



VARDHMAN SPECIAL STEELS LIMITED

Regd. & Corporate Office : Chandigarh Road, LUDHIANA - 141 010, Punjab (INDIA)

PHONE : (0161) 2228943-48; Fax : (0161) 2601048, 2222616, 2601040

CIN : L27100PB2010PLC033930; PAN No. : AADCV4812B

E-mail : secretarial.lud@vardhman.com, Website : www.vardhman.com / www.vardhmansteel.com

Ref. VSSL:SCY:NOV:2014-15

Dated: 08.11.2014

The National Stock Exchange of India Ltd,
"Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI

SUB : UN-AUDITED FINANCIAL RESULTS

Sir,

Pursuant to the provisions of Clause-41 of the Listing Agreement, we are enclosing herewith Un-audited Financial Results of the Company for the quarter ended 30th September, 2014 as approved by the Board of Directors in its meeting held on 8th November, 2014.


A limited review report of the Auditors of the Company is also being enclosed herewith.

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

Thanking you,

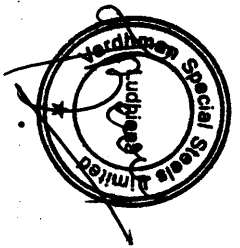
Yours faithfully,

For VARDHMAN SPECIAL STEELS LIMITED


TANU BERRY
(Company Secretary)

(Rs. In Crores)

| Particulars | Quarter Ended 30 Sept 2014 | Quarter Ended 30 June 2014 | Quarter Ended 30 Sept 2013 | Half Year ended 30-Sept, 2014 | Half Year ended 30-Sept, 2013 | Year Ended 31st March, 2014 |
|--|---|----------------------------|----------------------------|-------------------------------|-------------------------------|-----------------------------|
| 1 | Income From Operations | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| a) (i) Net Sale/Income From Operations (Net of Excise Duty) | 166.68 | 145.20 | 69.72 | 311.88 | 192.62 | 370.60 |
| (ii) Cost of Material Transferred to Trial Run (Rolling Mill) | 0.20 | 0.16 | 0.19 | 0.36 | 2.38 | 4.51 |
| b) Other Operating Income | 166.88 | 145.36 | 150.25 | 312.24 | 275.34 | 568.47 |
| 2 | Total Income from operations (Net) | 166.88 | 145.36 | 150.25 | 312.24 | 568.47 |
| Expenses | | | | | | |
| a) Cost of Materials Consumed | 93.79 | 93.36 | 71.34 | 187.17 | 143.46 | 306.33 |
| b) Purchase of Stocks- In Trade | - | - | - | 8.89 | 31.84 | - |
| c) Change in Inventories of Finished Goods, works -in-progress and stock -in-trade | 14.79 | (5.90) | 35.92 | - | 31.84 | 70.18 |
| d) Employee Benefits Expenses | 0.00 | 7.00 | 4.90 | 13.82 | 10.72 | 21.27 |
| e) Depreciation and Amortisation Expense | 3.61 | 3.36 | 1.01 | 6.97 | 2.01 | 5.70 |
| f) Power & Fuel | 25.88 | 24.88 | 15.70 | 50.76 | 32.74 | 74.73 |
| g) Other Expenses | 24.36 | 21.28 | 26.17 | 45.64 | 60.22 | 95.59 |
| Total Expenses | 169.25 | 144.00 | 155.04 | 313.25 | 290.99 | 573.80 |
| 3 | Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2) | (2.37) | 1.36 | (4.79) | (1.01) | (5.33) |
| 4 | Other Income | 0.45 | - | 0.05 | 0.45 | 9.15 |
| 5 | Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4) | (1.92) | 1.36 | (4.74) | (0.56) | 3.50 |
| 6 | Finance Cost | 4.64 | 3.60 | 2.61 | 8.24 | 5.44 |
| 7 | Profit/(Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6) | (6.56) | (2.24) | (7.35) | (8.80) | (1.94) |
| 8 | Exceptional Items (refer note-3) | 2.65 | 0.43 | 5.36 | 3.06 | 11.67 |
| 9 | Profit/(Loss) from ordinary activities before Tax (7-8) | (3.91) | (2.67) | (2.71) | (11.86) | (13.61) |
| 10 | Tax Expense | - | - | (2.35) | - | (2.65) |
| 11 | Net Profit/(Loss) from ordinary activities after Tax (9-10) | (3.91) | (2.67) | (10.36) | (11.86) | (10.96) |
| 12 | Extraordinary Items/(Net of Expense) | - | - | - | - | - |
| 13 | Net Profit/ Loss for the Period(11+12) | (3.91) | (2.67) | (10.36) | (11.86) | (10.96) |
| 14 | Paid-up Equity Capital (Face Value Rs. 10/- per share) | 18.56 | 18.56 | 18.56 | 18.56 | 18.56 |
| 15 | Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year | - | - | - | - | 167.20 |
| 16 (i) | Earnings Per Share (before Extraordinary Items) (in Rs.) (not annualized): | | | | | |
| (a) Basic | (4.95) | (1.44) | (5.58) | (6.39) | (5.91) | (5.07) |
| (b) Diluted | (4.95) | (1.44) | (5.58) | (6.39) | (5.91) | (5.07) |
| 16 (ii) | Earnings Per Share (after Extraordinary Items) (in Rs.) (not annualized): | | | | | |
| (a) Basic | (4.95) | (1.44) | (5.58) | (6.39) | (5.91) | (5.07) |
| (b) Diluted | (4.95) | (1.44) | (5.58) | (6.39) | (5.91) | (5.07) |
| A | PARTICULARS OF SHARE HOLDING | | | | | |
| 1 | Public Shareholding | 4643967 | 4643967 | 4643967 | 4643967 | 4643967 |
| 2 | -Number of Shares | 25.03% | 25.03% | 25.03% | 25.03% | 25.03% |
| B | INVESTORS COMPLAINTS | | | | | |
| | Percentage of Share (as a% of the total Shareholding of promoter and promoter group) | - | - | - | - | - |
| | Percentage of share (as a% of the total share capital of the company) | - | - | - | - | - |
| | Percentage of share (as a% of the total share capital of the company) | 13911409 | 13911409 | 13911409 | 13911409 | 13911409 |
| | Percentage of share (as a% of the total share capital of the company) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | Percentage of share (as a% of the total share capital of the company) | 74.97% | 74.97% | 74.97% | 74.97% | 74.97% |



VARDHMAN SPECIAL STEELS LIMITED
 Regd. Office Vardhman Premises, Chandigarh Road, Luthiana-141010
 Unaudited Financial Results for the Quarter and half year ended 30th September, 2014
 Corporate Identity Number (CIN): L27100PB2010PLCO333930, PAN: AADCV4812B
 Website: www.vardhman.com/www.vardhmansteel.com Email: secretarial.lud@vardhman.com

(Rs In Crores)

| Particulars | Quarter Ended 30 Sept 2014 | Quarter Ended 30 June 2014 | Quarter Ended 30 Sept, 2013 | Half Year ended 30-Sept, 2014 | Half Year ended 30-Sept, 2013 | Year Ended 31st March 2014 |
|--|----------------------------|----------------------------|-----------------------------|-------------------------------|-------------------------------|----------------------------|
| Received during that quarter | Unaudited | Unaudited | Unaudited | (Unaudited) | (Unaudited) | Audited |
| Disposed of during the quarter | - | - | - | - | - | - |
| Pending Unsolved at the end of the Quarter | - | - | - | - | - | - |

NOTES:

1. The Company operates only in one business segment viz. "Steel" which is the reportable segment in accordance with the requirements of Accounting Standard (AS) -17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

2. The rolling mill expansion was undergoing trial production during the corresponding quarter, hence the results may not be comparable.

3. Exceptional Items comprises re-statement gain/loss on External Commercial borrowings (ECB)

4. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1st April 2014 the Company has re-calculated the remaining useful life of fixed assets in accordance with provisions of Schedule II to the Act. In case of assets which have completed their useful life as per Schedule II to the Act, the carrying value (net of residual value) as at 1st April 2014 amounting to Rs. 0.82 crores (net of deferred tax) has been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the re-calculated remaining useful life. The depreciation and amortisation expense charged for for the quarter and half year ended 30th Sept., 2014 would have been lower by Rs. 0.16 crores and 0.36 crores respectively, had the Company continued with the previously prescribed depreciation rates as per Schedule XIV of Companies Act, 1956.

5. The Company is eligible for incentives under the Mega Project Policy of the Punjab State Government for its expansion completed during last year. Though the plant has been commissioned but the benefits have not been considered in the above results as the same is pending for sanction by appropriate authority.

6. Figures for previous periods have been re-cast/re-grouped, wherever necessary to make them comparable.

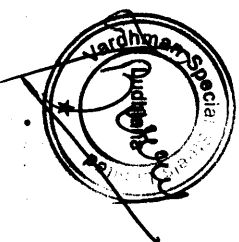
7. The Board of Directors has approved the above results in its meeting held on 8th November, 2014 which have been reviewed by statutory auditors as per clause 41 of Listing Agreement.

Place: Luthiana

Sachit Jain

Date: 08.11.2014

Manojina Director

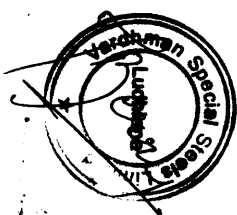


VARDHMAN SPECIAL STEELS LTD

Regd. Office : Chandigarh Road, Ludhiana-141010

Statement of Assets & Liabilities as on 30.09.2014

| Particulars | As at | As at |
|--|-------------------------|-----------------------|
| | 30.09.2014 Unaudited | 31.03.2014 Audited |
| A | | |
| EQUITY AND LIABILITIES | | |
| 1 Shareholders' Funds | | |
| (a) Share Capital | 18.56 | 18.56 |
| (b) Reserves and Surplus | 154.51 | 167.20 |
| (c) Money received against share warrants | - | - |
| (d) Equity Share Capital pending allotment | - | - |
| Sub-total-Shareholders funds | 173.07 | 185.76 |
| 2 Share application money pending allotment | - | - |
| 3 Non-current liabilities | | |
| (a) Long-term borrowings | 102.89 | 99.83 |
| (b) Deferred tax liabilities (net) | - | - |
| (c) Other long-term liabilities | 0.06 | 0.12 |
| (d) Long-term provisions | 0.56 | 0.51 |
| Sub-total-Non current liabilities | 103.51 | 100.46 |
| 4 Current liabilities | | |
| (a) Short-term borrowings | 215.20 | 194.95 |
| (b) Trade payables | 58.64 | 42.02 |
| (c) Other current liabilities | 34.54 | 39.63 |
| (d) Short-term provisions | 1.85 | 1.21 |
| Sub-total-Current Liabilities | 310.23 | 277.81 |
| TOTAL -EQUITY AND LIABILITIES | 586.81 | 564.03 |
| B | | |
| 1 Non-current assets | | |
| (a) Fixed assets | 203.41 | 210.38 |
| (b) Non current investments | 15.12 | 16.75 |
| (c) Deferred tax assets (net) | - | - |
| (d) Long-term loans and advances | 7.78 | 7.43 |
| (e) Capital work-in-progress | 38.81 | 29.55 |
| (f) Other non-current assets | - | 1.24 |
| Sub-total-Non Current Assets | 265.12 | 265.35 |
| 2 Current assets | | |
| (a) Current investments | 15.00 | 15.00 |
| (b) Inventories | 118.02 | 119.31 |
| (c) Trade receivables | 154.08 | 121.53 |
| (d) Cash and cash equivalents | 6.97 | 13.90 |
| (e) Short-term loans and advances | 27.62 | 28.87 |
| (f) Other current assets | - | 0.07 |
| Sub-total-Current Assets | 321.69 | 298.68 |
| TOTAL -ASSETS | 586.81 | 564.03 |



S.S. KOTHARI MEHTA & CO.

CHARTERED ACCOUNTANTS

S.C.O. 19, 1ST FLOOR.
S E C T O R - 11
PANCHKULA - 134 111
PHONE : 0172 - 5066820
E-mail: dinesh.abrol@gmail.com
: sskchd@gmail.com

LIMITED REVIEW REPORT

The Board of Directors,
Vardhman Special Steels Limited,
Ludhiana.

1. We have reviewed the accompanying statement of unaudited financial results of Vardhman Special Steel Limited for the quarter ended 30th September, 2014 (the "Statement") being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement with Stock Exchange, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. The Statement of Quarterly financial results has been prepared from interim financial statements which are the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are 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.
3. 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 recognition and measurement principles laid down in Accounting Standard AS-25 "Interim Financial Reporting" notified Pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) which continues to apply as per Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules 2014 and other recognized accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in the terms of Clause 41 of the Listing Agreement with the stock exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.S. Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 022150N)



Place: Ludhiana
Dated: 08th November, 2014

(CA Dinesh R. Abrol)
Partner
Membership No. 87899