

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

November 5, 2020

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 the half year ended September 30, 2020 ("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 11.40 am and concluded at 1.25 pm.

Kindly take note of the above.

Yours Faithfully,

For Welspun Specialty Solutions Limited

(Erstwhile RMG Alloy Steel Limited)


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

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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

Limited Review Report on Unaudited Financial Results of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) for the quarter and half year ended September 30, 2020 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 half year ended September 30, 2020 ("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 November 5, 2020, 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 the financial results have 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



Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAAJD2882



Date: November 5, 2020
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.rmgalloysteel.com, Email ID : allcompanysecretaryofrmgl@welspun.com

CIN : L27100GJ1980PLC020358

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2020

(Rs. In Lacs)

Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Un-Audited			Un-Audited		Audited
1	Income						
a)	Revenue from Operations	2,943	1,818	6,326	4,761	17,733	29,517
b)	Other Income	52	14	18	66	69	483
	Total Revenue	2,995	1,832	6,344	4,827	17,802	30,000
2	Expenses						
a)	Cost of materials consumed	1,118	396	4,209	1,514	10,316	18,555
b)	Purchase of Stock in Trade	-	-	-	-	1,501	1,501
c)	Changes in inventories of finished goods, work in progress and stock in trade	1,076	733	364	1,809	414	3,038
d)	Employees benefits expenses	427	494	850	921	1,498	3,362
e)	Depreciation and Amortisation expenses	350	346	284	696	456	1,032
f)	Power & fuel	292	202	1,176	494	3,064	4,940
g)	Finance Costs	297	362	395	659	677	1,541
h)	Consumption of stores & spares	269	183	605	452	1,692	2,684
i)	Other expenses	225	162	615	387	1,126	2,541
	Total Expense	4,054	2,878	8,498	6,932	20,744	39,194
3	Profit/(Loss) before exceptional items and Tax (1-2)	(1,059)	(1,046)	(2,154)	(2,105)	(2,942)	(9,194)
4	Exceptional Items {Refer note - 6}	-	-	1,066	-	1,057	1,057
5	Profit/(Loss) before tax (3+4)	(1,059)	(1,046)	(1,088)	(2,105)	(1,885)	(8,137)
6	Tax expenses	-	-	-	-	-	-
7	Net Profit/(Loss) for the period / year (5-6)	(1,059)	(1,046)	(1,088)	(2,105)	(1,885)	(8,137)
8	Other Comprehensive Income						
a)	Items that will be reclassified to profit or loss						
	Fair value change on derivatives designated as cash flow hedge	(12)	(26)	23	(38)	137	162
b)	Items that will not be reclassified to profit or loss						
	Remeasurement of defined benefit obligation	(2)	(2)	(2)	(4)	(4)	(32)
	Total Other Comprehensive Income / (Loss) Net of Income tax	(14)	(28)	21	(42)	133	130
	Total Comprehensive Income / (Loss) for the period / year	(1,073)	(1,074)	(1,067)	(2,147)	(1,752)	(8,007)
9	Paid-up equity share capital (Rs.6/- per equity share)	31,765	31,765	24,967	31,765	24,967	29,341
10	Other Equity	-	-	-	-	-	(39,841)
11	Earnings per share (Face Value of Rupees 6/ Each)						
	- Basic	(0.23)	(0.24)	(0.30)	(0.47)	(0.54)	(1.99)
	- Diluted	(0.23)	(0.24)	(0.30)	(0.47)	(0.54)	(1.99)

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STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

Sr No	Particulars	As at September 30 2020	As at March 31 2020
		(Un-Audited)	(Audited)
	ASSETS		
	I Non-current assets		
	(a) Property, Plant and Equipment	20,933	21,557
	(b) Capital Work in Progress	2,282	1,200
	(c) Intangible assets	267	296
	(d) Income tax assets (net)	21	169
	(e) Other non-current assets	37	169
	Total non-current Assets	23,540	23,390
	II Current assets		
	(a) Inventories	5,141	6,977
	(b) Financial assets		
	(i) Trade receivables	1,083	1,029
	(ii) Cash and cash equivalents	36	9
	(iii) Bank Balance Other than Cash and Cash Equivalent	202	329
	(c) Other current assets	804	1,054
	Total Current Assets	7,266	9,398
	(III) Assets Held For Sale	-	-
	Total Assets	30,806	32,788
	EQUITY AND LIABILITY		
	IV Equity		
	(a) Equity share capital	31,765	29,341
	(b) Other equity	(39,863)	(39,841)
	Total Equity	(8,098)	(10,500)
	V Non-current liabilities		
	(a) Financial liabilities		
	- Borrowings	24,179	21,835
	(b) Long term Provisions	60	117
	Total non-current liabilities	24,239	21,952
	VI Current liabilities		
	(a) Financial liabilities		
	(i) Short term borrowings	4,728	10,208
	(ii) Trade payables		
	- Total outstanding dues of micro,small and medium enterprise	1	9
	- Total outstanding dues of creditors other than micro,small and medium enterprise	3,562	4,080
	(iii) Other financial liabilities	1,165	6,280
	(b) Other current liabilities	5,142	692
	(c) Short term Provisions	67	67
	Total current liabilities	14,665	21,336
	TOTAL EQUITY AND LIABILITIES	30,806	32,788



Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited)

UN- AUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2020

(Rs' In Lacs)

	Particulars	Period ended September 30, 2020 Un-Audited	Period ended September 30, 2019 Un- Audited
A)	Cash Flow from Operational Activities		
	Profit/(loss) before tax as per statement of profit and loss :	(2,105)	(1,885)
	Adjustment for :		
	Depreciation and amortization expenses	696	457
	Financial Costs	659	677
	Unrealised exchange difference (Net)	(30)	17
	Interest Income	(66)	(69)
	Provision for Gratuity & Compensated Absences	22	26
	Expense on employee stock option scheme	21	53
	Provision for Doubtful Debts	-	40
	Sundry Credit Balances Written Back / Provision no longer required (@ Rs. 927)	@	-
		1,301	1,201
	Operating Cash Profit/(Loss) before Working Capital Changes	(804)	(683)
	Changes in Working Capital :		
	(Increase)/decrease in trade & other receivables	196	2,541
	(Increase)/decrease in inventories	1,835	(1,680)
	Increase/(decrease) in trade & other payables	3,692	(3,045)
	Increase/(decrease) in provisions	(83)	(21)
		5,640	(2,205)
	Cash generated from / (used in) Operations	4,836	(2,889)
	Less. Direct taxes paid(net of refunds)	148	(2)
	Net cash flows (used in)/ generated from operating activities after exceptional items	4,984	(2,891)
B)	Cash Flow from Investing Activities		
	Acquisition of Property Plant & Equipment and Intangible Assets (including Capital Work in Progress, Capital Advance and Creditors for Capital Expenditure) (Net)	(994)	(2,870)
	Other Non Current Assets	-	-
	Sale Of Property, Plant and Equipment	-	(0)
	Interest Income	44	95
	(Purchase) / Redemption of Bank Deposit	106	190
	Sale of Investments	-	-
	Net Cash generated from / (used in) Investing Activities:	(843)	(2,585)
C)	Cash Flow from Financing Activities		
	Proceeds from long-term borrowings	-	3,076
	Repayment of long-term borrowings	(579)	(140)
	Proceeds / (Repayment) of short term borrowings (net)	(2,938)	3,097
	Proceeds received/refund for shares	-	80
	Interest Paid	(597)	(634)
	Net Cash generated from / (used in) Financing Activities:	(4,114)	5,479
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	27	3
	Cash and cash equivalents at the beginning of the year	9	3
	Cash and cash equivalents at the end of year	36	6
	NET INCREASE/(DECREASE) AS DISCLOSED ABOVE .	27	3
	Cash and cash equivalents as per above comprise of the following:		
	Balances with banks:		
	- On current accounts (@ Rs. 18,503)	28	@
	- On deposit accounts	-	@
	Cash on hand	8	6
	Balances per statement of cash flows	36	6

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Notes :

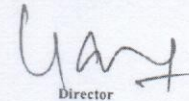
- 1 The above results have been reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at its meeting held on November 5, 2020.
- 2 The financial results of Welspun Specialty Solution Limited ("the Company") have been prepared in accordance with Indian 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 expects improvement in operational performance on the basis of building of order book position on account of capex incurred for value adding facilities. Further, the Company's continued thrust to improve operational efficiency and revenue is expected to result in sustainable cash flows. Accordingly, in spite of losses incurred by the Company during the quarter and half year ended September 30, 2020, the statement of financial result has 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 On account of completion of Value Added Tax Assessment for FY 2014-15, the company has received Rs. 78 Lacs against refundable amount of Rs. 102 Lacs, resulting into short refund of Rs. 24 lacs. Further the company has reversed provision of Rs. 15 Lacs made in quarter ended June 30, 2018, resulting net impact of Rs. 9 Lacs as on quarter ended June 30, 2019. The Company has received Rs. 1,066 lacs in quarter ended September 30, 2019 as per eligibility certificate no. IC/IM/VSIE/416337/2019/156706 dated August 27, 2019 on account of balance unutilized incentive already approved under 1990-95 Pioneer Unit scheme.
- 7 The outbreak of COVID-19 pandemic forced the company to suspend operation for 24 days and resumed operation at plant on April 17, 2020 in a limited scale, after getting requisite permission. As per initial assessment, demand for the Company's products were expected to be lower in the short term, though the same was expected to have a continuing impact on the business. The Company has notified the customers of potential delay and has invoked a force majeure provisions to comply with the delivery timelines and liquidated damages. Further, the Management is of the opinion on the basis of current quarter performance that 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. The Company does not anticipate any additional liability as at the balance sheet date. However, due to the nature of the pandemic, the Company will closely monitor any material changes to future economic conditions impacting its business.
- 8 a) During the quarter ended as on June 30, 2020, the Company redeemed 4,73,00,000 Preference Shares having redemption value of Rs. 6,030 Lacs and utilized the redemption proceeds towards subscription of balance 75% of the warrants and issued 4,02,66,666 Equity Shares of Rs. 15 each amounting to Rs. 4,530 Lacs to the shareholders. The balance redemption amount of Rs. 1,500 Lacs has been considered as a loan from Welspun Steel Limited.
b) During the quarter ended as on June 30, 2020, one employees availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 1,45,950 Equity Shares at Rs. 25.5 each (including premium of Rs.19.5 each), amounting to Rs. 37 Lacs and were subscribed and fully paid up.
- 9 The figures for the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: November 5, 2020
Place: Mumbai



For and on behalf of Board


Director



Improved SS Seamless Pipes & Tubes volumes

Mumbai, November 5, 2020: Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q2 / H1 FY21 results.

Q2 FY21 Financial Highlights:

- **Total Income:**
 - Rs. 29.9 crores vs Rs. 18.3 crores in Q1FY21, up 64% Q-o-Q

With complete focus on stabilizing and ramping up the production to meet the increasing demand, our production and sales volume have improved sequentially. We have secured few coveted customer approvals that will open new business frontiers for us.

Production & Sales volume of Seamless Pipe & Tubes division stood at 685 MT & 561 MT (Q2FY21) vs 350 MT & 367 MT (Q1FY21) respectively.

- **EBITDA:**
 - Stood at Rs. (4.1) crores vs Rs. (3.4) crores in Q1FY21 and vs Rs. (14.7) crores in Q2FY20

Key business updates:

- Improving demand and gradual economic recovery aided in improving inflow of inquiries on both domestic & exports front.
- During H1 the company has successfully carried out trials of various high grade / super alloy grade pipe products.
- After securing prestigious order for High Nickel alloy Pipes from GoI organization, discussion on future business continues.
- Some prestigious orders have been executed and others are nearing completion. These first supplies will help in getting repeat business and shall also form reference while we expand our customer base.
- Export business is expected to contribute significant revenue share as we progress with customer approvals & expanding customer base. Announcement of RoDTEP (Reimbursement of Duties & Taxes on Exported Products) will also help to boost exports.
- With flow of enquiries improving significantly and projects which were deferred due to uncertainty because of COVID pandemic, should now be coming back on the anvil for finalization. Long-term visibility of our business looks good.
- With Government initiatives like “Make in India”, “Self Reliant”, BIS regulations, Quality control orders etc, WSSL, being integrated domestic primary producer is likely to be benefitted on long term.

- Major threat of substandard quality of pipes imports mainly from China in the large volumes, is now restricted substantially with the measures taken by the Govt like country of origin etc.
- BIS on SS Seamless Pipes & Tubes is also finalized & implemented will further restrict the imports and support domestic producers.

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q2 FY21	Q1 FY21	Q2 FY20	H1FY21	H1FY20
Total Income	29.9	18.3	63.4	48.3	178.0
EBITDA	(4.1)	(3.4)	(14.7)	(7.5)	(18.1)
Profit Before Tax (PBT)	(10.6)	(10.5)	(21.5)	(21.0)	(29.4)
<i>Exceptional Gain/(Loss)</i>	-	-	10.7	-	10.6
Reported PBT	(10.6)	(10.5)	(10.9)	(21.0)	(18.9)
Profit After Tax (PAT)	(10.6)	(10.5)	(10.9)	(21.1)	(18.9)
Cash PAT	(7.1)	(7.0)	(8.0)	(14.1)	(14.3)

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 exceptionals) – Current tax
- Prior period figures have been restated wherever necessary

Standalone Balance Sheet Snapshot (Rs. Crs)	30 th Sep 2020	31 st Mar 2020
Equity Capital*	(81.0)	(44.7)
Preference Shares	178.2	178.2
Net Worth	97.2	133.5
Gross Debt	114.3	135.6
LT Debt (including Current Maturities)	67.0	72.8
Short Term Debt	47.3	62.8
Cash & Cash Equivalents	2.4	3.4
Net Debt	111.9	132.2
Total Net Fixed Assets (including CWIP & Intangible)	234.8	230.5

* Equity Capital includes Equity Share Capital, Warrants / Preference Shares being converted and Other Equity

About Welspun Specialty Solutions Ltd.

Welspun Specialty Solutions Ltd (formerly known as RMG Alloy Steel Ltd.) is an ISO 9001:2008 & TS: 16949 accredited company with more than two decades of reputation as a trusted partner to all major OEMs across the globe catering to their various requirements. WSSL operates an Alloy & Stainless-steel plant at Bharuch, Gujarat producing various grades of Carbon, Alloy and Special steels.

About Welspun Group

A US\$ 2.7 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Steel, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

For further information please visit www.welspunspecialty.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.