



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD
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Ref. VSSL:SCY:JAN:2021-22

Dated: 28.01.2022

BSE Limited,
New Trading Ring, Rotunda Building, P.J. Towers,
Dalal Street, Fort,
MUMBAI-400001.
Scrip Code: 534392 (Equity)
722019 (CP)

SUB: DISCLOSURE UNDER REGULATION 30, 33 & 52 OF SEBI LISTING OBLIGATIONS

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III, Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter/ nine-months ended 31st December, 2021 together with Limited Review Report as approved by Board of Directors in its meeting held on 28th January, 2022.

The meeting of the Board of Directors commenced at 11:30 a.m. and concluded at 03:00 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.: AADCV4812B 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 and nine months ended 31 December 2021

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Revenue from operations	35,932.03	33,565.27	28,765.21	102,511.18	60,260.07	93,708.00
2	Other income (also refer to note 1 and 2)	199.68	273.98	318.92	737.75	1,054.67	1,296.14
3	Total income (1+2)	36,131.71	33,839.25	29,084.13	103,248.93	61,314.74	95,004.14
4	Expenses:						
	a) Cost of materials consumed	20,150.29	23,452.88	17,431.06	66,331.73	34,334.03	53,741.45
	b) Purchase of stock in trade	7.29	24.63	-	61.54	-	-
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	2,259.57	(4,752.46)	(2,263.20)	(7,070.08)	103.24	(1,224.92)
	d) Employee benefits expense	2,024.07	2,064.53	1,787.00	5,957.07	4,120.82	5,960.88
	e) Finance costs	451.32	456.83	494.61	1,348.40	1,490.38	1,970.72
	f) Depreciation and amortisation expense	680.07	670.72	673.83	2,012.71	2,022.39	3,022.94
	g) Other expenses						
	- Power and fuel expense	3,300.93	3,724.04	3,648.34	10,668.36	8,254.75	11,626.48
	- Others	4,313.46	4,470.95	4,217.13	12,998.83	8,338.59	13,268.92
	Total expenses	33,187.00	30,112.12	25,988.77	92,308.56	58,664.20	88,366.47
5	Profit before income tax (3-4)	2,944.71	3,727.13	3,095.36	10,940.37	2,650.54	6,637.67
6	Tax expense						
	- Current tax (including tax adjustment relating to prior periods)	516.64	653.33	455.63	1,919.48	455.63	1,191.84
	- Deferred tax	481.25	644.60	472.93	1,865.15	411.69	1,026.35
7	Net Profit after income tax (5-6)	1,946.82	2,429.20	2,166.80	7,155.74	1,783.22	4,419.48
8	Other comprehensive income / (expense)						
	(A) (i) Item that will not be reclassified to profit or loss	16.47	16.47	(25.01)	49.41	(75.05)	62.70
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	13.11	-	13.11	-
	(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)	1,963.29	2,445.67	2,154.90	7,205.15	1,721.28	4,482.18
10	Earnings per equity share (in Rs.) (not annualised):						
	(a) Basic	4.81	6.00	5.36	17.67	4.41	10.94
	(b) Diluted	4.77	5.94	5.36	17.53	4.41	10.93
11	Paid-up equity capital (face value Rs. 10/- per share)	4,050.70	4,050.70	4,039.45	4,050.70	4,039.45	4,050.70
12	Reserves (excluding revaluation reserve)						41,885.63
	See accompanying notes to the unaudited financial results						



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

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

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Notes:

- The Company is eligible for incentive of Electricity Duty among other incentives under the Punjab State Government's Fiscal Incentives for Industrial Promotion Policy (R) 2015 for its expansions completed up to 31 March 2016. Further, the Company is also eligible for claiming incentives under the Industrial and Business Development Policy 2017 of the Punjab State Government. Pursuant to the necessary approvals from the competent authorities, the Company has recorded Rs. 49.44 lakhs in the current quarter and Rs. 181.55 lakhs in the nine months period ended 31 December 2021 as compared to Rs. 72.09 lakhs, Rs. 315.30 lakhs and Rs. 373.46 lakhs in the quarter ended 31 December 2020, nine months period ended 31 December 2020 and year ended 31 March 2021 respectively under the head "Other income" towards incentive of Electricity Duty & Infrastructure Development Cess exemption. Other incentives will be considered post sanction /assessment /approval by appropriate authority.
- Punjab State Power Corporation Limited (PSPCL), vide its Electricity Supply Code and Related Matters Regulations 2014 and circular number 17/2020 dated 18 April 2020, gave a Public Notice offering its consumers of all categories to make advance payment towards their estimated electricity bills up to the extent they can and earn interest @ 1% per month on advance payment. Further vide notification no. PSERC/Secy/Regu.157 dated 20.07.2021, PSPCL has changed the interest rate on advance deposited with them, by all consumers, as rate (MCLR) for one year of the State Bank of India, as applicable on the 1st April of the financial year for which interest is payable subject to maximum of 7.05% p.a.

In continuation of its previous year decision of opting this scheme, in the current year the Company deposited the advance with electricity department considering Company's consumption levels. Accordingly, the Company has recorded accrued interest income of Rs.78.47 lakhs in the current quarter and Rs. 287.01 lakhs in the nine months period ended 31 December 2021, as compared to Rs. 129.88 lakhs, Rs. 328.98 lakhs and Rs. 377.90 lakhs in the quarter ended 31 December 2020, nine months period ended 31 December 2020 and year ended 31 March 2021 respectively under the head "Other income".

- The Company is engaged in the single operating segment "Steel".
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these unaudited financial results including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these unaudited financial results, used internal and external sources of information and expects that the carrying amount of these assets will be recovered.

The Company continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

- 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 nine months ended 31 December 2021.
- a) Details of due dates and actual dates & 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 2021 to 31 December 2021:				
INE050M14742	Fresh Issue	9-Jul-21	9-Jul-21	2,500
INE050M14759	Fresh Issue	15-Jul-21	15-Jul-21	2,500
INE050M14775	Fresh Issue	26-Jul-21	26-Jul-21	2,500
INE050M14767	Fresh Issue	23-Aug-21	23-Aug-21	7,500
INE050M14783	Fresh Issue	7-Sep-21	7-Sep-21	2,500
INE050M14791	Fresh Issue	13-Sep-21	13-Sep-21	2,500
INE050M14809	Fresh Issue	24-Sep-21	24-Sep-21	2,500
INE050M14817	Fresh Issue	18-Nov-21	18-Nov-21	5,000
INE050M14825	Fresh Issue	6-Dec-21	6-Dec-21	5,000
INE050M14833	Fresh Issue	10-Dec-21	10-Dec-21	2,500
INE050M14841	Fresh Issue	23-Dec-21	23-Dec-21	2,500
Outstanding as at 31 December 2021:				
INE050M14858	Fresh Issue	4-Mar-22	Not due	5,000

- 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.



6 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			Nine Months Ended		Year Ended
		31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
1	Debt Equity Ratio (times) = Net Debt*/Net Worth	0.48	0.50	0.58	0.48	0.58	0.30
2	Debt Service Coverage ratio (times) = [(EBITDA**-Current Tax)/ (Gross Interest+Scheduled principal repayment of Long term Debts)]	1.12	1.30	1.41	3.03	1.54	2.63
3	Interest Service Coverage ratio = [(EBITDA**-Current Tax)/ Gross Interest]	7.89	9.20	7.70	9.18	3.83	5.30
4	Net Worth (Equity share capital + other equity) (Rs. in Lakhs)	52,571.85	50,595.48	43,093.23	52,571.85	43,093.23	45,936.33
5	Net profit after tax (Rs. in Lakhs)	1,946.82	2,429.20	2,166.80	7,155.74	1,783.22	4,419.48
6	Basic Earnings per equity share (In Rs.)	4.81	6.00	5.36	17.67	4.41	10.94
7	Diluted Earnings per equity share (In Rs.)	4.77	5.94	5.36	17.53	4.41	10.93
8	Current Ratio = [Current Assets/Current Liabilities]	1.93	1.81	1.70	1.93	1.70	2.09
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)	0.34	0.37	0.59	0.34	0.59	0.48
10	Bad Debts to Account Receivable Ratio = Bad debts/Trade Receivables	-	-	-	-	-	-
11	Current Liability Ratio = Current Liabilities/Total Liabilities	77.10%	78.62%	71.90%	77.10%	71.90%	67.13%
12	Total Debt to total assets = Total Debt/Total Assets	30.45%	30.96%	35.31%	30.45%	35.31%	23.60%
13	Debtors Turnover ratio (times) = [Revenue from operations / Average Trade Receivable] (Annualised)	5.52	5.54	5.27	5.59	3.92	4.64
14	Inventory Turnover ratio (times) = [Revenue from operations /Average Inventory] (Annualised)	4.76	4.78	7.58	5.66	4.98	5.45
15	Operating Margin (%) = (EBITDA** - Other Income) /Revenue from operations	10.79%	13.65%	13.71%	13.23%	8.48%	11.03%
16	Net Profit Margin (%) = Profit after tax/Revenue from Operations	5.42%	7.24%	7.53%	6.98%	2.96%	4.72%

*Net Debt: Long term borrowings (including current maturities of and gross initiation costs)+ short term borrowings - cash and cash equivalents - other bank balance - investments in mutual funds / term deposits.

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

7 The figures for the previous year/periods have been regrouped wherever necessary.

8 The above unaudited Financial Results as reviewed by the Audit Committee and have been approved at the meeting of the Board of Directors held on 28 January 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
Vardhman Special Steels Limited


 Sachit Jain
 Vice Chairman & Managing Director

Date : 28 January 2022
 Place: Ludhiana

BSR & 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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Limited Review Report on unaudited financial results of Vardhman Special Steels Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 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 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("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. 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/HO/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 BSR & Co. LLP
Chartered Accountants

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


Gaurav Mahajan
Partner

Membership No.: 507857

UDIN: 22507857AAAAAG6362

Chandigarh
28 January 2022

Registered Office: