

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

June 18, 2020

**Dear Sirs/ Madam,**

**Sub.: Audited Financial Results for the year ended March 31, 2020**

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- (i) Statement showing the Audited Financial Results (Standalone) for the year ended March 31, 2020;
- (ii) Auditors' Report on the Audited Financial Results; and
- (iii) Declaration on Auditors' Report with Unmodified Opinion.
- (iv) a brief business update

The above results, duly reviewed and recommended by the Audit Committee, have been approved by the Board of Directors of the Company at its meeting held on June 18, 2020

The Board meeting commenced at 4.05 pm and concluded at 5.00 P.M.

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

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

**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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020**

(Rs. In Lacs)

Sr. No	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Un-Audited			Audited	Audited
1	<b>Income</b>					
	a) Revenue from Operations	5,468	6,315	7,900	29,517	44,075
	b) Other Income	397	18	95	483	395
	<b>Total Revenue</b>	<b>5,865</b>	<b>6,333</b>	<b>7,995</b>	<b>30,000</b>	<b>44,470</b>
2	<b>Expenses</b>					
	a) Cost of materials consumed	1,478	6,761	5,504	18,555	28,892
	b) Purchase of Stock in Trade	-	-	-	1,501	454
	c) Changes in inventories of finished goods, work in progress and stock in trade	4,391	(1,767)	(1,144)	3,038	(2,101)
	d) Employees benefits expenses	1,007	858	688	3,362	2,495
	e) Depreciation and Amortisation expenses	289	287	166	1,032	668
	f) Power & fuel	450	1,426	1,374	4,940	8,768
	g) Finance Costs	406	459	140	1,541	945
	h) Consumption of stores & spares	347	645	1,150	2,684	6,317
	i) Other expenses	661	754	811	2,541	2,995
	<b>Total Expense</b>	<b>9,029</b>	<b>9,423</b>	<b>8,689</b>	<b>39,194</b>	<b>49,433</b>
3	<b>Profit/(Loss) before exceptional items and Tax (1-2)</b>	<b>(3,164)</b>	<b>(3,090)</b>	<b>(694)</b>	<b>(9,194)</b>	<b>(4,963)</b>
4	<b>Exceptional Items {Refer note - 5 (a), (b) and (c)}</b>	-	-	-	1,057	2,949
5	<b>Profit/(Loss) before tax (3+4)</b>	<b>(3,164)</b>	<b>(3,090)</b>	<b>(694)</b>	<b>(8,137)</b>	<b>(2,014)</b>
6	<b>Tax expenses</b>	-	-	-	-	-
7	<b>Net Profit/(Loss) for the year/period (5-6)</b>	<b>(3,164)</b>	<b>(3,090)</b>	<b>(694)</b>	<b>(8,137)</b>	<b>(2,014)</b>
8	<b>Other Comprehensive Income/(Loss)</b>					
	a) <b>Items that will be reclassified to profit or loss</b>					
	Fair value change on derivatives designated as cash flow hedge	36	(11)	(127)	162	(127)
	b) <b>Items that will not be reclassified to profit or loss</b>					
	Remeasurement of defined benefit obligation (Net of Income tax)	(26)	(2)	(18)	(32)	(8)
	<b>Total Other Comprehensive Income /(Loss)</b>	<b>10</b>	<b>(13)</b>	<b>(145)</b>	<b>130</b>	<b>(135)</b>
	<b>Total Comprehensive Income/(Loss) for the year/period</b>	<b>(3,154)</b>	<b>(3,103)</b>	<b>(839)</b>	<b>(8,007)</b>	<b>(2,149)</b>
9	Paid-up equity share capital (Rs.6/- per equity share)	29,341	29,314	20,802	29,341	20,802
10	Other Equity				(39,841)	(42,029)
11	<b>Earnings per share (Face Value of Rupees 6/ Each)</b>					
	- Basic	(0.76)	(0.77)	(0.28)	(1.99)	(0.88)
	- Diluted	(0.76)	(0.77)	(0.28)	(1.99)	(0.88)

**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Lacs)

Sr No	Particulars	As at 31st	As at 31st
		March	March
		2020	2019
		(Audited)	(Audited)
	<b>ASSETS</b>		
	<b>I Non-current assets</b>		
	(a) Property, Plant and Equipment	21,557	9,966
	(b) Capital Work in Progress	1,200	8,515
	(C) Intangible assets	296	1
	(d) Income tax assets (net)	169	223
	(e) Other non-current assets	169	323
	<b>Total non-current Assets</b>	<b>23,391</b>	<b>19,028</b>
	<b>II Current assets</b>		
	(a) Inventories	6,977	11,758
	(b) Financial assets		
	(i) Trade receivables	1,029	7,136
	(ii) Cash and cash equivalents	9	3
	(iii) Bank Balance Other than Cash and Cash Equivalent	329	1,062
	(c) Other current assets	1,053	2,068
	<b>Total Current Assets</b>	<b>9,397</b>	<b>22,027</b>
	<b>Total Assets</b>	<b>32,788</b>	<b>41,055</b>
	<b>EQUITY AND LIABILITY</b>		
	<b>IV Equity</b>		
	(a) Equity share capital	29,341	20,802
	(b) Other equity	(39,841)	(42,029)
	<b>Total Equity</b>	<b>(10,500)</b>	<b>(21,227)</b>
	<b>V Non-current liabilities</b>		
	(a) Financial liabilities		
	- Borrowings	21,835	25,814
	(b) Long term Provisions	117	181
	<b>Total non-current liabilities</b>	<b>21,952</b>	<b>25,995</b>
	<b>VI Current liabilities</b>		
	(a) Financial liabilities		
	(i) Short term borrowings	10,208	14,903
	(ii) Trade payables		
	- Total outstanding dues of micro,small and medium enterprise	9	10
	- Total outstanding dues of creditors other than micro,small and medium enterprise	4,080	12,575
	(iii) Other financial liabilities	6,280	7,383
	(b) Other current liabilities	692	1,346
	(c) Short term Provisions	67	70
	<b>Total current liabilities</b>	<b>21,336</b>	<b>36,287</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,788</b>	<b>41,055</b>

**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 18th June, 2020.
- 2 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.
- 3 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.
- 4 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 year ended 31st March 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..
- 5 a) During the quarter ended 30th June 2018, the Company paid Rs. 29,458 Lacs to lenders and got waiver of Rs. 3,091 Lacs.  
b) 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 interstate 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.  
c) 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. 1,066 lacs in quarter ended 30th September 2019 as per eligibility certificate no. IC/IM/VSI/416337/2019/156706 dated 27th August 2019 on account of balance unutilized incentive already approved under 1990-95 Pioneer Unit scheme.
- 6 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 17th April 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.
- 7 a) During the year, the Company issued 6,94,15,000 Equity Shares at a price of Rs. 12 each (including a premium of Rs. 6 each) amounting to Rs. 8,330 lacs by conversion of share warrants of an equivalent amount.  
b) During the year, the Company has redeemed 3,57,92,000 6.5% Redeemable Preference shares of Rs. 10 each aggregating to Rs. 3,579 Lacs and 6,52,00,000 Redeemable Preference Shares of Rs. 10 each amounting to Rs. 6,520 Lacs and utilised the redemption amount for subscription of 7,24,61,326 Equity Shares of Rs. 15 each (including premium of Rs. 9 each) amounting to Rs. 10,869 Lacs including money received from one allottee amounting to Rs. 80 Lacs and loan from Welspun Steel Limited amounting to Rs. 690 Lacs.  
c) During the year, the Company issued 4,02,66,666 share warrants at the issue price of Rs. 15 each and the 25% subscription of the said warrants was made by utilizing the loan obtained from Welspun Steel Limited to the extent of Rs. 810 Lacs and utilizing redemption proceeds of 20,00,000 12% Cumulative Redeemable Preference Shares of Rs. 10/- each redeemed at a premium of Rs. 25/- per preference shares aggregating to Rs. 700 Lacs.  
d) During the year, two employees availed the Employee Stock Option (Senior Management Personnel) Plan 2018 and were issued 4,38,200 Equity Shares at Rs. 25.5 each (including premium of Rs.19.5 each), amounting to Rs. 112 Lacs and were subscribed and fully paid up.  
e) Subsequent to balance sheet date, 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.  
f) Subsequent to balance sheet date, 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.
- 8 The figures for the quarter ended March 31, 2020 and March 31, 2019 are 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 and for the year ended March 31, 2019 have been regrouped / rearranged, wherever necessary, to make them comparable.

For and on behalf of Board

**Date:** 18th June, 2020  
**Place:** Mumbai

**ANUJ**  
**BURAKIA** Digitally signed  
by ANUJ BURAKIA Director  
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# Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020

(Rs' In Lacs)

	Particulars	Year ended		Year ended	
		2019-20		2018-19	
<b>A)</b>	<b>Cash Flow from Operational Activities</b>				
	Loss before tax as per statement of profit and loss :		(8,137)		(2,014)
	Adjustment for :				
	Depreciation and amortization expenses	1,032		668	
	Financial Costs	1,541		945	
	Unrealised exchange difference (Net)	22		(26)	
	Interest Income	(110)		(306)	
	Provision for Gratuity & Compensated Absences	66		63	
	(Profit)/Loss on Sale of Property, Plant & Equipment (Net) (@ Rs. 4,367)	@		114	
	(Profit)/Loss on Sale of Investments	-		(13)	
	Expense on employee stock option scheme	107		166	
	Provision for Doubtful Debts	455		65	
	Provision for Obsolescence	6		-	
	Sundry Credit Balances Written Back / Provision no longer required	(359)		-	
			<b>2,760</b>		<b>1,676</b>
	Operating Cash Profit/(Loss) before Working Capital Changes		<b>(5,377)</b>		<b>(338)</b>
	Changes in Working Capital :				
	(Increase)/decrease in trade & other receivables	6,666		(568)	
	(Increase)/decrease in inventories	4,775		(5,254)	
	Increase/(decrease) in trade & other payables	(8,635)		5,968	
	Increase/(decrease) in provisions	(166)		(16)	
			<b>2,640</b>		<b>130</b>
	Cash generated from / (used in) Operations		<b>(2,737)</b>		<b>(208)</b>
	Less. Direct taxes paid(net of refunds)		53		(30)
	<b>Net cash flows (used in)/ generated from operating activities after exceptional items</b>		<b>(2,684)</b>		<b>(238)</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>				
	Acquisition of Property Plant & Equipment & Intangible Assets (including Work in Progress, Capital Advance and Creditors for Capital Expenditure) (Net)	(5,605)		(8,311)	
	Proceeds from Sale Of Property, Plant and Equipment	-		344	
	Interest Income	97		300	
	(Purchase) / Redemption of Bank Deposit	746		(872)	
	Purchase of Investments	-		(7,890)	
	Sale of Investments	-		14,613	
	Net Cash generated from / (used in) Investing Activities:		<b>(4,762)</b>		<b>(1,816)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>				
	Proceeds from long-term borrowings	4,563		-	
	Repayment of long-term borrowings	(307)		(25,610)	
	Proceeds of short term borrowings (net)	4,478		(4,405)	
	Proceeds received/refund for shares	-		10,540	
	Proceeds from Issue of Equity Shares	80		-	
	Interest Paid	(1,364)		(2,726)	
	Net Cash generated from / (used in) Financing Activities:		<b>7,450</b>		<b>(22,201)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>6</b>		<b>(24,255)</b>
	Cash and cash equivalents at the beginning of the year		<b>3</b>		<b>24,258</b>
	Cash and cash equivalents at the end of year		<b>9</b>		<b>3</b>
	<b>NET INCREASE/(DECREASE) AS DISCLOSED ABOVE .</b>		<b>6</b>		<b>(24,255)</b>
	<b>Cash and cash equivalents as per above comprise of the following:</b>				
	Balances with banks:		1		1
	- On current accounts	1		1	
	- On deposit accounts	-		-	
	Cash on hand		8		2
	<b>Balances per statement of cash flows</b>		<b>9</b>		<b>3</b>

For and behalf of Board

**ANUJ  
BURAKIA**

Director

Digitally signed by ANUJ  
BURAKIA

Date: 2020.06.18 18:21:41  
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Date: 18th June, 2020

Place: Mumbai

**Independent Auditor's Report on Audited Financial Results of Welspun Specialty Solutions Limited (formerly known as RMG Alloy Steel Limited) for the quarter and year ended March 31, 2020 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To,  
The Board of Directors of  
Welspun Specialty Solutions Limited (formerly known as RMG Alloy Steel Limited),

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying Financial Results of Welspun Specialty Solutions Limited (formerly known as RMG Alloy Steel Limited) ("the Company") for the quarter and year ended March 31, 2020 ("the financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income / (loss) and other financial information for the quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion

**Emphasis of Matter**

1. We draw attention to Note 4 of the financial results wherein 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 accounts of the Company have been prepared on a going concern basis for the reasons stated in the aforesaid note..



2. We draw attention to Note 6 of the financial results, as regards to the management evaluation of impact of COVID – 19 on the future performance of the Company.

Our opinion is not modified in respect of the above matters.

#### **Management's Responsibilities for the Financial Results**

The financial results, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income / loss and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



# Pathak H.D. & Associates LLP

Chartered Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a financial results that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matters

The financial results includes the results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to limited review by us.

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

  
Vishal D. Shah  
Partner  
Membership No. 119303  
UDIN:20119303AAAADG4490



Place: Mumbai  
Date: June 18, 2020



June 18, 2020

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

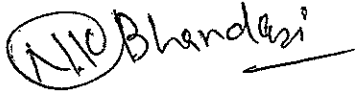
Dear Sirs/ Madam,

**Subject: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

I, Narendra Kumar Bhandari, Chief Financial Officer of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) (CIN: L27100GJ1980PLC020358) having its Registered Office at Plot No.1, GIDC Industrial Estate, Valia Road, Bharuch, Jhagadia, Gujarat - 392001, India, hereby declare that, in terms of the provision of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, the Statutory Auditors of the Company, M/s. Pathak H.D. & Associates LLP, Chartered Accountants (Firm Registration Number 107783W), have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone only) for the quarter and year ended on March 31, 2020. Kindly take this declaration on your records.

Thank you,

**For Welspun Specialty Solutions Ltd**  
(Erstwhile RMG Alloy Steel Ltd)



**Narendra Kumar Bhandari**  
Chief Financial Officer

## Seamless Pipe & Tubes volume improving

**Mumbai, June 18, 2020:** Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q4 & FY20 results.

### Q4 & FY20 Financial Highlights:

Production & Sales volume of recently commenced Seamless Pipe & Tubes division stood at 327 MT & 172 MT respectively (Q4FY20); improving sequentially

- **Total income:**

- Q4FY20 - Rs. 58.6 crs vs Rs. 79.9 crs in Q4FY19
- FY20 - Rs. 300.0 crs vs Rs. 444.7 crs in FY19

Alloy steel business got severely impacted on account of significant lower demand from the automotive sector

- **EBITDA:**

- Q4FY20 - Rs. (24.7) crs & in FY20 stood at Rs. (66.2) crs

- **PAT** in Q4FY20 stood at Rs. (31.6) crs and Rs. (81.4) in FY20

### **Business Update:**

- In order to diversify its product portfolio from lower value to high value-added products, the Company has already completed installing new state of the art equipment’s for cold drawing. Also, next level of Automation has been completed at the Press. With these significant upgradations, the company has already started making inroads in Aerospace, Nuclear and Defense areas which offer huge growth potential going forward.
- Also, the Company has already started downsizing low value / non-remunerative products like Alloy Steel, due to challenges faced by automotive and other related sectors.

### **Industry Scenario and Outlook:**

- **Stainless Steel Seamless Pipes & Tubes:**

- The Company has made substantial investment for manufacturing Stainless Steel products. Going forward, the complete focus will be to stabilize and ramp up the production to meet the increasing demand.
- The demand for Seamless Pipe of Stainless Steel and High Nickel alloys is improving led by Nuclear, Defense, Aerospace and Petrochemical sectors.
- After successfully qualifying in stringent plant audit, we were able to bag couple of niche orders from marquee clients. Some of these prestigious orders which we have won, would be executed in FY21.
- We have also started making inroads into the export market to diversify our operations and expand the customer base. We have already bagged 1<sup>st</sup> export order.
- While overall global business conditions are currently strained due to sluggish market conditions, we expect business enquiries to increase gradually during the year.

- Recently GoI has directed PSUs to prefer buying from local players and has restricted tenders upto Rs. 200 crores to domestic bidding only. This will also give impetus to domestic production, thus helping to increase our utilization.

### Covid-19 Impact:

Towards the end of Q4FY20, the operations of the Company were impacted due to shutdown of its plant and offices following the lockdown imposed by government authorities to contain spread of COVID-19 pandemic. The Company has since then resumed operations in a phased manner and is operating in accordance with the health and safety guidelines, as issued by the respective government authorities.

We have adopted several additional measures, encompassing global best practices, across our plant and offices to keep our employees and service providers safe.

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q4 FY20	Q3 FY20	Q4 FY19	FY20	FY19
<b>Total Income</b>	<b>58.6</b>	<b>63.3</b>	<b>79.9</b>	<b>300.0</b>	<b>444.7</b>
<b>EBITDA</b>	<b>(24.7)</b>	<b>(23.4)</b>	<b>(3.9)</b>	<b>(66.2)</b>	<b>(33.5)</b>
Profit Before Tax (PBT)	(31.6)	(30.9)	(6.9)	(91.9)	(49.6)
<i>Exceptional Gain/(Loss)</i>	-	-	-	10.6	29.5
Reported PBT	(31.6)	(30.9)	(6.9)	(81.4)	(20.1)
<b>Profit After Tax (PAT)</b>	<b>(31.6)</b>	<b>(30.9)</b>	<b>(6.9)</b>	<b>(81.4)</b>	<b>(20.1)</b>
Cash PAT	(28.8)	(28.0)	(5.3)	(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

Standalone Balance Sheet Snapshot (Rs. Crs)	31 <sup>st</sup> Mar 2020	31 <sup>st</sup> Mar 2019
Equity Capital (incl. Warrants / Preference Shares being converted)	(44.7)	18.5
Preference Shares	178.2	178.2
<b>Net Worth (incl. Preference Shares)</b>	<b>133.5</b>	<b>196.7</b>
Gross Debt	135.6	63.2
LT Debt (including Current Maturities)	72.8	30.2
Short Term Debt	62.8	33.0
Cash & Cash Equivalents	3.4	10.7
<b>Net Debt</b>	<b>132.2</b>	<b>52.6</b>
<b>Total Net Fixed Assets</b> (including CWIP & Intangible)	<b>230.5</b>	<b>184.8</b>
<b>Net Current Assets</b>	<b>32.9</b>	<b>60.7</b>

**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.*

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**For further information please visit [www.welspunspecialty.com](http://www.welspunspecialty.com)**

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