

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

February 11, 2020

Dear Sirs/ Madam,

Reg: Un-audited financial results for the quarter and nine months ended December 31, 2019, Limited Review Report, business update and disclosure 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, 2019 ("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 3.45 pm and concluded at 5.45 pm.

Kindly take note of the above.

Yours Faithfully,
For Welspun Specialty Solutions Ltd
(Erstwhile RMG Alloy Steel Ltd)



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 AND NINE MONTHS ENDED 31ST DECEMBER 2019

(Rs. In Lacs)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Un-Audited			Un-Audited		Audited
1	Income						
a)	Revenue from Operations	6,315	6,326	11,669	22,547	35,721	43,621
b)	Other Income	18	18	48	87	301	395
	Total Revenue	6,333	6,344	11,717	22,634	36,022	44,016
2	Expenses						
a)	Cost of materials consumed	6,761	4,209	9,552	17,077	24,185	28,892
b)	Changes in inventories of finished goods, work in progress and stock in trade	(1,767)	364	(2,336)	(1,353)	(1,754)	(2,101)
d)	Employees benefits expenses	858	850	670	2,355	1,807	2,495
e)	Depreciation and Amortisation expenses	287	284	171	743	502	668
f)	Power & fuel	1,426	1,176	2,659	4,491	7,394	8,768
g)	Finance Costs	459	395	136	1,135	805	945
h)	Consumption of stores & spares	645	605	1,890	2,337	5,167	6,317
i)	Other expenses	754	615	756	1,880	2,185	2,995
	Total Expense	9,423	8,498	13,498	28,665	40,291	48,979
3	Profit/(Loss) before exceptional items and Tax (1-2)	(3,090)	(2,154)	(1,781)	(6,031)	(4,269)	(4,963)
4	Exceptional Items {Refer note - 5 (a), (b) and (c)}	-	1,066	-	1,057	2,949	2,949
5	Profit/(Loss) before tax (3+4)	(3,090)	(1,088)	(1,781)	(4,974)	(1,320)	(2,014)
6	Tax expenses	-	-	-	-	-	-
7	Net Profit/(Loss) for the period (5-6)	(3,090)	(1,088)	(1,781)	(4,974)	(1,320)	(2,014)
8	Other Comprehensive Income						
a)	Items that will be reclassified to profit or loss						
	Fair value change on derivatives designated as cash flow hedge	(11)	23	-	126	-	(127)
b)	Items that will not be reclassified to profit or loss						
	Remeasurement of defined benefit obligation	(2)	(2)	3	(6)	9	(8)
	Total Other Comprehensive Income Net of Income tax	(13)	21	3	120	9	(135)
	Total Comprehensive Income for the period	(3,103)	(1,067)	(1,778)	(4,854)	(1,311)	(2,149)
9	Paid-up equity share capital (Rs.6/- per equity share)	29,314	24,967	20,802	29,314	20,802	20,802
10	Earnings per share (Face Value of Rupees 6/ Each)						
	- Basic	(0.67)	(0.23)	(0.57)	(1.13)	(0.63)	(0.88)
	- Diluted	(0.67)	(0.23)	(0.57)	(1.13)	(0.63)	(0.88)

- 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 11th February, 2020.
 - 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.
 - 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, with start of commercial production during previous quarter from the capex incurred for value adding facilities. Further, the Company's continued thrust to improve operational efficiency and revenue and its initiative to raise funds is expected to result in sustainable cash flows. Accordingly, in spite of losses incurred by the Company during the quarter and nine month ended 31st December 2019, 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.
 - During the quarter ended 30th June 2018, the Company paid Rs.29,458 Lacs to lenders and got waiver of Rs. 3,091 Lacs.
 - As per the Judgment of Supreme Court of India in case of Civil Appeal Nos 13047-13048 of 2017 held that reduction in input tax credit in case of sale in course of inter-state would be applied whenever a case gets covered by sub-clause (ii) and again when sub-clause (iii) of section 11(3) of Gujarat Value Added tax Act, 2003 is attracted. Accordingly during the quarter ended 30th June 2018 the Company has calculated and reversed Vat refundable amount of Rs 142 lacs pertaining to the earlier years.
 - 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 30th June 2018, resulting net impact of Rs.9 Lacs as on Quarter ended 30th June 2019. The Company has received Rs 1066 lacs in quarter ended 30th september 2019 as per eligibility certificate no. IC/IM/VSIE/416337/2019/156706 dated 27th august 2019 on account of balance unutilized incentive already approved under 1990-95 Pioneer Unit scheme.
 - The figures for the previous periods have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: 11th February, 2020
Place: Mumbai



For and on behalf of Board

[Signature]
Director

Pathak H.D. & Associates LLP
Chartered Accountants
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 and nine month period ended 31st December 2019 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 ("the Statement") of **Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited)** ("the Company") for the quarter and nine months period ended 31st December 2019, 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 11th February, 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 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' specified under Section 143 (10) of the Companies Act, 2013 ('the Act'). 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 read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to Note 4 of the accompanying 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 said note.

Our conclusion is not modified in respect of the above matter.

Place: Mumbai
Date : 11th February, 2020



For Pathak H D & Associates LLP
Chartered Accountants
Registration No: 107783W/W100593

Parimal Kumar Jha

Parimal Kumar Jha
Partner
Membership No. 124262
UDIN: 20124262AAAAAN3606

Stainless Steel Pipes / Tubes production ramps up

Mumbai, February 11, 2020: Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q3 / 9M FY20 results.

Q3FY20 Financial Highlights:

- Steel (Alloy and Stainless) → Production volume (9,078 MT) & Sales Volume (7,975 MT) are up by 65% & 1% respectively QoQ.
- Seamless Pipe & Tubes → Production volume of 232 MT & Sales Volume of 161 MT achieved from the recently started facility.
- Total income in Q3FY20 stands at Rs. 63.3 crs
- EBITDA in Q3FY20 was Rs. (23.4) crs vs (14.7) crs in Q2FY20. The external environment factors further deteriorated during the quarter, with lower demand.
- PAT in Q3FY20 stood at Rs. (30.9) crs.

Business Update:

The company has completed substantial part of the project for building capability and installing new plant & machinery to produce stainless steel products under its ongoing plans of diversifying company's product portfolio from lower value to high value offerings. With the successful commissioning and stabilization of Stainless Steel Pipes & Tubes facility, the company has decided to focus on high-value and niche sector. In the process, the company is evaluating downsizing low value / non-remunerative products like Alloy Steel, due to challenges faced by automotive and other related sectors, and is taking preparatory steps towards the same in consultation with stakeholders. Such steps would include, inter-alia, rationalization of resources and of certain capacity utilization as necessary. With these actions, there would be a cost rationalization and re-alignment of sales in niche segments.

Industry Scenario and Outlook:

Alloy Steel:

- The demand for Alloy Steel continued to be subdued due to lower off-take from the Auto segment which is the major demand driver.
 - According to the data released by SIAM, the overall auto market remained subdued and industry sales dipped by 14% in CY19, which is the steepest decline in the last two decades.

- SIAM expects the fortunes of the auto industry to improve with the focus on incentivizing the Commercial Vehicle market through scrappage policy. Government's thrust on development of Infrastructure is also expected to boost demand for off-road vehicles.
- The overall steel demand continued to be very slow in Q3 and the industry has seen pressure on prices and margins. However the general demand in the steel industry appeared to improve by end of the quarter and prices of commodity grade steel have firmed up.
- For Alloy steel however outlook continues to be challenging in the near term, especially for electric arc furnace based steel plants. This is on account of poor demand coupled with higher costs vis-à-vis blast furnace units.

Stainless Steel (SS):

- Stainless steel market environment continues to be challenging in the domestic market.
- The bulk of the demand in long products is export driven. India has exhausted its export quotas to Europe in this segment which has affected overseas demand. The quota restrictions are expected to continue till Q1FY21.
- During the period, the Company has developed critical grades like Duplex and Super Duplex which were largely imported into the country.

Stainless Steel Seamless Pipes & Tubes:

- Demand environment looks promising both in the short term as well as long term, hence the company has decided to intensify its focus on this segment going forward.
- The Company has received approvals from several marquee clients and is in the process of obtaining approvals from several other clients.
- Volumes are expected to ramp up over the next few quarters as clients increase order size post approvals.

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q3 FY20	Q2 FY20	Q3 FY19	9M FY20	9M FY19
Total Income	63.3	63.4	117.2	226.3	360.2
EBITDA	(23.4)	(14.7)	(14.8)	(41.5)	(29.6)
Profit Before Tax (PBT)	(30.9)	(21.5)	(17.8)	(60.3)	(42.7)
<i>Exceptional Gain/Loss</i>	-	10.7	-	10.6	29.5
Reported PBT	(30.9)	(10.9)	(17.8)	(49.7)	(13.2)
Profit After Tax (PAT)	(30.9)	(10.9)	(17.8)	(49.7)	(13.2)
Cash PAT	(28.0)	(8.0)	(16.1)	(42.3)	(8.2)

Notes:

- a) Since the company does not have subsidiary, joint venture and associate companies, it does not have consolidated financial statements; b) Cash PAT = PBDT (adjusted for cash exceptionals) – Current tax

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.