



Vardhman

VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

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Ref. VSSL:SCY:JAN:2020-21

Dated: 20-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: COMPLIANCE OF REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS 2015.

Dear Sir,

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Media Release on Un-Audited Financial Results of the Company for the quarter/ nine-months ended 31st December, 2020.

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
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Media Release

Strong growth driven by increase in sales volume and operational efficiencies

**Q3 FY21 volumes at 45,964 MT, YoY growth of 45%
9M FY21 volumes at 1,02,437 MT, YoY growth of 1%**

9M FY21 Revenue from Operations at Rs.602.60 Crore

**9M FY21 EBITDA (including other income) at Rs. 61.63 Crore,
YoY growth of 93%**

9M FY21 Profit at Rs. 17.83 Crore, YoY growth of 8249%

20th January 2021, Ludhiana, Punjab: Vardhman Special Steels Limited (BSE: 534392. NSE: VSSL), among India's leading producers of special steels catering to diverse sectors of automotive, engineering, tractor, bearing & allied industries, has announced its unaudited financial results for the quarter and nine months ended 31st December 2020 in the Board meeting held on 19th January 2021.

Key Financial Highlight (Rs. Crore): -

Particulars	Q3 FY21	Q3 FY20	Y-o-Y	9M FY21	9M FY20	Y-o-Y
Sales Volume (tonnes)	45,964	31,616	45.38%	1,02,437	1,01,477	0.95%
Revenue from Operations	287.65*	187.94*	53.05%	602.60*	640.54*	(5.92%)
EBIDTA**	42.64	7.85	443.42%	61.63	31.86	93.46%
PAT	21.67	1.81	1097.06%	17.83	(0.22)	8248.77%
Basic EPS (Rs.)#	5.36	0.47	1040.43%	4.41	(0.06)	7450%

*includes sale of traded goods, billets and raw material; **including other income; #On 4th November 2019, the company allotted 46,29,629 equity shares on preferential basis of Rs.10 each at Rs. 108/- (including security premium of Rs. 98 each) aggregating to Rs. 50 Crore to Aichi Steel Corporation (ASC)

Performance Highlights: -

For the quarter ended December 31st, 2020:

- The volumes for the quarter stood at **45,964 tonnes** – YoY growth of **45.38%**, mainly on account of strong demand from the automotive sector
- **Revenue from Operations increased 53.05% Y-o-Y to Rs.287.65 crore** in Q3 FY21, as against Rs. 187.94 crore in Q3 FY20, mainly on account of combination of higher sales volume and sales price
- **EBITDA (including other income) for the quarter was Rs. 42.64 crore** as against Rs. 7.85

crore in the corresponding previous period, a **Y-o-Y growth of 443.42%**, mainly on account of increase in sales volumes, better realizations and higher operational efficiencies

- **Q3 FY21 Profit stood at Rs. 21.67 crore** as against profit of Rs. 1.81 crore in Q3 FY20

For the nine months ended December 31st, 2020:

- The volumes for the nine months stood at **1,02,437 tonnes – YoY increase of 0.95%**, despite Q1 performance that was impacted by COVID-19 nationwide lockdown, higher sales volumes of Q2 & Q3 FY21 helped to achieve volumes for nine months matching with last year
- **Revenue from Operations was Rs. 602.60 crore** in 9M FY21, as against Rs. 640.54 crore in 9M FY20, a **Y-o-Y decline of 5.92%**, mainly on account of lower sales realization in first half of the financial year especially in the first quarter
- **EBITDA (including other income) for nine months was Rs. 61.63 crore** as against Rs. 31.86 crore in the corresponding previous period, a **Y-o-Y growth of 93.46%**, mainly on account of increase in sales volumes, better realizations and higher operational efficiencies
- **9M FY21 profit at Rs.17.83 crore** as against loss of Rs. 0.22 crore in 9M FY20

Management Comment:

Commenting on the result, **Mr Sachit Jain, Vice Chairman & Managing Director, Vardhman Special Steels Ltd.** said,

“The growing demand in the automotive sector and strong demand from OEMs/component manufacturers for our products has helped us to overcome headwinds and post a good performance in terms of volumes in the third quarter. During the quarter, our sales volumes stood at 45,964 tonnes with a revenue of Rs. 288 crores and for nine months volumes stood at 1,02,437 tonnes with a revenue of Rs. 603 crores.

I am pleased to share that our third quarter growth has demonstrated a very satisfactory outcome of our ability to achieve set targets, capture strong demand and be meaningful to our customers. It shows our customers, our strong support, our resilience and our way of working and never compromising on quality of our products. On this front we have been constantly engaged in improving our efficiencies and our volumes, thereby improving our EBITDA per ton and have revised our targets of the same from the earlier Rs 4,500-6,000 to now Rs. 5,000-7,000. We further hope to revise this range upwards in a couple of years when our expansion gets approved and Aichi business starts. This quarter performance has been beyond our normal range.

We are now adding a new focus of improving our RoCE and hope to achieve a RoCE of 20% by 2025. We hope to achieve this by increasing our volumes, improving the net working capital. In this financial year, we are targeting to cross 14% RoCE and hope to achieve our target.



Overall, we remain focused on managing the business for the long term, transforming our business and our ways of working. I am thankful to the entire team at Vardhman for overcoming the uncertainties and driving value for our stakeholders.”

About Vardhman Special Steels Limited:

Incorporated in May 2010 as a Public Limited Company, Vardhman Special Steels Limited (VSSL) was vested with steel business undertaking of the parent company Vardhman Textiles Limited in 2011, pursuant to Scheme of Arrangement & Demerger.

Headquartered in Ludhiana, Punjab, VSSL is one of India’s leading producers of special steels, catering to diverse requirements of Automotive, Engineering, Tractors, Bearing and Allied Industries. The Company also takes care of steel requirements of select customers for forging applications in international markets of Thailand, Taiwan, Turkey, Italy, Russia, Germany, Vietnam and Japan.

The Company’s manufacturing facilities incorporate the latest cutting-edge manufacturing technology, ensuring highest levels of quality and compliance. VSSL’s varied product suite comprises of billets, steel bars and rods and bright bars of various categories of special and alloy steels.

Leveraging on state-of-the-art manufacturing facilities and vast experience in the domain, the Company has developed long term relationships with reputed and renowned customers globally, which include corporations such as Toyota, Maruti, Hyundai, Hero Moto Corp, Caterpillar, Hino Motors and Bajaj, among others.

For more details, please visit: www.vardhmansteel.com

For any Investor Relations query, please contact:

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Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.