revenue from Operations	3,971	2,071	1,783	7,885	6,544	9,343
b)	Other Income	125	6	10	133	76	161
	Total Revenue	4,096	2,077	1,793	8,018	6,620	9,504
2	Expenses						
a)	Cost of materials consumed	4,974	1,992	1,318	7,542	2,832	4,255
b)	Changes in inventories of finished goods, work in progress and stock in trade	(3,204)	(976)	(326)	(3,605)	1,463	1,631
c)	Employees benefits expenses	589	485	454	1,561	1,376	1,876
d)	Depreciation and Amortisation expenses	365	364	342	1,089	1,038	1,381
e)	Power & fuel	826	380	294	1,486	788	1,115
f)	Finance Costs	382	322	249	1,029	907	1,147
g)	Consumption of stores & spares	654	305	400	1,212	852	1,243
h)	Other expenses	418	320	414	1,036	801	1,288
	Total Expense	5,004	3,192	3,145	11,350	10,077	13,936
3	Profit/(Loss) before exceptional items and Tax (1-2)	(908)	(1,115)	(1,352)	(3,331)	(3,457)	(4,432)
4	Exceptional Items - Income / (Expenses) (Refer note - 6)	-	14	(352)	14	(352)	13,761
5	Profit/(Loss) before tax (3+4)	(908)	(1,101)	(1,704)	(3,317)	(3,809)	9,329
6	Tax expenses						
c)	Earlier year Tax	-	-	-	-	-	(9)
	Total Tax expenses	-	-	-	-	-	(9)
7	Net Profit/(Loss) for the period / year (5-6)	(908)	(1,101)	(1,704)	(3,317)	(3,809)	9,320
8	Other Comprehensive Income						
a)	Items that will be reclassified to profit or loss						
	Fair value change on derivatives designated as cash flow hedge	(4)	3	1	(5)	(37)	(30)
b)	Items that will not be reclassified to profit or loss						
	Remeasurements of defined benefit obligation (Net of Income Tax)	(9)	(9)	(2)	(27)	(6)	(36)
	Total Other Comprehensive Income / (Loss) Net of Income tax	(13)	(6)	(1)	(33)	(43)	(66)
9	Total Comprehensive Income / (Loss) for the period / year (7-8)	(921)	(1,107)	(1,705)	(3,350)	(3,852)	9,254
10	Paid-up equity share capital (Rs.6/- per equity share)	31,805	31,805	31,765	31,805	31,765	31,765
11	Other Equity						(27,888)
12	Earnings per share (Face Value of Rupees 6/ Each) (Not annualised for the quarter and Nine Months ended)						
	- Basic	(0.17)	(0.21)	(0.35)	(0.63)	(0.82)	1.78
	- Diluted	(0.17)	(0.21)	(0.35)	(0.63)	(0.82)	1.78

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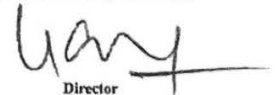
Notes:

- 1 The above results have been reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at its meeting held on February 9, 2022
- 2 The financial results of Welspun Specialty Solution Limited ("the Company") have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 ("the Act") read with rule 3 of Indian Accounting Standards Rules 2015.
- 3 The Company is engaged in the business of steel & steel products which in the opinion of the Management is considered the only business segment in the context of IND AS 108 on "Operating Segment", as specified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015. The business operations of the Company are predominantly confined within India.
- 4 As the deferred tax asset is higher than the deferred tax liability as computed in accordance with the Ind AS 12, specified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, the Company, as a matter of prudence, has not recognised any deferred tax asset.
- 5 The Company's order book has improved during the quarter. The Company expects further improvement in its operational performance with the start of its steel making facility from Q3FY22 for production of stainless steel products. In view of this, the Company's continued thrust to improve its operational efficiency and revenue is expected to result in sustainable cash flows. As of date, the Company has met all its debt obligations. The management believes that Company will be able to meet its operational and other commitments as they arise. Accordingly, in spite of Operational Losses incurred by the Company during the previous years and nine months ended December 31, 2021, financial results have been prepared on a going concern basis and no adjustments are required to the carrying amount of assets and liabilities. This matter has been referred to by the Auditors in their report as a matter of emphasis.
- 6 a) During the quarter ended on September 30, 2021, the Company has received Rs. 14 Lacs as the final differential amount vide Department Order Number 1692081 dated January 16, 2021 from Government of Gujarat of which Rs 909 Lakhs were received during the year ended on March 31, 2021. The said amounts received were towards reimbursement of power subsidy and accordingly the same has been considered as an exceptional item during the quarter ended September 30, 2021 and year ended March 31, 2021 respectively.
b) During the previous year, the Company has received final appeal order of Rs. 575 Lacs (including interest of Rs. 126 Lacs) related to Value Added Tax Assessment for FY 2014-15 vide order Number 0182693 dated March 23, 2021. During the quarter ended December 31, 2020, the Company had written off the said recoverable of Rs. 352 Lacs, which was reinstated during the quarter ended March 31, 2021. The Company has received net refund of Rs. 358 Lacs after adjustment of 6th final installment of Sales Tax deferment loan of Rs. 104 Lacs, interest on deferment of loan of Rs. 15 Lacs and refund already received earlier of Rs. 97 lacs. Accordingly, the interest amount of Rs. 126 Lacs received on the said Order has been considered as an exceptional item.
c) During the previous year, the terms of 5,09,04,271 12% Non-Cumulative Redeemable (redeemable at a premium of Rs. 25/-per share) Preference Shares of Rs.10- each have been varied and therefore, post variation the said securities stood modified as 12% Non-Cumulative Redeemable Preference Shares redeemable at par with the rest of the terms remaining unchanged. The said variation shall be effective from the issuance of the said securities. Thereby the redemption amount stands reduced from Rs. 17,816 Lacs to Rs. 5,090 Lacs. The Company has accounted for the reduced liability by crediting to the Statement of Profit and Loss amounting to Rs 12,726 Lacs as an Exceptional Item.
- 7 The outbreak of COVID-19 pandemic and during second wave of COVID-19, the demand for the Company's products were lower, however impact of third wave on the demand is negligible and order book has improved during quarter ended December 31, 2021. Further, on the basis of performance during the current quarter, the Management is of the opinion that the adverse impact of Covid-19 pandemic on the financial position and performance of the Company, may not remain in the long-term.

The Company does not carry any risk in the recoverability and carrying values of its Assets including Property, Plant & Equipment, Trade receivable and Inventory. No adjustment to key estimates and judgments that may impact the financial results, have been identified by the management. However, the impact assessment of COVID-19 will be a continuing process given the uncertainties associated with its nature and duration and no significant impact is envisaged on the operations.
- 8 During the quarter ended on June 30, 2021, two employees availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 6,67,850 Equity Shares at Rs. 25.5 each (including premium of Rs.19.5 each), amounting to Rs. 170 Lacs and were subscribed and fully paid up.
- 9 The Board of Directors of Welspun Steel Ltd (the "Demerged Company"), being the promoter of the Company, at its meeting held on June 28, 2021 have, inter alia, considered and decided to propose to 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"). Since the stakeholders who are holding not less than 50% of the equity shares in the Demerged Company (holding company of Welspun Specialty Solutions Limited (WSSL)) are the same stakeholders holding not less than 50% equity shares in the Resulting Company and control being exercised by the same person(s) over both the companies, the indirect acquisition of control of WSSL pursuant to the proposed Scheme is exempt making open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 10 The figures for the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: February 9, 2022
Place: Mumbai

For and on behalf of Board


Director



Robust Improvement in Sales

Mumbai, February 9th, 2022: Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q3 FY22 results.

Q3 FY22 Financial Highlights

- **Order Book:** As on December 31st, 2021 the total order book of the company for tubes and pipes stands at 2,026 MT amounting to Rs.103.8 crores and for Stainless Steel Bars stands at 1,197 MT amounting to Rs.31.4 crores.
- **Sales Volumes:**

Particulars	Q3 FY22	Q2 FY22	Q1 FY22
Stainless Steel Bars (MT)	141	-	-
Pipes (MT)	881	515	358

Note: Steel melting facility restarted in Q3FY22

- **Total Income:** Rs. 41.0 crores vs Rs. 20.8 crores in Q2FY22 and vs Rs. 17.9 crores in Q3FY21
- **EBITDA:** Rs. (1.6) crores vs Rs. (4.3) crores in Q2FY22 and vs Rs. (7.6) crores in Q3FY21

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q3 FY22	Q2 FY22	Q3 FY21	9M FY22	9M FY21
Total Income	41.0	20.8	17.9	80.2	66.2
EBITDA	(1.6)	(4.3)	(7.6)	(12.1)	(15.1)
Profit Before Tax (PBT)	(9.1)	(11.1)	(13.5)	(33.3)	(34.6)
<i>Exceptional Gain/(Loss)</i>	-	0.1	(3.5)	0.1	(3.5)
Reported PBT	(9.1)	(11.0)	(17.0)	(33.2)	(38.1)
Profit After Tax (PAT)	(9.1)	(11.0)	(17.0)	(33.2)	(38.1)
Cash PAT	(5.4)	(7.5)	(10.1)	(22.4)	(24.2)

Notes:

- Since the company does not have subsidiary, joint venture and associate companies, it does not have consolidated financial statements;
- Cash PAT = PBDT (adjusted for cash exceptional items) – Current tax
- Prior period figures have been restated wherever necessary

**The figures for the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.*

COVID-19 Impact

- The outbreak of COVID-19 pandemic forced the company to suspend its operations for 24 days and resume operations on April 17th, 2020 on a limited scale, after getting requisite permissions.
- With the second wave of COVID-19, the demand as well as productions suffered significantly and has impacted the business & profitability of the company. Financial results in FY21 and Q1FY22 have been impacted due to the Covid-19 pandemic. We did not see any significant impact on operations in Q3FY22. The impact of the 3rd wave has been mild compared to the previous waves and operations in Q4FY22 have not been affected till now.
- The company has adopted several additional measures, encompassing global best practices, across plant location and offices to keep the employees and service providers safe.

Key Business Updates

- Our order book stands at ~ 2,000 MT for pipes. Our wider acceptance in the export markets along with a sharp rebound in the Domestic sector after a lull has resulted in our order book almost doubling from the previous quarter.
- The company restarted its Steel Melting (SMS plant) operations during Q3FY22. This has been ramped up quickly and the outstanding order book for SS bars is ~1,200 MT as on 31st December 2021.
- The restart of the SMS plant has helped mitigate challenges being faced in Raw Material procurement and hurdles in logistics. This is evidenced by a faster delivery cycle which has resulted in enhancing monthly output and improving market share.
- WSSL continues to reap benefits out of country's 'Make in India' indigenisation projects with several Private and PSU companies. Increasingly, customers are preferring to source locally which is favourable for the company.
- The Company has been continuously gaining new customer approvals. During the quarter, it received approvals from domestic customers in the Oil & Gas and the Fertilizer sectors. Notably, it also gained a prestigious approval from an international customer for one of the largest LNG project ever to be undertaken. The restart of the SMS plant has also been a resounding success with the addition of several global customers across different sectors.
- During the quarter, the company developed and booked its first order of square tubing for nuclear application, received an order for a critical application of high pressure feed water heater for U-bend tubes and delivered tubes for the country's flagship defense project in aerospace.
- The company expects its performance to further improve in the next few months on the back of a healthy order book and the several management initiatives undertaken to improve performance.

About Welspun Specialty Solutions Ltd.

Welspun Specialty Solutions Limited (WSSL) is a part of global conglomerate 'Welspun Group', one of India's fastest-growing multinationals with a leadership position in line pipes, home textiles, infrastructure, warehousing, retail, advanced textiles, and flooring solutions.

WSSL is an ISO 9001:2008 & TS:16949 accredited company and a world-class manufacturer of value-added Alloy & Stainless Steel products that are globally benchmarked. It is the only Indian integrated producer of quality Stainless Steel Seamless Pipes & Tubes right from steel-making to the final finished products. WSSL has a steel-making capacity of ~150,000 tons per annum and a seamless pipe & tube capacity of ~18,000 tons per annum.

WSSL has a state-of-the-art fully integrated steel melting shop, hot rolling mill, and hot extrusion-based seamless pipe plant, all under one roof.

The company has invested heavily in the latest infrastructure and ultra-modern technologies, keeping in view its unwavering focus on quality, processes, and commitment to customers.

Given the setup and the expertise, WSSL is successfully catering to niche applications in sectors like Energy, Defence, Nuclear Power, Aerospace, Oil & Gas, Petrochemicals, Food, Fertilizers, Pharma, Desalination etc.

For further information please visit www.welspunspecialty.com or contact: gaurav_ajjan@welspun.com

DISCLAIMER:

The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Specialty Solutions Ltd. or any of its affiliates. Neither Welspun Specialty Solutions Ltd, nor their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.