

OUR COMPANY AT A GLANCE



WHAT WE DO

Vardhman Special Steels Limited is one of India's leading steel bar producers for automotive applications.



72.80%

Promoters holding,
Sept 30, 2017

I



0.38%

Institutional holding,
Sept 30, 2017



412.97

Market capitalization,
Sept 30, 2017 (Rs crore)



635.97

Enterprise value,
Sept 30, 2017 (Rs crore)

Billets
1,65,000 MTPA

Rolled bars
1,80,000 MTPA

Manufacturing capacity,
Sept 30, 2017



200+

Number of clients,
Sept 30, 2017



914

Team size,
Sept 30, 2017



428.00

Net Sales,
Sept 30, 2017 (Rs crore)

Vardhman Special Steels Limited Started in 1973



Steel Melt Shop



Annual Capacity : 165,000 MT

Rolling Mill



Annual Capacity : 180,000 MT

Bright Bar Shop



Annual Capacity : 30,000 MT

Area expansion :-

Current layout limited the space for finishing and conditioning in case of further increase in volume. We have taken new adjoining land (within Ludhiana) to move out storage and some finishing activities for more smooth material flow.

Quality Certifications

ISO 9001

ISO 14001

OHSAS 18001

ISO/TS 16949

All accredited by DNV

India's Best Companies To Work For 2012




INDIA'S BEST COMPANIES TO WORK FOR 2012

Vardhman Special Steels Limited

Ranked among Top 50 Companies having upto 1000 employees

For inspiring Trust among your people, for instilling Pride in them, for creating an environment within the workplace that promotes Camaraderie and for many other reasons that make your organization one of India's best companies to work for.

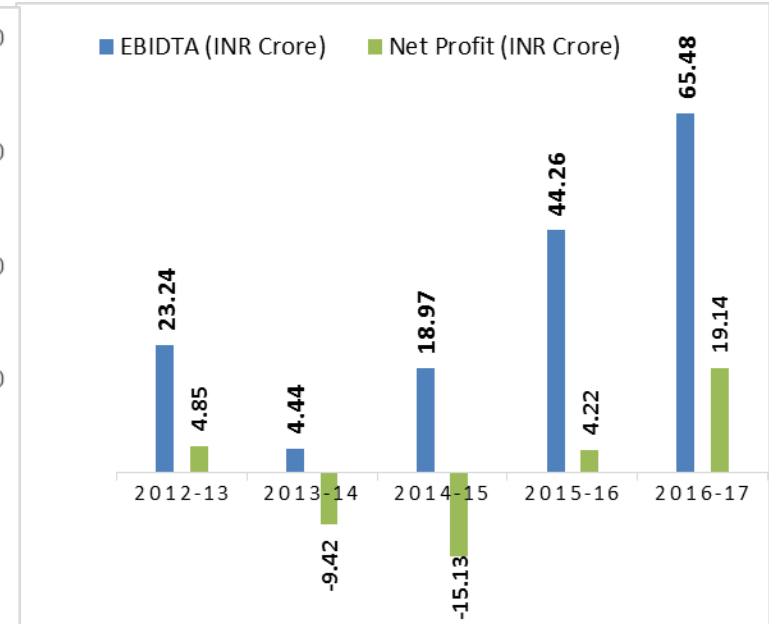
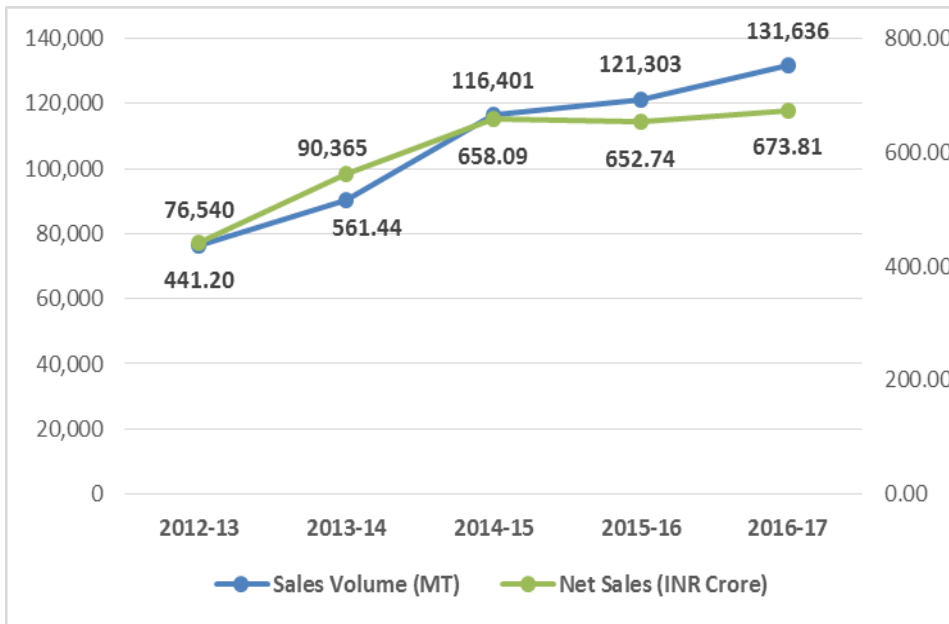

Prasenjit Bhattacharya
Chief Executive Officer
Great Place to Work® Institute India


R. Mani
CEO Publishing
Bennett, Coleman & Co. Ltd.



THE ECONOMIC TIMES

Our Performance Over The Years



Our customer's confidence Strengthened

14 Customers (Tier 1's & Tier 2's) giving us more than 60% of their business (2011-12)

21 Customers (Tier 1's & Tier 2's) giving us more than 60% of their business (2016-17)

Sales volumes increased

93,169 MT Sales volumes (2011-12)

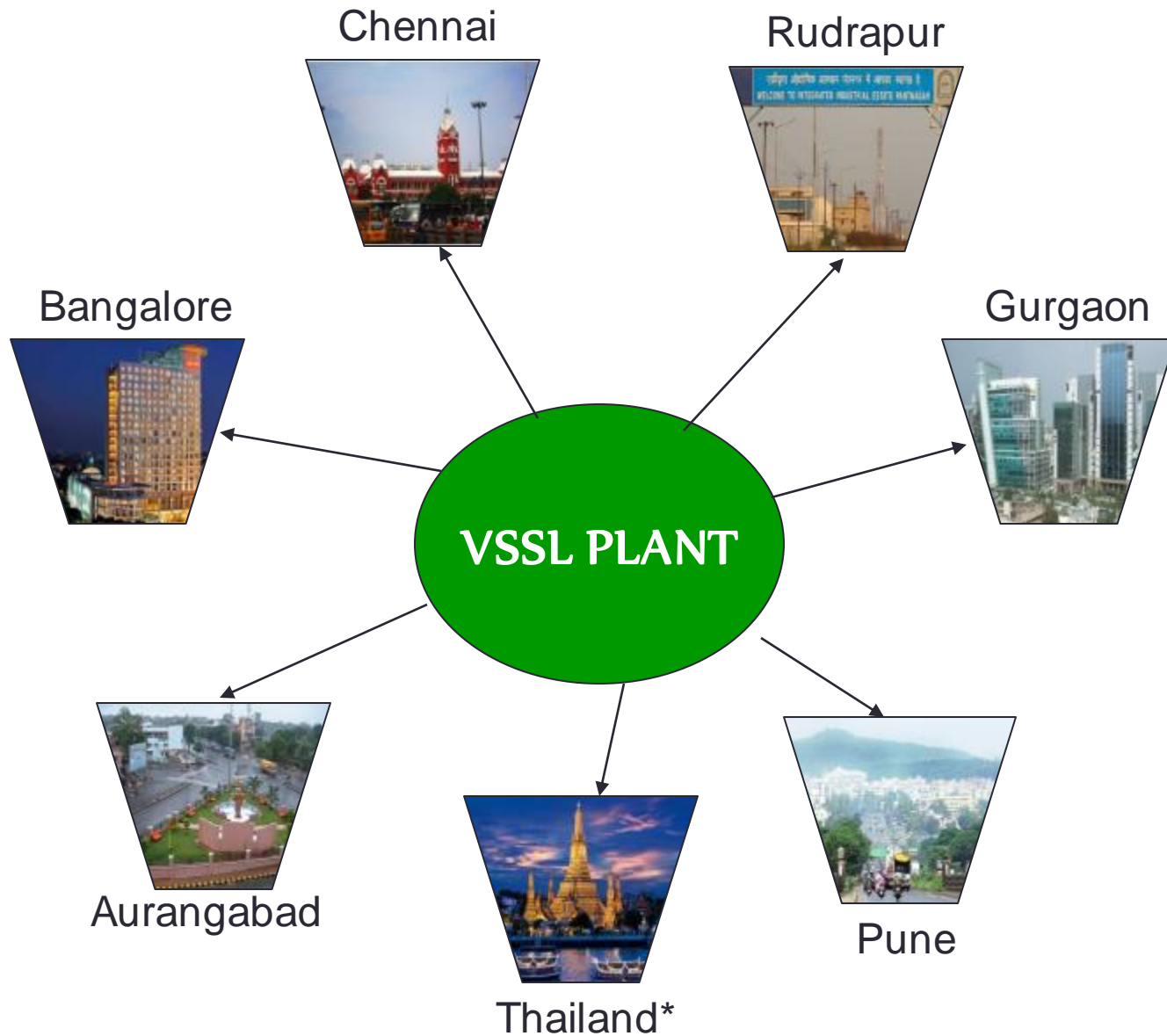
1,31,636 MT Sales volumes (2016-17)

Our steel production jumped (billets)

99,893 MT Steel production (2011-12)

1,35,884 MT Steel production (2016-17)

Distribution Network in India - Warehouses



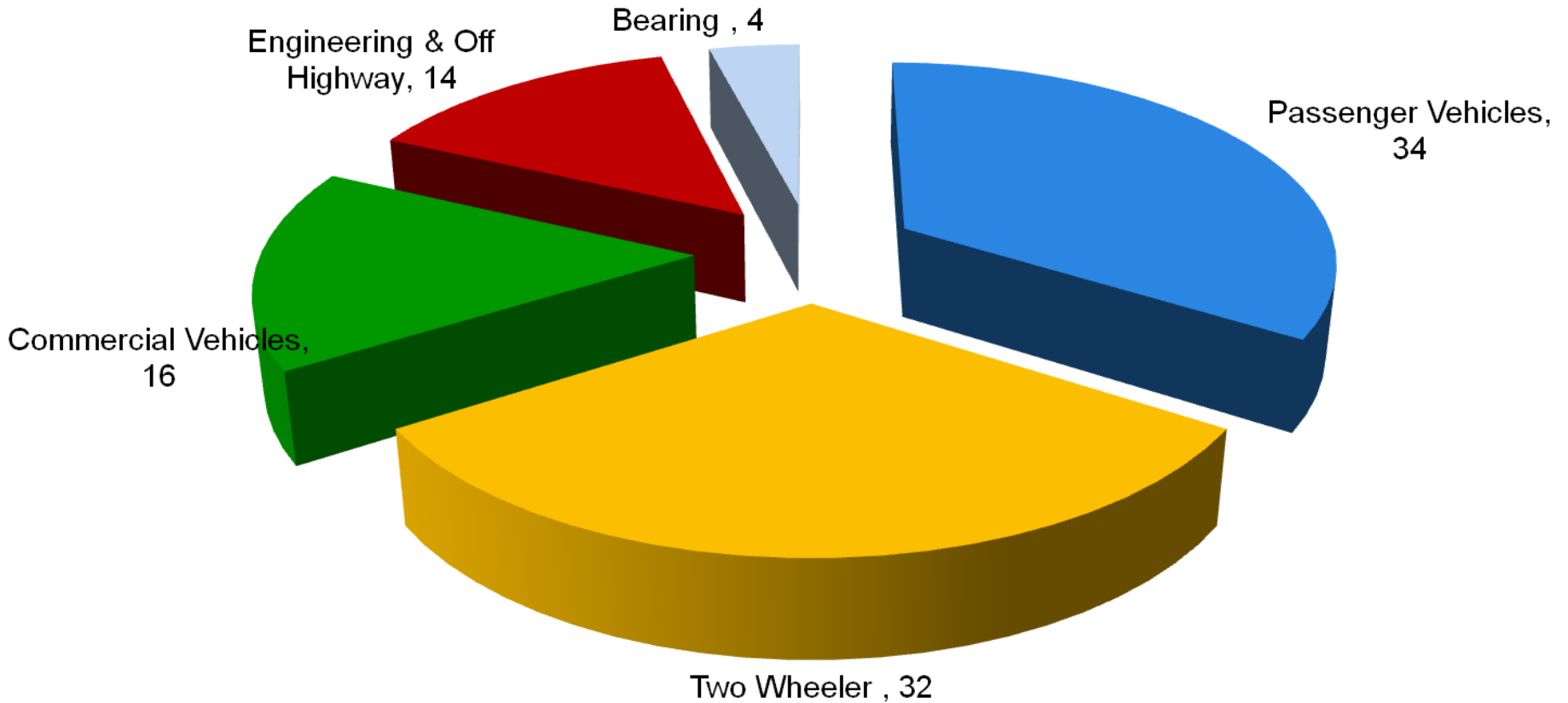
* Warehouse arrangement with GAC

Sector Wise Sales



Vardhman

Sales(MT)



Diversified Client List

Cars



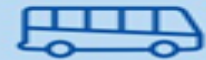
Toyota
Hyundai
Maruti Suzuki
Renault
Nissan
Ford

Two wheelers



Yamaha
Hero Motocorp
TVS
Baia Auto
Honda

HCL/LCV



Tata
Daimler
Ashok Leyland
Swaraj Mazda
Volvo

Auto Components



Oerlikon Graziano
Meritor
Magna
GKN
American Axle

Tractor



John Deere
Tafe
Mahindra
Sonalika
New Holland

Automotive Off Highway



Caterpillar
Dana
Jcb

We have one of the widest customer approvals.

Healthy Business Growth



11.17%

Revenue growth
(4-Year CAGR)



40.97%

Net profit growth
(4-year CAGR)



29.56%

EBIDTA growth
(4-year CAGR)



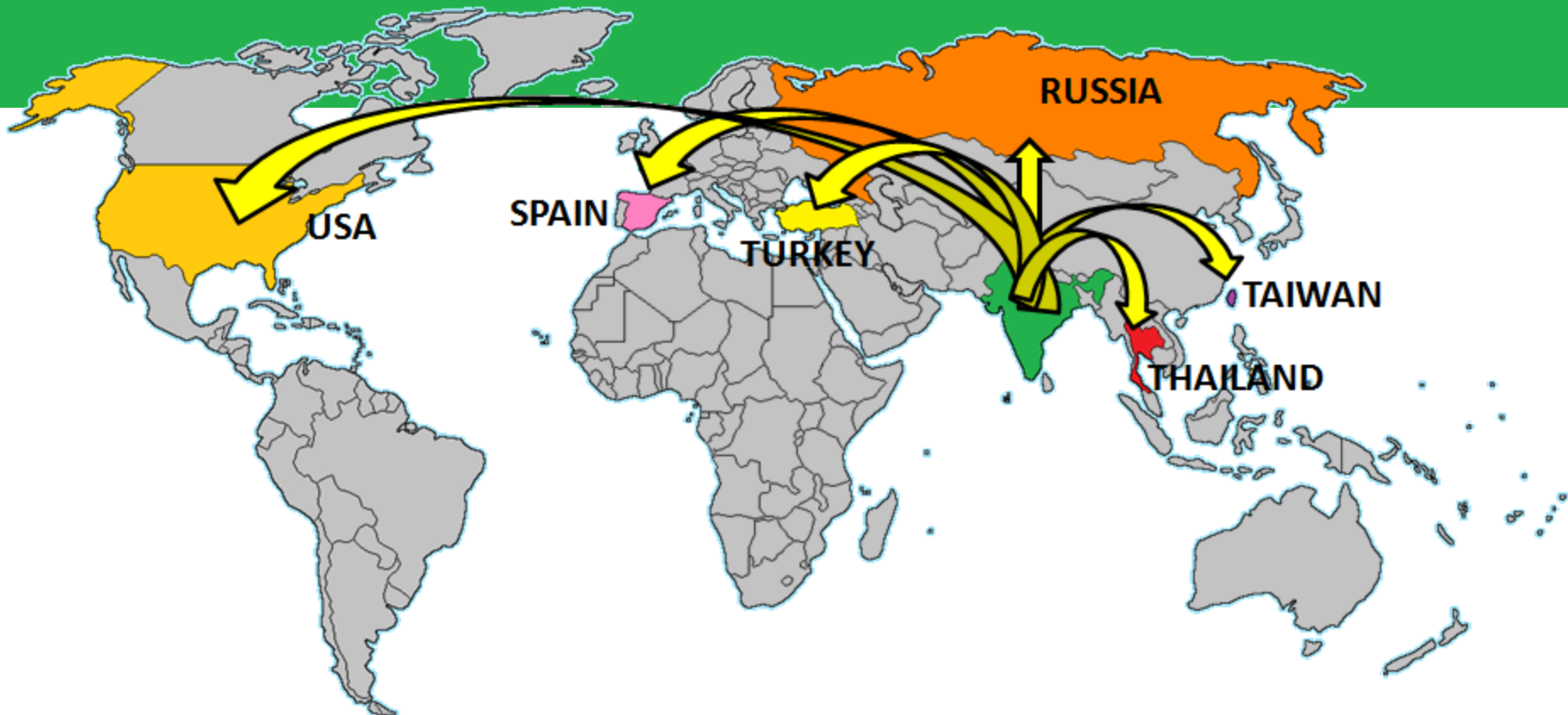
0.37%

Shareholders fund
growth (4-year CAGR)

OUR CUSTOMERS

“Through continuous improvement in business processes, knowledge and skills, we aim to achieve maximum customer satisfaction.”

We serve our customers all around the globe.



Current Business Apprehension

The Problem

- Recently Union Government announced that only electric vehicles (EVs) will be sold in India from 2030 with a view to reduce the effect of climate change.

Effects

- Threat in Long Term for new entrant.
- Future capacity expansion will be limited in this space.
- Can be viewed as a consolidation opportunity.
- Demand supply gap likely to increase due to no further incremental capacity coming up which could lead to increased supply margins in the ensuing years.

Solution

- Exploring the possibility to develop the products which are used in Electric Vehicles.
- Invest in the technology to develop the products in non-automotive areas like Bearing Steel, Ultra Clean Steel for defense Applications, Tools and Die Steels etc.

Our Edge Over Peers ...which has yielded good returns!



Key Financials

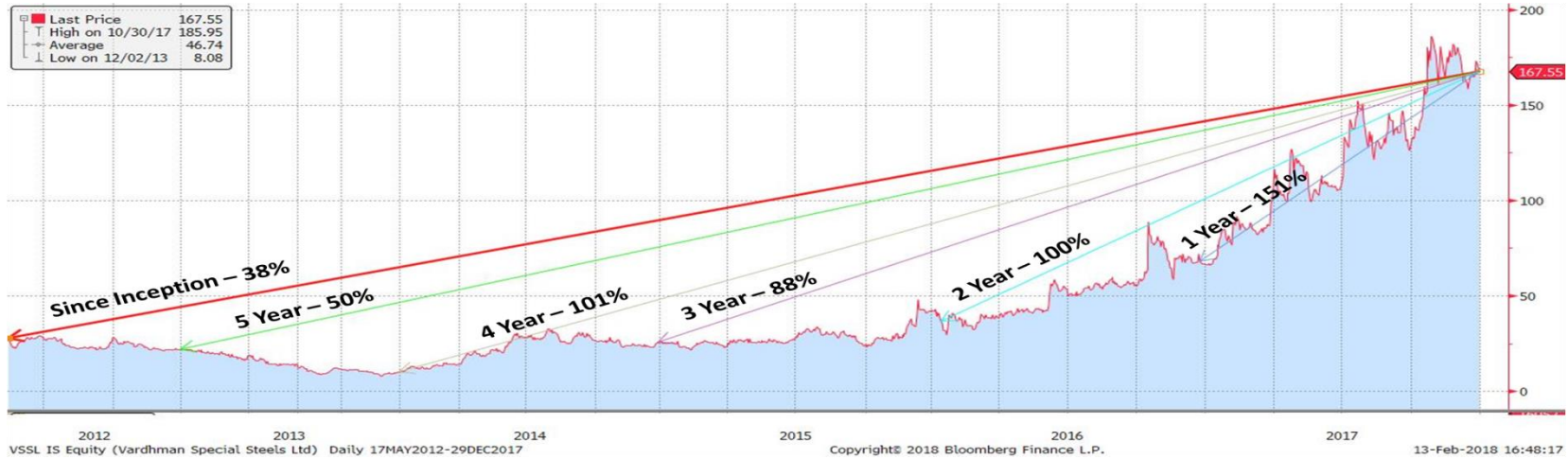
Rs. In Crores

\$ In million

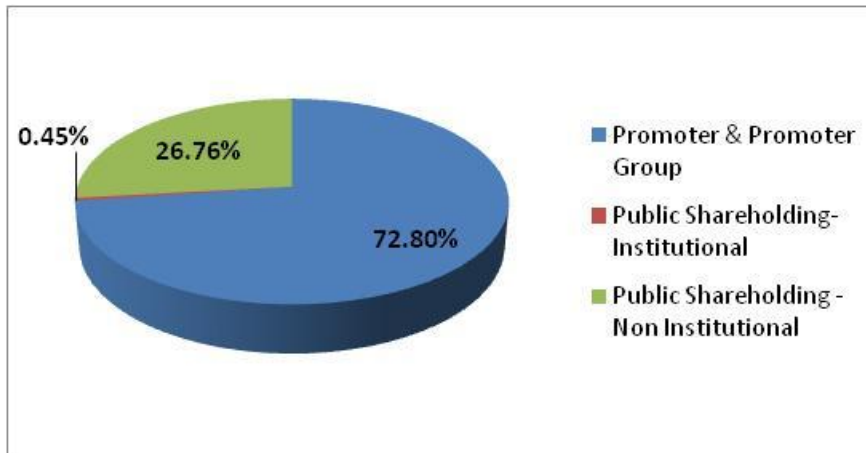
Particulars	FY'16	FY'17	FY'16	FY'17
Revenues	729.33	756.52	112.2	116.39
EBITDA	45.77	65.26	7.04	10.04
Margin %	6.28%	8.63%	6.28%	8.63%
PBDT	22.24	36.98	3.42	5.69
Margin %	3.05%	4.89%	3.05%	4.89%
PAT	5.21	19.01	0.8	2.92
Margin %	0.71%	2.51%	0.71%	2.51%
Net Worth	179.17	198.24	27.56	30.5
Net Debt	326.76	315.04	50.27	48.47
ROCE	9.05%	12.71%	9.05%	12.71%
RONW	12.41%	18.65%	12.41%	18.65%
EPS - Basic	2.81	10.28	0.04	0.16
EPS- Dilluted	2.81	10.28	0.04	0.16

All currency conversions in the presentation has been done at 1 US\$ = INR 65
All figures are for Vardhman Special Steels Ltd on consolidated basis.

Historical Stock Returns (Annualised)



Shareholding Pattern-31.12.2017



Way Forward.....Unfinished Agenda

To increase rolled production to 160000 MT in FY 18-19,170000 MT in FY 19-20 and 180000 MT in FY 20-21.Studies are being conducted to see whether rolled production can be increased further.

Looking for a joint venture.

Strong technical alliance with global player.

Explore value added products like alloy steel through ingot casting route.

Non- Independent Directors



Name	Designation	Qualification	Experience
Rajeev Gupta	Chairman and Independent Director	He is B. Tech from BHU/IIT, Varanasi and M.B.A. from IIM, Ahmedabad.	He has an experience of more than 34 years in manufacturing, investment banking and private equity. He has set up M&A Investment Banking Firm Arpwood Capital Ltd and Arpwood Partners, LLP.
Sachit Jain	Vice Chairman & Managing Director	He holds degree in B. Tech (Electrical) from IIT, New Delhi and MBA (Gold medalist) from IIM, Ahmedabad. He has also studied Financial Management from Stanford, USA.	He had started his professional career with Hindustan Lever in 1989 before he joined Vardhman Group. He has a rich experience of over 26 years in the Textile and Steel Industry.
Suchita Jain	Non-Executive & Non-Independent Director	She holds degree in Masters in Commerce from Panjab University Chandigarh.	She is having experience of more than 23 years in Textiles Industry. She was instrumental in starting Fabric manufacturing (both grey and processed) in group company Vardhman Textiles Limited.
Rajinder Kumar Jain	Non-Executive & Non-Independent Director	He holds degree in Chartered Mechanical Engineer from London University..	He retired as General Manager from Indian Railways after 35 years of service
B.K Choudhary	Non-Executive & Non-Independent Director	He holds degree in B.Sc., M.Com and M.B.A.	He has a rich experience of more than 43 years in Steel & Textiles Industry. He is Managing Director of Vardhman Acrylics Limited and also looks after one of the integrated Textile Unit of Vardhman Textiles Limited, namely, Vardhman Fabrics, Budhni.

Independent Directors



Name	Designation	Qualification	Experience
Jayant Davar	Independent Director	He is a Mechanical Engineer	He has an experience of more than 29 years in the Auto Industry. He is Chairman-cum-Managing Director of Sandhar Technologies Limited.
Sanjeev Pahwa	Independent Director	He is B. Tech from IIT, Delhi	He has an experience of more than 25 years in the field of bicycle/ automobiles tyres and tubes industry and bicycle components. He is Chairman-cum-Managing Director of Ralson (India) Limited.
Sanjoy Bhattacharyya	Independent Director	He holds degree in Bachelor of Science (Statistics Honours) and M.B.A. from IIM, Ahmedabad.	He worked as the Chief Investment Officer of HDFC Asset Management Company and is now a Director of consulting firm, Management Structure & Systems Private Limited. He has worked for more than 20 years in equities and investment management.

Thank you

