

**Welspun Specialty Solutions Limited**

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

Website : www.welspunspecialty.com, Email ID : companysecretary\_wssl@welspun.com

CIN : L27100GJ1980PLC020358

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022**

(Rs. In Lacs)

Sr. No	Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
		31-Dec-22	30-Sep-22	31-Dec-21*	31-Dec-22	31-Dec-21*	31-Mar-22*
1	<b>Income</b>						
a)	Revenue from operations	11,118	8,709	3,971	28,003	7,885	16,329
b)	Other income	150	665	125	1,178	133	1,912
	<b>Total Income (a+b)</b>	<b>11,268</b>	<b>9,374</b>	<b>4,096</b>	<b>29,181</b>	<b>8,018</b>	<b>18,241</b>
2	<b>Expenses</b>						
a)	Cost of materials consumed	3,422	8,446	4,974	19,451	7,542	13,048
b)	Changes in inventories of finished goods and work in progress	3,573	(3,096)	(3,204)	(1,850)	(3,605)	(3,363)
c)	Employee benefit expense	799	855	589	2,422	1,561	2,262
d)	Finance costs	872	725	424	2,106	1,152	1,869
e)	Depreciation and amortisation expense	377	373	365	1,115	1,089	1,449
f)	Power and Fuel expense (net)	899	1,139	826	3,141	1,486	2,536
g)	Consumption of stores & spares	720	842	654	2,281	1,212	1,973
h)	Other expenses	918	1,161	418	2,694	1,036	1,711
	<b>Total Expense</b>	<b>11,580</b>	<b>10,445</b>	<b>5,046</b>	<b>31,360</b>	<b>11,473</b>	<b>21,485</b>
3	<b>Loss before tax (1-2)</b>	<b>(312)</b>	<b>(1,071)</b>	<b>(950)</b>	<b>(2,179)</b>	<b>(3,455)</b>	<b>(3,244)</b>
4	<b>Exceptional Items - Income / (Expenses) {Refer note - 5}</b>	-	-	-	-	14	-
5	<b>Loss before tax (3+4)</b>	<b>(312)</b>	<b>(1,071)</b>	<b>(950)</b>	<b>(2,179)</b>	<b>(3,441)</b>	<b>(3,244)</b>
6	<b>Tax expenses</b>						
a)	Current tax	-	-	-	-	-	-
b)	Deferred tax	-	-	-	-	-	-
	<b>Total tax expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	<b>Net loss for the period / year (5-6)</b>	<b>(312)</b>	<b>(1,071)</b>	<b>(950)</b>	<b>(2,179)</b>	<b>(3,441)</b>	<b>(3,244)</b>
8	<b>Other Comprehensive Income</b>						
a)	<b>Items that will be reclassified to profit or loss</b>						
	Fair value change gain/(loss) on derivatives designated as cash flow hedge (net)	(118)	-	(4)	(58)	(5)	(65)
b)	<b>Items that will not be reclassified to profit or loss</b>						
	Remeasurements gain/(loss) on defined benefit obligation	(4)	(4)	(9)	(13)	(27)	13
	<b>Total Other Comprehensive Income for the period / year (net of tax)</b>	<b>(122)</b>	<b>(4)</b>	<b>(13)</b>	<b>(71)</b>	<b>(32)</b>	<b>(52)</b>
9	<b>Total Comprehensive Income for the period / year (7+8)</b>	<b>(434)</b>	<b>(1,075)</b>	<b>(963)</b>	<b>(2,250)</b>	<b>(3,473)</b>	<b>(3,296)</b>
10	<b>Paid-up equity share capital (Face value of Rs. 6/- each)</b>	<b>31,805</b>	<b>31,805</b>	<b>31,805</b>	<b>31,805</b>	<b>31,805</b>	<b>31,805</b>
11	<b>Other Equity</b>						<b>(27,444)</b>
12	<b>Earnings per share (Face value of Rs. 6/- each)</b> <b>(Not annualised for the quarter and half year ended)</b>						
	- Basic	(0.06)	(0.20)	(0.18)	(0.41)	(0.65)	(0.61)
	- Diluted	(0.06)	(0.20)	(0.18)	(0.41)	(0.65)	(0.61)

\*Restated




Notes:

- 1 The aforesaid financial results of Welspun Specialty Solutions Limited (the "Company") were reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on January 30, 2023. The Statutory Auditors have carried out a Limited Review and expressed an unmodified conclusion on the aforesaid results.
- 2 The aforesaid financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 The Company is engaged in the business of steel & steel products which in the opinion of the management is a single business segment in the context of Ind AS 108 on "Operating Segment". The business operations of the Company are predominantly confined within India.
- 4 The Company has unabsorbed tax losses and depreciation that are available for offsetting against future taxable profits of the Company. The Company will consider recording all the deferred tax assets (including on tax losses) when it is more probable that sufficient taxable profit will be available in future against which such deferred tax assets will be realised.
- 5 During the nine months ended on December 31, 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 lacs 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 nine months ended December 31, 2021.
- 6 Certain contractual disputes arose in past between the Company and its customer, a public sector undertaking ("PSU") in respect of supply of pipes by the Company to the PSU. The Hon'ble Supreme Court vide its order dated November 13, 2021 ("Hon'ble SC Order") upheld the entire arbitral award in favour of the Company. Accordingly, the Company has received payment amounting to Rs. 1,597 lacs (including interest) on March 25, 2022 which has been credited to Statement of Profit and Loss as Other Income for the year ended March 31, 2022.
- 7 During the year ended March 31, 2022, two employees exercised the stock options granted under RMG Alloy Steel Limited Employee Stock Option (Senior Management Personnel) Scheme, 2018 and were issued 6,67,850 Equity Shares at Rs. Nil as per the terms of the scheme.
- 8 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 of 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"). The Said scheme was approved by NCLT on March 16, 2022, with Appointed date of April 1, 2021. 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 from making open offer under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, Welspun Corp Limited became the holding company of the Company.
- 9 During the period ended on September 30, 2022, the Company reassessed the nature of its 12% Non-Cumulative Redeemable Preference Shares, resulting in change in liability portion of the instruments. Basis the change, the revised amount of other equity is higher by Rs. 3,609 lacs, at Rs. (27,444) lacs as compared to the originally reported amount of (31,053) lacs as at March 31, 2022. This change has resulted into an increase in the loss for the year ended March 31, 2022, by Rs. 166 lacs and loss for the quarter and nine months ended December 31, 2021, by Rs. 42 lacs, Rs. 123 lacs respectively.
- 10 With respect to the accounting treatment of 12% Non-Cumulative Redeemable Preference shares ("NCRPS"), presentation and measurement has been made in accordance with Ind AS 32 'Financial Instruments: Presentation' and Ind AS 109 'Financial Instruments', which requires the presentation of these NCRPS as a compound financial instrument. Accordingly, NCRPS have not been presented as preference share capital as required under the Companies Act, 2013.
- 11 Previous periods' figures have been regrouped/rearranged wherever necessary to conform to current period's classification.

Date: January 30, 2023  
Place: Mumbai



For and on behalf of Board

  
Anuj Borakia  
CEO & Whole Time Director  
DIN: 02840211



# Price Waterhouse Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
Welspun Specialty Solutions Limited  
Plot No. 1, GIDC Industrial Estate,  
Jhagadia, Dist. Bharuch,  
Gujrat-393110

1. We have reviewed the unaudited financial results of Welspun Specialty Solutions Limited (the "Company") for the quarter ended December 31, 2022 and the year to date results for the period April 1, 2022 to December 31, 2022, which are included in the accompanying 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2022' and notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") 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 the 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to:
  - (a) Note no. 10 to the 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2022', regarding the accounting treatment and presentation of 12% Non-Cumulative Redeemable Preference shares ('NCRPS') as a Compound Financial Instrument in accordance with the requirements of Ind AS 32 'Financial Instruments: Presentation' and Ind AS 109 'Financial Instruments'. Such accounting treatment and presentation, however, is not in accordance with the provisions of Section 2(64) and Section 43 of the Act.
  - (b) Note no. 9 to the 'Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2022', regarding the restatement as described in the aforesaid note.

Our conclusion is not modified in respect of these matters.

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



## Price Waterhouse Chartered Accountants LLP

6. (a) The financial results of the Company for the quarter ended December 31, 2021 and the year to date results for the period April 1, 2021 to December 31, 2021 were reviewed by another firm of chartered accountants who issued their unmodified conclusion, vide their report dated February 9, 2022.

(b) The financial statements of the Company for the year ended March 31, 2022 was audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated May 23, 2022.

Our conclusion is not modified in respect of these matters.

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



Neeraj Sharma  
Partner  
Membership Number: 108391  
UDIN: 23108391BGTBTN8712

Place: Mumbai  
Date: January 30, 2023