



# Vardhmān

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## VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD  
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Ref. **VSSL:SCY:FEB:2019-20**

Dated: **07.02.2020**

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, Fort, <b>MUMBAI-400001.</b> Scrip Code: 534392	The National Stock Exchange of India Ltd, "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), <b>MUMBAI-400 051</b>  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 31<sup>st</sup> December, 2019 together with Limited Review Report as approved by Board of Directors in its meeting held on 7<sup>th</sup> February, 2020.

The meeting of the Board of Directors commenced at 11:30 a.m. and concluded at 04:30 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 2019							
Sr. No.	Particulars	Quarter Ended			Nine Months Ended		(Rs. in crores)
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	187.94	211.82	312.52	640.54	877.51	1,120.76
2	Other income	1.91	5.37	0.40	7.94	1.33	1.87
3	<b>Total Income (1+2)</b>	<b>189.85</b>	<b>217.19</b>	<b>312.92</b>	<b>648.48</b>	<b>878.84</b>	<b>1,122.63</b>
4	<b>Expenses:</b>						
	a) Cost of materials consumed	101.94	56.70	235.67	279.96	588.65	799.27
	b) Purchase of stock in trade	-	0.19	17.11	4.30	31.76	34.88
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	8.02	99.77	(60.01)	130.01	(89.33)	(162.43)
	d) Employee benefits expenses	12.50	11.08	12.64	35.64	38.81	51.30
	e) Finance costs	5.98	6.54	6.54	20.63	17.05	23.65
	f) Depreciation and amortisation expenses	6.72	6.34	6.20	19.17	17.84	23.92
	g) Other expenses						
	- Power and fuel expense	26.14	14.46	32.19	68.86	100.51	132.35
	- Store and spares consumed	18.46	8.04	32.56	47.37	96.15	126.98
	- Others	14.94	18.97	20.38	50.48	53.75	70.57
	<b>Total expenses</b>	<b>194.70</b>	<b>222.09</b>	<b>303.28</b>	<b>656.42</b>	<b>855.19</b>	<b>1,100.49</b>
5	(Loss)/ profit before income tax (3-4)	(4.85)	(4.90)	9.64	(7.94)	23.65	22.14
6	Tax (income)/expenses	(6.66)	(1.73)	3.43	(7.72)	1.29	(0.07)
7	<b>Net Profit/ (loss) after income tax (5-6)</b>	<b>1.81</b>	<b>(3.17)</b>	<b>6.21</b>	<b>(0.22)</b>	<b>22.36</b>	<b>22.21</b>
8	<b>Other comprehensive (Loss)/ income</b>						
	(A) (i) Item that will not be reclassified to profit or loss	(0.08)	(0.07)	(0.09)	(0.23)	(0.28)	(0.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.02	0.03	0.08	0.10	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/ (loss) for the period (7+8)</b>	<b>1.76</b>	<b>(3.22)</b>	<b>6.15</b>	<b>(0.37)</b>	<b>22.18</b>	<b>22.02</b>
10	Earnings per equity share (in Rs.) (not annualised):						
	(a) Basic	0.47	(0.88)	1.74	(0.06)	6.26	6.22
	(b) Diluted	0.47	(0.88)	1.74	(0.06)	6.25	6.19
11	Paid-up equity capital (Face Value Rs. 10/- per share)	40.39	35.76	35.70	40.39	35.70	35.76
12	Reserve (excluding revaluation reserves)						326.23
	See accompanying notes to the unaudited financial results						

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**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**

**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 7 February 2020 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](http://www.vardhmansteel.com) and Financial Results at Corporate section of [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- 2 The Company is engaged in the single operating segment "Steel".
- 3 On 01 April 2019, the Company has adopted Ind AS 116 "Leases", using the modified retrospective approach. Accordingly, the comparatives have not been retrospectively adjusted. Upon adoption of Ind AS 116 Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently, there has been no adjustment to the opening balance of retained earnings as on 1 April 2019. In the Statement of Profit and Loss for the quarter and nine months ended 31 December 2019, the nature of expenses in respect of operating leases has changed from rent, in corresponding quarter and nine months ended 31 December 2018, to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
- 4 On 4th November 2019, pursuant to the execution of Share Subscription and Investment Agreement with Aichi Steel Corporation (ASC) Japan, the Company has made allotment of 4,629,629 equity shares on preferential basis of Rs.10 each at the rate of Rs. 108 per share (including security premium of Rs. 98 each) aggregating to Rs. 499,999,932 to ASC.
- 5 Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. In view of the unabsorbed depreciation and MAT Credits, the Company has determined that it will continue to recognize tax expense at the existing income tax rate as applicable to the Company. However, the Company has remeasured the deferred tax assets/liabilities likely to be reversed at the time the Company would opt for new tax regime which has resulted in write back of deferred tax liability amounting to Rs. 4.95 crores in the quarter and nine months period ended 31 December 2019 using the revised annual effective income tax rate.

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



**Sachit Jain**

**Vice Chairman & Managing Director**

**Date : 7 February 2020**

**Place: Gurugram**

# 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 and year-to-date results under Regulation 33 of the Listing Regulations 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 31 December 2019 and year to date results for the period from 1 April 2019 to 31 December 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. The financial results for the quarter ended 30 June 2018, which are included in the financial results for the nine months ended 31 December 2018, 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 the financial results. Our conclusion is not modified in respect of this matter.
5. 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: 20507857AAAAAH9463

Place: Gurugram  
Date: 7 February 2020