

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

August 1, 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, 2015U

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 ended June 30, 2020 ("UFR") 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 Auditors of the Company on the UFR and a brief business update.

The Board meeting commenced at 12.08 noon and concluded at 1.05 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)					
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 ENDED 30TH JUNE 2020					
(Rs. In Lacs)					
Sr. No	Particulars	Quarter Ended		Year Ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Un-Audited		Audited	
1	Income				
a)	Revenue from Operations	1,818	5,468	11,407	29,517
b)	Other Income	14	397	51	483
	Total Revenue	1,832	5,865	11,459	30,000
2	Expenses				
a)	Cost of materials consumed	396	1,478	6,107	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	733	4,391	50	3,038
d)	Employees benefits expenses	494	1,007	647	3,362
e)	Depreciation and Amortisation expenses	346	289	173	1,032
f)	Power & fuel	202	450	1,888	4,940
g)	Finance Costs	362	406	281	1,541
h)	Consumption of stores & spares	183	347	1,087	2,684
i)	Other expenses	162	661	512	2,541
	Total Expense	2,878	9,029	12,247	39,194
3	Profit/(Loss) before exceptional items and Tax (1-2)	(1,046)	(3,164)	(788)	(9,194)
4	Exceptional Items [Refer note - 6]	-	-	(9)	1,057
5	Profit/(Loss) before tax (3+4)	(1,046)	(3,164)	(797)	(8,137)
6	Tax expenses	-	-	-	-
7	Net Profit/(Loss) for the period / year (5-6)	(1,046)	(3,164)	(797)	(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	(26)	36	114	162
b)	Items that will not be reclassified to profit or loss				
	Remeasurement of defined benefit obligation	(2)	(26)	(2)	(32)
	Total Other Comprehensive Income / (Loss) Net of Income tax	(28)	10	112	130
	Total Comprehensive Income / (Loss) for the period / year	(1,074)	(3,154)	(685)	(8,007)
9	Paid-up equity share capital (Rs.6/- per equity share)	31,765	29,341	24,967	29,341
10	Other Equity	-	-	-	(39,841)
11	Earnings per share (Face Value of Rupees 6/ Each)				
	- Basic	(0.24)	(0.76)	(0.23)	(1.99)
	- Diluted	(0.24)	(0.76)	(0.23)	(1.99)

Notes :

- 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 August 1, 2020.
- 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.
- 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.
- 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.
- 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 ended June 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.
- 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.
- The outbreak of COVID-19 pandemic has led to restriction of movement of people and industrial activities across the globe, without any limitation of geographical boundaries. The Government of India announced a nationwide lockdown which led to logistic issues and lower demand driven by the shutdown of operations by end users in automotive, construction and other segments. The Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19 pandemic. As per initial assessment, demand for the Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business. The Company has commenced operations at plant on April 17, 2020 in a limited scale, after temporary suspension of operation for 24 days post getting requisite permission. 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 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.
- a) During the quarter, 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, 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.
- The figures for the quarter ended March 31, 2020 is the balancing figures between the audited figures in respect of full financial year and published year to date figures upto the third quarter of respective financial years. The figures for the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: August 1, 2020
Place: Mumbai

For and on behalf of Board
ANUJ BURAKIA
Digitally signed by ANUJ BURAKIA
Date: 2020.08.01 13:36:30 +05'30'
Anuj Burakia
Whole Time Director

Independent Auditor's Review Report

Limited Review Report on Unaudited Financial Results of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) for the quarter ended June 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 ended June 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. Attention is drawn to the fact that the figures for the quarter ended March 31, 2020 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
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 August 1, 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.



Pathak H.D. & Associates LLP
Chartered Accountants

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

Vishal D. Shah

Vishal D. Shah
Partner
Membership No: 119303
UDIN: 20119303AAAAEM1152



Date: August 1, 2020
Place: Mumbai

Focussing on niche segment

Mumbai, August 1, 2020: Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q1 FY21 results.

Q1 FY21 Financial Highlights:

The operations and financial results for the quarter have been adversely impacted due to lockdown imposed to contain the spread of COVID-19.

- **Total Income:**
 - Q1FY21 - Rs. 18.2 croresProduction & Sales volume of Seamless Pipe & Tubes division stood at 350 MT & 367 MT respectively (Q1FY21); improving sequentially
- **EBITDA** stood at Rs. (3.4) crores in Q1FY21
 - Improvement in operational efficiency despite lower revenue

Business Update & Outlook:

- In the quest to enter into high value added and growth potential areas of Aerospace, Nuclear, Fertiliser etc., we have successfully carried out trials of various high grade / super alloy grade pipe products.
- Our focus and thrust on new customer approvals continue.
- We have secured a prestigious order from Gol organization for High Nickel alloy Pipes. Discussion on future business continues.
- With complete focus on stabilizing and ramping up the production to meet the increasing demand, our production and sales volume have improved sequentially.
- 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.
- 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.
- Cheaper and substandard imports of mother hollows is a major threat to our business. Owing to tariff and non-tariff initiatives by the Government this will get significantly curtailed. This will provide us an opportunity to maximize our capacity utilization and enhance our market share.
- We have started making inroads into the export market and are receiving positive response. Export business is expected to contribute significant revenue share as we progress with customer approvals.
- Though overall global business conditions continue to show effect of Covid. However flow of enquiries for us has improved significantly and we expect this to keep growing steadily.

Covid-19 Impact:

The outbreak of COVID-19 pandemic has led to restriction of movement of people and industrial activities across the globe, without any limitation of geographical boundaries. The Government of India announced a nationwide lockdown which led to logistic issues and lower demand driven by the shutdown of operations by end users in automotive, construction and other segments. We expect that the demand for the products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business. The Company has commenced operations at plant on 17th April 2020 on a limited scale, after temporary suspension of operation for 24 days post getting requisite permission. The Company has notified the customers of potential delay and has invoked force majeure provisions, wherever required, to comply with the delivery timelines and liquidated damages. Further, we expect that the adverse impact of Covid-19 pandemic on the financial position and performance of the Company, may not remain in the long-term.

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q1 FY21	Q4 FY20	Q1 FY20	FY20	FY19
Total Income	18.2	58.6	114.6	300.0	444.7
EBITDA	(3.4)	(24.7)	(3.3)	(66.2)	(33.5)
Profit Before Tax (PBT)	(10.5)	(31.6)	(7.9)	(91.9)	(49.6)
<i>Exceptional Gain/(Loss)</i>	-	-	(0.1)	10.6	29.5
Reported PBT	(10.5)	(31.6)	(8.0)	(81.4)	(20.1)
Profit After Tax (PAT)	(10.5)	(31.6)	(8.0)	(81.4)	(20.1)
Cash PAT	(7.0)	(28.8)	(6.2)	(71.0)	(13.5)

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

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.