



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:JAN:2020-21

Dated: 19-Jan-2021

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/ nine-months ended 31st December, 2020 together with Limited Review Report as approved by Board of Directors in its meeting held on 19th January, 2021.

The meeting of the Board of Directors commenced at 11:00 a.m. and concluded at **03:40** 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.: AADCV4812B CIN: L27100PB2010PLC033930
WWW.VARDHMANSTEEL.COM

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 nine months ended 31 December 2020

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue from operations	28,765.21	24,708.66	18,794.07	60,260.07	64,053.78	84,620.03
2	Other income (also refer to note 1 and 2)	318.92	558.80	190.63	1,054.67	793.85	939.82
3	Total Income (1+2)	29,084.13	25,267.46	18,984.70	61,314.74	64,847.63	85,559.85
4	Expenses:						
	a) Cost of materials consumed	17,431.06	13,025.11	10,193.53	34,334.03	27,996.36	38,929.11
	b) Purchase of stock in trade	-	-	-	-	430.29	432.19
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	(2,263.20)	1,885.50	802.04	103.24	13,000.55	14,438.63
	d) Employee benefits expense	1,787.00	1,262.78	1,250.11	4,120.82	3,563.66	4,812.87
	e) Finance costs	494.61	481.61	598.09	1,490.38	2,063.35	2,571.61
	f) Depreciation and amortisation expense	673.83	679.45	671.65	2,022.39	1,916.55	2,572.08
	g) Other expenses						
	- Power and fuel expense	3,648.34	3,437.46	2,614.32	8,254.75	6,886.28	9,548.89
	- Store and spares consumed	1,695.16	1,505.92	1,846.27	3,639.09	4,736.89	6,084.51
	- Others	2,521.97	1,483.33	1,493.80	4,699.50	5,048.11	6,401.60
	Total expenses	25,988.77	23,761.16	19,469.81	58,664.20	65,642.04	85,791.49
5	Profit / (loss) before income tax (3-4)	3,095.36	1,506.30	(485.11)	2,650.54	(794.41)	(231.64)
6	Tax expense / (income)						
	- Current tax	455.63	-	(5.05)	455.63	-	6.45
	- Deferred tax	472.93	612.29	(661.07)	411.69	(772.49)	(572.08)
7	Net Profit / (loss) after income tax (5-6)	2,166.80	894.01	181.01	1,783.22	(21.92)	333.99
8	Other comprehensive Income / (expense)						
	(A) (i) Item that will not be reclassified to profit or loss	(25.01)	(25.02)	(7.67)	(75.05)	(22.99)	(84.12)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	13.11	-	2.68	13.11	8.03	-
	(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 / (loss) for the period (7+8)	2,154.90	868.99	176.02	1,721.28	(36.88)	249.87
10	Earnings per equity share (in Rs.) (not annualised):						
	(a) Basic	5.36	2.21	0.47	4.41	(0.06)	0.89
	(b) Diluted	5.36	2.21	0.47	4.41	(0.06)	0.89
11	Paid-up equity capital (face value Rs. 10/- per share)	4,039.45	4,039.45	4,039.45	4,039.45	4,039.45	4,039.45
12	Reserves (excluding revaluation reserve)						37,323.56
	See accompanying notes to the unaudited financial results						



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Notes:

- 1 The Company is eligible for incentive of electricity duty among other incentives under the Punjab State Government's Fiscal Incentives for Industrial Promotion Policy (R) 2015 for its expansions completed up to 31 March 2016. Further, the Company is also eligible for claiming incentives under the Industrial and Business Development Policy 2017 of the Punjab State Government. Pursuant to the necessary approvals from the competent authorities, the Company has recorded Rs. 72.09 lakhs in the current quarter and Rs. 315.30 lakhs in the nine months period ended 31 December 2020 as compared to Rs. 20.33 lakhs, Rs. 461.50 lakhs and Rs. 482.32 lakhs in the quarter ended 31 December 2019, Nine months period ended 31 December 2019 and year ended 31 March 2020 respectively under the head "Other income" towards incentive of electricity duty & infrastructure development Cess exemption. Other incentives will be considered post sanction /assessment /approval by appropriate authority.
- 2 Punjab State Power Corporation Limited (PSPCL), vide its circular number 17/2020 dated 18.04.20, gave a Public Notice offering its consumers of all categories to make advance payment towards their estimated electricity bills up to 31 March 2021 to the extent they can and earn interest @ 1% per month on advance payment. The Company decided to opt for the scheme and deposited the advance with electricity department considering Company's consumption levels. Accordingly, the Company has recorded accrued interest income of Rs. 129.88 lakhs in the quarter ended 31 December 2020 and Rs. 328.98 lakhs in the nine months period ended 31 December 2020 respectively under the head "Other income".
- 3 The Company is engaged in the single operating segment "Steel".
- 4 On account of COVID-19 pandemic, the Government of India had imposed a complete nation-wide lockdown on 24 March 2020 leading to temporarily shut down of company's manufacturing facilities and operations. Since then the Government of India has progressively relaxed lockdown conditions and has allowed the Industry to resume its operations in a phased manner. Accordingly, the Company resumed its manufacturing facilities and has performed better than the expectation in the current quarter ended 31 December 2020 primarily due to sudden spurt in demand from July 2020 onwards.

The Company has made assessment of its liquidity position, the recoverability and carrying value of its assets comprising property, plant and equipment, right of use assets, investments, inventories and trade receivables etc. and has also considered various internal and external sources of information upto the date of approval of these financial results. On the basis of said assessment, consideration of the present conditions read together with long term business projections, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Company.

- 5 The Indian Parliament has approved the Code on Social Security, 2020 in the Official Gazette on 29 September 2020. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 6 The above Unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 19 January 2021. 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 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 : 19 January 2021
Place: Ludhiana

B S R & Co. LLP

Chartered Accountants

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5th Floor, Plot No.178-179A,
Industrial & Business Park,
Phase -1, Chandigarh-160002

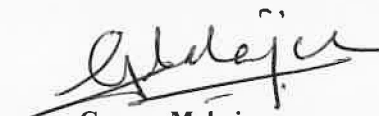
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Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

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 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 ("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. 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, as amended 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: 21507857AAAAAA2773

Place: Chandigarh
Date: 19 January 2021

Principal Office: