



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD
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Ref. VSSL:SCY:NOV:2023-24

Dated: 07.11.2023

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
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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 30th September, 2023, together with Limited Review Report as approved by Board of Directors in its meeting held on 7th November, 2023.

The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 1:30 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For VARDHMAN SPECIAL STEELS LIMITED

(SONAM DHINGRA)
Company Secretary

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 2023

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
1	Revenue from operations	41,518.94	40,935.65	44,316.41	82,454.59	91,232.72	1,73,499.11
2	Other income (also refer to note 1)	562.07	724.18	1,420.27	1,286.25	2,011.47	3,875.39
3	Total income (1+2)	42,081.01	41,659.83	45,736.68	83,740.84	93,244.19	1,77,374.50
4	Expenses:						
	a) Cost of materials consumed	24,752.88	27,144.83	29,536.15	51,897.71	58,736.95	1,14,646.94
	b) Purchase of stock in trade	256.48	-	-	256.48	-	-
	c) Changes in inventories of finished goods, stock-in-trade and work-in progress	1,160.57	(1,834.90)	(1,115.54)	(674.33)	716.51	(3,732.79)
	d) Employee benefits expense	2,227.90	2,209.57	2,233.25	4,437.47	4,425.21	8,994.89
	e) Finance costs	464.03	420.87	446.04	884.90	852.85	1,765.35
	f) Depreciation and amortisation expense	731.20	725.25	703.22	1,456.45	1,395.01	2,812.16
	g) Other expenses						
	- Power and fuel expense	4,238.75	4,679.67	4,545.59	8,918.42	8,742.60	17,859.62
	- Others	5,769.80	5,813.73	5,631.75	11,583.53	10,556.05	21,597.76
	Total expenses	39,601.61	39,159.02	41,980.46	78,760.63	85,425.18	1,63,943.93
5	Profit before income tax (3-4)	2,479.40	2,500.81	3,756.22	4,980.21	7,819.01	13,430.57
6	Tax expense						
	- Current tax (including tax adjustment relating to prior periods)	649.77	653.32	960.49	1,303.09	2,013.24	3,462.45
	- Deferred tax	(16.26)	(9.60)	(5.28)	(25.86)	(24.84)	(76.66)
7	Net Profit after income tax (5-6)	1,845.89	1,857.09	2,801.01	3,702.98	5,830.61	10,044.78
8	Other comprehensive income / (expense)						
	(A) (i) Item that will not be reclassified to profit or loss	(8.16)	(8.15)	5.30	(16.31)	10.60	(27.91)
	(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)	1,837.73	1,848.94	2,806.31	3,686.67	5,841.21	10,016.87
10	Earnings per equity share (also refer to note 2) (in Rs.) (not annualised):						
	(a) Basic	2.27	2.29	3.45	4.56	7.19	12.38
	(b) Diluted	2.27	2.28	3.43	4.54	7.14	12.34
11	Paid-up equity capital (face value Rs. 10/- per share)	8,125.48	8,125.48	4,056.12	8,125.48	4,056.12	4,062.74
12	Other Equity						60,158.66
	See accompanying notes to the unaudited financial results						



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Statement of Assets and Liabilities**(Rs. in lakhs)**

Particulars	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	30,395.16	29,296.32
(b) Right-of-use assets	63.67	71.79
(c) Capital work-in-progress	1,751.86	1,191.04
(d) Other intangible assets	2.35	4.31
(e) Financial assets		
- Loans	260.34	281.99
- Other financial assets	275.31	269.04
(f) Income tax assets (net)	48.44	48.44
(g) Other non-current assets	3,108.09	2,026.30
Total non-current assets	35,905.22	33,189.23
Current assets		
(a) Inventories	35,176.95	36,267.99
(b) Financial assets		
- Investments	5,014.28	2,000.31
- Trade receivables	26,457.07	26,154.59
- Cash and cash equivalents	1,106.31	953.50
- Bank balances other than cash and cash equivalents	31.37	7.65
- Loans	165.12	150.96
- Other financial assets	2,535.21	1,993.19
(c) Other current assets	1,373.46	2,334.46
Total current assets	71,859.77	69,862.65
Assets held-for-sale	757.03	-
TOTAL ASSETS	1,08,522.02	1,03,051.88
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,125.48	4,062.74
(b) Other equity	58,200.49	60,158.66
Total equity	66,325.97	64,221.40
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Borrowings	2,582.48	4,402.53
- Lease liabilities	67.48	76.53
- Other financial liabilities	18.33	15.36
(b) Provisions	217.39	194.41
(c) Deferred tax Liabilities (net)	1,982.81	2,008.66
(d) Other non-current liabilities	62.17	47.50
Total non-current liabilities	4,930.66	6,744.99
Current liabilities		
(a) Financial Liabilities		
- Borrowings	14,294.60	9,889.59
- Lease liabilities	17.59	16.28
- Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises	1,013.93	463.73
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	18,521.61	18,092.42
- Other financial liabilities	2,118.24	2,245.19
(b) Other current liabilities	938.82	1,223.39
(c) Provisions	94.83	103.83
(d) Current tax liabilities (net)	265.77	51.06
Total current liabilities	37,265.39	32,085.49
TOTAL EQUITY AND LIABILITIES	1,08,522.02	1,03,051.88



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Statement of Cash Flows**(Rs. in lakhs)**

Particulars	For the half year ended 30 September 2023	For the half year ended 30 September 2022
A Cash flow from operating activities		
Profit before income tax	4,980.21	7,819.01
Adjustments for:		
Depreciation and amortization expense	1,456.45	1,395.01
Change in fair value of derivative contracts	172.02	(360.56)
Unrealized foreign exchange (gain)/loss (net)	(49.41)	187.09
(Gain) on sale of property, plant and equipment (net)	-	(4.39)
Share based payments to employees	43.00	30.08
Finance costs	884.90	852.85
Interest income	(55.32)	(77.13)
Profit on sale of current investments	(21.03)	(9.68)
Gain on fair value of investments	(13.97)	-
Property, plant and equipment written off	17.30	6.19
Liabilities no longer required written back	(4.01)	(0.19)
Operating profit before change in following assets and liabilities	7,410.14	9,838.28
Adjustments for:		
Decrease/(increase) in inventories	1,091.04	(1,567.78)
(Increase) in trade receivables	(305.42)	(9,723.93)
(Increase) in current loans	(14.16)	(33.55)
(Increase) in other financial current assets	(582.53)	(968.57)
Decrease in other current assets	949.38	750.11
Decrease/(increase) in non-current loans	21.65	(0.89)
(Increase) in other financial assets	(6.27)	(6.27)
(Increase) in other non-current assets	(222.38)	(454.88)
Increase in non-current provisions	22.98	16.87
Increase/(decrease) in other non-current liabilities	14.67	(0.96)
Increase in trade payables	1,033.90	6,034.32
Increase in other financial current liabilities	0.40	123.39
Increase/(decrease) in other financial liabilities	2.97	(0.11)
(Decrease)/increase in other current liabilities	(284.57)	356.35
(Decrease)/ increase in current provisions	(25.31)	24.30
Cash generated from operating activities	9,106.49	4,386.68
Income tax paid (net)	(1,088.38)	(1,685.10)
Net cash generated from operating activities	8,018.11	2,701.58
B Cash flow from investing activities		
(Acquisition of) property, plant and equipment and other intangible assets	(4,369.74)	(1,470.50)
Proceeds from sale of property, plant and equipment and other intangible assets	83.24	20.06
Cost incurred towards assets held for sale	(697.03)	-
Movement in current deposit accounts	(23.73)	1,568.05
(Acquisition of) / proceeds from current investments	(2,992.94)	9.68
Interest received	6.85	184.38
Net cash (used in)/generated investing activities	(7,993.35)	311.67
C Cash flow from financing activities		
Repayments of non-current borrowings	(1,030.76)	(3,590.42)
Payment of Lease liabilities	(11.63)	(11.08)
Proceeds/(repayments) of current borrowing (net)	3,610.41	2,567.11
Dividends on equity share capital paid	(1,597.51)	(0.03)
Interest paid	(842.46)	(820.82)
Net cash generate/(used in) financing activities	128.05	(1,855.24)
Net increase in cash and cash equivalents (A+B+C)	152.81	1,158.01
Cash and cash equivalents at the beginning of the year (see below)	953.50	27.10
Cash and cash equivalents at the end of the year (see below)	1,106.31	1,185.11
Notes:		
1. Cash and cash equivalents include:		
Balance with banks	1,105.77	1,183.79
- in current accounts	0.54	1.32
Cash on hand	1,106.31	1,185.11



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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. 497.18 lakhs in the current quarter and Rs. 1,181.70 lakhs in the six months period ended 30 September 2023, Rs. 684.52 lakhs in the preceding quarter ended 30 June 2023 as compared to Rs.1,237.30 lakhs, Rs. 1698.02 lakhs and Rs. 3,199.99 lakhs in the quarter ended 30 September 2022, six months period ended 30 September 2022 and year ended 31 March 2023 respectively under the head "Other income" towards exemption of Electricity Duty, Infrastructure Development Cess, property tax and GST refund. Other incentives as due will be considered post satisfaction of recognition conditions in accordance with requirements of Ind AS 20.
- 2 Pursuant to approval given by its shareholders, the Company has during the half year ended 30 September 2023, issued 40,627,414 equity shares of Rs. 10 each as fully paid up bonus equity shares in the ratio of one equity share for every one existing equity share. Accordingly, the earnings per share have been adjusted for previous periods and presented in accordance with Ind AS 33, Earnings per share.
- 3 The shareholders have approved the Board recommended dividend of Rs. 2 per fully paid equity share in the Annual General Meeting of the Company held on 27 September 2023 amounting to Rs.1,625.10 lakhs and had been paid to shareholder on 29 September 2023.
- 4 The Company is engaged in the single operating segment "Steel".
- 5 The above unaudited Financial Results, as reviewed and approved by the Audit Committee & the Board of Directors at the meeting held on 7 November 2023, 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 : 7 November 2023

Place: Ludhiana

B S R & Co. LLP

Chartered Accountants

Unit No. A505A
5th Floor, Elante Offices
Plot No. 178-178A, Industrial Area
Phase - 1, Chandigarh – 160002
Tel: +91 172 672 3400

Limited Review Report on unaudited financial results of Vardhman Special Steels Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

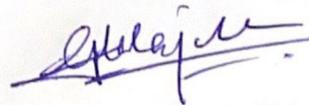
To the Board of Directors of Vardhman Special Steels Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Vardhman Special Steels Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its 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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 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.:101248WV-100022



Gaurav Mahajan

Partner

Chandigarh

07 November 2023

Membership No.: 507857

UDIN:23507857BGYNXH7915