



# Vardhman

## VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
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F: +91-161-2601048, 2222616, 2601040  
E: secretarial.lud@vardhman.com

**Ref. VSSL:SCY:AUG2019-20**

**Dated: 10.08.2019**

|   |   |
|---|---|
| The Deputy General Manager,<br>Corporate Relationship Deptt,<br>Bombay Stock Exchange Limited,<br>1 <sup>st</sup> Floor, New Trading Ring,<br>Rotunda Building, P.J Towers,<br>Dalal Street, Fort,<br><b>MUMBAI-400001.</b><br>Scrip Code: 534392 | The National Stock Exchange of India Ltd,<br>"Exchange Plaza,<br>Bandra-Kurla Complex,<br>Bandra (East),<br><b>MUMBAI-400 051</b><br><br>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 30<sup>th</sup> June, 2019 together with Limited Review Report as approved by Board of Directors in its meeting held on 10<sup>th</sup> August, 2019.

The meeting of the Board of Directors commenced at 11:00 a.m. and concluded at 5:15 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: AACDV4812B  
 Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

Statement of Unaudited Financial Results for the quarter ended 30 June 2019

(Rs. in crores)

| Sr. No. | Particulars  | Quarter Ended             |                         |                           | Year Ended              |
|---------|--|---------------------------|-------------------------|---------------------------|-------------------------|
|         |  | 30.06.2019<br>(Unaudited) | 31.03.2019<br>(Audited) | 30.06.2018<br>(Unaudited) | 31.03.2019<br>(Audited) |
| 1       | Revenue from operations  | 240.78                    | 243.25                  | 269.50                    | 1,120.76                |
| 2       | Other income   | 0.66                      | 0.54                    | 1.78                      | 1.87                    |
| 3       | <b>Total Income (1+2)</b>  | <b>241.44</b>             | <b>243.79</b>           | <b>271.28</b>             | <b>1,122.63</b>         |
| 4       | <b>Expenses:</b>   |                           |                         |                           |                         |
|         | a) Cost of materials consumed  | 121.32                    | 210.62                  | 169.83                    | 799.27                  |
|         | b) Purchase of stock in trade  | 4.11                      | 3.12                    | -                         | 34.88                   |
|         | c) Changes in inventories of finished goods, stock -in- trade and works -in progress | 22.22                     | (73.10)                 | (13.64)                   | (162.43)                |
|         | d) Employee benefits expense   | 12.06                     | 12.49                   | 12.73                     | 51.30                   |
|         | e) Finance costs   | 8.11                      | 6.60                    | 4.88                      | 23.65                   |
|         | f) Depreciation and amortisation expenses  | 6.11                      | 6.08                    | 5.66                      | 23.92                   |
|         | g) Other expenses  |                           |                         |                           |                         |
|         | - Power and fuel expense   | 28.26                     | 31.84                   | 33.31                     | 132.35                  |
|         | - Store and spares consumed  | 20.87                     | 30.83                   | 30.47                     | 126.98                  |
|         | - Others   | 16.57                     | 16.82                   | 18.96                     | 70.57                   |
|         | <b>Total expenses</b>  | <b>239.63</b>             | <b>245.30</b>           | <b>262.20</b>             | <b>1,100.49</b>         |
| 5       | Profit before income tax (3-4)   | <b>1.81</b>               | <b>(1.51)</b>           | <b>9.08</b>               | <b>22.14</b>            |
| 6       | Tax expenses/(income)  | 0.67                      | (1.36)                  | -                         | (0.07)                  |
| 7       | Net Profit after income tax (5-6)  | <b>1.14</b>               | <b>(0.15)</b>           | <b>9.08</b>               | <b>22.21</b>            |
| 8       | <b>Other comprehensive income/(Loss)</b>   |                           |                         |                           |                         |
|         | (A) (i) Item that will not be reclassified to profit or loss                         | (0.08)                    | (0.01)                  | -                         | (0.29)                  |
|         | (ii) Income tax relating to items that will not be reclassified to profit or loss    | 0.03                      | 0.00                    | -                         | 0.10                    |
|         | (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>1.09</b>               | <b>(0.16)</b>           | <b>9.08</b>               | <b>22.02</b>            |
| 10      | Earnings per equity share<br>(in Rs.) (not annualised):                              |                           |                         |                           |                         |
|         | (a) Basic  | 0.32                      | (0.04)                  | 2.544                     | 6.22                    |
|         | (b) Diluted  | 0.32                      | (0.04)                  | 2.537                     | 6.19                    |
| 11      | Paid-up equity capital (Face Value Rs. 10/- per share)                               | 35.76                     | 35.76                   | 35.70                     | 35.76                   |
| 12      | Reserve (excluding revaluation reserves)   |                           |                         |                           | 326.23                  |
|         | See accompanying notes to the unaudited financial results                            |                           |                         |                           |                         |

*Saurit Ja*

**VARDHMAN SPECIAL STEELS LIMITED**

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

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

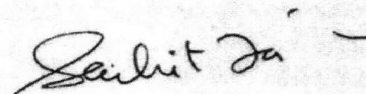
Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

Statement of Unaudited Financial Results for the quarter ended 30 June 2019

**Notes:**

- 1 The above Unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 10 August 2019 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 and NSE. For more details, visit the Investor section of the Company's website at www.vardhmansteel.com and Financial Results at Corporate section of www.bseindia.com and www.nseindia.com.
- 2 The Company is engaged in the single operating segment "Steel".
- 3 The Company is eligible for incentives under the Mega Project Policy of the Punjab State Government for its expansions completed up to 31 March 2016. Though the plant has been commissioned in earlier years but the benefits have not been considered till date as the same is pending for sanction by appropriate authority as stipulated in the aforesaid policy. During the previous quarter, a corrigendum had been issued on certain specific incentive but the concerned authority is yet to formalise/ audit the amount of incentive as may be eligible to the Company basis which no benefits had been considered in the financial results for the quarter ended 31 March 2019 and the amount received for a specific incentive had been recorded under the other current financial liability.
- 4 On 1 April 2019, the Company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the financial results for the quarter ended 30 June 2019.
- 5 Subsequent to the quarter end, the Board has approved the below proposals towards investment by Aichi Steel Corporation (ASC), Japan and provision of technology by ASC to the Company subject to the necessary approvals :
  - i) Issuance of 4,629,629 (Four Million six hundred twenty nine thousand six hundred and twenty nine) fully paid up equity shares having a face value of Rs. 10 per equity share of the Company at a price of Rs. 108/- per share or such higher price as computed on the basis of the minimum price required to be paid for each share in accordance with the provisions of the SEBI (issue of capital and disclosure requirements) regulations, 2018 on preferential basis.
  - ii) The Board has also approved for execution of (a) Share subscription and investment agreement to be entered into with ASC in relation to the investment in the Company by ASC; (b) the technical assistance agreement to be entered into with ASC in relation to the technology and know-how to be provided by ASC to the Company.
- 6 The figures for the preceding quarter ended 31 March 2019 and the corresponding quarter ended in the previous year, as reported in these 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 of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to audit.

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



Date : 10 August 2019  
Place: New Delhi

**Sachit Jain**  
Vice Chairman & Managing Director

# B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: +91 124 719 1000  
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## Limited review report on unaudited quarterly financial results under Regulation 33 of the Listing Regulation for Vardhman Special Steels Limited

To  
Board of Directors of Vardhman Special Steels Limited

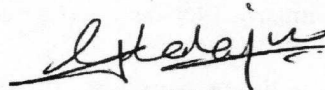
1. We have reviewed the accompanying Statement of unaudited financial results of Vardhman Special Steels Limited ("the Company") for the quarter ended 30 June 2019 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has 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 of the 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. 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 3 months ended 31 March 2019 as reported in these 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.
5. The financial results for the quarter ended 30 June 2018 included in the financial results were reviewed by the predecessor auditor of the Company, whose report dated 11 August 2018 expressed unmodified opinion, and have been furnished to us and have been relied upon by us for the purpose of our review of these financial results. Our conclusion is not modified in respect of this matter.



**B S R & Co. LLP**

6. 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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*

Membership No.: 507857  
ICAI UDIN: 19507857AAAABF8673

Place: New Delhi  
Date: 10 August 2019