



Vardhman

VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

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Ref. VSSL:SCY:JUL:2022-23

Dated: 25.07.2022

| | |
|---|--|
| BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. Scrip Code: 534392 | The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VSSL |
|---|--|

SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter ended 30th June, 2022 together with Limited Review Report as approved by Board of Directors in its meeting held on 25th July, 2022.

The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 3:00 p.m.

Kindly note and display the notice on your notice Board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN SPECIAL STEELS LIMITED



(SONAM TANEJA)
Company Secretary

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AADCY4812B CIN: L27100PB2010PLC033930
WWW.VARDHMANSTEEL.COM

VARDHMAN SPECIAL STEELS LIMITED

Regd. Office Vardhman Premises, Chandigarh Road, Ludhiana-141010

Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

Statement of Unaudited Financial Results for the quarter ended 30 June 2022

(Rs. in lakhs)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended |
|---------|--|---------------------------|-------------------------|---------------------------|-------------------------|
| | | 30.06.2022 (Unaudited) | 31.03.2022 (Audited) | 30.06.2021 (Unaudited) | 31.03.2022 (Audited) |
| 1 | Revenue from operations | 46,916.31 | 34,334.83 | 33,013.88 | 1,36,846.01 |
| 2 | Other income (also refer to note 1) | 591.20 | 2,151.41 | 264.09 | 2,889.16 |
| 3 | Total income (1+2) | 47,507.51 | 36,486.24 | 33,277.97 | 1,39,735.17 |
| 4 | Expenses: | | | | |
| | a) Cost of materials consumed | 29,200.80 | 23,320.77 | 22,728.56 | 89,652.50 |
| | b) Purchase of stock in trade | - | - | 29.62 | 61.54 |
| | c) Changes in inventories of finished goods, stock -in- trade and work -in- progress | 1,832.05 | (2,962.30) | (4,577.19) | (10,032.38) |
| | d) Employee benefits expense | 2,191.96 | 2,142.22 | 1,868.46 | 8,099.28 |
| | e) Finance costs | 406.81 | 379.54 | 440.24 | 1,727.94 |
| | f) Depreciation and amortisation expense | 691.79 | 683.74 | 661.92 | 2,696.45 |
| | g) Other expenses | | | | |
| | - Power and fuel expense | 4,197.01 | 3,508.96 | 3,643.39 | 14,177.32 |
| | - Others | 4,924.30 | 4,520.13 | 4,214.42 | 17,518.96 |
| | Total expenses | 43,444.72 | 31,593.06 | 29,009.42 | 1,23,901.61 |
| 5 | Profit before income tax (3-4) | 4,062.79 | 4,893.18 | 4,268.55 | 15,833.56 |
| 6 | Tax expense (also refer to note 2) | | | | |
| | - Current tax (including tax adjustment relating to prior periods) | 1,052.75 | 784.53 | 749.51 | 2,704.01 |
| | - Deferred tax | (19.56) | 1,189.36 | 739.31 | 3,054.51 |
| 7 | Net Profit after income tax (5-6) | 3,029.60 | 2,919.29 | 2,779.73 | 10,075.04 |
| 8 | Other comprehensive income / (expense) | | | | |
| | (A) (i) Item that will not be reclassified to profit or loss | 5.30 | (30.66) | 16.47 | 18.75 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - |
| | (B) (i) Item that will be reclassified to profit or loss | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - |
| 9 | Total comprehensive income for the period (7+8) | 3,034.90 | 2,888.63 | 2,796.20 | 10,093.79 |
| 10 | Earnings per equity share (in Rs.) (not annualised): | | | | |
| | (a) Basic | 7.47 | 7.20 | 6.86 | 24.87 |
| | (b) Diluted | 7.42 | 7.15 | 6.82 | 24.71 |
| 11 | Paid-up equity capital (face value Rs. 10/- per share) | 4,056.12 | 4,056.12 | 4,050.70 | 4,056.12 |
| 12 | Reserves (excluding revaluation reserve) | | | | 51,439.92 |
| | See accompanying notes to the unaudited financial results | | | | |

The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text 'Vardhman Special Steels Limited' around the perimeter and 'Ludhiana' in the center. There is a small star at the bottom of the stamp.

VARDHMAN SPECIAL STEELS LIMITED

Regd. Office Vardhman Premises, Chandigarh Road, Ludhiana-141010

Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

Notes:

- 1 The Company is eligible for fiscal incentives under the Punjab State Government's Fiscal Incentives for Industrial Promotion Policy (R) 2013 for its expansions completed up to 31 March 2016 and also eligible for incentives under Industrial and Business Development Policy 2017 of the State Government for its expansion cum upgradation project of Steel Melt Shop completed in FY 2019-20. Pursuant to the necessary approvals from the competent authorities, the Company has recorded Rs. 460.72 lakhs in current quarter ended 30 June 2022, Rs. 1,965.60 lakhs in the preceding quarter ended 31 March 2022 as compared to Rs.72.55 lakhs and Rs. 2,147.15 lakhs in the quarter ended 30 June 2021 and year ended 31 March 2022 respectively under the head "Other income" towards exemption of Electricity Duty, Infrastructure Development Cess and Property tax. Other incentives will be considered post sanction /assessment /approval by appropriate authority.
 - 2 The Company opted the new tax regime under section 115BAA of the Income Tax Act, 1961, effective 1 April 2022.
 - 3 The Company is engaged in the single operating segment "Steel".
 - 4 Pursuant to SEBI circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed secured commercial papers (CP's) on various dates on BSE limited (BSE) during the quarter ended 30 June 2022.
- a) Details of due dates and actual dates and amounts of repayment of listed secured commercial papers:

(Rs. in lakhs)

| ISIN Number | ISIN Type | Due date of Repayment | Actual date of repayment | Issue Amount |
|--|-------------|-----------------------|--------------------------|--------------|
| Issued and Redeemed during the period 1 April 2022 to 30 June 2022: | | | | |
| INE050M14866 | Fresh Issue | 30-May-22 | 30-May-22 | 2,500 |
| INE050M14874 | Fresh Issue | 7-Jun-22 | 7-Jun-22 | 2,500 |

Outstanding as at 30 June 2022: Nil

- b) The Company's commercial paper programme has been rated as CRISIL A1+ by CRISIL Ratings. These are secured against lien over fund based limits sanctioned by the banks secured by way of hypothecation of entire present and future tangible current assets of the Company as well as second charge on the entire present and future property, plant and equipment of the Company.



VARDHMAN SPECIAL STEELS LIMITED

Regd. Office Vardhman Premises, Chandigarh Road, Ludhiana-141010

Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AACDV4812B

Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

5 Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Sr. No. | Particulars | Quarter Ended | | Year Ended | |
|---------|--|---------------------------|-------------------------|---------------------------|-------------------------|
| | | 30.06.2022 (Unaudited) | 31.03.2022 (Audited) | 30.06.2021 (Unaudited) | 31.03.2022 (Audited) |
| 1 | Debt Equity Ratio (times) = Net Debt*/Net Worth | 0.30 | 0.23 | 0.50 | 0.23 |
| 2 | Debt Service Coverage ratio (times) = [Profit after tax + non cash operating expense (depreciation and amortization) + interest + loss on sale/write off PPE] / [Gross Interest + Scheduled principal repayment of Long term debts + lease payments] | 1.14 | 1.15 | 1.38 | 2.97 |
| 3 | Interest Service Coverage ratio = [Profit after tax + non cash operating expense (depreciation and amortization) + interest + loss on sale/write off PPE] / Gross Interest | 10.16 | 10.56 | 8.82 | 8.41 |
| 4 | Net Worth (Equity share capital + other equity) (Rs. in Lakhs) | 58,540.57 | 55,496.04 | 48,745.93 | 55,496.04 |
| 5 | Net profit after tax (Rs. in Lakhs) | 3,029.60 | 2,919.29 | 2,779.73 | 10,075.04 |
| 6 | Basic Earnings per equity share (In Rs.) | 7.47 | 7.20 | 6.86 | 24.87 |
| 7 | Diluted Earnings per equity share (In Rs.) | 7.42 | 7.15 | 6.82 | 24.71 |
| 8 | Current Ratio = [Current Assets/Current Liabilities] | 2.20 | 2.27 | 1.88 | 2.27 |
| 9 | Long Term Debt to Working Capital = [Non-Current Borrowings + Current Maturities of long term debt/(Net Working capital excluding Current Maturities of long term debt) | 0.27 | 0.30 | 0.41 | 0.30 |
| 10 | Bad Debts to Account Receivable Ratio = Bad debts/Trade Receivables | 0.00% | 2.13% | 0.00% | 2.13% |
| 11 | Current Liability Ratio = Current Liabilities/Total Liabilities | 75.67% | 71.84% | 75.34% | 71.84% |
| 12 | Total Debt to total assets = Total Debt/Total Assets | 19.05% | 17.48% | 31.99% | 17.48% |
| 13 | Debtors Turnover ratio (times) = [Revenue from operations / Average Trade Receivable] (Annualised) | 7.07 | 5.75 | 5.87 | 6.13 |
| 14 | Inventory Turnover ratio (times) = [Revenue from operations / Average Inventory] (Annualised) | 6.34 | 4.70 | 6.04 | 5.51 |
| 15 | Operating Margin (%) = (EBITDA** - Other Income) /Revenue from operations | 9.74% | 11.08% | 15.47% | 12.69% |
| 16 | Net Profit Margin (%) = Profit after tax/Revenue from Operations | 6.46% | 8.50% | 8.42% | 7.36% |

*Net Debt: Long term borrowings + short term borrowings - cash and cash equivalents - other bank balance - investments in mutual funds / term deposits.

**EBITDA: Earnings before interest, tax, depreciation and amortization.

6 The figures for the last quarter ended 31 March 2022, as reported in these unaudited financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to audit.

7 The above unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 25 July 2022 and have been subjected to Limited Review by the Statutory Auditors. The unmodified review report of the Statutory Auditors is being filed with the BSE Limited and the National Stock Exchange of India Limited. For more details, visit the Investor Service section under the Media section of the Company's website at www.vardhmansteel.com and Financial Results at corporate section of www.bseindia.com and www.nseindia.com.

For and on behalf of the Board of Directors of
Vardhman Special Steels Limited


Sachit Jain
Vice Chairman & Managing Director

Date : 25 July 2022

Place: Ludhiana

B S R & Co. LLP

Chartered Accountants

Unit No. A505 (A),
5th Floor, Plot No.178-178A,
Industrial & Business Park,
Phase -1, Chandigarh-160002

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Fax: +91 172 664 4004

Limited Review Report on unaudited financial results of Vardhman Special Steels Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 and Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021

To the Board of Directors of Vardhman Special Steels Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Vardhman Special Steels Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021. Our responsibility is to issue a report 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 the 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 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. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited financial results 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.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

B S R & Co. LLP

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HQ/DDHS/P/CIR/2021/613 dated 10 August 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Gaurav Mahajan

Partner

Chandigarh
25 July 2022

Membership No.: 507857
UDIN:22507857ANNWLZ1055