

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

February 5, 2021

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 nine months ended December 31, 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 5.25 pm and concluded at 6:25 pm.

Kindly take note of the above.

Yours Faithfully,

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



**Narendra Kumar Bhandari**  
Chief Financial Officer



**Welspun Specialty Solutions Limited**  
(Erstwhile RMG Alloy Steel Limited)

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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 : alcompanysecretaryofrmg@welspun.com

CIN : L27100GJ1980PLC020358

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2020**

		(Rs. In Laacs)					
Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Un-Audited			Un-Audited		Audited
1	<b>Income</b>						
a)	Revenue from Operations	1,783	2,943	6,315	6,544	24,048	29,517
b)	Other Income	10	52	18	76	87	483
	<b>Total Revenue</b>	<b>1,793</b>	<b>2,995</b>	<b>6,333</b>	<b>6,620</b>	<b>24,135</b>	<b>30,000</b>
2	<b>Expenses</b>						
a)	Cost of materials consumed	1,318	1,118	6,761	2,832	17,077	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	(326)	1,076	(1,767)	1,483	(1,353)	3,038
d)	Employees benefits expenses	454	427	858	1,376	2,385	3,262
e)	Depreciation and Amortisation expenses	342	350	287	1,038	743	1,032
f)	Power & fuel	294	292	1,426	788	4,491	4,940
g)	Finance Costs	249	297	459	907	1,135	1,541
h)	Consumption of stores & spares	400	269	645	852	2,337	2,684
i)	Other expenses (Refer Note - 9)	413	225	754	801	1,880	2,541
	<b>Total Expense</b>	<b>3,145</b>	<b>4,054</b>	<b>9,423</b>	<b>10,077</b>	<b>30,166</b>	<b>39,194</b>
3	<b>Profit/(Loss) before exceptional items and Tax (1-2)</b>	<b>(1,352)</b>	<b>(1,059)</b>	<b>(3,090)</b>	<b>(3,457)</b>	<b>(6,031)</b>	<b>(9,194)</b>
4	Exceptional Items (Refer note - 6)	(352)	-	-	(352)	1,057	1,057
5	<b>Profit/(Loss) before tax (3+4)</b>	<b>(1,704)</b>	<b>(1,059)</b>	<b>(3,090)</b>	<b>(3,809)</b>	<b>(4,974)</b>	<b>(8,137)</b>
6	Tax expenses	-	-	-	-	-	-
7	<b>Net Profit/(Loss) for the period / year (5-6)</b>	<b>(1,704)</b>	<b>(1,059)</b>	<b>(3,090)</b>	<b>(3,809)</b>	<b>(4,974)</b>	<b>(8,137)</b>
8	<b>Other Comprehensive Income</b>						
a)	Items that will be reclassified to profit or loss						
	Fair value change on derivatives designated as cash flow hedge	1	(12)	(11)	(37)	126	162
b)	Items that will not be reclassified to profit or loss						
	Remeasurement of defined benefit obligation (Net of Income Tax)	(2)	(2)	(2)	(6)	(6)	(32)
	<b>Total Other Comprehensive Income / (Loss) Net of Income tax</b>	<b>(1)</b>	<b>(14)</b>	<b>(13)</b>	<b>(43)</b>	<b>120</b>	<b>130</b>
	<b>Total Comprehensive Income / (Loss) for the period / year</b>	<b>(1,705)</b>	<b>(1,073)</b>	<b>(3,103)</b>	<b>(3,852)</b>	<b>(4,854)</b>	<b>(8,007)</b>
9	Paid-up equity share capital (Rs.6/- per equity share)	31,765	31,765	29,314	31,765	29,314	29,341
10	Other Equity	-	-	-	-	-	(39,841)
11	<b>Earnings per share (Face Value of Rupees 6/ Each)</b> (Not annualised for the quarter and period ended)						
	- Basic	(0.35)	(0.23)	(0.67)	(0.82)	(1.13)	(1.99)
	- Diluted	(0.35)	(0.23)	(0.67)	(0.82)	(1.13)	(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 February 05, 2021.
- 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 the 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. During this quarter the company has received various prestigious approval, which will open many business frontier & enable the company to scale new heights in terms of customer reach as well business volumes. 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 nine months ended December 31, 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.
- a) On account of completion of Value Added Tax Assessment for FY 2014-15, the company has received Rs. 78 Laacs against refundable amount of Rs. 102 Laacs, resulting into short refund of Rs. 24 laacs. Further the company has reversed provision of Rs. 15 Laacs made in quarter ended June 30, 2018, resulting net impact of Rs. 9 Laacs as on quarter ended June 30, 2019. The Company has received Rs. 1,066 laacs in quarter ended September 30, 2019 as per eligibility certificate no. IC/IM/VSE/416337/2019/156706 dated August 27, 2019 on account of balance unutilized incentive already approved under 1990-93 Pioneer Unit scheme.  
b) Exceptional Item represents Additional VAT of Rs. 352 Laacs pertaining to prior FY 2014-15 written off during the quarter and nine months ended December 31, 2020.
- 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.
- 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 Laacs 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 Laacs to the shareholders. The balance redemption amount of Rs. 1,500 Laacs 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 Laacs and were subscribed and fully paid up.
- Other Expenses includes loss on discard of Property Plant and Equipment amounting to Rs. 97 Laacs incurred during the quarter ended December 31, 2020.
- The figures for the previous periods / year have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: February 5, 2021  
Place: Mumbai

For and on behalf of Board

*Gary*  
Director




**Limited Review Report on Unaudited Financial Results of Welspun Specialty Solutions Limited (Erstwhile RMG Alloy Steel Limited) for the quarter and nine months ended December 31, 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 nine months ended December 31, 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 February 5, 2021, 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: 21119303AAAABG8243



Date: February 5, 2021  
Place: Mumbai

## Highest ever order book in Seamless Pipe

**Mumbai, February 5, 2021:** Welspun Specialty Solutions Limited (“WSSL” or “Company”), formerly known as RMG Alloy Steel Ltd., today announced its Q3 / 9M FY21 results.

### Q3 FY21 Financial Highlights:

- **Total Income:**
  - Rs. 17.9 crores vs Rs. 29.9 crores in Q2FY21

Production & Sales volume of Seamless Pipe & Tubes division stood at 709 MT & 374 MT (Q3FY21) vs 685 MT & 561 MT (Q2FY21) respectively.

- **EBITDA:**
  - Rs. (7.6) crores vs Rs. (4.1) crores in Q2FY21 and vs Rs. (23.5) crores in Q3FY20

### Key business updates:

- In spite of certain challenges like overall weak demand due to the pandemic and threat of cheaper imports, company witnessed good growth in demand for its products leading to the highest ever order book in seamless pipe division. This was achieved with focused effort on execution of existing orders, new customer approvals, new product development and approval from process licensors.
- Due to travel & other restrictions caused by the pandemic, limited projects were in execution, both in India & overseas; yet company’s Export Order book is at encouraging level. We expect this trend to continue and further improve in subsequent quarters on account of approvals from EPC companies, Licensors, new material grades developed, repeat orders from existing customers, and niche products of 4” to 6” sizes supplied to the customers, wherein WSSL is having capabilities.
- Government initiatives such as implementation of BIS/QCO resulting in non-tariff barrier for sub-standard imports, Self – Reliant (Atmanirbhar) mission by Government also helped in propping up the demand.
- Under Atma Nirbhar mission, demand in sectors like Defense, thermal power, Aerospace, Oil & Gas and Nuclear power etc, is picking up on account of boost to the domestic equipment / components manufacturing wherein products of company are consumed. WSSL continues to contribute to these projects of national importance with its unique integrated facilities and technical knowhow in development of new grades and products.
- In the coming quarters & with the announcement of highly growth oriented budget for FY21-22 by GoI, company is confident of having much improved performance.

Standalone Income Statement Snapshot (Rs. Crs)					
Particulars	Q3 FY21	Q2 FY21	Q3 FY20	9MFY21	9MFY20
<b>Total Income</b>	<b>17.9</b>	<b>29.9</b>	<b>63.3</b>	<b>66.2</b>	<b>241.4</b>
<b>EBITDA</b>	<b>(7.6)</b>	<b>(4.1)</b>	<b>(23.5)</b>	<b>(15.1)</b>	<b>(41.5)</b>
Profit Before Tax (PBT)	(13.5)	(10.6)	(30.9)	(34.6)	(60.3)
<i>Exceptional Gain/(Loss)</i>	<i>(3.5)</i>	-	-	<i>(3.5)</i>	<i>10.6</i>
Reported PBT	(17.0)	(10.6)	(30.9)	(38.1)	(49.7)
<b>Profit After Tax (PAT)</b>	<b>(17.0)</b>	<b>(10.6)</b>	<b>(30.9)</b>	<b>(38.1)</b>	<b>(49.7)</b>
Cash PAT	<b>(10.1)</b>	<b>(7.1)</b>	<b>(28.0)</b>	<b>(24.2)</b>	<b>(42.3)</b>

**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, Floorings and Warehousing. 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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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.