



Ref. VSSL:SCY:MAY:2024-25

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 Audited Financial Results of the Company for the financial year ended 31st March, 2024 together with Auditors' Report as approved by Board of Directors in its meeting held on 01st May, 2024.

The Board of Directors has recommended a dividend of Rs. 2/- per share on fully paid up equity shares of the Company. The payment of dividend is subject to approval by the Members of the Company and shall be paid/ dispatched tentatively within five days of the conclusion of the Annual General Meeting.

The Report of Auditors is with unmodified opinion with respect to the Audited Financial Results of the Company for the financial year ended 31st March, 2024.

The meeting of the Board of Directors commenced at 05:00 p.m. and concluded at 9:45 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 Audited Financial Results for the quarter and year ended 31 March 2024

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2024 (Audited)	31.12.2023 (Unaudited)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.03.2023 (Audited)
1	Revenue from operations	43,941.47	39,739.87	42,203.72	1,66,135.93	1,73,499.11
2	Other income (also refer to note 1)	870.76	825.34	519.62	2,982.35	3,875.39
3	Total income (1+2)	44,812.23	40,565.21	42,723.34	1,69,118.28	1,77,374.50
4	Expenses:					
	a) Cost of materials consumed	27,728.81	23,435.83	27,555.95	1,03,062.35	1,14,646.94
	b) Purchase of stock in trade	0.23	(115.30)	-	141.41	-
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	(2,258.88)	892.19	(189.95)	(2,041.02)	(3,732.79)
	d) Employee benefits expense	2,771.86	2,411.23	2,244.83	9,620.56	8,994.89
	e) Finance costs	466.26	490.93	455.18	1,842.09	1,765.35
	f) Depreciation and amortisation expense	899.10	742.82	709.27	3,098.37	2,812.16
	g) Other expenses					
	- Power and fuel expense	4,365.06	3,974.43	4,663.31	17,257.91	17,859.62
	- Others	6,450.70	5,816.60	5,482.46	23,850.83	21,597.76
	Total expenses	40,423.14	37,648.73	40,921.05	1,56,832.50	1,63,943.93
5	Profit before income tax (3-4)	4,389.09	2,916.48	1,802.29	12,285.78	13,430.57
6	Tax expense (also refer to note 2)					
	- Current tax (including tax adjustment relating to prior periods)	1,129.10	721.35	458.39	3,153.54	3,462.45
	- Deferred tax	(19.23)	14.53	(23.73)	(30.56)	(76.66)
7	Net Profit after income tax (5-6)	3,279.22	2,180.60	1,367.63	9,162.80	10,044.78
8	Other comprehensive income / (expense)					
	(A) (i) Item that will not be reclassified to profit or loss	48.01	(8.15)	(43.81)	23.55	(27.91)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(5.93)	-	-	(5.93)	-
	(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)	3,321.30	2,172.45	1,323.82	9,180.42	10,016.87
10	Earnings per equity share (in Rs.) (not annualised):					
	(a) Basic	4.02	2.68	1.66	11.26	12.35
	(b) Diluted	3.98	2.66	1.68	11.19	12.31
11	Paid-up equity capital (face value Rs. 10/- per share)	8,145.98	8130.86	4,062.74	8,145.98	4,062.74
12	Reserves (excluding revaluation reserve)				63,789.48	60,158.66
	See accompanying notes to the audited financial results					



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Statement of Assets and Liabilities

Particulars	(Rs. in lakhs)	
	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	32,410.41	29,296.32
(b) Right-of-use assets	55.53	71.79
(c) Capital work-in-progress	99.28	1,191.04
(d) Other intangible assets	3.76	4.31
(e) Financial assets		
- Loans	266.22	281.99
- Other financial assets	281.54	269.04
(f) Income tax assets (net)	23.20	48.44
(g) Other non-current assets	3,398.76	2,026.30
Total non-current assets	<u>36,538.70</u>	<u>33,189.23</u>
Current assets		
(a) Inventories	35,617.24	36,267.99
(b) Financial assets		
- Investments	-	2,000.31
- Trade receivables	26,217.41	26,154.59
- Cash and cash equivalents	764.03	953.50
- Bank balances other than cash and cash equivalents	12.02	7.65
- Loans	172.42	150.96
- Other financial assets	2,237.09	1,993.19
(c) Other current assets	1,714.54	2,334.46
Total current assets	<u>66,734.75</u>	<u>69,862.65</u>
(d) Assets held-for-sale	693.44	-
TOTAL ASSETS	<u>1,03,966.89</u>	<u>1,03,051.88</u>
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,145.98	4,062.74
(b) Other equity	63,789.48	60,158.66
Total equity	<u>71,935.46</u>	<u>64,221.40</u>
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Borrowings	1,409.86	4,402.53
- Lease liabilities	57.57	76.53
- Other financial liabilities	24.98	15.36
(b) Provisions	195.01	194.41
(c) Deferred tax Liabilities (net)	1,978.10	2,008.66
(d) Other non-current liabilities	43.47	47.50
Total non-current liabilities	<u>3,708.99</u>	<u>6,744.99</u>
Current liabilities		
(a) Financial Liabilities		
- Borrowings	6,884.19	9,889.59
- Lease liabilities	18.97	16.28
- Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises; and	927.68	463.73
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	16,521.21	18,092.42
- Other financial liabilities	2,457.09	2,245.19
(b) Other current liabilities	1,349.27	1,223.39
(c) Provisions	143.23	103.83
(d) Current tax liabilities (net)	20.80	51.06
Total current liabilities	<u>28,322.44</u>	<u>32,085.49</u>
TOTAL EQUITY AND LIABILITIES	<u>1,03,966.89</u>	<u>1,03,051.88</u>



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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities		
Profit before income tax	12,285.78	13,430.57
Adjustments for:		
Depreciation and amortization expense	3,098.37	2,812.16
Change in fair value of derivative financial instruments	140.31	(104.64)
Unrealized foreign exchange (gain) (net)	(39.52)	(89.72)
Loss/(gain) on sale of property, plant and equipment (net)	26.66	1.27
Share based payments to employees	84.93	80.45
Balances written off	13.40	3.11
Expected credit loss allowances for doubtful trade receivables	-	18.83
Finance costs	1,842.09	1,765.35
Interest income	(148.51)	(127.84)
Gain on sale of current investments	(217.93)	(14.19)
Liabilities no longer required written back	(28.48)	(2.25)
Operating profit before change in following assets and liabilities	17,057.10	17,773.10
Adjustments for:		
Decrease/(increase) in inventories	650.75	(5,835.79)
(Increase) in trade receivables	(62.37)	(3,981.27)
Decrease/(increase) in current loans	(21.46)	0.75
(Increase) in other financial current assets	(284.41)	(1,889.42)
Decrease in other current assets	619.06	1,272.49
Decrease in non-current loans	15.77	9.93
(Increase) in other financial assets	-	(12.50)
(Increase) in other non-current assets	(217.31)	(451.99)
Increase in non-current provisions	0.60	13.44
(Decrease)/increase in other non-current liabilities	(4.03)	1.30
(Decrease)/increase in trade payables	(1,054.79)	3,884.47
Increase in other financial current liabilities	507.69	44.08
Increase in other financial liabilities	9.62	4.41
Increase in other current liabilities	125.88	324.57
Increase in current provisions	62.95	48.86
Cash generated from operating activities	17,405.05	11,206.43
Income tax paid (net)	(3,164.44)	(3,848.88)
Net cash generated from operating activities	14,240.61	7,357.55
B Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(6,796.33)	(2,878.86)
Proceeds from sale of property, plant and equipment and intangible assets	125.88	56.02
Cost incurred towards assets held for sale	(693.44)	-
Movement in other bank balances	(4.38)	(5.12)
Decrease in deposits with original maturity of more than 12 months	-	1,568.00
Acquisition of current investments	(38,400.00)	(446.12)
Relisation of current investments	40,617.93	-
Interest received	136.01	222.60
Net cash (used in) investing activities	(5,014.33)	(1,483.48)
C Cash flow from financing activities		
Proceeds from issue of share capital (including premium)	73.81	47.69
Repayments of non-current borrowings	(2,760.00)	(4,520.45)
Payment of Lease liabilities (Including Interest)	(23.69)	(22.57)
Proceeds/(repayments) of current borrowing (net)	(3,246.40)	2,713.16
Dividends on equity share capital paid	(1,620.72)	(1,414.52)
Interest paid	(1,838.75)	(1,750.98)
Net cash (used in) financing activities	(9,415.75)	(4,947.67)
Net increase in cash and cash equivalents (A+B+C)	(189.47)	926.40
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)	764.03	953.50
Notes:		
1. Cash and cash equivalents include:		
Balance with banks	763.49	952.60
- in current accounts	0.54	0.90
Cash on hand	764.03	953.50



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Notes:

- 1 The Company is 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. 632.09 lakhs in current quarter, Rs.654.36 lakhs in the preceding quarter ended 31 December 2023 and Rs. 2,468.15 lakhs in the year ended 31 March 2024 as compared to Rs. 455.11 lakhs and Rs. 3,199.99 lakhs in the quarter 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 The Company is engaged in the single operating segment i.e. "Manufacturing of Steel products".
- 3 Pursuant to approval given by its shareholders, the Company has during year ended 31 March 2024, issued 40,729,914 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. As a result of this the paid up equity share capital of the Company has increased from Rs.4,062.74 lakhs to Rs. 8,135.73 lakhs. Accordingly, the earnings per share have been adjusted for previous periods and presented in accordance with Ind AS 33, Earnings per share.
- 4 During the year ended 31 March 2024, the Company has issued 1,02,500 equity shares having face value of Rs.10 under Employee Stock Options Scheme. As a result of above, the paid up equity share capital of the Company has increased from Rs. 8,135.73 lakhs to Rs. 8,145.98 Lakhs.
- 5 The Board of directors at its meeting held on 1 May 2024 has recommended a dividend of Rs.2 per share on fully paid up equity shares of the company.
- 6 The disclosure as per SEBI Circular, SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023 and e-mail communication received from BSE dated 5 January 2024 which required to provide the following details along with the Annual financial results for the financial year ending 31 March 2024:-

Sr. No.	Particulars	Details
1	Outstanding Qualified Borrowings at the start of the financial year (Rs. In Crores)	64.74*
2	Outstanding Qualified Borrowings at the end of the financial year (Rs. In Crores)	37.14*
3	Highest credit rating of the company	Long Term: CRISIL AA/Stable
4	Incremental borrowing done during the year (qualified borrowing) (Rs. In Crores)	Nil
5	Borrowings by way of issuance of debt securities during the year (Rs. In Crores)	Nil

*Excluding Short term borrowing.

- 7 The figures for the last quarter ended 31 March 2024 and the corresponding quarter ended in the previous year, as reported in these Annual 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 relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to audit. The figures for the previous year/periods have been regrouped wherever necessary.
- 8 The above Audited Financial Results have been reviewed & approved by the Audit Committee at the meeting on 30 April 2024 and have been approved at the meeting of the Board of Directors held on 1 May 2024. The Audit 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 Desk section on the Company's website at www.vardhmansteel.com and Financial Results at corporate section of www.bseindia.com and www.nseindia.com.

Date : 1 May 2024

Place: Ludhiana

For and on behalf of the Board of Directors
Vardhman Special Steels LimitedSachit Jain
Vice Chairman & Managing Director

Independent Auditor's Report

To the Board of Directors of Vardhman Special Steels Limited Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Vardhman Special Steels Limited (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)
Vardhman Special Steels Limited

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



B S R & Co. LLP

Independent Auditor's Report (Continued)
Vardhman Special Steels Limited

Other Matter(s)

The annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248WW-100022



Gaurav Mahajan

Partner

Membership No.: 507857

UDIN:24507857BKFUPS6653

Chandigarh

01 May 2024