



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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Ref. VSSL:SCY:NOV:2020-21

Dated: 10-Nov-2020

BSE Limited,
1st Floor, 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

SUB: COMPLIANCE OF REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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/ half-year ended 30th September, 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

32% YoY volume growth – driven by strong demand in the domestic auto sector led to increase in Q2 FY21 performance, despite the initial COVID led disruption at the start of the year

Market recovery and growth led to normalcy in operational performance- Strict cost discipline and countermeasures, enabled achieving a robust result performance during the quarter

Q2 FY21 Volumes at 43,986 tonnes, YoY growth of 32.48%

Q2 FY21 Revenue from Operations at Rs.247.09 Crore, YoY growth of 16.65%

Q2 FY21 EBITDA (including other income) at Rs. 26.67 Crore, YoY growth of 234.52%

Q2 FY21 Profit at Rs. 8.94 Crore

9th November 2020, 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 Un-Audited Financial Results for the quarter and half year ended 30th September 2020 in the Board meeting held on 9th November 2020.

Key Financial Highlight (Rs. Crore): -

Particulars	Q2 FY21	Q2 FY20	Y-o-Y	H1 FY21	H1 FY20	Y-o-Y
Sales Volume (tonnes) (own manufactured)	43,986	33,203	32.48%	56,473	69,861	(19.16%)
Revenue from Operations*	247.09	211.82	16.65%	314.95	452.60	(30.41%)
EBIDTA**	26.67	7.97	234.52%	19.00	24.01	(20.89%)
PAT	8.94	(3.17)	382.18%	(3.83)	(2.03)	(88.96%)
Basic EPS (Rs.)#	2.21	(0.88)	351.14%	(0.95)	(0.57)	(66.67)

*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 September 30th, 2020:

- The volumes for the quarter stood at **43,986 tonnes** – **YoY growth of 32.48%**, mainly on account of strong demand from the automotive sector
- **Revenue from Operations increased 16.65% Y-o-Y to Rs. 247.09 crore** in Q2 FY21, as against Rs. 211.82 crore in Q2 FY20, mainly in account of increase in sales volume
- **EBITDA (including other income) for the quarter was Rs. 26.67 crore** as against Rs. 7.97 crore in the corresponding previous period, a **Y-o-Y growth of 234.52%**, mainly on account of increase in sales volume and reduction in raw material cost
- **Q2 FY21 Profit stood at Rs. 8.94 crore** as against Loss of Rs. 3.17 crore in Q2 FY20

For the half year ended September 30th, 2020:

- The volume for the first half stood at **56,473 tonnes** – **YoY decline of 19.16%**, mainly on account country wide lockdown in the first quarter of the financial year leading to a Q1 poor financial performance
- **Revenue from Operations was Rs. 314.95 crore** in H1 FY21, as against Rs. 452.60 crore in H1 FY20, a **Y-o-Y decline of 30.41%**, mainly on account of decline in sales volume by around 19.16% and in sale prices as well
- **EBITDA (including other income) for half year was Rs. 19.00 crore** as against Rs. 24.01 crore in the corresponding previous period, a **Y-o-Y decline of 20.89%**, mainly on account of COVID 19 situation in the first quarter, where Company was not able to achieve the desired sales volumes, and had to incur the fixed costs for the same period
- **H1 FY21 loss at Rs.3.83 crore** as against loss of Rs. 2.03 crore in H1 FY20

Management Comment:

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

“During the second quarter the auto sector has seen a sequential recovery month over month basis after the problems created by COVID -19 in the entire country. I am very happy to share that in Q2FY21, we have seen a strong recovery in our sales volumes and have registered a highest ever quarterly volume sales of 43,896 tonnes with a revenue of Rs. 247 crores. This growth in the volumes has been on account of the efforts our sales and manufacturing teams have put in, which have been working very hard and closely with the customers to ensure their requirements are met.”



Though our half yearly performance has shown a decline in sales volumes which was mainly on account of the lockdown in the first quarter. We utilized that time of the lockdown as an opportunity to connect with each member of the organisation, identify hidden problems and come up with newer and innovative ways to solve problems and also train and upgrade our self and the benefits of which we have started to see.

Our plans to increase the production and improve the profitability have been formulated and we have started to work in that direction and expect to see further improvement in the coming quarters on this front.

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:

<p>Mr. Sanjeev Singla Vardhman Special Steels Limited Email: sanjeevsingla@vardhman.com</p>	<p>Mr. Amit Sharma / Mr. Smit Shah Bridge Investor Relations Pvt. Ltd Email: amit@bridge-ir.com / smit@bridge-ir.com</p>
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Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's



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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.