



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
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E: secretarial.lud@vardhman.com

**Ref. VSSL:SCY:NOV:2022-23**

**Dated: 01.11.2022**

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. <b>Scrip Code: 534392</b>	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 <b>Scrip Code: VSSL</b>
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**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/ half-year ended 30<sup>th</sup> September, 2022 together with Limited Review Report as approved by Board of Directors in its meeting held on 1<sup>st</sup> November, 2022.

The meeting of the Board of Directors commenced at 10:15 a.m. and concluded at 3:30 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For **VARDHMAN SPECIAL STEELS LIMITED**

**(SONAM TANEJA)**  
Company Secretary

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | **STEELS**

**VARDHMAN SPECIAL STEELS LIMITED**

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

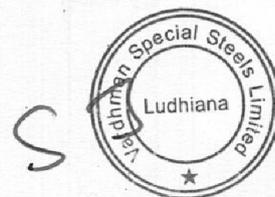
Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

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

**Statement of Unaudited Financial Results for the quarter and half year ended 30 September 2022**

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Revenue from operations	44,316.41	46,916.31	33,565.27	91,232.72	66,579.15	1,36,846.01
2	Other income (also refer to note 1)	1,420.27	591.20	273.98	2,011.47	538.07	2,889.16
3	<b>Total income (1+2)</b>	<b>45,736.68</b>	<b>47,507.51</b>	<b>33,839.25</b>	<b>93,244.19</b>	<b>67,117.22</b>	<b>1,39,735.17</b>
4	<b>Expenses:</b>						
	a) Cost of materials consumed	29,536.15	29,200.80	23,452.88	58,736.95	46,181.44	89,652.50
	b) Purchase of stock in trade	-	-	24.63	-	54.25	61.54
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	(1,115.54)	1,832.05	(4,752.46)	716.51	(9,329.65)	(10,032.38)
	d) Employee benefits expense	2,233.25	2,191.96	2,064.53	4,425.21	3,932.99	8,099.28
	e) Finance costs	446.04	406.81	456.83	852.85	897.07	1,727.94
	f) Depreciation and amortisation expense	703.22	691.79	670.72	1,395.01	1,332.64	2,696.45
	g) Other expenses						
	- Power and fuel expense	4,545.59	4,197.01	3,724.04	8,742.60	7,367.43	14,177.32
	- Others	5,631.75	4,924.30	4,470.95	10,556.05	8,685.37	17,518.96
	<b>Total expenses</b>	<b>41,980.46</b>	<b>43,444.72</b>	<b>30,112.12</b>	<b>85,425.18</b>	<b>59,121.54</b>	<b>1,23,901.61</b>
5	<b>Profit before income tax (3-4)</b>	<b>3,756.22</b>	<b>4,062.79</b>	<b>3,727.13</b>	<b>7,819.01</b>	<b>7,995.68</b>	<b>15,833.56</b>
6	Tax expense / (income)						
	- Current tax (including tax adjustment relating to prior periods)	960.49	1,052.75	653.33	2,013.24	1,402.84	2,704.01
	- Deferred tax	(5.28)	(19.56)	644.60	(24.84)	1,383.91	3,054.51
7	<b>Net Profit after income tax (5-6)</b>	<b>2,801.01</b>	<b>3,029.60</b>	<b>2,429.20</b>	<b>5,830.61</b>	<b>5,208.93</b>	<b>10,075.04</b>
8	<b>Other comprehensive income</b>						
	(A) (i) Item that will not be reclassified to profit or loss	5.30	5.30	16.47	10.60	32.94	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	<b>Total comprehensive income for the period (7+8)</b>	<b>2,806.31</b>	<b>3,034.90</b>	<b>2,445.67</b>	<b>5,841.21</b>	<b>5,241.87</b>	<b>10,093.79</b>
10	Earnings per equity share (in Rs.) (not annualised):						
	(a) Basic	6.90	7.47	6.00	14.37	12.86	24.87
	(b) Diluted	6.86	7.42	5.94	14.28	12.76	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	4,050.70	4,056.12
12	Reserves (excluding revaluation reserve)						51,439.92
	See accompanying notes to the unaudited financial results						



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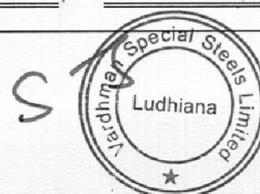
Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

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**Statement of Assets and Liabilities**

(Rs. in lakhs)

Particulars	As at 30 Sept 2022 (Unaudited)	As at 31 March 2022 (Audited)
<b>I. ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	28,033.24	28,821.76
(b) Right-of-use assets	79.92	86.24
(c) Capital work-in-progress	2,297.44	1,287.83
(d) Other intangible assets	6.38	8.47
(e) Financial assets		
- Loans	292.81	291.92
- Other financial assets	262.81	256.54
(g) Income tax assets (net)	31.90	31.90
(h) Other non-current assets	2,051.95	1,630.62
<b>Total non-current assets</b>	<b>33,056.45</b>	<b>32,415.28</b>
<b>Current assets</b>		
(a) Inventories	31,999.98	30,432.20
(b) Financial assets		
- Investments	1,540.00	1,540.00
- Trade receivables	31,918.13	22,186.29
- Cash and cash equivalents	1,185.11	27.10
- Bank balances other than cash and cash equivalents	2.48	1,570.52
- Loans	185.26	151.71
- Other financial assets	1,338.38	206.69
(c) Other current assets	2,833.94	3,557.99
<b>Total current assets</b>	<b>71,003.28</b>	<b>59,672.50</b>
<b>TOTAL ASSETS</b>	<b>1,04,059.73</b>	<b>92,087.78</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	4,056.12	4,056.12
(b) Other equity	55,891.55	51,439.92
<b>Total equity</b>	<b>59,947.67</b>	<b>55,496.04</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
- Borrowings	5,596.51	7,889.21
- Lease liabilities	85.06	91.27
- Other financial liabilities	10.84	10.95
(b) Provisions	197.84	180.97
(c) Deferred tax Liabilities (net)	2,060.48	2,085.32
(d) Other non-current liabilities	45.25	46.20
<b>Total non-current liabilities</b>	<b>7,995.98</b>	<b>10,303.92</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
- Borrowings	9,643.54	8,203.13
- Lease liabilities	15.03	13.59
- Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises	362.95	206.91
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	20,447.78	14,540.80
- Other financial liabilities	3,601.74	1,976.55
(b) Other current liabilities	1,255.17	898.82
(c) Provisions	40.76	27.06
(d) Current tax liabilities (net)	749.11	420.96
<b>Total current liabilities</b>	<b>36,116.08</b>	<b>26,287.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,04,059.73</b>	<b>92,087.78</b>



**VARDHMAN SPECIAL STEELS LIMITED**

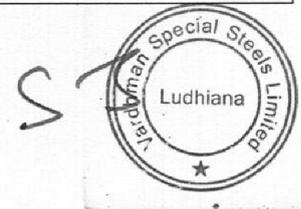
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Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

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**Statement of Cash Flows for the half year ended 30 September 2022**

Particulars	(Rs. in lakhs)	
	For the half year ended 30 Sept 2022	For the half year ended 30 Sept 2021
<b>A Cash flow from operating activities</b>		
Profit before income tax	7,819.01	7,995.68
Adjustments for:		
Depreciation and amortization expense	1,395.01	1,332.64
Change in fair value of derivative contracts	(360.56)	66.50
Unrealized foreign exchange loss (net)	187.09	(25.88)
(Gain) on sale of property, plant and equipment (net)	(4.39)	0.90
Share based payments to employees	30.08	24.88
Finance costs	852.85	897.07
Interest income	(77.13)	(379.00)
Profit on sale of current investments	(9.68)	(5.72)
Property, plant and equipment written off	6.19	-
Liabilities no longer required written back	(0.19)	(15.47)
<b>Operating profit before change in following assets and liabilities</b>	<b>9,838.28</b>	<b>9,891.60</b>
Adjustments for:		
(Increase) in inventories	(1,567.78)	(11,855.12)
(Increase) in trade receivables	(9,723.93)	(2,974.94)
(Increase) in current loans	(33.55)	(63.93)
(Increase) in other financial current assets	(968.57)	(15.56)
Decrease/(increase) in other current assets	750.11	(4,637.11)
(Increase) in non-current loans	(0.89)	(29.68)
(Increase) in other financial assets	(6.27)	(250.00)
(Increase) in other non-current assets	(454.88)	(8.20)
Increase in non-current provisions	16.87	16.82
(Decrease)/increase in other non-current liabilities	(0.96)	3.61
Increase in trade payables	6,034.32	781.44
Increase in other financial current liabilities	123.39	2,688.53
(Decrease) in other financial liabilities	(0.11)	(2.25)
Increase/(decrease) in other current liabilities	356.35	(274.79)
Increase in current provisions	24.30	32.94
<b>Cash generated from operating activities</b>	<b>4,386.68</b>	<b>(6,696.64)</b>
Income tax paid (net)	(1,685.10)	(1,149.72)
<b>Net cash generated from operating activities</b>	<b>2,701.58</b>	<b>(7,846.36)</b>
<b>B Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and other intangible assets	(1,470.50)	(548.42)
Proceeds from sale of property, plant and equipment and other intangible assets	20.06	9.07
Movement in current deposit accounts	1,568.05	1,836.04
Proceeds / (acquisition of) from current investments	9.68	(1,534.28)
Interest received	184.38	496.39
<b>Net cash (used in)/generated from investing activities</b>	<b>311.67</b>	<b>258.80</b>
<b>C Cash flow from financing activities</b>		
Repayments of non-current borrowings	(3,590.42)	(730.00)
Payment of Lease liabilities	(11.08)	(10.57)
Proceeds of current borrowing (net)	2,567.11	10,232.66
Dividends on equity share capital paid	(0.03)	(603.65)
Interest paid	(820.82)	(866.39)
<b>Net cash (used in) financing activities</b>	<b>(1,855.24)</b>	<b>8,022.05</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,158.01</b>	<b>434.49</b>
Cash and cash equivalents at the beginning of the year (see below)	27.10	234.00
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>1,185.11</b>	<b>668.49</b>
<b>Notes:</b>		
I. Cash and cash equivalents include:		
Balance with banks		
- in current accounts	1,183.79	667.21
Cash on hand	1.32	1.28
	<b>1,185.11</b>	<b>668.49</b>



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**Notes:**

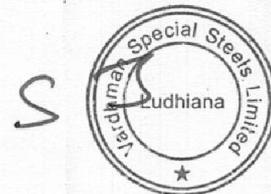
- 1 The Company is eligible for fiscal incentives under the Punjab State Government's Fiscal Incentives for Industrial Promotion Policy (R) 2013 for its expansions completed up to 31 March 2016 and also eligible for incentives under Industrial and Business Development Policy 2017 of the State Government for its expansion cum upgradation project of Steel Melt Shop completed in FY 2019-20. Pursuant to the necessary approvals from the competent authorities resulting in satisfaction of recognition conditions for government grants in accordance with Ind AS 20, the Company has recorded Rs. 1,237.30 lakhs in the current quarter and Rs. 1,698.02 lakhs in the six months period ended 30 September 2022, Rs. 460.72 lakhs in the preceding quarter ended 30 June 2022 as compared to Rs. 59.55 lakhs, Rs. 132.10 lakhs and Rs. 2,114.03 lakhs in the quarter ended 30 September 2021, six months period ended 30 September 2021 and year ended 31 March 2022 respectively under the head "Other income" towards exemption of Electricity Duty, Infrastructure Development Cess, property tax and SGST refund. Other incentives as due will be considered post satisfaction of recognition conditions in accordance with requirements of Ind AS 20.
- 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 The shareholders have approved the Board recommended dividend of Rs. 3.50 per fully paid equity share in the Annual General Meeting of the Company held on 30 September 2022 amounting to Rs.1,419.65 lakhs included under other financial liabilities as at 30 September 2022.
- 5 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 half year ended 30 Sept 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
<i>Issued and/or Redeemed during the period 1 April 2022 to 30 Sept 2022:</i>				
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 Sept 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.



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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			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1	Debt Equity Ratio (times) = Net Debt*/Net Worth	0.21	0.30	0.50	0.21	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]	1.62	1.14	1.09	2.82	2.01	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	8.86	10.16	7.79	9.48	8.29	8.41
4	Net Worth (Equity share capital + other equity) (Rs. in Lakhs)	59,947.66	58,540.76	50,595.48	59,947.66	50,595.48	55,496.04
5	Net profit after tax (Rs. in Lakhs)	2,801.01	3,029.60	2,429.20	5,830.61	5,208.93	10,075.04
6	Basic Earnings per equity share (In Rs.)	6.90	7.47	6.00	14.37	12.86	24.87
7	Diluted Earnings per equity share (In Rs.)	6.86	7.42	5.94	14.28	12.76	24.71
8	Current Ratio = [Current Assets/Current Liabilities]	1.97	2.20	1.81	1.97	1.81	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)	0.21	0.27	0.37	0.21	0.37	0.30
10	Bad Debts to Account Receivable Ratio = Bad debts/Trade Receivables	0.00%	0.00%	0.00%	0.00%	0.00%	2.13%
11	Current Liability Ratio = Current Liabilities/Total Liabilities	81.87%	75.67%	78.62%	81.87%	78.62%	71.84%
12	Total Debt to total assets = Total Debt/Total Assets	14.65%	19.05%	30.96%	14.65%	30.96%	17.48%
13	Debtors Turnover ratio (times) = [Revenue from operations / Average Trade Receivable] (Annualised)	5.59	7.07	5.54	6.73	5.55	6.13
14	Inventory Turnover ratio (times) = [Revenue from operations / Average Inventory] (Annualised)	5.77	6.34	4.83	5.83	5.28	5.51
15	Operating Margin (%) = (EBITDA** - Other Income) / Revenue from operations	7.86%	9.74%	13.65%	8.83%	14.55%	12.69%
16	Net Profit Margin (%) = Profit after tax/Revenue from Operations	6.32%	6.46%	7.24%	6.39%	7.82%	7.36%

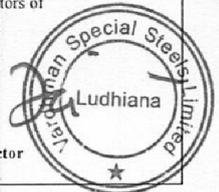
\*Net Debt: Long term borrowings + short term borrowings - cash and cash equivalents - other bank balance - investments in mutual funds / term deposits.

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

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 1 November 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*  
Sachit Jain  
Vice Chairman & Managing Director



Date : 1 November 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

Telephone: +91 172 664 4000  
Fax: +91 172 664 4004

**Limited Review Report on unaudited financial results of Vardhman Special Steels Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 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 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 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.



**B S R & Co. LLP**

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 B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248WW-100022



**Gaurav Mahajan**

*Partner*

Chandigarh

01 November 2022

Membership No.: 507857

UDIN:22507857BBPOOK4982