



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
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E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:APRIL:2025-26

Dated: 22.04.2025

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, 2025 together with Auditors' Report as approved by Board of Directors in its meeting held on 22nd April, 2025.

The Board of Directors has recommended a dividend of Rs. 3 /- 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, 2025.

The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 3:15 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

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

Statement of Audited Standalone Financial Results for the quarter and year ended 31 March 2025

(Rs. in lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2025 (Refer note-6)	31.12.2024 (Unaudited)	31.03.2024 (Refer note-6)	31.03.2025 (Audited)	31.03.2024 (Audited)
1	Revenue from operations	42,803.88	42,677.31	43,941.47	1,76,440.83	1,66,135.93
2	Other income (also refer to note 1)	718.38	696.71	870.76	2,911.48	2,982.35
3	Total income (1+2)	43,522.26	43,374.02	44,812.23	1,79,352.31	1,69,118.28
4	Expenses:					
	a) Cost of materials consumed	22,040.01	30,526.20	27,728.81	1,09,368.16	1,03,062.35
	b) Purchase of stock in trade	-	-	0.23	-	141.41
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	4,942.61	(5,386.60)	(2,258.88)	(1,075.05)	(2,041.02)
	d) Employee benefits expense	2,647.29	2,520.87	2,771.86	10,338.96	9,620.56
	e) Finance costs	347.16	509.18	466.26	1,862.71	1,842.09
	f) Depreciation and amortisation expense	829.39	849.13	899.10	3,346.99	3,098.37
	g) Other expenses					
	- Power and fuel expense	3,906.32	4,756.13	4,365.06	17,737.40	17,257.91
	- Others	6,124.01	6,752.00	6,450.70	25,267.08	23,850.83
	Total expenses	40,836.79	40,526.91	40,423.14	1,66,846.25	1,56,832.50
5	Profit before income tax (3-4)	2,685.47	2,847.11	4,389.09	12,506.06	12,285.78
6	Tax expense					
	- Current tax	759.35	819.99	1,129.10	3,332.39	3,153.54
	- Deferred tax	(47.09)	(118.55)	(19.23)	(135.14)	(30.56)
7	Net Profit after income tax (5-6)	1,973.21	2,145.67	3,279.22	9,308.81	9,162.80
8	Other comprehensive income / (expense)					
	(A) (i) Item that will not be reclassified to profit or loss	(56.38)	6.69	48.01	(37.14)	23.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	14.19	(1.68)	(5.93)	9.35	(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	-	-	-	-	-
	Other comprehensive Income/(expense) for the year (net of income tax)	(42.19)	5.01	42.08	(27.79)	17.62
9	Total comprehensive income for the period/year (7+8)	1,931.02	2,150.68	3,321.30	9,281.02	9,180.42
10	Earnings per equity share (in Rs.) (not annualised):					
	(a) Basic	2.42	2.63	4.00	11.40	11.24
	(b) Diluted	2.41	2.62	3.97	11.37	11.18
11	Paid-up equity capital (face value Rs. 10/- per share)	8,173.33	8,155.81	8,145.98	8,173.33	8,145.98
12	Other Equity				71,618.49	63,789.48
	See accompanying notes to the audited standalone financial results					



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

Standalone Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars	As at 31 March 2025 (Audited)	As at 31 March 2024 (Audited)
I. ASSETS		
Non-current assets		
(a) Property, plant and equipment	30,829.27	32,410.41
(b) Right-of-use assets	39.28	55.53
(c) Capital work-in-progress	11,703.36	99.28
(d) Other intangible assets	2.15	3.76
(e) Financial assets		
- Investments	765.53	-
- Loans	292.42	266.22
- Other financial assets	294.04	281.54
(f) Income tax assets (net)	0.82	23.20
(g) Other non-current assets	3,549.48	3,398.76
Total non-current assets	47,476.35	36,538.70
Current assets		
(a) Inventories	33,497.38	35,617.24
(b) Financial assets		
- Investments	1,000.72	-
- Trade receivables	26,130.08	26,217.41
- Cash and cash equivalents	1,075.68	764.03
- Bank balances other than cash and cash equivalents	56.15	12.02
- Loans	213.07	172.42
- Other financial assets	3,409.06	2,237.09
(c) Other current assets	733.06	1,714.54
Total current assets	66,115.20	66,734.75
(d) Assets held-for-sale	-	693.44
TOTAL ASSETS	1,13,591.55	1,03,966.89
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,173.33	8,145.98
(b) Other equity	71,618.49	63,789.48
Total equity	79,791.82	71,935.46
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Borrowings	329.55	1,409.86
- Lease liabilities	35.58	57.57
- Other financial liabilities	15.26	24.98
(b) Provisions	215.57	195.01
(c) Deferred tax Liabilities (net)	1,842.97	1,978.10
(d) Other non-current liabilities	39.19	43.47
Total non-current liabilities	2,478.12	3,708.99
Current liabilities		
(a) Financial Liabilities		
- Borrowings	11,643.29	6,884.19
- Lease liabilities	21.98	18.97
- Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises; and	581.57	927.68
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	13,348.71	16,521.21
- Other financial liabilities	3,853.55	2,457.09
(b) Other current liabilities	1,638.61	1,349.27
(c) Provisions	195.16	143.23
(d) Current tax liabilities (net)	38.74	20.80
Total current liabilities	31,321.61	28,322.44
TOTAL EQUITY AND LIABILITIES	1,13,591.55	1,03,966.89



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Standalone Statement of Cash Flows

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2025 (Audited)	For the year ended 31 March 2024 (Audited)
A Cash flow from operating activities		
Profit before income tax	12,506.06	12,285.78
Adjustments for:		
Depreciation and amortization expense	3,346.99	3,098.37
Loss on fair value of investments	(0.72)	-
Change in fair value of derivative financial instruments	(89.00)	140.31
Unrealized foreign exchange (gain) (net)	(28.82)	(39.52)
Gain on sale of property, plant and equipment (net)	16.41	26.66
Share based payments to employees	106.80	84.93
Balances written off	17.62	13.40
Finance costs	1,862.71	1,842.09
Interest income	(152.10)	(148.51)
Gain on sale of current investments	(132.83)	(217.93)
Liabilities no longer required written back	(23.88)	(28.48)
Operating profit before change in following assets and liabilities	17,429.24	17,057.10
Adjustments for:		
Decrease in inventories	2,119.86	650.75
Decrease/(increase) in trade receivables	84.83	(62.37)
(Increase) in current loans	(47.16)	(21.46)
(Increase) in other financial current assets	(1,171.97)	(284.41)
Decrease in other current assets	984.93	619.06
(Increase)/decrease in non-current loans	(26.20)	15.77
(Increase) in other non-current assets	(61.44)	(217.31)
Increase in non-current provisions	20.56	0.60
(Decrease) in other non-current liabilities	(4.28)	(4.03)
(Decrease) in trade payables	(3,484.19)	(1,054.79)
(Decrease) / increase in other financial current liabilities	(164.74)	507.69
(Decrease)/increase in other financial liabilities	(9.72)	9.62
Increase in other current liabilities	289.34	125.88
Increase in current provisions	14.79	62.95
Cash generated from operating activities	15,973.85	17,405.05
Income tax paid (net)	(3,282.72)	(3,164.44)
Net cash generated from operating activities	12,691.13	14,240.61
B Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(11,883.17)	(6,796.33)
Proceeds from sale of property, plant and equipment and intangible assets	43.55	125.88
Relisation on sale /Cost incurred towards assets held for sale	693.44	(693.44)
Movement in other bank balances	(44.12)	(4.38)
Acquisition of non-current investments	(765.53)	-
Acquisition of current investments	(21,250.00)	(38,400.00)
Relisation of current investments	20,383.56	40,617.93
Interest received	139.60	136.01
Net cash (used in) investing activities	(12,682.67)	(5,014.33)
C Cash flow from financing activities		
Proceeds from issue of share capital (including premium)	98.46	73.81
Repayments of non-current borrowings	(2,300.95)	(2,760.00)
Payment of Lease liabilities (Including Interest)	(24.88)	(23.69)
Proceeds/(repayments) of current borrowing (net)	5,976.91	(3,246.40)
Dividends on equity share capital paid	(1,624.42)	(1,620.72)
Interest paid	(1,821.93)	(1,838.75)
Net cash generated /(used in) financing activities (C)	303.19	(9,415.75)
Net increase in cash and cash equivalents (A+B+C)	311.65	(189.47)
Cash and cash equivalents at the beginning of the year (see below)	764.03	953.50
Cash and cash equivalents at the end of the year (see below)	1,075.68	764.03
Notes:		
1. Cash and cash equivalents include:		
Balance with banks		
- in current accounts	1,075.37	763.49
Cash on hand	0.31	0.54
	1,075.68	764.03



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Notes to standalone financial results:

- 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.585.19 in the current quarter, Rs.621.58 lakhs in the previous quarter and Rs. 2,501.02 lakhs in the year ended 31 March 2025, as compared to Rs. 632.09 lakhs and Rs. 2,468.15 lakhs in the quarter and year ended 31 March 2024 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 During the year ended 31 March 2025, the Company has issued 273,500 equity shares (Including 136,750 bonus share, pursuant to the approval given by the shareholders in the previous year) 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. 8,145.98 lakhs to Rs. 8,173.33 Lakhs. Accordingly, earnings per equity share has been adjusted retrospectively to give effect of the bonus shares issued during the year.
- 4 The Board of directors at its meeting held on 22 April 2025 has recommended a dividend of Rs.3 per share on fully paid up equity shares of the company.
- 5 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 2025: -

Sr. No.	Particulars	Details
1	Outstanding Qualified Borrowings at the start of the financial year (Rs. In Crores)	37.14*
2	Outstanding Qualified Borrowings at the end of the financial year (Rs. In Crores)	14.13*
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.

- 6 The figures for the last quarter ended 31 March 2025 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.
- 7 The above Standalone Audited Financial Results, as reviewed & approved by the Audit Committee and the Board of Directors at the meeting held on 22 April 2025. 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.

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



Sachit Jain

Vice Chairman & Managing Director

Date : 22 April 2025

Place: Ludhiana

Independent Auditor's Report

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

Opinion

We have audited the accompanying standalone annual financial results of Vardhman Special Steels Limited (hereinafter referred to as the "Company") for the year ended 31 March 2025, 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 standalone 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 loss and other financial information for the year ended 31 March 2025.

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 Standalone 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 standalone annual financial results.

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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone 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

Independent Auditor's Report (Continued)

Vardhman Special Steels Limited

presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 is/are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's 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 standalone 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 standalone annual financial results, including the disclosures, and whether the standalone 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.



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

Other Matter

- a. The standalone annual financial results include the results for the quarter ended 31 March 2025 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.:101248W/W-100022



Gaurav Mahajan

Partner

Ludhiana

22 April 2025

Membership No.: 507857

UDIN:25507857BMOAJY6311

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(Rs. in lakhs)

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3	Total income (1+2)	43,522.26	43,374.02	44,812.23	1,79,352.31	1,69,118.28
4	Expenses:					
	a) Cost of materials consumed	22,040.01	30,526.20	27,728.81	1,09,368.16	1,03,062.35
	b) Purchase of stock in trade	-	-	0.23	-	141.41
	c) Changes in inventories of finished goods, stock -in- trade and work -in progress	4,942.61	(5,386.60)	(2,258.88)	(1,075.05)	(2,041.02)
	d) Employee benefits expense	2,647.29	2,520.87	2,771.86	10,338.96	9,620.56
	e) Finance costs	347.16	509.18	466.26	1,862.71	1,842.09
	f) Depreciation and amortisation expense	829.39	849.13	899.10	3,346.99	3,098.37
	g) Other expenses					
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	- Others	6,124.01	6,752.00	6,450.70	25,267.08	23,850.83
	Total expenses	40,836.79	40,526.91	40,423.14	1,66,846.25	1,56,832.50
5	Share of net profit/ (loss) of associate accounted for using the equity method (net of tax) (also refer to note 5)	-	-	-	-	-
6	Profit before income tax (3-4+5)	2,685.47	2,847.11	4,389.09	12,506.06	12,285.78
7	Tax expense					
	- Current tax	759.35	819.99	1,129.10	3,332.39	3,153.54
	- Deferred tax	(47.09)	(118.55)	(19.23)	(135.14)	(30.56)
8	Net Profit after income tax (6-7)	1,973.21	2,145.67	3,279.22	9,308.81	9,162.80
9	Other comprehensive income / (expense)					
	(A) (i) Item that will not be reclassified to profit or loss	(56.38)	6.69	48.01	(37.14)	23.55
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	(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	-	-	-	-	-
	Other comprehensive Income/(expense) for the year (net of income tax)	(42.19)	5.01	42.08	(27.79)	17.62
10	Total comprehensive income for the period/year (8+9)	1,931.02	2,150.68	3,321.30	9,281.02	9,180.42
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12	Paid-up equity capital (face value Rs. 10/- per share)	8,173.33	8,155.81	8,145.98	8,173.33	8,145.98
13	Other Equity				71,618.49	63,789.48
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Non-current assets		
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(b) Right-of-use assets	39.28	55.53
(c) Capital work-in-progress	11,703.36	99.28
(d) Other intangible assets	2.15	3.76
(e) Equity accounted investment	765.53	-
(f) Financial assets		
- Loans	292.42	266.22
- Other financial assets	294.04	281.54
(g) Income tax assets (net)	0.82	23.20
(h) Other non-current assets	3,549.48	3,398.76
Total non-current assets	47,476.35	36,538.70
Current assets		
(a) Inventories	33,497.38	35,617.24
(b) Financial assets		
- Investments	1,000.72	-
- Trade receivables	26,130.08	26,217.41
- Cash and cash equivalents	1,075.68	764.03
- Bank balances other than cash and cash equivalents	56.15	12.02
- Loans	213.07	172.42
- Other financial assets	3,409.06	2,237.09
(c) Other current assets	733.06	1,714.54
Total current assets	66,115.20	66,734.75
(d) Assets held-for-sale	-	693.44
TOTAL ASSETS	1,13,591.55	1,03,966.89
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8,173.33	8,145.98
(b) Other equity	71,618.49	63,789.48
Total equity	79,791.82	71,935.46
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
- Borrowings	329.55	1,409.86
- Lease liabilities	35.58	57.57
- Other financial liabilities	15.26	24.98
(b) Provisions	215.57	195.01
(c) Deferred tax Liabilities (net)	1,842.97	1,978.10
(d) Other non-current liabilities	39.19	43.47
Total non-current liabilities	2,478.12	3,708.99
Current liabilities		
(a) Financial Liabilities		
- Borrowings	11,643.29	6,884.19
- Lease liabilities	21.98	18.97
- Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises; and	581.57	927.68
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	13,348.71	16,521.21
- Other financial liabilities	3,853.55	2,457.09
(b) Other current liabilities	1,638.61	1,349.27
(c) Provisions	195.16	143.23
(d) Current tax liabilities (net)	38.74	20.80
Total current liabilities	31,321.61	28,322.44
TOTAL EQUITY AND LIABILITIES	1,13,591.55	1,03,966.89



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

Consolidated Statement of Cash Flows

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2025 (Audited) (Refer note-5)	For the year ended 31 March 2024 (Refer note-5)
A Cash flow from operating activities		
Profit before income tax	12,506.06	12,285.78
Adjustments for:		
Depreciation and amortization expense	3,346.99	3,098.37
Loss on fair value of investments	(0.72)	-
Change in fair value of derivative financial instruments	(89.00)	140.31
Unrealized foreign exchange (gain) (net)	(28.82)	(39.52)
Gain on sale of property, plant and equipment (net)	16.41	26.66
Share based payments to employees	106.80	84.93
Balances written off	17.62	13.40
Finance costs	1,862.71	1,842.09
Interest income	(152.10)	(148.51)
Gain on sale of current investments	(132.83)	(217.93)
Liabilities no longer required written back	(23.88)	(28.48)
Operating profit before change in following assets and liabilities	17,429.24	17,057.10
Adjustments for:		
Decrease in inventories	2,119.86	650.75
Decrease/(increase) in trade receivables	84.83	(62.37)
(Increase) in current loans	(47.16)	(21.46)
(Increase) in other financial current assets	(1,171.97)	(284.41)
Decrease in other current assets	984.93	619.06
(Increase)/decrease in non-current loans	(26.20)	15.77
(Increase) in other non-current assets	(61.44)	(217.31)
Increase in non-current provisions	20.56	0.60
(Decrease) in other non-current liabilities	(4.28)	(4.03)
(Decrease) in trade payables	(3,484.19)	(1,054.79)
(Decrease) / increase in other financial current liabilities	(164.74)	507.69
(Decrease)/increase in other financial liabilities	(9.72)	9.62
Increase in other current liabilities	289.34	125.88
Increase in current provisions	14.79	62.95
Cash generated from operating activities	15,973.85	17,405.05
Income tax paid (net)	(3,282.72)	(3,164.44)
Net cash generated from operating activities	12,691.13	14,240.61
B Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(11,883.17)	(6,796.33)
Proceeds from sale of property, plant and equipment and intangible assets	43.55	125.88
Relisation on sale /Cost incurred towards assets held for sale	693.44	(693.44)
Movement in other bank balances	(44.12)	(4.38)
Acquisition of non-current investments	(765.53)	-
Acquisition of current investments	(21,250.00)	(38,400.00)
Relisation of current investments	20,383.56	40,617.93
Interest received	139.60	136.01
Net cash (used in) investing activities	(12,682.67)	(5,014.33)
C Cash flow from financing activities		
Proceeds from issue of share capital (including premium)	98.46	73.81
Repayments of non-current borrowings	(2,300.95)	(2,760.00)
Payment of Lease liabilities (Including Interest)	(24.88)	(23.69)
Proceeds/(repayments) of current borrowing (net)	5,976.91	(3,246.40)
Dividends on equity share capital paid	(1,624.42)	(1,620.72)
Interest paid	(1,821.93)	(1,838.75)
Net cash generated /(used in) financing activities (C)	303.19	(9,415.75)
Net increase in cash and cash equivalents (A+B+C)	311.65	(189.47)
Cash and cash equivalents at the beginning of the year (see below)	764.03	953.50
Cash and cash equivalents at the end of the year (see below)	1,075.68	764.03
Notes:		
1. Cash and cash equivalents include:		
Balance with banks		
- in current accounts	1,075.37	763.49
Cash on hand	0.31	0.54
	1,075.68	764.03



VARDHMAN SPECIAL STEELS LIMITED

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

Corporate Identity Number (CIN): L27100PB2010PLC033930

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

Notes to consolidated financial results:

- 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.585.19 in the current quarter, Rs.621.58 lakhs in the previous quarter and Rs. 2,501.02 lakhs in the year ended 31 March 2025, as compared to Rs. 632.09 lakhs and Rs. 2,468.15 lakhs in the quarter and year ended 31 March 2024 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 During the year ended 31 March 2025, the Company has issued 273,500 equity shares (Including 136,750 bonus share, pursuant to the approval given by the shareholders in the previous year) 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. 8,145.98 lakhs to Rs. 8,173.33 Lakhs. Accordingly, earnings per equity share has been adjusted retrospectively to give effect of the bonus shares issued during the year.
- 4 The consolidated audited financial results include the financial results of the Holding Company and an associate as below:
 - Vardhman Special Steel Limited - Holding Company (Incorporated in India)
 - Sone Solar Private Limited - Associate Company- (Incorporated in India) (Since 21 May 2024)
- 5 The Company had entered into a Power Purchase Agreement for setting up 55 MW DC Solar Power Plant. Pursuant to the Share Subscription and Shareholders' Agreement, the Company had acquired a 26% share in Sone Solar Private Limited during the year ended 31 March 2025. According to Ind AS 109, the said investment is required to be classified as investment in an Associate using equity method. The comparative periods i.e. quarter and year ended 31 March 2024 are presented in these results, reflect the financial information with respect to the holding entity (Vardhman Special Steels Limited) alone as there was no other investments in any subsidiary / Associate until 31 March 2024.

As per the terms of the investment, the Company is not entitled to any dividend or profit distribution. The Company holds a put option which is exercisable at the end of 18th year from the date of investment with an Option Price at Fair Market Value at least equal to the original investment amount. Therefore, the Company shall not be recording any downside on account of losses to its associate. As the Option Price will be determined at the end of 18th year, there shall be no recognition of upside also till the date of exercise of the option, since Company's return on this investment is uncertain until then.

Therefore, there is no difference between the consolidation and standalone figures.
- 6 The figures for the last quarter ended 31 March 2025, as reported in these Annual Financial Results, is 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 current financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subject to audit.
- 7 During the year ended 31 March 2025, the Company has issued 273,500 equity shares (Including 136,750 bonus share, pursuant to the approval given by the shareholders in the previous year) 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. 8,145.98 lakhs to Rs. 8,173.33 Lakhs. Accordingly, earnings per equity share has been adjusted retrospectively to give effect of the bonus shares issued during the year.
- 8 The Board of directors at its meeting held on 22 April 2025 has recommended a dividend of Rs.3 per share on fully paid up equity shares of the company.
- 9 The above Consolidated Audited Financial Results, as reviewed & approved by the Audit Committee and the Board of Directors at the meeting held on 22 April 2025. 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.

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


Sachit Jain

Vice Chairman & Managing Director

Date : 22 April 2025
Place: Ludhiana

Independent Auditor's Report

To the Board of Directors of Vardhman Special Steels Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Vardhman Special Steels Limited (hereinafter referred to as the "Company") and its associate for the year ended 31 March 2025, 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 consolidated annual financial results:

- a. include the annual financial results of the following entities
 1. Vardhman Special Steels Limited - Holding Company (Incorporated in India)
 2. Sone Solar Private Limited - Associate Company (Incorporated in India) (Since 21 May 2024)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. 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 consolidated net profit and other comprehensive loss and other financial information of the Company for the year ended 31 March 2025

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 Consolidated Annual Financial Results* section of our report. We are independent of the Company and its associate 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 consolidated annual financial results.

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

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

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Company including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the



Independent Auditor's Report (Continued)

Vardhman Special Steels Limited

Listing Regulations. The respective Management and Board of Directors of the companies included in the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Company and of its associate is responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's 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 consolidated 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the



Independent Auditor's Report (Continued)

Vardhman Special Steels Limited

underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company, 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matter

- a. The consolidated annual financial results include the Company's share of total net profit after tax of Rs. Nil for the year ended 31 March 2025, as considered in the consolidated annual financial results, in respect of an associate. These unaudited financial information have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Company.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial information certified by the Board of Directors.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2025 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:25507857BMOAJZ6589

Ludhiana

22 April 2025